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PROCEEDINGS AND DEBATES OF THE 76th CONGRESS
FIRST SESSION

VOLUME 84—PART 2

FEBRUARY 7, 1939 TO MARCH 6, 1939

(PAGES 1179 TO 2334)



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HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 7, 1939

The House met at 12 o'clock noon.

Rev. Edward P. McAdams, pastor of St. Joseph's Church, Washington, D. C., offered the following prayer:

We pray Thee, Almighty and Heavenly Father, to send down Thy divine spirit of counsel to direct the deliberations of this august body and to keep its Members conscious of their obligations to Thee, the author and giver of all blessings. Today we are struck with fear when we see so many nations reverting to paganism and barbarous cruelties in their efforts to crush out of the minds and hearts of their citizens the spirit of liberty which we have enjoyed since the institution of our well-beloved Government. We pray Thee, therefore, to give to these lawmakers the inspiration and power to frame such laws and enactments that will conserve our liberties and bring about progress and prosperity, to the end that other nations, following after the example of the United States in its fidelity to Christian ethics, may be confirmed in peace, governed in justice, and animated with love for their fellow men. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 2868. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes.

The message also announced that Mr. BARKLEY, Mr. PITTMAN, Mr. HARRISON, Mr. McNARY, and Mr. BORAH had been appointed members on the part of the Senate to the Joint Committee on the Commemoration of the One Hundred and Fiftieth Anniversary of the First Congress of the United States, pursuant to the provisions of House Concurrent Resolution 4, agreed to February 1, 1939.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 25. An act prohibiting the operation of motor vehicles in interstate commerce by unlicensed operators;

S. 117. An act for the relief of Lulu M. Peiper;
S. 279. An act for the relief of Pherne Miller;
S. 529. An act for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher;
S. 584. An act for the relief of John R. Holt;
S. 660. An act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for the reapportionment of cotton acreage allotments not planted by farmers entitled thereto;

S. 764. An act for the relief of Charles F. Kegel;
S. 885. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission;

S. 1076. An act for the relief of the widow of the late William J. Cocke; and

S. J. Res. 57. Joint resolution authorizing the Secretary of War to cause a completion of surveys, test borings, and foundation investigations to be made to determine the advisability and cost of putting in a small experimental plant for development of tidal power in the waters in and about Passamaquoddy Bay, the cost thereof to be paid from appropriations heretofore or hereafter made for such examinations.

THE GOVERNMENT IN BUSINESS

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I want to call to your attention the fact that the Tennessee Valley Authority yesterday bought for \$78,600,000 from Mr. Willkie the power plants of the Commonwealth & Southern in the State of Tennessee. I want to know where you are going to get the money.

Another thing I would like to find out from the Members of this House is this: When you purchase all the public utilities of this country, where are you going to have anybody else who will be able to pay the taxes? Now we are coming to the point where you will have Government ownership of everything; where you will have this Government going into everything under this New Deal. The first thing you know we will have a Russian form of government, and we will have Mr. Roosevelt as dictator at the head of this Government. It is high time to stop putting the Government in all kinds of business. In the name of our American form of government, it is time that this New Deal government here in Washington be prohibited from buying or taking over all

private property. What will be left of our American freedom or American individualism?

The SPEAKER. The time of the gentleman has expired.

RELIEF APPROPRIATION (H. DOC. 152)

The SPEAKER laid before the House the following message from the President of the United States, which was referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

On Saturday, February 4, I approved House Joint Resolution No. 83, which appropriates \$725,000,000 to continue the operations of the Works Progress Administration for the remaining 5 months of the current fiscal year.

I would have withheld my approval of this legislation on the ground of its inadequacy to meet human need and I would have immediately asked for a larger sum if it had not been for the provision that there shall not be a reduction of more than 5 percent of the number of employees on Works Progress projects prior to April 1, 1939.

This proviso leads to the conclusion that the Congress stands ready during the balance of February and the month of March to reconsider actual needs in time to increase before April 1 the appropriation for the last 3 months of the fiscal year.

In my message to the Congress on January 5, 1939, I recommended a supplementary appropriation of \$875,000,000. This was based on a program to give employment to 3,000,000 workers during February and March and to reduce this employment to an average of 2,700,000 workers in June. This estimated reduction of 300,000 workers by June took full cognizance of the economic recovery which might reasonably be anticipated.

Because it has been necessary during the first week of February to utilize all working capital and pay-roll reserves normally maintained to protect the funds of the United States against overobligation, it will also be necessary immediately to reestablish these reserves from the supplementary appropriation.

The net amount available to finance the Works Progress Administration from February 1 to June 30 is therefore \$725,000,000.

In discussing the employment that can be provided for 5 months with \$725,000,000 first consideration is given to the winter months of February and March. The joint resolution requires that reduction in employment in those months shall not exceed 5 percent, which reduction, if carried out, would mean the discharge of 150,000 employees.

However, I call your attention to the fact that the rolls have already been reduced by 350,000 since the last week of last October. As no new assignments have been made during this period, there has been a large accumulation of able-bodied people certified to us as in need of relief—people, however, who have not been able to secure places on the work program.

The need of these people is so apparent and so deserving that the rolls, in human decency, ought not to be reduced during February and March by even 5 percent. After conferences with the Works Progress Administration it has been determined for the above reason to hold the rolls at the present figure of 3,000,000 persons during these 2 months.

To employ these 3,000,000 people at the prevailing average monthly cost of \$61 will require an expenditure of \$366,000,000.

This will leave \$359,000,000 for the months of April, May, and June.

Under the terms of the joint resolution this sum must be apportioned over the entire period to June 30. The Administrator will have at his disposal an average of approximately \$120,000,000 per month for these 3 months—providing an average employment of slightly less than 2,000,000 persons.

Two alternatives under the joint resolution are open to the Administrator. The first is to reduce the rolls abruptly by 1,000,000 persons on the first of April and provide an average employment of 2,000,000 persons during the ensuing 3 months. This would result in throwing this very large

number of persons out of employment suddenly. Such a number cannot possibly be absorbed by private industry in time to prevent extreme distress.

And I call your attention to the fact that on the average every person discharged from the rolls has dependent on him or her three other persons. In other words the greater part of 4,000,000 Americans will be stranded.

The second alternative is to commence a week-by-week reduction on April 1 and to carry this reduction through to June 30. Even on the assumption that all reserves which under proper governmental procedure should be maintained, were completely expended by June 30, such reduction would require that employment by the end of June will be reduced to a figure well below 1,500,000 persons.

In other words the program of present employment would be slashed considerably more than one-half within a period of 3 months.

If, however, proper reserves were maintained at the end of the fiscal year, employment at the end of June would drop still further—to a figure of only slightly more than 1,000,000 persons.

Therefore, on a program of gradual reduction from 1,500,000 to 2,000,000 persons would be thrown out of Works Progress Administration employment—or, with the addition of those dependent on them, from 6,000,000 to 8,000,000 Americans would no longer receive Federal Government aid.

I ask that the Congress commence immediate consideration of these simple and alarming facts. The operations of the Works Progress Administration are of such magnitude that if a reduction such as I have above described has to be carried out, orderly and efficient planning requires that this be known definitely by the first week in March. It is equally important that the executive branch of the Government be informed at the earliest possible moment what additional funds, if any, will be available on and after April 1.

I invite the attention of the Congress to the fact that my recommendation for the larger amount was made to the Congress on January 5 and the joint resolution providing for a much-reduced appropriation was presented for my consideration more than 4 weeks later.

In view of the foregoing considerations, I report to the Congress that in my opinion an emergency now exists, and that the facts constituting such emergency are as follows:

(a) That the rolls of the Works Progress Administration should be held at the present figure of 3,000,000 through the winter months of February and March to prevent undue suffering and to care in part for those persons who have been certified as in need, but have not been given employment.

(b) That the funds which have been provided by the Congress, if not supplemented, will require a very drastic reduction in the Works Progress Administration rolls commencing April 1, 1939, which would result in removing people from the work program in numbers far beyond those that could be absorbed by industry with any conceivable degree of recovery. Widespread want or distress would inevitably follow.

(c) That the need for orderly planning of the Works Progress Administration program requires that the Administrator should know by the early part of March what funds will be at his disposal after April 1, and that, due to the time required for congressional action, this can be brought about only by my reporting to the Congress on the situation at this time.

I therefore recommend to the Congress immediate consideration of legislation providing an additional sum of \$150,000,000 for the Works Progress Administration to be available in the balance of the current fiscal year.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 7, 1939.

RESIGNATION FROM COMMITTEE

The SPEAKER. The Chair lays before the House the following resignation from committee:

FEBRUARY 6, 1939.

HON. WILLIAM B. BANKHEAD,

Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Because of the pressure of business in connection with the other committees of which I am a member, I hereby

submit my resignation as a member of the Committee on Immigration and Naturalization.

With kind regards and best wishes, I am,
Respectfully yours,

H. K. CLAYPOOL.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION TO COMMITTEE

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer the following resolution (H. Res. 83) and ask for its adoption.

The Clerk read as follows:

House Resolution 83

Resolved, That KARL M. LECOMPTÉ, of Iowa, be, and he is hereby, elected to the Committee on the Public Lands of the House of Representatives.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by having printed therein an address made over the radio last evening by the Secretary of the Interior, Mr. Ickes.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks by including a speech made by Dr. Parran and another by Dr. Vonderlehr, of the Public Health Service, before the Social Hygiene Association recently in Washington.

The SPEAKER. Is there objection?
There was no objection.

PERMANENT PUBLIC WORKS ADMINISTRATION

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER. Is there objection?
There was no objection.

Mr. RANDOLPH. Mr. Speaker, a few days ago I placed in the RECORD my feelings about the need for a permanent Public Works Administration.

I am placing in the hopper today a measure which I have introduced on my own individual responsibility, to bring about the creation of a United States Public Works Authority.

There are almost 6,000 project applications now on file with the Public Works Administration. I believe the Members of Congress and the citizenry of the United States favor a public-works program of a permanent type. [Applause.]

EXTENSION OF REMARKS

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a resolution of the American Legion of Minden, Nebr.

The SPEAKER. Is there objection?
There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a petition I have received.

The SPEAKER. Is there objection?
There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?
There was no objection.

Mr. ALLEN of Louisiana. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an address I made on Saturday night.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

LEAVE OF ABSENCE

Mr. EATON of New Jersey. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey, Mr. HARTLEY, be granted leave of absence because of illness in his family.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

EXTENSION OF REMARKS

Mr. SCHWERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a newspaper article regarding the continuance of P. W. A. and additional appropriations for the P. W. A. program as it might affect Erie County.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MEXICAN-AMERICAN RELATIONS

Mr. BLOOM. Mr. Speaker, I present a privileged report from the Committee on Foreign Affairs.

The Clerk read as follows:

Resolved, That the Secretary of State is hereby instructed to furnish the House of Representatives, within 15 days from receipt thereof, answers to the following questions:

Is it true that the Mexican Government bartered oil from American and British properties expropriated for German, Italian, and Japanese products, and is increasing such barter arrangements?

Exclusive of oil, have not American investments in Mexico been eliminated, or decreased enormously in value, since 1929, and has not this process been vastly accelerated since President Cardenas took office?

Have reported loss of American investments in many fields led to reductions in United States-Mexican trade?

Is it true that the Mexican Government has just appointed a Minister to Berlin after the post has been vacant since 1937; that Japanese Government fisheries experts have served as honorary commissioners of the Mexican Bureau of Fisheries recently and Mexican youths are being sent to Japan for free fisheries education; further, that Japanese engineers constructed the Jalapa (Mexico) Vera Cruz Highway, and that Japanese have Mexican officials' fishing concessions on the west coast?

What has the State Department done to obtain adequate compensation for American holders of bonds in the Mexican national railroads expropriated in 1937?

Does the State Department have any evidence that Germany, Italy, and Japan had an agreement to absorb Mexican oil, including that now being shipped to the German and Italian navies, before expropriation of American and British properties? Did not such shipments start almost immediately after expropriation?

Is it true that Mexican real wages have fallen in the past 2 years?

Did the Ambassador inform the State Department beforehand that the railroads and oil properties would be expropriated or was that as Mr. Josephus Daniels was publicly quoted as saying later "a bolt from the blue"?

Has the State Department a full record of the American Ambassador's speeches and public remarks in the period prior to and after the recent major expropriations and does it endorse these?

What was the complete text of all speeches made by the American Ambassador to Mexico on the subject of expropriation and also the complete text of all his reports to the Secretary of State on this subject and on the subject of Mexico's relations with Germany, Italy, and Japan, as well as reports from other sources on the same subjects?

Is it satisfied that the American Ambassador in Mexico City is now taking steps to protect the remaining American investments in Mexico on a fair basis?

Did the State Department, as publicly reported, agree to the expropriation of any American-owned property in Mexico after the recent United States-Mexican agreement to adjudicate land claims was signed, and was any such property expropriated?

The SPEAKER. Without objection, the Clerk will read the report.

There was no objection.

The Clerk read as follows:

ADVERSE REPORT (TO ACCOMPANY H. RES. 78)

The Committee on Foreign Affairs, to whom was referred the resolution (H. Res. 78) requesting information of the State Department on Mexican relations, having considered the same, submit the following report thereon, with the recommendation that it do not pass:

Such information available to the Department of State as is consistent with the public interest has been furnished your committee and is on file.

Mr. BLOOM. Mr. Speaker, I move that the resolution be laid on the table.

The SPEAKER. The gentleman from New York moves that the resolution be tabled.

Mr. FISH. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from New York rise?

Mr. FISH. Mr. Speaker, I rise to a question of consideration.

The SPEAKER. The question of consideration is not in order at this time.

Mr. FISH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FISH. Mr. Speaker, the report as read stated that there was a statement from the Secretary of State on file in the committee room. My question, Mr. Speaker, is whether this statement of the Secretary of State, which is not being published here and which, in my opinion, is carrying out the secret diplomacy of the administration, is open to inspection by all Members of Congress?

The SPEAKER. Answering the inquiry of the gentleman from New York, the Chair states that disposition of the report, what should be done with it, whether it should be thrown open to all Members of Congress, is a matter within the discretion of the Foreign Affairs Committee.

Mr. FISH. And if the committee has taken no action, can the Members of Congress see the report?

The SPEAKER. The Chair is of opinion that that is a matter that should be submitted to the chairman of the committee and the committee itself.

Mr. FISH. Can anyone outside of a Member of Congress see it? Can the reporters see it?

The SPEAKER. The Chair thinks not without the permission of the Committee on Foreign Affairs.

Mr. FISH. I thank the Speaker.

The SPEAKER. The question is on the motion of the gentleman from New York.

The motion was agreed to; and a motion to reconsider was laid on the table.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday this week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial on education.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a radio speech by me.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FIRST DEFICIENCY APPROPRIATION BILL, 1939

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes, disagree to the amendments of the Senate, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. TAYLOR of Colorado, WOODRUM of Virginia, CANNON of Missouri, LUDLOW, THOMAS S. McMILLAN, SNYDER, O'NEAL, JOHNSON of West Virginia, TABER, WIGGLESWORTH, LAMBERTSON, and DITTER.

INDEPENDENT OFFICES APPROPRIATION BILL, 1940

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1940, and for other purposes; and pending this motion, I ask unanimous consent that general debate shall be confined to the bill and shall extend to 4 o'clock, the time to be equally

divided between the gentleman from Massachusetts and myself.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3743, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the independent offices appropriation bill carries the sum of \$1,568,506,769. As found in the report and set out in the detail analyzing the various items, the bill is \$30,000,000 plus less than the amount for comparable items in the bill last year. In the computation it is necessary to take into account some nonrecurring items. A full analytical statement of that is found in the committee report, and I will extend the statement of that in the RECORD and answer any questions a little later if it is necessary to do so.

This bill provides for something like 40 of the independent establishments of the Government. It would be physically impossible to take each one of those items and discuss it on the floor of the House, although it might be very desirable to do so. The gentleman from Illinois and the gentleman from Massachusetts will speak later, both of whom are thoroughly familiar with the bill, and I am going to just touch the high spots in it that I think will be of interest to the Committee and try to answer questions, if you have questions on the various items.

At the outset I want to speak of the action of the committee in withholding a portion of the salaries of the Civil Aeronautics Authority and the Maritime Commission. The organic law provided a basic salary of \$12,000 per annum for the Interstate Commerce Commission and for the Tariff Commission. Since the days of the economy bill in 1933 we have carried in this bill regularly a section dropping those salaries back to \$10,000 a year, notwithstanding the larger amount carried in the organic law creating these commissions. We carry in this bill for the first time the Civil Aeronautics Authority and the United States Maritime Commission. Here again Congress has fixed the basic salary of \$12,000. The committee did not feel justified in putting back the original amount for the Interstate Commerce Commission and the Tariff Commission in view of the present economic condition of the country and yet felt it would be manifestly unfair to those agencies to withhold a portion of the salaries and permit the larger amounts to be paid members of the Aeronautics Authority and the Maritime Commission; nor did the committee feel there were any such great outstanding duties imposed upon the Aeronautical Authority and the Maritime Commission that there should be any differential in the salaries paid to the membership of those two commissions.

All of those commissions are manned by distinguished, high-class citizens. Many former Members of this body are upon those commissions, but there are other agencies of the Government also. The Federal Trade Commission is one of the most important quasi-judicial commissions of the Government, on which there are two distinguished and able former Members of this body in the \$10,000 salary bracket, and while it is not a pleasing thing to withhold a portion of an official's salary, on the other hand there should be some rule, some uniformity, about the situation. The matter is brought to the House for its determination. These members ought to be put up to \$12,000 or held back to \$10,000. The action of the committee in doing so was in nowise a reflection on the distinguished gentlemen who compose these commissions. So much for that. The matter was mentioned on the floor of the House yesterday.

The Aeronautical Authority is carried in this bill, and it is one of the new agencies created by the Congress to take over the duties of the old Bureau of Air Commerce, in the Depart-

ment of Commerce, and the Bureau of Air Mail, in the Interstate Commerce Commission. This new agency has very important duties and functions to perform. We have given them \$21,218,000 with which to operate for the fiscal year 1940, and of that \$7,000,000 is for the purpose of improving airways, equipment, and safety devices upon airways, the remainder to be used for their general administrative expenses. This Authority requires a large and highly trained personnel. The committee feels that this Commission will approach its duties carefully and painstakingly, and particularly will give very careful attention to the development of high-frequency radio ranges and other very recent and important attributes of safety in aviation. The committee hopes that the Congress and this Commission will spend all of their efforts in trying to find ways and means of helping aviation and making aviation safer not only for governmental activities but for private activities as well.

The Civil Service Commission is given in this bill an increase of approximately a half million dollars. The report on page 7 shows a break-down of the duties of the Commission and the reasons for this increase in appropriation.

The Civilian Conservation Corps is carried in this bill and is given an increase of a little over \$8,000,000 over the current fiscal year, which is almost entirely accounted for by the necessity for purchasing new equipment and clothing for the enlisted personnel. This corps is maintained at the present strength of 1,500 camps, giving approximately 300,000 men average employment.

The National Labor Relations Board is carried in this bill. We give them for the fiscal year \$3,189,600 for its administrative expenses, which is \$234,600 more than it has for the current fiscal year, but \$40,000 less than the Budget estimate.

Mr. COX. Will the gentleman yield now for a question, or would he prefer to conclude his remarks?

Mr. WOODRUM of Virginia. I will yield now for a brief question.

Mr. COX. The gentleman, I am sure, knows that if there is one Member of this House whom I am willing to follow, so far as appropriations are concerned, it is the gentleman from Virginia [Mr. WOODRUM]. I am wondering just what the gentleman and his committee found in the hearings that commended the National Labor Relations Board to any special consideration on the part of the Congress. This is a judicial body, or, at least, it is supposed to be, but the injudicious manner in which the Board has carried on has brought the law into great disrepute and stands itself thoroughly discredited.

In other words, I am convinced that the Board does not function as a judicial body. The fact that it is partisan, that it acts not only as informant but as investigator, prosecutor, and judge, is well known to everybody in this country.

I am wondering if the gentleman and his committee could not have found it possible to cut down the appropriation for this activity to even a greater extent than has been done, and thereby give evidence of public dissatisfaction with the manner in which the Board has performed its functions. I believe the Board to be thoroughly disreputable and therefore deserving of no special consideration on the part of this Congress.

Mr. WOODRUM of Virginia. The committee in appropriating \$3,189,600 for the National Labor Relations Board or in withholding \$40,000 of the Budget estimate in no wise undertakes to pass upon the fundamental question of whether or not there should be a National Labor Relations Board or whether the Board is properly performing its duties according to what I might think its duties should be or the gentleman might think its duties should be. The committee does not feel it is the tribunal to decide whether or not there should be a repeal of the Wagner Act or amendments to it, or what should be done about it. The committee has sought to provide a sufficient fund for the National Labor Relations Board to perform the functions Congress so far has placed upon it, and that is the sole inquiry the committee has carried on.

Mr. COX. Will the gentleman yield further?

Mr. WOODRUM of Virginia. Briefly.

Mr. COX. I have information from a source I consider worthy of belief that the National Labor Relations Board has initiated a campaign, which it is prosecuting with more or less vigor, that has for its objective the breaking down of the color line in the South. I believe in the handling of the labor problem and labor organizations that is unquestionably true. If it be true, does not the gentleman believe it might be well that there be some special investigation of the Board?

Mr. WOODRUM of Virginia. I do not care to express an opinion on some information that has been brought to the gentleman from some undisclosed source. I may say to the gentleman we had open hearings at which any Member of the House might have appeared if he had sought to do so, and nothing was brought to the committee in its official capacity along the line the gentleman suggests.

Mr. COX. There was no inquiry into that subject.

Mr. WOODRUM of Virginia. There was no investigation of the Labor Board. The Committee on Appropriations could not undertake to have an open, sweeping investigation of the forty-odd agencies covered by this bill. Congress has full legislative opportunity to make any change it may see fit in its wisdom to make in this law. It is not the function of the Committee on Appropriations to do it, and we have not sought to do it in any way, shape, or form.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Do not the hearings disclose that the members of the Board gave it as their opinion that whatever views they might have toward the sit-down strike were immaterial? Is it not also true that at page 1629 of the hearings they said the holdings of the Board were to the effect that an employer was not permitted to tell the workers they did not need to join any particular union? I know that is not a direct quotation, but is not that the substance of the testimony?

Mr. WOODRUM of Virginia. There was quite a full inquiry along that line, I may say to the gentleman, all of which relates to the matter of fundamental policy of the Board, which is not within the purview or function of the Committee on Appropriations.

Mr. HOFFMAN. I realize the distinction, but does the gentleman believe we should continue to appropriate money for the dissemination of the doctrine that an employer cannot tell his workers whether they must join or not join a labor union?

Mr. WOODRUM of Virginia. I believe when Congress sets up an agency and in that law gives it certain functions to perform, the Committee on Appropriations should appropriate a sufficient sum for that agency to perform such functions until Congress changes the law.

Mr. HOFFMAN. Regardless of what the agency does?

Mr. WOODRUM of Virginia. Regardless—that is pretty broad.

Mr. HOFFMAN. I know it is.

Mr. WOODRUM of Virginia. Of course, Congress could withhold all appropriations. It is now within the province of the House, if it wishes to do so, to strike all appropriations from this bill.

Mr. HOFFMAN. I know; but in connection with this item, for instance, when the bill comes in here with a recommendation from so distinguished a gentleman as is now addressing us, the gentleman realizes there is little chance of striking it out of the bill.

Mr. WOODRUM of Virginia. I may say to the gentleman that the controversies relating to the National Labor Relations Board are not controversies the Committee on Appropriations believes it can help the House to settle. Such controversies should be considered by a legislative committee or by appropriate legislation seeking to amend the law.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a brief question?

Mr. WOODRUM of Virginia. I yield to the gentleman from Michigan.

Mr. DONDERO. Did the gentleman's committee take into consideration the suggestion that has been made by the President that the Wagner Act ought to be revised or amended, which might change the functions of the Labor Board?

Mr. WOODRUM of Virginia. That suggestion would not address itself to the Committee on Appropriations. The National Labor Relations Act came from the House Committee on Labor, and the Appropriations Committee would not undertake to revise that law.

Mr. DONDERO. Inasmuch as the President had made the suggestion that the law should be revised or amended, the thought occurred to me that if a revision is made the power of the Board may be curtailed, and, rather than encourage the Board in the conduct of its present procedure, the appropriation might be curtailed and the expense reduced.

Mr. WOODRUM of Virginia. The Congress can do that if it wishes to do so on this bill. It can do whatever it wishes to do about the appropriation in this bill.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Texas.

Mr. RAYBURN. The Appropriations Committee might well take the position that under any revision of this act the law might cost more, instead of less, to administer.

Mr. DONDERO. But it might cost less also.

Mr. RAYBURN. It might cost less, but that question is not before the Appropriations Committee, as the gentleman from Virginia has so well stated. It is the duty of the Appropriations Committee to follow the will of Congress in setting up commissions and, therefore, to give such commissions enough money to function properly. Whether the National Labor Relations Board has functioned properly or whether it has pleased everybody or has pleased anybody I do not know, and that is not a question that was before the Committee on Appropriations, as the gentleman from Virginia has well said.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is it not a fact that this Board has had before it since its inception 15,082 cases, and is it not also a fact that with all those cases, only in 6 percent of the cases was an order issued by the Board to cease and desist, the rest having been disposed of by agreement preceding the trial or by withdrawal on the part of the union or settled in some other amicable manner?

Mr. WOODRUM of Virginia. There are figures of that sort in the hearings, I will say to the gentleman from Montana.

Mr. O'CONNOR. Is not that the fact?

Mr. WOODRUM of Virginia. I do not know whether that is the fact or not. That statement was made in the record.

Mr. O'CONNOR. That is the testimony in the record of the gentleman's committee.

Mr. WOODRUM of Virginia. There is some testimony of that sort in the record.

Mr. O'CONNOR. If that is true, this Board has certainly done a mighty good piece of work in averting strife, conflict, and contention between employers and employees and has done this at a very low cost to the Government, when only 6 percent of a total of in excess of 15,000 cases were actually tried and in which an order was ultimately issued to cease and desist.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Mr. Chairman, following up the thought of the gentleman from Montana [Mr. O'CONNOR] and the gentleman's reply thereto, it is my understanding that in every case, with the exception of one, the Supreme Court of the United States upheld the National Labor Relations Board in its findings.

Mr. WOODRUM of Virginia. I understand that is true.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield to me there?

Mr. WOODRUM of Virginia. I yield to the gentleman.

Mr. HOFFMAN. In answer to the gentleman from West Virginia and the gentleman from Montana, I am asking the gentlemen if they do not know that 90 percent of the representation cases are not even made up or reported and the employees have no right of appeal?

Mr. O'CONNOR. Let me answer that statement. Those cases are settled, and whenever cases are settled they do not make headlines in the newspapers and that is the reason the public does not know about them.

Mr. HOFFMAN. And the employees have to take the decision.

Mr. O'CONNOR. Oh, no.

Mr. HOFFMAN. Let the gentleman point out in the Wagner law where an employee can appeal from a decision of the Board in such cases. It cannot be done.

Mr. O'CONNOR. This Board acts exactly as the Federal Trade Commission. They have the right to appeal from the National Labor Relations Board and only 6 percent of the entire 15,000 cases ever went to the court for final determination.

Mr. HOFFMAN. I challenge the gentleman from Montana, as long as he has made that statement—

Mr. O'CONNOR. The gentleman can get that right from the Labor Board itself.

Mr. HOFFMAN. I challenge the gentleman to point out to this House any day when I am on the floor a provision in the Labor Act that gives the employee the right to appeal in a representation case.

Mr. O'CONNOR. It is on the same plane as the Federal Trade Commission.

Mr. HOFFMAN. That provision is not in the law and the gentleman cannot point it out.

Mr. O'CONNOR. We will point it out to you; do not worry.

Mr. WOODRUM of Virginia. Now, Mr. Chairman, I want to get away from the National Labor Relations Board for a moment.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield myself 15 additional minutes.

Mr. IZAC. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Very briefly.

Mr. IZAC. Will the gentleman explain the difference of \$40,000 between what the National Labor Relations Board requested and the amount the committee reported?

Mr. WOODRUM of Virginia. The gentleman from California has asked the reason for the \$40,000 cut in the appropriation, and I am pleased the gentleman has called my attention to that because I was caught in this discussion and got sidetracked.

The Budget allowed 50 new positions to the National Labor Relations Board—40 in the Department and 10 in the field service. The committee allowed the field positions, but did not allow all of the departmental positions, feeling that, on the basis of the evidence we had, they could very well absorb the additional amount of routine departmental work, and out of the \$150,000 Budget increase for personal services in Washington the committee allowed \$110,000, disallowing 10 positions, which were to be highly paid positions, averaging \$4,000 a year each.

Mr. Chairman, of course, the largest item in the bill is the one providing for the Veterans' Administration and I want to take just a little time in going over this.

At the outset I want again to pay my respects, and I am confident I voice the sentiments of the committee, to General Hines and his assistants at the Veterans' Administration for the splendid budgetary control they have in that Administration. It is one of the largest Government operations, and if you will examine the hearings and follow the testimony, you will find that their budget is brought to the committee and to the Congress each year in clear and understandable fashion. Not only does the Veterans' Administration take great care in the preparation of its budgets, but other agencies might well take cognizance of one feature of their budget control, and that is the fact that they do not stop with the

mere allotment of funds, but assigned to their budget officer are a number of field representatives who, through periodical visits, make complete general administrative and efficiency surveys of the management of all field stations. This method not only provides the Administration at all times with first hand information concerning the manner in which field stations are administratively utilizing and controlling allotted funds, but at the same time assures the best possible service to the disabled veteran at a minimum expenditure consistent with good management. Further, it tends to make the operating services more alert as to their responsibilities in incurring unnecessary obligations. By doing that large savings and greater efficiency result in the Government service.

I have here a chart that I will insert at this point which tells the story.

Veterans' Administration Budget estimate for fiscal year 1940

Appropriations:

Salaries and expenses.....	\$97,000,000
01 Personal services.....	\$57,802,161
0150 Fee services.....	1,467,018
02 Supplies and materials.....	18,123,442
05 Communication service.....	291,551
06 Travel expenses.....	1,599,780
07 Transportation of things (service).....	1,170,323
10 Furnishing of heat, light, water, etc.....	2,019,075
11 Rents.....	286,604
12 Repairs and alterations.....	2,734,117
13 Special and miscellaneous current expenses.....	335,628
22 Reimbursements to States for veterans in State homes.....	770,760
2250 Burials.....	3,894,618
30 Equipment.....	3,050,345
Transfers to other Government departments.....	3,620,478
Transfers from other Government departments.....	-165,900
Total.....	97,000,000
Printing and binding.....	120,000
Pensions.....	432,063,000
Military and naval insurance.....	26,791,000
Adjusted service and dependent pay.....	1,104,000
Hospital and domiciliary facilities.....	4,015,000
Total.....	561,093,000

Five hundred and sixty-one million and ninety-three thousand dollars in this bill is carried for the Veterans' Administration. Of that, \$97,000,000 is for administrative expenses, and in administrative expenses we find not only the clerical work in the Veterans' Administration but nurses, attendants, orderlies, physicians, and all of the personal services that are rendered to veterans. It may be interesting to note that the Government since the beginning has appropriated for veterans of all wars about \$23,000,000,000, and about \$8,000,000,000 of that has been for the World War veterans. This appropriation of \$561,093,000 is, in reality, just a little less than the appropriation carried last year for veterans and for their services. Of this total appropriation of \$561,093,000 the veteran actually receives in cash 84.49 percent of every dollar. In addition to that he receives in personal services, hospital services, domiciliary care and out-patient treatment, and what not, 12.9 percent; and the cost of administering this fund is 2.7 percent, which, I think, is a record that should reflect credit upon the administrative forces that handle this great appropriation.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. Yes.

Mr. FISH. I rise to ask the gentleman some questions about the veterans' insurance. I understand there are 190,000 veterans who own governmental insurance policies, and upon those policies they pay an interest rate on their loans of 6 percent. I think it amounts to about \$9,000,000 a year. Does not the gentleman think, in view of the fact that the Government can borrow money at less than 3 percent, that it is unfair and unjust to the veterans to charge them 6 percent on those loans, because the money must go to men who are in need, destitute, and mostly unemployed.

Mr. WOODRUM of Virginia. I am frank to say to the gentleman that I am not familiar with the situation in reference to that insurance, but I do know that the veterans are getting insurance on a more liberal and cheaper basis than any other American citizen can get insurance for. I know that is true.

Mr. FISH. Will the gentleman tell me why they are charged 6 percent when the Government borrows money at 3 percent or less?

Mr. WOODRUM of Virginia. For the same reason that we charge the Home Owners' Loan people a greater rate of interest than the Government can borrow money for. I do not think it is a fair criterion to say that because the Government can borrow money for a certain sum it must reloan it for the same sum. The overhead charge for that service is more than the amount for which the Government can borrow money.

Mr. FISH. The gentleman understands the difference between loans to home owners and loans to veterans on insurance. Loans to home owners have to be inspected, but, so far as the loans to veterans are concerned, there is no real expense on those loans.

Mr. WOODRUM of Virginia. But the veteran has the most liberal insurance privilege of any American citizen.

Mr. FISH. Not on loans.

Mr. WOODRUM of Virginia. I do not know about the loans.

Mr. FISH. They are paying \$9,000,000 to the Government on loans.

Mr. WOODRUM of Virginia. Of this \$97,000,000, broken down, as you will see upon this chart, 2.7 percent of the total amount is administrative expense. The veterans get 84.4 cents of every dollar in cash and 12.9 cents in service.

Getting down, now, to pensions, \$432,063,000 is provided in this bill for pensions. I shall insert in the Record a chart showing the number of veterans, the total number carried on the rolls of all wars being 604,213, with 246,067 dependents, or a total of 850,280 veterans and their dependents. As shown on the chart, the amount of money involved for pensions is \$432,063,000.

Number of veterans and dependents remaining on the pension rolls as of June 30

	Fiscal year 1940			Fiscal year 1939		
	Veterans	Dependents	Total	Veterans	Dependents	Total
Yellow fever roll of honor.....		10	10		10	10
War of 1812.....		1	1		1	1
Mexican War.....		156	156		171	171
Indian wars.....	2,307	4,120	6,427	2,548	4,270	6,818
Civil War.....	2,401	52,538	54,939	3,536	59,274	62,810
Spanish-American War.....	160,415	60,638	221,053	165,074	57,459	222,533
Regular Establishment (peacetime).....	36,701	11,695	48,396	34,344	10,886	45,230
Compensation (World War, service connected).....	341,209		341,209	340,621		340,621
Pensions (World War, nonservice connected).....	59,373		59,373	52,442		52,442
Emergency officers' retirement pay (World War).....	1,807		1,807	1,819		1,819
Death compensation (World War, service connected).....		97,638	97,638		97,482	97,482
Death compensation (World War, nonservice connected).....		19,271	19,271		14,466	14,466
Total.....	604,213	246,067	850,280	600,384	244,019	844,403

Pensions

By projects	Fiscal year 1940	Fiscal year 1939	Fiscal year 1938
1. Yellow fever roll of honor.....	\$15,000	\$15,000	\$15,000
2. War of 1812.....	240	240	840
3. Mexican War.....	93,168	104,832	116,688
4. Indian wars.....	3,159,612	3,387,681	3,517,221
5. Civil War.....	28,856,313	33,576,764	39,233,134
6. Spanish-American War.....	123,370,520	125,062,568	118,183,019
7. Regular Establishment (peacetime).....	12,951,806	12,105,061	11,514,617

Pensions—Continued

By projects	Fiscal year 1940	Fiscal year 1939	Fiscal year 1938
8. Compensation (World War, service connected).....	\$168,560,489	\$168,269,782	\$166,875,668
9. Pensions (World War, non-service connected).....	19,531,500	17,251,230	15,227,498
10. Emergency officers' retirement pay (World War).....	3,088,500	3,108,948	3,117,230
11. Death compensation (World War, service connected).....	53,354,052	51,893,568	42,359,416
12. Death compensation (World War, non-service connected).....	7,162,800	5,314,326	2,623,669
Total obligations.....	420,144,000	420,060,000	402,784,000
Estimated deficit fiscal year 1939 requested in 1940 estimate.....	+11,919,000	-11,919,000
1939 appropriation obligated in 1938.....	+1,829,000	-1,829,000
Total estimate.....	432,063,000	410,000,000	400,955,000

I shall also insert in the RECORD a chart showing the military and naval insurance, which is carried at \$26,791,000.

Military and naval insurance

1. Disability awards.....	\$6,892,948	\$7,059,757	\$7,241,453
2. Death awards.....	10,375,248	26,667,974	67,589,992
3. Lump-sum disability awards (compromise or litigation).....	432,000	464,000	466,949
4. Lump-sum payments (payments to beneficiaries completed).....	6,727,800	3,500,265	4,561,298
5. Transfers to Government life-insurance fund.....	2,327,004	2,327,004	2,388,836
6. Refunds (premiums).....	36,000	36,000	36,152
Total obligations.....	26,791,000	40,055,000	82,284,685
Unobligated balance.....	6,467,315
Total estimate.....	26,791,000	40,055,000	88,752,000

That is the World War risk insurance which, as I have just stated, has given to the veteran of the World War the

greatest insurance value that any American citizen has ever received.

I shall speak briefly.

HOSPITAL AND DOMICILIARY FACILITIES

The appropriation requested under this item for 1940 has been divided into two groups, namely, major reconditioning, replacements, alterations, and construction, \$2,515,000; and construction providing additional beds, \$1,500,000.

The first group, totaling \$2,515,000, is for projects of major alterations, renovation of buildings, construction of recreational, shop, and laundry buildings, quarters, replacements of service lines, and other major projects through the accomplishment of which additional beds will not be obtained. The cost of these individual projects is over \$25,000 and requires a recommendation of the Federal Board of Hospitalization and the approval of the President, in accordance with the policy approved and established last year, affording essential coordination of Federal expenditures for these purposes and the maximum in budgetary control of appropriated funds.

The second group are projects from which additional beds will be derived and a construction program providing 483 beds during 1940 is necessary in order to care for the progressively increasing number of neuropsychiatric patients. This program covers 75 female beds at Perry Point, Md., at a cost of \$325,000, or 108—including administrative space at the same point—involving an expenditure of \$450,000; 300 beds at Roanoke, Va., at a cost of \$625,000; in addition to these three projects \$100,000 is included in the estimate for 56 additional general medical and surgical beds at the Veterans' Administration Facility at Atlanta; in all, \$4,015,000. I shall insert for your information detailed statements showing a comparison of beds available for the fiscal year 1938-39 and the estimated number available for 1940, divided as to types.

Activity	New beds in 1940	Beds available as of—			Average number of beds available in—			Percent of utilization of beds in—		
		June 30, 1940	June 30, 1939	June 30, 1938	1940	1939	1938	1940	1939	1938
Hospital beds:										
Neuropsychiatric.....	3,818	33,143	29,325	28,125	31,998	28,663	26,705	95.00	95.00	93.70
Tuberculosis.....		5,278	5,278	5,278	5,171	5,255	5,255	87.00	87.00	84.90
General.....	3,172	15,567	12,395	11,700	13,928	12,083	11,426	90.00	90.00	89.60
General (homes).....	426	8,545	8,119	7,089	8,343	7,868	7,092	87.00	87.00	85.56
Total.....	7,416	62,533	55,117	52,035	59,547	53,785	50,478	92.00	92.00	90.71
Domiciliary beds.....	1,472	19,671	18,199	17,886	18,913	17,957	17,205	86.00	86.00	78.14
Grand total.....	8,888	82,204	73,316	69,921	78,460	71,742	67,683	90.00	90.00	87.52

Mr. COCHRAN. Mr. Chairman, will the gentleman yield on the Veterans' Bureau?

Mr. WOODRUM of Virginia. Yes.

Mr. COCHRAN. On January 1 of this year the Government had taken care of its obligation in the way of paying insurance to the beneficiaries of every one who passed away during the period of the war, from April 1917 to November 11, 1918, date of the armistice. That was a tremendous amount of money—\$57.50 a month in a majority of the cases went to the beneficiaries. Is that amount reflected by a reduction in the appropriation for the naval and military insurance in this bill?

Mr. WOODRUM of Virginia. It is.

Mr. COCHRAN. To what extent?

Mr. WOODRUM of Virginia. Just to the extent shown on the chart before referred to. The gentleman will find a full statement in the hearings showing a reduction in that. The gross reduction is \$13,264,000. The gentleman will find it on page 39 of the report.

Mr. COCHRAN. I thank the gentleman. There should be a reduction yearly as we discharge our obligations.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. MILLER. Can the gentleman tell me if that whole charge of hospital care includes the care of Civilian Conservation Corps and other Government beneficiaries?

Mr. WOODRUM of Virginia. It does not, because the Veterans' Administration is reimbursed from the C. C. C. funds for whatever they do for the purpose of the C. C. C.

This chart, which is available and will be in the lobby if you are interested in looking at it, tells the whole story in another form of the amount of money appropriated under Army and Navy pensions. Of course, there is no administration in this. This is the cash money paid as Army and Navy pensions, which is compensation. I believe the veterans rather have it called "compensation" than "pensions"; but you will observe we still have a pensioner of the War of 1812, who is receiving compensation from the Government. This chart shows the number of veterans of the war, the dependents, the total number of veterans and dependents; the amount of money paid in the 3 years of 1938, 1939, and 1940 to each of that group, and presents a very interesting study, and the manner in which these funds are being used, having been appropriated by the Congress for the benefit of the veterans of the Government.

Now, Mr. Chairman, there are others who wish to address the committee, and I do not want to consume too much time.

Unless there are some questions, I shall yield the floor. [Applause.]

The CHAIRMAN. The gentleman yields back 2 minutes. Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I ask unanimous consent to extend my own remarks and include certain extracts from hearings and other documents.

The CHAIRMAN. In the opinion of the Chair, the latter part of the gentleman's request must be made in the House.

Without objection, the gentleman from Massachusetts may have permission to revise and extend his own remarks.

There was no objection.

The CHAIRMAN. The gentleman is recognized for 20 minutes.

Mr. WIGGLESWORTH. Mr. Chairman, I want at the outset to express my appreciation to the distinguished chairman of this subcommittee, the gentleman from Virginia [Mr. Woodrum] and to the other majority members of the committee for their consideration in connection with the preparation of this bill. Also to the able and efficient clerk of your subcommittee, Mr. Orr. I do not know how the committee would get on without him.

TOTALS CARRIED BY BILL

Mr. Chairman, the total carried in this independent offices appropriation bill is the largest total that has ever been carried by the bill. Taking all items into consideration it carries a total of well over \$2,300,000,000.

There is available to all a copy of the hearings on this bill. The hearings are 4 or 5 inches thick. They include over 2,000 pages. If my arithmetic is correct, if someone will paste a million dollars on each one of the pages of the hearings we shall have just about enough money available to meet the appropriations carried in the bill.

Leaving deficiency items out of the picture, the totals carried by this bill in recent years have been substantially as follows:

1935.....	\$617,000,000
1936.....	777,000,000
1937.....	880,000,000
1938.....	958,000,000
1939.....	1,596,000,000
1940, the bill under consideration.....	2,360,485,000

Last year's bill, as it went to the President, for the regular agencies carried a total of \$1,423,098,240, as compared with the total in this bill, \$1,898,512,769. Last year's bill for the emergency agencies carried an authorization of \$70,997,000 as compared with \$67,950,000 in this bill. Last year's bill carried for permanent appropriations and trust funds a total of \$101,822,740, as compared with a total of \$394,022,260 in the bill under consideration.

In other words, there is an increase in the bill before you as compared with the bill for the current fiscal year when it went to the President last year, without deficiency items, of over \$760,000,000.

About \$300,000,000 of this increase is reflected in the so-called permanent appropriations and trust funds. The balance is in part due to deficiency items and in part due to increases in items appearing in the bill.

If we eliminate \$100,000,000 advanced through the Reconstruction Finance Corporation to R. E. A. a year ago, which, of course, was not included in this bill, you will find increases in the regular items carried in this bill amounting to some \$328,000,000; of \$30,000,000 in the permanent appropriations and trust funds, and a decrease of about \$1,800,000 in the authorizations for emergency agencies, a total increase in comparable items of some \$356,000,000.

Five items appearing in last year's bill do not appear in this bill: The Commodity Credit Corporation, the Electric Home and Farm Authority, the Export-Import Bank, the Pan-American Exposition, and the Federal Communications Commission. Five appearing in this year's bill did not appear in last year's bill: the Civil Aeronautics Authority, the Maritime Labor Board, the Mount Rushmore National Memo-

rial Commission, the Thomas Jefferson Memorial Commission, and the United States Maritime Commission.

Of the 37 items included in this bill, 24 show increases, 6 are on the same basis as during the current year, 7 reflect decreases.

AUDITING BY GENERAL ACCOUNTING OFFICE

Last year I said something about the lack of proper auditing under the General Accounting Office.

At that time I pointed out that some 25,000,000 rental and benefit payments, aggregating \$1,282,000,000, many of them 4 years old, had not been presented for audit. I am glad to say that the necessary papers have at last been furnished and that the General Accounting Office is at work upon them.

At the same time I referred to lack of proper audit of the Tennessee Valley Authority. Some steps have apparently been taken in the right direction but the audit of T. V. A. for 1934 and subsequent years has not yet been completed.

Progress has been made in the number of agencies audited by the General Accounting Office. There are still, however, a number of agencies not required to account by law and others not submitting accounts as required. I insert at this point a list furnished by the General Accounting Office in this connection.

LIST OF ACTIVITIES WHICH ARE NOT REQUIRED BY LAW TO SUBMIT ACCOUNTS TO GENERAL ACCOUNTING OFFICE

Comptroller of Currency (assessments and insolvent banks, etc.).
Corporation of foreign security holders.
Farm Credit Administration, activities of—
Federal intermediate credit banks.
Federal land banks.
Federal home-loan banks.
Federal Reserve banks.
Federal Reserve Board.
Gorgas Memorial Institute.
Inland Waterways Corporation.
Reconstruction Finance Corporation.
Reconstruction Finance Mortgage Co.

LIST OF ACTIVITIES WHICH ARE NOT SUBMITTING ACCOUNTS TO THE GENERAL ACCOUNTING OFFICE AS REQUIRED

Alien Property Custodian, now Alien Property Bureau (Justice).
Farm Credit Administration, activities of: Regional agricultural credit corporations.
Federal Deposit Insurance Corporation.
Hospital funds of various services.
Insular government funds in United States Treasury—Philippine Islands.
Panama Railroad Co. (including Panama Railroad Steamship Line).
Smithsonian Institution (trust funds).
Tennessee Valley Associated Cooperatives, Incorporated.
Various special deposits.
War Finance Corporation.

PARTIAL (ADMINISTRATIVE EXPENSES)

Electric Home and Farm Authority.
Farm Credit Administration, activities of:
Central Bank for Cooperatives.
Production credit corporations.
Regional banks for cooperatives.
Federal Farm Mortgage Corporation.
Federal Savings and Loan Insurance Corporation.
Home Owners' Loan Corporation.

PROPAGANDA

A year ago I also spoke about the development of propaganda set-ups in many of the agencies covered by this bill as well as other agencies in other appropriation bills. In the report of your subcommittee a year ago the following paragraph was included:

The committee views with disfavor the tendency to expend disproportionate sums for the printing of publications, often on high-priced paper and under expensive covers or the preparation of press releases, magazine articles, broadcasts, motion pictures, etc., the primary purpose of which is to build up a public demand for the services of the agency issuing the publicity. There has been some improvement in this respect, but the committee believes a substantial reduction of outlay in this quarter can be effected by many of the agencies without diminution of service.

That, Mr. Chairman, I have no doubt reflects the opinion of your subcommittee today. While there has been some improvement, I call attention particularly to certain agencies covered by this bill.

The Social Security Board asks for a publicity force of 91 people at a cost of \$245,540. The set-up includes the office of the Director, \$24,600; the office of the Associate Director,

\$14,700; the office of the Administrative Assistant, \$8,540; the Labor Information Division, \$33,580; the Business Information Division, \$14,300; the Press and Publications Division, \$67,040; the special service staff, \$15,440; the Field Service Division, \$67,340.

During the past year the Social Security Board's publication division, as the record indicates, published 2,083 press releases, 484 special articles, 3 pamphlets, and provided 701 hours of broadcasting at an estimated commercial equivalent of \$150,000. It seems to me the people of this country are pretty well aware that we have a social-security law and of the general terms of the law. I am frank to admit that I can see no justification for such a publicity set-up.

The Federal Housing Administration requests a publicity set-up of 76 persons at a cost of over \$212,000. This service during the past year prepared a daily clip sheet for 2,300 publications, weekly releases for 842 publications, 200 special articles, 3 motion pictures, 166 exhibits, and more than 47,000 broadcasts having a commercial equivalent of \$1,138,440. Again, I see no justification for such extensive publicity activity.

Other agencies which might be referred to in detail if time permitted are the Tennessee Valley Authority with a force of 32, at a cost of over \$107,000; and the Rural Electrification Administration with a force of 31, at a cost of over \$98,000.

It seems to me that further steps to reduce this type of activity are imperatively called for.

FEDERAL COMMUNICATIONS COMMISSION

I spoke yesterday of the Federal Communications Commission, and shall say nothing further in this connection at this time.

RURAL ELECTRIFICATION ADMINISTRATION

I want to speak briefly in reference to the Rural Electrification Administration. The testimony in respect of this activity will be found on page 705 of the committee hearings. The attention of the Committee is directed to the steady and rapid increase in the administrative expenditure of this agency. In 1936 this expenditure amounted to only \$743,000; in 1937 it was \$1,143,000; in 1938 it was \$1,520,000; in 1939 it was \$2,402,000; for 1940 the request is \$2,790,000.

Mr. Chairman, the paternalistic developments in connection with R. E. A. as emphasized in the hearings, I am frank to confess, have been amazing to me.

As the members of the Committee know, the original conception of the Rural Electrification Administration was that it should make loans for the purpose of extending electricity to those who were not fortunate enough to have had it theretofore. As things have developed, however, anticipated borrowers have not been available. As a result Uncle Sam has been organizing and nurturing borrowers. We have been setting up cooperatives for this purpose. We have been organizing them legally. We have been drawing up some 128 legal documents for them. We have been going before regulating boards in respect to franchise matters, rights-of-way matters, and so forth, in behalf of the cooperatives which we have set up. We have been going into court with respect to tax abatements and similar matters for these cooperatives. We have been helping them in the selection of their engineers for the electrical projects.

We have been helping them with specifications, with the analysis of bids, with the supervision of construction. When deposits have been made in rural banks we have been examining the banks in addition to the examination conducted by other Federal agencies. We have been giving training courses here in Washington, and when we have got the project going we have been affording guidance for boards of directors even to the point of the selection of bookkeepers.

All this work is being done, Mr. Chairman, because it is stated that it is necessary if we are going to secure repayment of the loans which are made by this activity.

I have here a copy of an application to the Tax Commission of Ohio. It is entitled: "In the matter of the Pioneer Rural Electric Corporation, Inc., taxpayer; application to obtain a reduction in the tentative assessed valuation of its property for the year 1938; memorandum submitted by the taxpayer

and by the Rural Electrification Administration on behalf of the United States of America, a creditor of the taxpayer."

I call attention to two or three statements in this application. The application recites among other things that the taxpayer is now indebted to the United States in a total of \$1,184,272. It recites further that the taxpayer has not at any time earned enough even to pay its operating expenses exclusive of debt service and essential reserves.

It recites further that the fact which is chiefly relevant to this proceeding is the earning power of the property; that in the year 1937 the gross operating revenues were \$88,111.83; that operating expenses, including taxes but exclusive of interest and reserves for depreciation and future maintenance, were \$88,084.35; that interest amounted to over \$26,000; that reserves for depreciation and maintenance at 5 percent of the book value of the fixed assets amounted to some \$50,000; that it appears, therefore, that for the first full year of operation there was a deficit of \$76,731.32, or 87 percent of the gross revenues.

It further appears that there was a similar deficit for the first 8 months of the next year amounting to almost \$50,000,000. The application recites that some deficit will continue for a period of years.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. The gentleman referred to a situation in Ohio with reference to some rural-electrification project. The figures that the gentleman referred to and the big totals—do they relate in any way to the Ohio situation?

Mr. WIGGLESWORTH. The only other totals I have given in respect to the R. E. A. were the totals showing the amount of administrative expenditures nationally over a period of years.

Mr. JENKINS of Ohio. That is what I thought. Those totals the gentleman gave last just before I interrupted were the totals that related to the R. E. A.?

Mr. WIGGLESWORTH. The totals related to the R. E. A. administrative expenditures over a period of years with particular reference to the paternalistic work assumed by R. E. A.

Mr. JENKINS of Ohio. I thank the gentleman.

Mr. WIGGLESWORTH. Mr. Chairman, there are no operating reports available, as far as I know, for the cooperatives to which we have been lending, supposedly on a self-liquidating basis. If we have got to undertake all this paternal supervision to which I have been referring, and if after all that the financial status of the cooperative to which I have referred is any fair criterion, I am wondering how many of the loans that we have made are really on a self-liquidating basis and how much of the increasing expenditure of this character we are going to get back in the long run.

I think we ought to have operating accounts for all borrowers and I think the Congress and the country ought to realize the nature of the work we are doing in connection with rural electrification.

SOCIAL SECURITY BOARD

Mr. Chairman, I have long been a believer in the general objectives sought under the social-security law, but it does seem to me that it should be possible to administer that law with an appropriation of less than \$22,000,000.

The attention of the Committee is directed in this connection to the rapid increase in administrative personnel from 6,800 in 1937, to 8,600 in 1938, to 9,000 in 1939, to 9,300 in 1940, with a total ultimately in view of 11,000.

The Committee's attention is also directed to the offices maintained in the field, 12 regional offices and 350 other offices, with an ultimate total of 1,000 offices in view.

The only activity which the Social Security Board administers fully is the old-age insurance activity. The principal work in this connection is the setting up and maintenance of the wage accounts. Forty-three million of these accounts have been set up and much of the posting is done by tabulating machinery. I find it difficult to believe a personnel here of 6,600 and a field set-up such as I have re-

ferred to should be necessary to efficient and economical administration.

The travel item of \$1,000,000 also seems to me very liberal. It is suggested that closer supervision of motor travel in the field might result in a substantial saving in this respect.

Attention is called to the testimony of Chairman Altmeyer to the effect that existing tax rates for old-age compensation purposes are sufficient without any increase in January of 1940 to pay anticipated benefits until 1949.

TARIFF COMMISSION

The Tariff Commission requests an appropriation of \$933,000, the same amount as was appropriated for the Commission for the current fiscal year. It seems to me it should be possible to reduce the appropriation for the Tariff Commission in view of the amount of work formerly within its field of activity now assumed by such agencies as the State Department, the Interdepartmental Committee on Trade Agreements, and the Committee for Reciprocity Information.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Would it be better to have the appropriation made to the Tariff Commission rather than the Department of State for reciprocal-trade agreements? Is there not a duplication of work there?

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, I may say to the gentlewoman from Massachusetts there is, of course, one appropriation made to the Tariff Commission and an additional appropriation to the Department of State in this connection. That is one reason why it seems to me it ought to be possible to reduce the sum which we have been making available to the Tariff Commission.

For instance, under section 337 of the act which refers to unfair methods of competition, in the break-down for next year the Commission carries the sum of \$20,668; yet from the hearings it appears that there was no formal action taken under this section of the act at all during the past year. Under section 338 of the act referring to discriminations, the Commission carries the sum of \$39,335 for the next year, with little apparent work in this field during the past year. Under section 336 of the act, having to do with work under the flexible tariff provision, the Commission has allocated \$37,820 for next year; and yet it appears from the hearings that no action has been taken under this section of the act for almost 3 years, since June 1936 to be exact.

I suspect the nearest the Commission has come recently to action under this section was in reference to the request for a determination of the comparative cost of production of cemented shoes in the United States and in Czechoslovakia prior to the conclusion of the so-called reciprocal agreement with that country.

As the older Members of the House recall, the Commission was requested to make an investigation in order to obtain the difference in cost in July 1937. The investigation was made mandatory by Senate resolution in August 1937.

Not until December of that year, however, were two non-technical representatives sent by the Commission to Czechoslovakia. The agreement with Czechoslovakia was actually concluded in April 6, 1938, and I remember well, several months after the conclusion of the agreement, at my office in Massachusetts receiving a formal statement from the Commission to the effect that the investigation had been discontinued. When the representatives of that Commission came before your committee in December last, they stated that no finding had ever been made as a result of the investigation.

The chief work of the Commission seems to be in the field of reciprocal-trade agreements. Its work in that field must have been reduced as a result of the work assumed by other agencies, to which I have already referred. Moreover, the record indicates that the Commission is to receive no less than

\$28,000 by transfer from the State Department for work in this connection.

The hearings indicate that no effort is normally made by the Commission to determine the difference in the cost of production here and abroad in respect to items included in any of these trade agreements. They indicate further that in one or two instances where the Commission has made a finding of difference in cost a rate of duty has been subsequently fixed in a reciprocal-trade agreement which has actually been less than the difference in cost established by the Commission.

The older Members of the House will remember in this connection the first agreement concluded with Cuba some years ago. Just prior to the agreement the commission made a finding of difference in cost of production amounting to 1½ cents per pound. Thereupon the duty was promptly established under the trade agreement a month or two later at nine-tenths of 1 cent per pound. The result of our policy has been reflected in a loss in revenue to the Treasury of almost a hundred million dollars and the imposition on the consumers of this country, according to a recent estimate by the New York Times, of about \$250,000,000 annually, for the benefit, incidentally, of Cuba and a few large holders of Cuban sugar in this country.

Other instances appear in the hearings at page 625.

The testimony indicates that 19 trade agreements are now in effect. That two, those with Turkey and Venezuela, are pending; that one, with Cuba, is in contemplation; the agreements covering about 57 percent of our exports and 60 percent of our imports.

I am frank to state, as I have already indicated, that I believe the appropriation for the Tariff Commission might well be reduced as compared with recent years.

TENNESSEE VALLEY AUTHORITY

I want to speak briefly, Mr. Chairman, and it must be briefly, because the time for debate this morning is limited, about the item of appropriation for the Tennessee Valley Authority. The amount recommended for T. V. A. is \$39,000,000, plus a contract authorization of \$4,000,000, as compared with the current year in which there was an appropriation of \$40,000,000 and a similar contract authorization of \$4,000,000.

The T. V. A. project includes at present 10 principal dams, with 2 or 3 additional dams on tributary streams; substations and transmission lines; a fertilizer program; a minor item for national defense, and various items referred to as related property operations and related development activities.

Both power and fertilizer programs have been operated to date at a loss. The testimony indicates the production of 60,000 tons of fertilizer at a cost of \$11,458,193, distributed in large measure to the Agricultural Adjustment Administration for use by farmers presumably to assure the production of greater crops for plowing under. It also indicates, in connection with the fertilizer program, the purchase from the International Agricultural Corporation of 570 acres of land costing the seller \$145,000 for a purchase price of \$678,459.

Under "Related property operations" and "Related development activities" appear such activities as the planting of 9,000,000 trees at a cost of \$93,000, the equipment of barges with freezing plants for strawberries costing 27 cents per pound and bringing 7½ cents when sold. Also some \$175,000 for studies and surveys obviously intimately connected with the work of Tennessee Valley Authority, including "The migration of population in the Tennessee Valley area," "Occupational administration trends in the Tennessee Valley area," "Income in the Southeast and in Tennessee," "Municipal government and administration in Tennessee," "Government and finances," and "The interterritorial freight problem of the United States."

I repeat that no audit has yet been made of Tennessee Valley Authority expenditures by the General Accounting Office for the year 1934 or any subsequent year.

Four of the ten dams have been completed, the Norris Dam, the Wheeler Dam, the Wilson Dam, and the Pickwick

Dam, which came into operation during the calendar year 1938. Three other dams are well under way, the Guntersville Dam, which comes into operation in 1940, the Chickamauga Dam, due to come into operation in 1940 or 1941, and the Hiwassee Dam, also due to come into operation in 1941. The other three dams, at Gilbertsville, Watts bar, and Coulter Shoals, are provided for to some extent in the appropriation which is before the House for consideration.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield briefly.

Mr. MAY. Can the gentleman tell us what is the installed kilowatt capacity of the four dams that are completed and what will be included in the way of kilowatt capacity in the three dams that are already under construction?

Mr. WIGGLESWORTH. I may say to the gentleman I find some difficulty in answering the question of kilowatt cost because of the position of the representatives of the T. V. A. before your committee. I made a little calculation based on the general allocation of 32 percent to navigation, 30 percent to flood control, and 38 percent to power, which I understand the T. V. A. gave the joint congressional committee for the 10-dam system as a whole. I tried by applying these percentages to the multiple use facilities figures to obtain a cost per kilowatt for each and every one of the 10 principal dams, and also to determine the navigation and flood-control allocations which might be fairly attributed to each. On that basis I decided that at Gilbertsville, for example, the cost per kilowatt was approximately \$277 as compared with an average for the system of \$137, as compared with a cost through steam of between \$80 and \$90, as compared with a cost at Bonneville of about \$84.

The representatives of the Commission took the position they were unable to determine a fair allocation in either respect for any single dam, that all they could do was to make a determination for the system as a whole. Therefore, I am at a loss to answer the gentleman's question in respect to kilowatt cost.

Mr. MAY. Unfortunately, I overlooked bringing my memorandum which contains the information I desire, but since I expect to address the House on this subject later in the day I will give it at that time.

Is the gentleman aware of the fact that the Wilson Dam cost only \$69 per kilowatt—and it was built by the War Department engineers instead of by the T. V. A.—as against a cost of over \$200 for the Gilbertsville Dam?

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, I am glad the distinguished gentleman from Kentucky is going to develop this matter when he takes the floor. Whatever the proper method of computation may be, I feel reasonably satisfied in my own mind that power production at Gilbertsville is far less economical than by the system as a whole or by other dams in the system. I believe there is evidence to this effect in that those representing the T. V. A. indicated they were not even sure at this time that the Gilbertsville Dam would be used for power purposes.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Very briefly.

Mr. RANKIN. Is the gentleman aware of the fact that the Gilbertsville Dam is largely a navigation and flood-control dam?

Mr. WIGGLESWORTH. I may say to the gentleman that in the figures furnished the joint committee there was a very definite allocation of power to Gilbertsville as well as every other dam in the system.

Mr. RANKIN. How much of the cost of the Gilbertsville Dam is allocated to power?

Mr. WIGGLESWORTH. The representatives of the T. V. A. state they are unable to make an allocation for that purpose, but they show a kilowatt capacity for Gilbertsville as well as every other dam in the system. The capacity for Gilbertsville is shown as 128,000 kilowatts.

Mr. THORKEKELSON. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Montana.

Mr. THORKEKELSON. The gentleman speaks of navigation in connection with this dam. Of course, navigation means transportation of craft. How do the boats get over the dam?

Mr. WIGGLESWORTH. The boats will proceed up the river by a system of locks.

Mr. THORKEKELSON. Are there locks in the dams to lock the boats in?

Mr. WIGGLESWORTH. If the system is completed, the boats will move up the river through a system of locks.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my colleague from South Dakota.

Mr. CASE of South Dakota. The hearings at page 1758 give the data submitted by the representatives of the T. V. A. In their analysis they place the cost per kilowatt at Gilbertsville at \$277, which is far in excess of the per kilowatt cost at all the other dams, in fact, so far in excess that the average cost per kilowatt at all the dams is \$137.60. If the cost at the Gilbertsville Dam is taken out of the computation, the average is reduced to \$123; therefore, the cost at Gilbertsville is so high that it raises the general average by at least \$14 per kilowatt.

Mr. WIGGLESWORTH. I am afraid the figures referred to are mine and not those of the T. V. A.

Mr. Chairman, the specific recommendation of the Budget for the T. V. A. carried in this bill includes for dams and reservoirs \$30,747,540, for transmission construction \$6,139,460, for fertilizer \$2,510,000, for national defense \$80,000, for "related property operations" \$566,000, for "related development activities" \$1,279,000, or a total of \$41,322,000, from which certain anticipated income is deducted, amounting to \$1,322,000, leaving a total of \$40,000,000. Your committee has reduced this figure by \$1,000,000, leaving a total of \$39,000,000 in addition to \$4,000,000 contract authorization.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my colleague from Massachusetts.

Mr. HOLMES. Has there ever been any evidence presented that this T. V. A. will ever be a self-sustaining operation?

Mr. WIGGLESWORTH. I may say to my friend that the representatives from the T. V. A. would, no doubt, argue that T. V. A. will be on a self-sustaining basis eventually. The fact is, however, that to date we have been running in the red both in respect to power and fertilizer.

The amount included in the item before you, Mr. Chairman, includes the sum of \$17,203,000 for Gilbertsville, for Watts bar, for Coulter Shoals, and other tributary investigations. This may be broken down as follows: For Gilbertsville, \$12,503,000; for Watts bar, \$4,252,000; for Coulter Shoals, \$228,000; and for the tributary investigation, \$220,000.

The main problem, as I see it, in connection with this item is the extent, if any, to which the Congress will authorize expenditure for work on these dams which may be said to be new and additional construction.

Last year the House had before it the consideration of an appropriation in respect to preliminary work at Gilbertsville. On two successive occasions the House voted against that appropriation. On a third occasion it yielded to the Senate, which had voted to include the appropriation.

Personally, I do not believe the House would ever have agreed with the Senate in this respect had it not been that the final vote was taken by the House at a time when many Members opposed to the appropriation were absent from the House and in ignorance of the fact that it was to be taken up.

Mr. DONDERO. May I suggest to the gentleman right there that when the vote was taken the matter carried by just seven votes.

Mr. WIGGLESWORTH. The gentleman is correct.

Now, Mr. Chairman, the total cost of this enormous dam is at present estimated by T. V. A. at \$107,000,000.

The dam itself is an enormous undertaking. It is to be 8,600 feet long and 150 feet high, creating a lake covering 58,000 acres and having a shore line of 2,000 miles.

There is a very vital difference of opinion among experts as to whether or not the dam proposed at Gilbertsville is the type of dam which should be built to accomplish the desired results. It is attacked from the navigation standpoint as being far more expensive than a system of low dams and as carrying with it extreme hazards for boats desiring to navigate the river. It is attacked from the flood-control standpoint on the basis that it is far more expensive than an alternative system of detention reservoirs and that it may be actually damaging in its effect in time of flood on the Ohio and Mississippi Rivers. It is attacked from the power angle on the basis that the cost of power at Gilbertsville is out of all reason as compared with power produced at other dams and in other ways, and that additional power which it might produce is in no way necessary for years to come.

As a matter of fact, the table submitted by T. V. A. shows an installed capacity, existing or under construction now, amounting to 570,000 kilowatts. As compared with this it shows that demand, both firm and secondary, will not reach 563 kilowatts until 3 years from last December.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 5 additional minutes.

What I have said, Mr. Chairman, in respect of Gilbertsville applies in a general way to the other two new dams for which provision is made—the dam at Watts bar and the dam at Coulter Shoals.

Opposition to any provision for any one of these three new dams was presented to your committee by a former Member of Congress on behalf of the Mississippi Valley Association, an association apparently having 500 delegates from 25 States; also by the Ohio Valley Improvement Association; by the Mississippi System Carriers; by the National Coal Association; and by other individuals and organizations. I quote briefly from the brief filed with your committee in this connection by the National Coal Association, as follows:

The Tennessee Valley Act has now passed from the realm of theory into the realm of fact. It is too late now to undo the mischief already done. The immediate question now before the Congress and the country is simply how far Tennessee Valley Authority shall be permitted to extend and to expand its hydropower facilities and to what extent its prospective annihilation of coal markets may be checked and limited by appropriate action of the Congress.

This question is concretely present in the request of Tennessee Valley Authority for funds to finance the construction of additional hydropower dams. The purpose of this memorandum is to register the opposition of our industry and of the one-half million wage earners engaged in the industry and their families and all of the others whose support is dependent on the mining and transport of coal to the appropriation of any funds for that purpose.

In the light of the facts and for the reasons hereinbefore set forth we most respectfully and earnestly urge that in whatever appropriation for the Tennessee Valley Authority for the ensuing fiscal year, your committee may recommend and the Congress may subsequently vote, no funds be included for the Gilbertsville Dam project and for the other two dams above named, and that Tennessee Valley Authority be enjoined from expending any further moneys on these projects.

The annual loss of 5,751,000 man-days of employment in the coal industry is predicted as a result of T. V. A.'s complete electric output.

Mr. Chairman, it is of vital importance that the issue presented to Congress should be decided right. There is nothing so urgent in the picture from the point of view of power, from the point of view of flood control, from the point of view of navigation, as to justify proceeding at this time without full information as to the facts. After all, the total traffic on the Tennessee River for 1937 amounted only to 1,400,000 tons.

With the National Budget in the condition in which it is today, with the fundamental dispute between experts as to the character of dam or dams that should be constructed, with the report of the joint congressional committee of Congress yet to be received, the wise course of action for this

House and for this Congress at this time seems to me, Mr. Chairman, to defer appropriations with respect to these three new dams and to provide for a thoroughgoing, independent engineering check-up so that we may be sure that we are proceeding along correct lines. I hope the House will adopt this course of action. [Applause.]

Under leave to extend, I insert at this point certain brief comments in respect to other agencies provided for in this bill.

CIVIL AERONAUTICS AUTHORITY

The testimony of the Civil Aeronautics Authority appears at page 1873 of the hearings, the agency appearing in this bill for the first time. The amount recommended, \$21,218,000, reflects an increase compared with the current fiscal year of \$7,191,520. The increase may be broken down as follows:

Salaries and expenses, C. C. A.	\$4, 286, 520
Salaries and expenses, Air Service Board	380, 000
Printing and binding	100, 000
Program of air facilities	2, 425, 000

While the authority has, of course, enlarged duties to perform, the Budget allowance in respect to staff in the field would appear to have been very liberal.

CIVIL SERVICE COMMISSION

The testimony of the Civil Service Commission will be found on page 1090 of the hearings. The amount requested, \$86,329,000, reflects an increase of \$12,085,000 over the current year. The testimony shows, among other things, an increase in the personnel in the Federal Government since 1932 of 273,695. The figures furnished by the Commission are as follows:

Employees	1932	1938 ¹
Classified	467, 161	562, 909
Unclassified	111, 070	289, 017
Total	578, 231	851, 926

¹ June 30.

The increase from December 31, 1937, to June 30, 1938, amounted to 38,624. The total does not include the legislative, judiciary, Army, Navy, District of Columbia, or employees in the C. C. C.

MARITIME LABOR BOARD

The testimony of the Maritime Labor Board will be found on page 306 of the hearings. An appropriation of \$190,000 is recommended. The Board, appearing in this bill for the first time, has the duty of endeavoring to settle maritime disputes and of reporting by March 1, 1940, to the President and the Congress a comprehensive plan for the amicable adjustment of disputes between employees and employers in this field. The Board hopes to be able to bring about results comparable to those obtained by the Railway Mediation Board in the railroad field. Ultimately the question of duplication of effort between the several Federal agencies engaged in this general type of work must be considered.

NATIONAL LABOR RELATIONS BOARD

The testimony of the National Labor Relations Board will be found on page 1552 of the hearings. Explanation of the Board in respect to complaints as to partisanship and incompetency is included. The testimony also reflects the individual views of the members of the Board on the sit-down strike and the question of amending the Wagner Act.

RAILROAD RETIREMENT BOARD

The testimony of the Railroad Retirement Board appears on page 981 of the hearings. The estimated appropriation of \$123,404,000 reflects an increase of \$2,524,000 over the appropriation for the current year. Of this amount, \$615,000 is for salaries and expenses, \$450,000 for a project designed to obtain prior-service and compensation records, and \$165,000 for pending and expected claims. It is to be hoped that the increase recommended will serve to eliminate the criticism among those subject to benefits under the applicable legislation in respect to delays in adjudication of claims.

SECURITIES AND EXCHANGE COMMISSION

The testimony of the Securities and Exchange Commission will be found on page 355 of the hearings. The sum recommended, \$5,370,000, reflects an increase of \$863,000 as compared with the current year, attributable largely to new duties under the National Bankruptcy Act, the Over-the-Counter Act, and the Public Utility Holding Company Act. Attention is directed to the enormous amount of paper work and the enormous duplication in connection with the paper work which is now required by the rules and regulations of the Commission. It is believed that constructive and helpful work can be accomplished through simplification and consolidation in this field with respect to the several acts defining the jurisdiction of the Commission.

UNITED STATES MARITIME COMMISSION

The testimony of the United States Maritime Commission will be found on page 839 of the hearings. The sum recommended, \$100,000,000 plus a contract authorization of \$230,000,000, compares with actual expenditure in the current fiscal year of about \$71,000,000 and a contract authorization in 1937 of \$115,000,000. The special construction program contemplated amounts to about 500 ships—50 ships a year for a period of 10 years at a total expenditure of about \$1,250,000,000. The Commission now has operating contracts with 14 companies, covering 161 vessels, and expects to cover about 230 vessels by the end of the fiscal year 1940. A start has been made in the creation of the United States Maritime Service with stations at Hoffman Island, N. Y., Fort Trumbull, Conn., and Government Island, Oakland, Calif.

VETERANS' ADMINISTRATION

The testimony of the Veterans' Administration will be found on pages 631 and 1172 of the hearings. The sum recommended, \$561,093,000, reflects an apparent increase of \$13,175,500 as compared with the present year, the increase being attributable to increased administrative expenditure in connection with increased hospital and domiciliary beds and to an increase under the pension item resulting from additional legislation at the last session of Congress. An item of \$4,015,000 is included for hospital and domiciliary facilities. It is interesting to note that, with the cooperation of the American Legion, the Veterans of Foreign Wars, and the Disabled Veterans, General Hines hopes to see the employment by the end of 1940 of some 250,000 veterans.

FEDERAL HOUSING ADMINISTRATION

The testimony of the Federal Housing Administration will be found on page 1041 of the hearings. The amount recommended, \$12,500,000, reflects an apparent increase of \$4,000,000 over the current fiscal year, the increase resulting from increased volume of work under the 1938 amendments to the Housing Act. A deficiency item in the sum of approximately \$5,000,000 is expected to be presented in the near future with respect to the present fiscal year.

HOME OWNERS' LOAN CORPORATION

The testimony of the Home Owners' Loan Corporation will be found on page 1311 of the hearings. The amount recommended, \$24,500,000, is a decrease of \$2,000,000 as compared with the present fiscal year. The Corporation has succeeded in making a very substantial reduction in the number of its field offices and it is hoped that this reduction can be further extended. The testimony indicates the acquisition by the Corporation of 118,765 properties, or about 11.7 percent of the total in respect to which loans were granted. Of the properties acquired, some 32,152, or 27 percent, have been sold at a loss of about \$19,000,000. The capital value of owned properties on hand as of November 30, 1938, is given as \$478,350,403; the current market price is given as \$370,752,461.

PUBLIC WORKS ADMINISTRATION

The testimony of the Public Works Administration will be found on page 1234 of the hearings. The amount recommended, \$20,000,000, reflects a decrease of \$4,000,000 as compared with the amount available for the current fiscal year. The program under the 1938 Work and Work Relief Act includes 6,211 non-Federal projects and 1,887 Federal projects, which must be substantially completed by July 1, 1940. About 3,500 non-Federal projects are to be completed during

the fiscal year 1940. The Administration has eliminated 45 State offices and reports that it is operating more effectively through 7 regional and 2 subregional offices.

RECONSTRUCTION FINANCE CORPORATION

The testimony of the Reconstruction Finance Corporation will be found on page 1837 of the hearings. The amount requested, \$9,250,000, is the same as that made available for the current fiscal year. Increased activities in connection with business loans, mortgage loans by the Reconstruction Finance Corporation Mortgage Co., Disaster Loan Corporation loans, and Commodity Credit Corporation loans are expected to require additional funds. The Corporation gives the following statement:

Loans and investments	\$10,202,000,000
Canceled	2,087,000,000
Disbursed	7,269,000,000
Repaid	5,314,000,000
Outstanding	1,955,000,000

Mr. WOODRUM of Virginia. Mr. Chairman, I yield now to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, as a member of the Labor Committee I have studied carefully the National Labor Relations Board. I realize that through the debate on this measure and under the 5-minute rule the administration of the act and the act itself will be attacked.

Mr. Chairman, I take this opportunity to state that I am strongly in favor of the continuation of the National Labor Relations Board.

Admittedly, a storm of controversy has arisen over the administration of the act, but for present purposes we are not concerned with that phase of the question. The pertinent question now is the choice between the survival or discontinuance of the Board. In order to eliminate any doubt which may exist in the minds of some, I wish to state briefly the broad purposes of this act.

A SAFEGUARD OF RIGHTS

The National Labor Relations Board is an accomplished fact. It has taken its place among the agencies of government to administer what is perhaps one of the most far-reaching and progressive pieces of legislation which this Congress has ever enacted. That legislation, the National Labor Relations Act of 1935, goes no further than to safeguard the right of employees to self-organization and to select representatives of their own choosing for collective bargaining or other mutual protection without restraint or coercion by their employer.

That, in the words of the Supreme Court of the United States, is a fundamental right. Employees have as dear a right to organize and select their representatives for lawful purposes as employers have to organize their business and select their own officers and agents. Discrimination and coercion to prevent the free exercise of the right of employees to organize is a proper subject for condemnation by Congress, and that is what Congress has done in this act. That is all that the Congress is asked to do by providing funds for the continuation of this agency.

LABOR GROUPS NEEDED

The necessity and reason for labor organizations has long been recognized. They were organized out of the necessities of the situation. A single employee was helpless in dealing with an employer; he was dependent ordinarily on his daily wage for the maintenance of himself and his family; and if the employer refused to pay him the wages he thought fair, he was, nevertheless, unable to leave. Union alone was essential to give laborers the opportunity to deal on a plane of equality with their employer. Fully recognizing the legality of collective action on the part of employees, Congress sought to safeguard this right by making appropriate collective action of employees an instrument of industrial peace rather than of strife. And I maintain that such collective action would be a mere gesture if representation were made useless by interference with freedom of choice. Therefore, the prohibition by Congress of interference with the selection of representatives for the purpose of negotiation and conference between employers and employees, instead of being an invasion

of the constitutional right of either, was based on the recognition of the rights of both.

EQUAL OPPORTUNITIES GIVEN

This, in its essence, is the policy of the Congress as expressed in the National Labor Relations Act. It is a policy which does nothing more than equalize inequities which had threatened the industrial and social fabric of the Nation. It is a policy which enhances the laborer and worker at no expense or loss of prestige on the part of the manufacturer or industrialist. It is the achievement, through the medium of the National Labor Relations Board, of a nearer approach to a fuller realization of the true meaning of democratic processes as applied to the industrial problems of our country. It is interesting right here to note that only about 9 percent of the Board's cases actually go to formal hearings, and that from 90 to 95 percent of all cases handled are settled by informal discussion in the various regional offices.

I feel that no greater or timely service can be rendered to either labor or industry than that performed by voting ample funds for the continuation of this agency of democratic government. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Chairman, doubtless at least some of you know, in the past I have opposed the wide extension of the Tennessee Valley Authority, and, as a member of the House Military Affairs Committee, I think I am familiar with the activities of that particular agency of the Government. I was present at all of the hearings when the original act was written and at all of the hearings when the amendments of 1935 were added. I opposed the legislation at that time on many grounds, the principal of which was the fact that I thought it was a socialistic endeavor and that it would have a disastrous effect upon the coal industry. Of course, the question of what it may or may not do hereafter is no longer dependent upon legislative authority, because the two acts, or the original act with the amendments, are amply sufficient to justify it in doing about anything it wants to do, so that my opposition to it now rests not on those original grounds but upon the grounds that there has been waste of money and unwarranted and unjustified extravagance in its operations and that some of the proposals which it now has under consideration are extremely fantastic and unjustified. It is now engaged in numerous activities never intended by the Congress.

I shall refer briefly to the Gilbertsville Dam, which I understand they undertake to justify upon the ground of flood control and navigation. That dam will be located, if finally authorized, 22 miles from the mouth of the Tennessee River. It will be nearly 10,000 feet long and 71 feet in height. It will create a lake in the Tennessee Valley about 184.6 miles in length, and of an average width of from 3 to 5 miles, in some places as wide as 9 miles. It will submerge and cover up approximately 400,000 acres of the finest soil in the Tennessee Valley.

In addition to that it will submerge and destroy three standard-gage railroad bridges and 69 miles of standard-gage railroad. It will destroy and cover up 137 miles of hard-surface highways and 3 large highway bridges. It requires the relocation of 35,000 people and 2,500 dead bodies now sleeping in graves in that reservoir. I mention these things merely to recall the unreasonableness of this proposal. Its estimated cost originally was \$112,000,000, but now I believe that has been reduced to around \$102,000,000. It is said that it is a flood-control dam, and yet they propose to provide an installation in it for 192,000-kilowatt hours capacity for electricity. If they do that, and if this dam is available and is to be used for hydro, which it is undoubtedly intended for, it cannot be a flood-control dam, because it requires a full dam to creat hydroelectricity, and an empty dam to catch floods. So that the proposition of saying it is a flood-control dam is absurd to begin with. It not only does that but when it is located within 22 miles of the mouth of the Tennessee River and is full of water and for 184 miles up the river it undoubtedly takes up that space that would otherwise be utilized

by the flow of floodwaters from the Ohio River into the Tennessee Valley, and we have only 22 miles of space left as against over 201 miles of space, and that, of course, creates a flood situation further down the Ohio River, and particularly at Cairo. If we are going to have that dam, we are going to use those mountain peaks around it up and down that valley for 184 miles as an experiment upon which we are going to spend thousands of dollars year after year in the way of soil-erosion prevention, fertilization, and reforestation.

In other words, the proposition is to destroy good soil and put the Government into the business of trying to rehabilitate bad soil.

In addition to that, this area of over 200 miles in the lower end of the river has been surveyed, examined, and reported upon for a long number of years by the Board of Army Engineers. They have reported that with an expenditure of \$10,000,000 as against \$112,000,000, which in the end will probably be \$150,000,000, we can have a 9-foot stage from the mouth of the Tennessee River to the Pickwick Dam, and that that would be at a cost of only \$10,000,000—5 dams at \$2,000,000 each or 4 dams at \$2,500,000 each. Now, you save that amount of money.

In addition to that, you provide navigation within the channel of the stream, reserving and retaining for future use and for future generations 400,000 acres of fertile soil that now exists in that great valley along that great river.

I think it is fantastic and out of all reason. When I see many of these gentlemen from the South, from Alabama and Tennessee, here in the front seats, I am glad to invite them to the mourner's bench, and I hope that after I am through they will go out and repent for the things they have already done in this connection, and agree with an authority much higher than I that you have already got enough electricity in Tennessee. Why destroy navigation on the lower 200 miles of the river in order to get more electricity?

Now, let us take this situation: In 1933, when the hearings were held before the House Military Affairs Committee, it was proven by a strong preponderance of the testimony, and not denied by anybody, that the private utilities in that field at that time had a surplus of 50 percent over and above the normal requirements of that State and also in the States of Alabama, Mississippi, and Georgia. Since then what has happened? This Tennessee Valley Authority, under the authority of the amendments of 1935, has gone out recently and bought up the Tennessee Electric Power Co.'s facilities throughout the State of Tennessee. They have already completed four dams, as stated by the gentleman from Massachusetts [Mr. WIGGLESWORTH] a few moments ago; Norris, Wheeler, Pickwick, and Wilson, the latter of which was built right after the war, with a kilowatt capacity of 484,000, in addition to that surplus of 50 percent of normal requirements that already existed.

You have seen in the papers this week where they have acquired the entire holdings of the Tennessee Electric Power Co. In that they acquired five dams in addition to the four they have completed and the three that they have under construction, with a kilowatt capacity of 138,000 kilowatts. In that purchase they have acquired three additional steam plants with a kilowatt capacity of 103,000 kilowatts, making a new acquisition in this purchase of 241,000 kilowatts.

Let me observe right here that with all of this surplus hydro and with these five dams they have recently acquired, with those now completed and under construction, they will have more than a million kilowatts capacity for that area. Yet they want to build Gilbertsville Dam for 197,000 kilowatts capacity more. A kilowatt means a horsepower. When they acquire, as they have under this purchase, the Memphis plant with 55,000 kilowatts, they will have acquired an additional 296,000 kilowatts in this entire purchase.

Now, with an unbalanced Budget, with the Congress allowing appropriations probably in excess of \$10,000,000,000 at this session, with the President with a red-hot message on the floor of this House now in the hands of Members asking an added \$150,000,000 for W. P. A., I take the position that the part of prudence, wisdom, and common sense is that we save that \$150,000,000 on the Gilbertsville Dam and these three

others that they propose to start when we come to voting on the question of striking this out of the bill and give it to the W. P. A. to be given to the poor of this country instead of giving it to somebody who wants to build up a socialistic regime in the Democratic South, if you will pardon me. I say it is the part of wisdom and statesmanship to call a halt on this program. [Applause.]

Now, I assume that the fact that the applause all came from the Republican side of the House when I made that statement means that if this Gilbertsville Dam is justified it will be in the end charged to the Democratic side of the House. I say here and now when it comes up I intend to vote against it, and I intend to go on record, and if there are enough others in this House to demand it, we will all go on record and let the country know whether we believe in economy or waste and extravagance in the face of a continuing unbalanced Budget and an ever-increasing public debt, now in excess of \$40,000,000,000.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. KNUTSON. The gentleman cannot blame the Republicans for applauding Democratic mistakes?

Mr. MAY. If the gentleman means to say I am making a mistake by arguing for economy I do not quite reconcile that with his position.

Mr. KNUTSON. I should have used the words "New Deal," because the gentleman from Kentucky is a Jeffersonian Democrat.

Mr. MAY. Let me go back to the subject of this Gilbertsville Lake and Dam. The lake will be 184 miles long. I want to recall that at the last session of the Congress when we defeated this thing twice and when we lost it on the third effort by only seven votes, a distinguished Member of this body, a man who is the most capable and learned man on rivers and harbors in this House, Hon. JOSEPH J. MANSFIELD, made a speech on this floor.

He used as an illustration and quoted from the War Department engineers' report on the subject, the upper Mississippi improvement, and Lake Pepin which is 23 miles long with an average width of less than 2 miles, and called attention to the fact that on that short lake there were three havens for steamers of the average type which navigated the Mississippi River, and stated that on frequent occasions these steamers had sought these havens of refuge. What are you going to do with navigation on a lake with an average width of 5 miles and a length of 184 miles when the wind rises? There are no havens for even small boats with their average tow of barges. It simply means that when you shall have authorized ultimately the Gilbertsville Dam, and when you shall have appropriated more money for it, that you open the door for a further extension; and then David Lilienthal and his group will build havens every 5 miles on both sides of the lake for the next 100 years.

Let me call attention to another fact: In addition to obligating themselves to pay out \$80,000,000 for the Tennessee Electric Power Co.'s facilities in the State of Tennessee, they are authorized under a section of the original act to issue \$100,000,000 of 3-percent bonds guaranteed as to both principal and interest by the Federal Government; and we were told in our committee by Arthur Morgan, the Chairman of that Authority, that they were keeping that as a backlog. This means they are going to milk the cow as long as she will give any milk, but when she commences to kick they are going to sit down in Washington and issue \$100,000,000 in bonds and tell the Congress to go to Hades.

They are milking the Appropriations Committee of the House now and as long as we will permit it they will continue the milking and spending program and along with it bleed the taxpayers white. It will not be long now until they will shut down the steam plants they bought from Tennessee Electric and throw more coal mines out of work. Going back to Representative JOSEPH J. MANSFIELD, the distinguished chairman of the Flood Control Committee of this House, he said in debate last Congress:

I called attention to the fact that the lake to be formed by this dam would be 184 miles long, 7 miles wide at the widest place, and

deep enough to accommodate the largest ocean ship. I took the view that such a large lake would be too hazardous in rough weather for the safe operation of the low, flat, steel barges now operated on the Ohio and Mississippi, which are only a few feet above the water line when loaded. My thought was that this dam would break the chain of continuous navigation between the Tennessee and the Ohio-Mississippi system and require a different type of boat and necessitate the transfer of cargoes. Some have expressed the view that I was mistaken.

In this connection I called attention to Lake Pepin, on the upper Mississippi, where disasters have occurred resulting in the loss of both life and property. On pages 1 and 2 of Document 151, Seventy-second Congress, Lake Pepin is described by General Brown, then Chief of Engineers, as follows:

"Lake Pepin is an enlargement of the Mississippi River, 23 miles in length and from 1 to 2½ miles in width. The depths in the lake range from 25 to 35 feet."

From this description it will be seen that Lake Pepin is quite small as compared with the Gilbertsville Lake, as proposed by the T. V. A. Yet Congress has found it necessary to construct as many as three harbors for refuge on this lake for the protection of traffic.

These harbors of refuge were constructed before the adoption of the 9-foot project on the upper Mississippi, and they are now being reconstructed at considerable cost, to meet the new water level conditions, as well as to be better adjusted to the type of barge now in operation.

I will give a few brief extracts from Document 151 with reference to conditions on Lake Pepin. On page 2, General Brown, Chief of Engineers, said:

"Suitable harbors on the lake in which tows may take refuge in storm are essential."

On pages 3 and 4, General Deakayne said:

"When storms occur or threaten during periods of high water, vessels are obliged to stand by either at the head or foot of Lake Pepin, due to the lack of a safe harbor."

Further, on page 4, General Deakayne said:

"It appears that a harbor of refuge at Lake City is of material advantage to through traffic."

On page 5, Colonel Willing, the district engineer, in reference to Lake Pepin, said:

"A report on the preliminary examination of the locality was submitted November 9, 1927, and included a geographical and physical description, reference to previous reports and the river conditions which make it desirable that a safe harbor of refuge be provided."

On pages 5 and 6, Colonel Willing further said:

"One of the most serious results to through navigation at present is the lack of a safe harbor during high-water periods. It is a contributing factor in causing vessels to stand by at either the head or foot of Lake Pepin during and when storms are developing."

On page 8, Colonel Spalding, the division engineer, said:

"The United States has constructed three harbors of refuge in Lake Pepin, one at Lake City, Minn.; one at Stockholm, Wis.; and one at Pepin, Wis. The two latter harbors are located across the lake from Lake City, 1 mile above and 6 miles below, respectively."

On pages 8 and 9, Colonel Spalding made further references to the unsafe conditions for navigation on Lake Pepin. These conditions, so hazardous to modern barge traffic, are in no sense of the word to be considered as limited to that type of navigation facilities. The waves in rough weather were a source of danger to the comparatively high-decked packet vessels of the "steamboat days." Even in 1882 Congress authorized a harbor of refuge there, to be formed by the construction of a pier 871 feet long. In 1887 one of the greatest river disasters in our history occurred on Lake Pepin when the oceanlike waves overwhelmed the decks of the steamboat *Sea Wing*, resulting in the destruction of the vessel and the loss of nearly 100 human lives.

Lake Pepin has furnished us a laboratory test. Such a test, as all engineers will agree, has greater weight than the opinion of an expert upon a hypothesis.

The T. V. A. brief gives extracts from the testimony of General Pillsbury and Colonel Watkins, showing the points of vantage of high-dam navigation over low-dam navigation. I take no issue with that testimony. It is true that there are many points in favor of high dams and large lakes. You have fewer stops for locking, you have a less number of locks to operate and maintain, you can to a certain extent avoid meanders in the natural course of the streams.

From these points of view, without taking other matters into consideration, then the larger the lake the better the navigation. From that viewpoint a lake as large as the Gulf of Mexico would afford an almost perfect example. Yet no sane person would attempt to cross such a lake with a six- or eight-barge fleet of coal, such as is in operation on the Ohio.

The T. V. A. brief praises Colonel Watkins, who was a witness at the Chattanooga hearing. It says he is more familiar than is any other person with the Tennessee, and denominates his report as embraced in Document 328, Seventy-first Congress, as the bible of the T. V. A. Yet, in all the years Colonel Watkins was engaged in his work upon the Tennessee, he failed to discover Gilbertsville, or to recommend any dam there, of any type, high or low. His recommendation on pages 100 and 101 of Document 328, after thorough consideration of every phase of the case, is as follows:

"It is recommended that a project for the progressive improvement of the Tennessee River from its mouth to Knoxville by a system of movable or low fixed dams and by locks of Ohio River standards be adopted to be completed within a period of 10 years

at an estimated cost of \$75,000,000, at the rate of \$3,000,000 for the first year and \$3,000,000 for each year thereafter until completion, with \$40,000 for annual operation, care, and maintenance for each dam and pool; with the proviso that under the provision of the Federal Water Power Act there may be substituted for any two or more of the low dams herein provided for a high dam if the resulting cost to the Federal Government will be less than by the estimate herein for the low dams thus rendered unnecessary, and provided further that the capacity of the waterway for the economical movement of modern barge traffic will not be in any way lessened."

It will be seen that Colonel Watkins recommended the low dams for the Tennessee, with the proviso that a high dam might be substituted for any two or more of the low dams, but on condition that the cost to the Federal Government would be less than by the low dams, and with the further significant proviso "that the capacity of the waterway for the economical movement of modern barge traffic will not be in any way lessened."

It is very evident that Colonel Watkins anticipated that private interests might want to construct high dams for power purposes, and he wanted to safeguard the public interest. Under his recommendation, which was also the recommendation of the Board and of the Chief of Engineers, no locks or dams would be permitted if they were of such character as to interfere with or menace navigation.

The Gilbertsville Dam will provide a navigation channel to Pickwick Landing, a distance of 184 miles. The cost is estimated at \$112,000,000. The plan of the Army engineers provided four low dams on this section, estimated to cost \$10,865,000. The low dams would provide a safe 9-foot channel 12 months in the year. Gilbertsville Dam might provide a safe channel during fair weather and cost \$100,000,000 more. From the standpoint of navigation alone, Gilbertsville Dam cannot be defended.

I have used most of the navigation argument of Chairman MANSFIELD, whose knowledge is wider and whose eloquence is greater than mine. I can add but a few facts.

I present here some pictures of typical river barges, such as ply upon the Mississippi, the Ohio, the Monongahela, and the Missouri River. They can go anywhere the Army engineers have made locks and dams. They cannot travel, except with danger and difficulty, upon the wave-swept lakes of the T. V. A. A glance at their shallow freeboard is enough. No member of this committee would risk his life miles from shore on a storm-swept inland sea on a craft like that. Nor would he venture a cargo of his in such circumstances. Neither will the men who own these boats.

Now let us turn to the question of cost. From the standpoint of average volume of flow the Mississippi River is $10\frac{1}{2}$ times as great as the Tennessee. The Missouri is one and one-half times as large. The Ohio is more than four times as large. These are enormous streams which dwarf the Tennessee. The problem of harnessing them for navigation is obviously much greater and more expensive.

The Army engineers will soon complete a 9-foot channel on the Mississippi from St. Paul to the Gulf of Mexico; on the Missouri from Kansas City to St. Louis; the Illinois waterway from the Mississippi to Chicago; and the entire length of the Ohio River. This 3,500-mile channel job is being completed at the cost of \$650,000,000. Yet the Tennessee, 675 miles long, is going to cost more than all this 3,500 miles of these great rivers.

The Army has harnessed to navigation these mighty rivers at a cost of \$185,700 per mile.

The Army estimates conservatively that it could create a good 9-foot channel from the mouth of the river to where Pickwick Landing Dam now is—the Gilbertsville stretch—for \$10,865,000 with four low, inexpensive dams.

But T. V. A. chooses to do the same job at two and one-half times that cost—\$27,039,000.

The Army can still do the job at \$59,000 per mile. T. V. A. wants to do it for \$147,000 per mile.

The Army job will work; T. V. A.'s proposal will be a positive handicap to navigation.

Gentlemen, in view of these facts I urge you to repeat the position you took last year. Refuse further appropriations for this project. If you do so, you can force T. V. A. to follow the Army recommendations and save the Nation more than \$100,000,000 on what would become a thoroughly defenseless proposition. Production of coal is the major industry in my district and employs about 30,000 men in my district alone. It is a labor-employing industry. Hydro is not. To illustrate, Norris Dam cost \$38,000,000 and now employs less than 20 men. The same amount of money

invested in coal would employ at least 20,000 men. We have set up a National Bituminous Coal Commission to give aid to the sick and distressed bituminous-coal industry, and T. V. A. has become one of its most vicious and dangerous competitors. In the interest of the thousands of coal miners of my district and the hundreds of thousands of others throughout the country I implore you, my colleagues, to stop cutting their throats. [Applause.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman, I have requested this time in order to discuss, in more or less detail, the importance of completing the unified program of the Tennessee Valley Authority as contemplated when the act setting up this Authority was passed. I have been living with this subject for almost 20 years and I am tremendously interested in it, not so much on account of the fact that it primarily affects the section from which I come, but in a larger sense, because I look upon it as a great national development which when completed will be perhaps our greatest national asset.

I want to congratulate the committee on bringing out a bill which includes a sufficient sum to start work on the Watts bar dam; however, the bill provides only \$220,000 for Coulter Shoals dam, which is only enough to complete the preliminary work up to the point of beginning actual construction. Already approximately \$500,000 has been expended on preliminary work at Coulter Shoals, and there is every reason in sound economy for providing in this bill the necessary sum to start construction on this project. With the completion of Watts bar and Coulter, we will have then provided a 9-foot channel for navigation from the Ohio River to Knoxville, Tenn. At the proper time, it is my intention to offer an amendment to the bill to provide \$2,000,000 to start the construction of the dam at Coulter Shoals.

Mr. Chairman, it seems to me that from the standpoint of national defense, the Tennessee Valley development should be rushed to completion as originally contemplated. Unfortunately, it seems to me, practically all of our arsenals, munition, and airplane plants are located in too close proximity to our seaboard, which renders them of easy access to enemy aircraft.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. KNUTSON. Do I understand the gentleman to say that he is going to offer an amendment to start another dam down there?

Mr. TAYLOR of Tennessee. No. It is one of the dams that was originally recommended by the engineer division of the War Department under a Republican administration.

Mr. KNUTSON. We understood that the Gilbertsville Dam would be the last dam asked for. What is this, a kind of rubber project?

Mr. TAYLOR of Tennessee. No. This provides navigation up to Knoxville, Tenn., as originally planned.

Mr. KNUTSON. How many dams have been built down there, and how many are going to be built altogether?

Mr. TAYLOR of Tennessee. These dams, Watts bar and Coulter, complete the series of dams.

The location of these plants far inland to reduce the vulnerability of enemy attack is of the utmost importance, it seems to me. The Tennessee Valley affords a perfect setting for headquarters for the manufacture of munitions and airplanes. During the World War the War Department made a survey to determine suitable locations for munition factories, and of the nine sites recommended, eight of them were in the Tennessee Valley and the other one was nearby. The valley, situated in almost the center of eastern United States, would be protected by a veritable ring of Army posts and air bases on three sides, and by the 6,000-foot Appalachian chain of mountains on the east, in the event of national emergency. The vast sources of hydroelectric power within the valley not only makes possible cheap manufacture of munitions, but with large deposits of copper ore, zinc, and iron, both in east Tennessee and Alabama, together with a large aluminum processing plant at Alcoa, would simplify greatly the manufacture of

airplanes. Other factors which enter into making the valley a center of munitions manufacture are nitric and sulphuric acids, which are produced in large quantities in the valley from raw materials which are found there in abundance. From them come explosives such as guncotton, picric acid, dynamite, TNT, smokeless powder, and cordite.

Mr. THORKELOSON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. THORKELOSON. Is the Federal Government going to run these plants and factories the gentleman speaks of?

Mr. TAYLOR of Tennessee. I should certainly think so; of course, it would.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield 5 additional minutes to the gentleman from Tennessee.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. DONDERO. What has become of the plan suggested by the Army engineers originally providing improvement of the Tennessee River for a total of \$77,000,000?

Mr. TAYLOR of Tennessee. I do not know what the plans are to which the gentleman has reference, but certainly this development could not have been done for any \$77,000,000.

Mr. DONDERO. I refer to the original plan of the Board of Army Engineers for the development of the Tennessee Valley.

Mr. TAYLOR of Tennessee. Some development might have been had for \$77,000,000, but not the development that has been carried on, and is being carried on now.

Mr. DONDERO. It did not include power. This plan is going to cost us nearly \$1,000,000,000 before we are through.

Mr. TAYLOR of Tennessee. Oh, no. The entire system will cost less than half that amount.

From the huge phosphate deposits in the valley would come toxic gases, incendiary shells, flare signals, smoke-screen bases, and tracer bullets. Essential to the full development of all this, however, is the navigation which the two last dams in the series will provide.

COULTER SHOALS DAM

When we passed the Tennessee Valley Authority Act we undertook to extend a permanent 9-foot navigation from the Ohio River to Knoxville, a distance of 646 miles, by means of locks and dams. We have provided for 602 miles of this distance but the Coulter Shoals dam, furnishing the last 44 miles of the navigation, has not been provided for, and I think that you will agree with me that a navigation improvement, like a railroad, to be successful must go somewhere.

If we stop at Watts bar we are carrying our navigation program 602 miles and then leaving it at a point that is no place in particular. We are still 44 miles short of reaching Knoxville, and it is Knoxville which may be expected to furnish the largest part of our traffic.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. KNUTSON. This is going to be a power project, is it not?

Mr. TAYLOR of Tennessee. No; there will be no primary power generated at Coulter Shoals. This is, in the main, a navigation and flood-control project.

Mr. THORKELOSON. But the project and all the industries would be owned by the Government?

Mr. TAYLOR of Tennessee. It would be owned by the Government, as it should be.

Mr. KNUTSON. It would be susceptible of development for power purposes.

Mr. TAYLOR of Tennessee. There would be secondary power, of course.

Mr. KNUTSON. Does the gentleman have any coal in his district?

Mr. TAYLOR of Tennessee. Yes; and one of the reasons I am supporting this measure is because it will relieve the coal situation which has been very distressful.

Mr. KNUTSON. The gentleman thinks the electric power which will be developed will make the coal business prosperous?

Mr. TAYLOR of Tennessee. No; I do not take that position, but I may say to the gentleman from Minnesota that if we open navigation to Knoxville that will afford an outlet for our coal production, that will afford us an unlimited market.

Mr. KNUTSON. How much is the whole project going to cost?

Mr. TAYLOR of Tennessee. At Coulter Shoals?

Mr. KNUTSON. No; I mean the whole Tennessee Valley project.

Mr. TAYLOR of Tennessee. I have not taken the time to figure it up.

Mr. KNUTSON. It will be over \$500,000,000.

Mr. TAYLOR of Tennessee. Oh, I would say it would be much less than that.

Mr. KNUTSON. Those are the figures given me by the experts at my right.

Mr. TAYLOR of Tennessee. I am afraid the gentleman is prejudiced against this project for some reason.

Mr. KNUTSON. If the gentleman figures that \$500,000,000 at 3-percent interest, that means \$15,000,000 a year, not counting the cost of operation, wear, tear, and replacement.

Mr. TAYLOR of Tennessee. I shall not yield any further to the gentleman because I am satisfied anything I may say would not change his attitude.

Mr. KNUTSON. I think it would pay the Government to hire people to carry that coal out in bushel baskets.

Mr. TAYLOR of Tennessee. I know the gentleman feels that way about it. If he cannot attack the Tennessee Valley Authority with logic, he attempts to do so by ridicule.

Mr. KNUTSON. Oh, no.

Mr. TAYLOR of Tennessee. I do not yield further.

Mr. KNUTSON. The gentleman is doing me an injustice.

Mr. TAYLOR of Tennessee. If I have done the gentleman an injustice, it was certainly unintentional, and I most humbly apologize.

Although the Tennessee River navigation is now broken into short, disconnected parts, commerce is already trying to use the river. The Gulf Refining Co. has provided terminals and barge transportation for oil from the Ohio and Mississippi Rivers as far up the Tennessee as Guntersville, and they would continue on up to Knoxville if the navigation was completed. As soon as the Guntersville, Chickamauga, and Watts bar dams are finished, these modern barges of the oil company can come within 44 miles of Knoxville, but there they must stop. Why not build the Coulter Shoals dam so the traffic can go on to Knoxville? Already the people of Knoxville are looking forward to the completion of this waterway and are making plans to use it. Frontages have been purchased in Knoxville for warehouses and terminals and more purchases would be made except for the fact that many fear that this Coulter Shoals dam will not be built.

We have authorized the Tennessee Valley Authority to charge a part of the cost of each of the eight Tennessee River dams to navigation. This has now been done, and the Authority has charged many million dollars in this way on the theory that we have a navigation improvement worth this amount of money, but no navigation improvement can have its true commercial value until it provides a deep and permanent channel all the way up to its principal source of freight.

While there are other important points on the Tennessee River, the chief source of prospective freight is Knoxville, and this economical and desirable dam at Coulter Shoals should be built at this time so that when the Watts bar dam is completed and we have provided commercial navigation from the Ohio for a distance of 600 miles up the Tennessee River, we will not discover that we have brought our modern inland water transportation to within 44 miles of the terminal and left it stranded almost within sight of the freight which awaits it at the port of Knoxville. Only by completing our navigation project can we justify the expenditures that we have already made for the improvement of the Tennessee River navigation.

If we stop here, after providing 9-foot navigation for 600 miles, and leave 2-foot navigation for the remainder, it would be like completing a railroad and stopping at 44 miles from

the terminal. I think that that illustration is not at all overdrawn, for we can have no navigation on the Tennessee up to Knoxville until Watts bar and Coulter Shoals dams are completed, and we may expect that the bulk of the navigation traffic, perhaps 90 percent, will originate in Knoxville, Tenn. The Chickamauga Dam, which is an important navigation dam, will be absolutely useless so far as navigation is concerned unless the Watts bar and Coulter Shoals dams are constructed, for the backwater from Chickamauga goes nowhere and would leave the head of the 9-foot navigation at no point in particular.

The records of navigation traffic at the Pickwick Landing dam, 200 miles above the mouth of the river, show that the tonnage through the locks has increased every month since the locks were placed in service in February 1938. In the first month 1,000 tons moved through the lock. This amount increased month by month until 21,000 tons passed through the locks in November. Shippers, manufacturers, and barge-line operators are increasing their business and would extend their operation to Knoxville if the 9-foot channel was available. Gasoline, structural steel, pig iron, lumber, sawlogs, and other commodities are being transported by the river. The saving in freight or gasoline alone would amount to about 60 percent, and a proportional saving would be made on other commodities as compared with rail transportation.

The mineral reserves of the Tennessee Valley within from 5 to 15 miles of the navigable waterways of the Tennessee River and tributaries were given by the Army engineers and show that more than 2,000,000,000 tons of useful minerals are available. Of many of these minerals the supply is conceded by the engineers to be inexhaustible. With others the exact extent of the reserve is unknown, but the quantity is known to be enormous. A summary of the important minerals is as follows:

Minerals	Production, 1926	Mineral reserves at present available
	Tons	Tons
Asphalt rock.....	23,600	17,000,000
Barite.....	47,000	(1)
Bauxite.....	500	700,000
Clay.....	63,000	(1)
Coal.....	11,991,000	1,835,000,000
Iron ore.....	166,000	169,047,000
Limestone.....	2,152,000	(2)
Manganese.....	2,000	55,000
Marble.....	72,000	(2)
Phosphate rock.....	460,000	92,400,000
Sand and gravel.....	1,643,000	(2)
Slate.....	27,800	(1)
Zinc ore.....	822,000	45,000,000
Total.....	17,489,900	2,159,202,000

¹ Unknown.

² Inexhaustible.

³ Large.

A large part of the coal and iron ore of the basin is so located that provision may be made for direct loading upon the Tennessee River or its tributaries by extension of tracks for the mining cars, or by cable or light railway, and so forth. This applies in particular to the heaviest producing fields adjacent to the upper Tennessee, Clinch, and Powell Rivers, and to the very productive fields of the upper Cumberland adjacent thereto. A large part of the less productive coal area is, however, located in the eastern part of the Cumberland Mountains not so readily accessible to the river.

It is well known that freight can move three times as far by water as by rail at the same cost, and our wisdom in providing for the permanent improvement of our inland waterways is being demonstrated more and more every year. The Mississippi system carried nearly three times the tonnage in 1936 that it did in 1920. The Illinois River traffic multiplied 10 times in 10 years. It has been well said that new transportation creates new business, and it is a well-known fact that of the 39 counties in the United States which make half of the total manufactured products of the Nation, 35 have water transportation. It is significant that these 39 counties have 40 percent of the total buying power of the United States, due, in part, at least, to their transportation advantages.

Navigation traffic on the Ohio and Mississippi Rivers has been increasing rapidly in recent years. In 1922 the Army engineers found that the total traffic on the Ohio-Mississippi system was about 17,000,000 tons; in 1936 it had increased to 74,000,000 tons, an increase of 57,000,000 tons in 14 years. In other words, the traffic has increased 100 percent over the 1922 figure every 5 years. The Tennessee River as shown by this map is directly connected to the Ohio-Mississippi system and a similar showing can be expected. In fact, the Army engineers have estimated that within the next 11 years the traffic on the Tennessee River alone will amount to 17,000,000 tons a year, or as much as the entire commerce of the Ohio and Mississippi systems in 1922.

But it is not only the completion of this outstanding navigation project on which we have worked so many years that justifies the immediate construction of Coulter Shoals dam, it is also an important part of the flood-control program. On March 11, 1867, the city of Chattanooga experienced the most destructive flood in her recorded history. Boats were paddled through Market Street, which is the principal business street of the city. The damage was enormous. From time to time there has been a recurrence of high water in Chattanooga and other cities along the Tennessee River. The recent flood in Paducah, for instance, at the mouth of the Tennessee River, is estimated to have caused a loss of \$25,000,000. Flood control is therefore an important part of the improvement program of the Tennessee. Several years ago President Hoover detailed Lt. Col. M. C. Tyler, now Brigadier General Tyler, acting Chief Engineer in the War Department, to report to the Muscle Shoals Commission of 1931 regarding various features of the Tennessee River improvement, including flood control. Colonel Tyler pointed out that what is known as the Norris Dam development can reduce floods which originate in the Clinch River only. The Norris Dam, however, has an important effect in reducing flood levels at Chattanooga and further down the river. The area which is drained by the Tennessee River and tributaries above the site of this proposed Coulter Shoals dam is more than three times as great as the drainage area above Norris Dam, for Coulter Shoals is in the main stream and above it are the Holston and French Broad Rivers. So it is not surprising that Colonel Tyler found that the flood-control storage capacity of the Coulter Shoals dam, the Watts bar dam, and the Chickamauga Dam will afford greater flood protection to the city of Chattanooga in the great majority of floods than will the Norris Reservoir.

We have been told that it is impossible for the same dam to be used for flood control and water power at the same time, but if we cannot have them both from Norris Dam—which I deny, for I think it is entirely possible—then here is a remedy, for these three mainstream dams offer greater flood protection to Chattanooga than the Norris Reservoir—but not without Coulter Shoals.

Colonel Tyler did not say that two of these projects would accomplish this purpose, but declared that it would require all three of them; and with these three dams, along with the Norris Dam, the flood control for Chattanooga is absolutely solved.

The value of flood control on the Tennessee was demonstrated in a dramatic way at Cairo, Ill., in March 1936, when the river was kept out by a mud box on top of the protection dykes. The Tennessee River dams which we have built reduced the flood stage almost 6 inches and the water did not overtop the dyke, although the waves were lapping at its very crest. It is impossible to name a figure which will represent the value of reducing the flood crest 6 inches under the desperate conditions that prevailed at Cairo. If the dyke had broken, the city would have been flooded to the second story of the houses and the loss would have been at least \$15,000,000, to say nothing of the risk to the lives and health of the people. No public work that I can think of will represent a more sound and justifiable expenditure than these combined navigation flood-control dams on our inland streams. These dams provide a control program that will take as much as 2 feet, and perhaps more, off the crest of the Mississippi floods

below Cairo, and he would be bold who would undertake to say what the value of this 2-foot margin of safety may be in the future along the lower Mississippi River. It has been estimated by the T. V. A. at \$380,000,000, and I think that the estimate is probably conservative.

There is a particular reason why the construction of this Coulter Shoals dam should be definitely provided for at this time. We have already spent a great deal of money in preliminary work. Approximately \$500,000 has been expended in geological and other investigations in connection with Coulter Shoals, and the Tennessee Valley Authority reports that its consulting geologists find that there are no difficulties at this site which cannot be overcome. The Authority has prepared a schedule of construction operations presented in the form of a diagram which shows that about the middle of this coming year—1940—we may expect the completion of the Guntersville Dam, the Chickamauga Dam, and the Fowler Bend dam on the Hiwassee River. That means the construction forces and equipment from three dams will be released. If an appropriation for Coulter Shoals is made at this time, this organized, trained force can move right up to Watts bar and Coulter Shoals. But if only the Watts bar is provided for there will be equipment from three dams available and only one new project provided for, with the result that we will have more unemployment in the Tennessee Valley and valuable construction equipment will stand idle.

Coulter Shoals and Watts bar should be built together, just as the Guntersville and Chickamauga Dams are being built together; with the large overhead of the Tennessee Valley Authority one does not need to be an accountant to realize that the construction work should be pushed as rapidly as possible. The last annual report of the T. V. A. includes a list of 4,412 employees of the T. V. A. whose salaries are \$1,500 a year or more. Probably the overhead of the Tennessee Valley Authority will exceed a million dollars a month. Surely the construction of dams should continue as rapidly as possible, for such a pay roll can be justified only by continuing large-scale operations and completing this construction work as rapidly as possible with this trained organization which the T. V. A. has built up at great expense.

No part of the general program of the administration for the betterment of our country has received greater public approval than the establishment of the Tennessee Valley Authority, but to enable the Authority to finish its construction program for the completion of navigation improvement and the flood control of the Tennessee River at reasonable cost, we should make this appropriation and start the final dam of the series at this time so that the benefits of the completed project may be made available not only to the Tennessee Valley, but to the millions of people who live along the lower Mississippi River, without further delay.

I have not mentioned the subject of electric power for this dam is not primarily a power dam; however, since the purchase of the properties of the Tennessee Electric Power Co. by the T. V. A. the controversy as to power has been eliminated. It will have its place, of course, in the power program and the water power will not be allowed to run to waste, but "no chain is stronger than its weakest link," and the navigation program of the Tennessee River without Coulter Shoals Dam would be a reflection upon the foresight of this House in its plans for the improvement of our inland waterways. Whether we consider navigation, flood control, power development, or the economical expenditure of funds by the Tennessee Valley Authority, we are bound to conclude that it would be a mistake to postpone the appropriation of the small amount of money necessary to start the construction of this dam and finish the job while it can be done with a minimum of cost.

In conclusion, Mr. Chairman, I want to say that the completion of this navigation project as recommended by the engineers of the War Department is a part of manifest destiny, and whether we do it now or later, it will ultimately come. I have explained heretofore in my remarks that it

can be accomplished much more economically now than if postponed to some later date.

When the Muscle Shoals bill was passed in 1928 I went to the White House and pleaded with Mr. Coolidge to approve it. I explained to him that this development was inevitable, but for reasons satisfactory to himself he declined to do so. When the bill was passed again in 1931 I importuned President Hoover to give it his sanction, but he declined to do so. I reminded President Hoover, as I had reminded President Coolidge, that the development was manifest destiny, and therefore inevitable, but my appeal was of no avail.

Speaking to my Republican colleagues, I want to say that the action of our leaders on the Tennessee Valley development has seriously jeopardized our party in this area. I represent a district that has not sent a Democrat to Congress since the Civil War, yet in the election of 1936 Mr. Roosevelt carried my district by 8,000 majority, and this was due largely, in my opinion, to the attitude of our leaders on Tennessee Valley development.

I want to again remind my Republican colleagues that the completion of the Tennessee River development, as outlined by the engineers of the War Department under a Republican administration, is inevitable, and I trust they will join me in the completion of this program. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 10 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, what little I have to say this afternoon is in connection with the National Labor Relations Board. I am not unmindful of the fact that it is probably the most maligned governmental institution that has been set up since President Roosevelt became President of the United States; but I recall a similar situation when the Federal Trade Commission was set up during the Wilson administration. It was likewise misrepresented and it was likewise maligned. The claim was made it would not be of any benefit to the people of the country. Mr. Chairman, it has proven to be one of the greatest agencies for breaking up combinations, such as trusts, in restraint of trade that the Government of the United States ever brought into being.

Mr. Chairman, the National Labor Relations Board was created for the purpose of preventing strikes, contentions, and strife of all kinds as between employer and employee, making the public the "goat." If you will pardon my referring to myself personally, may I say that during the war I worked as special counsel for the Federal Trade Commission in Washington. I found in many instances that subordinates in the employ of the Federal Trade Commission, either accidentally, or officiously brought about a feeling of antagonism against the Commission among the industrialists who were trying to live within the law and trying to obey the law. I imagine if the truth were known, much of the criticism directed against the present Labor Board is due to such tactics on the part of subordinates working for the Board. So in approaching the subject we want to bear in mind the fact there are many people in its employ, assuming in many instances authority they do not have, authority they do not possess, and authority which the Congress has not given them or that the Labor Board has not given them.

Mr. Chairman, I want to call attention to specific things to show that this Board has done a lot of good work and has prevented in many instances strikes throughout the country that would have been devastating, not only to the employee but to the employer and likewise the American public. The critics of the National Labor Relations Board have repeatedly assailed that Board as unfair to the employer and partial to labor. They point to the comparatively few decisions in which the Board finds in favor of the employer. While that statement is true the inference is partially misleading.

It overlooks the fact that each case decided by the Board has passed through an intense elimination and sifting process before it is passed upon by the Board. The truth of the matter is easily uncovered by reference to the record and procedure of the Board. I believe if you will study this law and compare it with the Federal Trade Commission Act, you will find them both working in the same fashion and along the same line of procedure.

Since its inception the Board has disposed of 15,082 cases. Let us follow through and see how the Board pans and sifts its findings and orders in these cases. A union files with the regional director of one of the Board's 22 regional offices a charge on behalf of employees of a certain plant. The charge is kept secret during its investigation in order to protect whom? To protect the employer from embarrassment by the mere accusation, the same procedure adopted by the Federal Trade Commission.

Every source of information is tapped by the director or his representatives in an effort to get all the facts which prompted the charge. If at any time during his investigation the director finds that the charge has no merit, he is empowered to dismiss it. The director is empowered to do that, or he may persuade the union to withdraw its charge. That this is not a mere gesture is evidenced by the fact that, of the 15,082 cases handled, about 6,300 have been withdrawn or dismissed in this manner, just the same as what happens when the Federal Trade Commission is investigating.

If the investigation, in the course of which the employer and employee representatives are questioned, reveals a substantial basis for the charge, the director endeavors to persuade the employer to comply with the provisions of the act. In other words, he holds out the olive branch of peace. Failing this, the employer is sent a formal complaint, the same as in the case of the Federal Trade Commission, together with notice of hearing.

It is here that formal action is first taken by the Board. Until that stage is reached the Board has nothing to do with the case. However, in the majority of cases the employer and his employees come to an agreement before commencement of the hearing. Of its 15,082 cases, the Board has disposed of 7,931 by agreement of both parties, which is done by the Federal Trade Commission in the same fashion. These cases rarely make the news and never make the headlines. As the fellow says, they simply make peace. Of the 15,082 closed cases, only 853 went to formal proceedings. They represent the instances where investigation has revealed a strong probability of wrongdoing and where the employer refused to comply with the law. They give a chance to a person or corporation to mend his ways, just the same as the Federal Trade Commission gives a chance to a person or corporation who violates the Clayton amendment to the Sherman Antitrust Act to mend his ways. The Board holds a hearing, which is open to the public, presided over by a trial examiner sent from Washington.

Mr. THORKE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I am extremely sorry I cannot yield to my colleague, due to lack of time.

All parties are given full opportunity to present witnesses, to examine, and to cross-examine. At the conclusion of the hearing the trial examiner makes a report to the Board which is served upon both parties. This procedure is identical with that of the Federal Trade Commission.

If the examiner finds the employer guilty of a violation of the act, he will recommend what action the employer should take to remedy the situation. He actually talks to the employer. If the employer complies with these recommendations, the case comes to an end. If the employer takes exception to this report, the case finally comes before the Board itself for decision. If the Board finds against the employer, it issues an order requiring him to observe certain conditions in harmony with the declared public policy. The only order this Board can issue is the identical order the Federal Trade Commission issues, namely, to cease and desist from that practice.

Inevitably, after such a meticulous sifting process and when advantage is not taken of repeated full opportunity to conform to the law of the land, the decisions of the Board will reflect the evidence investigated by the regional director, confirmed by testimony in a full and fair hearing, and formally found by the trial examiner. Now, Members of Congress, the significant thing about this whole set-up is the fact that out of 15,082 cases the Board has issued cease and desist orders in only 6 percent of them, showing that the

ultimate object of this Board is peace between employer and employee, with no injury to the public.

On June 30, 1937, the number of cases pending was 2,202. The number of cases received between July 1, 1937, and June 30, 1938, was 10,430. This makes a total of 12,632. Of this number, 4,428 were closed by settlement, 1,368 were dismissed, 2,124 were withdrawn, and 122 were transferred to other agencies, making a total of 8,042 cases closed in the last fiscal year before formal action.

The total number of cases closed after formal action was 809, or a grand total of 8,851 cases closed during the last fiscal year. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield the gentleman from Pennsylvania [Mr. DUNN] such time as he may desire.

Mr. DUNN. Mr. Chairman, the National Labor Relations Board has been criticized, and a great deal of the criticism has not been constructive. I do not hesitate to say this Board has benefited not only the employees but also the employers. [Applause.]

Mr. Chairman, I hope the National Labor Relations Board will receive the funds necessary to continue the good work it has carried on since its inception.

I have introduced the following bill:

A bill to provide \$30,000,000,000, which shall be expended within a period of 5 years to furnish employment and to end poverty in the United States and its possessions

Whereas there are many millions of persons unemployed in the United States and many of those who are unemployed are young men and women, and, because of this unemployment situation, men and women have been compelled to go into bread lines and do many other things which are humiliating to them; and

Whereas there is an abundance of the necessities of life and yet many of our citizens are compelled to go hungry; and

Whereas this human misery has been brought about because our people have been unable to find employment; and

Whereas if we became engaged in war we would spend billions of dollars in the destruction of humanity and property; and

Whereas if we spend billions of dollars for construction purposes we would be promoting the welfare of mankind: Therefore

Be it enacted, etc., That \$30,000,000,000 shall be expended by the Federal Government within a period of 5 years to provide employment and to end poverty in the United States.

Sec. 2. The money shall be expended for the prevention of floods, forest fires, dust storms, and soil erosion; purification of rivers and streams; slum clearance; construction of homes that can be sold or rented at reasonable cost, schools, hospitals, parks, roads, bridges, reservoirs, canals, tunnels, subways, and disposal plants; elimination of dangerous grade crossings; rural electrification; the purchase of railroads and other utilities which shall be owned by the Government; development of our natural resources; and for medical, surgical, dental, biological, geological, and every other art and science and for every other purpose which will solve the unemployment problem and promote the welfare of the people of our country.

Sec. 3. No person employed by the Federal Government under the provisions of this act shall be compelled to work more than 5 days per week nor more than 6 hours in any one day and the wage paid shall be no less than 75 cents per hour, and all persons employed shall receive 1 month vacation every year with pay.

Sec. 4. Union organizations must be recognized under this act.

Sec. 5. The President of the United States shall be authorized to appoint a committee of at least five members or as many as he believes is necessary, to devise ways and means to secure the money to carry out the provisions of this act. It shall be the duty of the committee to obtain the said money from such sources which will work the least hardship on the taxpayers of our country.

Sec. 6. This act shall become effective within 90 days after its passage.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. D'ALESSANDRO].

Mr. D'ALESSANDRO. Mr. Chairman, my attention was called to a pamphlet which is being circularized to the veterans throughout the State of Maryland relating to an appropriation for a veterans' hospital for Baltimore, Md. I want to take this opportunity to make my position clear.

On Tuesday, January 24, 1939, a meeting was called by United States Senator MILLARD E. TYDINGS, of Maryland, and every member of the Maryland delegation was present and pledged himself to support this appropriation. I feel the same now as I did when I signed this statement. I am heartily in accord with this appropriation and shall continue to support it and work for its passage.

I was unable to be present at a meeting of the Maryland delegation called by Senator TYDINGS at his office on Monday, January 30, due to illness. However, at the proper time I wish to extend my remarks and place in the RECORD a statement presented at the hearing before the Committee on Appropriations on January 24, 1939, signed by the Maryland delegation; also a copy of a resolution adopted by the City Council of Baltimore, with which I am heartily in accord. [Applause.]

Mr. Chairman, the documents to which I refer are as follows:

TUESDAY, JANUARY 24, 1939.

STATEMENT OF HON. MILLARD E. TYDINGS, A UNITED STATES SENATOR FROM THE STATE OF MARYLAND; HON. GEORGE L. RADCLIFFE, A UNITED STATES SENATOR FROM THE STATE OF MARYLAND; AND HON. T. ALAN GOLDSBOROUGH, HON. WILLIAM P. COLE, JR., HON. AMBROSE J. KENNEDY, HON. THOMAS D'ALESSANDRO, JR., AND HON. WILLIAM D. BYRON, REPRESENTATIVES IN CONGRESS FROM THE STATE OF MARYLAND

Mr. WOODRUM. There has been presented to me a statement, signed by the Senators and Representatives in Congress from the State of Maryland, urging the construction of a veterans' hospital at Baltimore, Md. The statement will be inserted in the record.

The statement referred to is as follows:

"The undersigned United States Senators and Representatives, comprising the entire delegation from the State of Maryland, request the support of your committee in providing the necessary funds for the erection at an early date of a veterans' hospital in or near Baltimore, Md.

"The Federal Board of Hospitalization, following extensive study and hearings, approved the construction of a 300-bed Veterans' Administration facility. The immediate and increasing need for such an accommodation to our veterans and the early date of hearings before your committee has suggested the wisdom of our appearance here in advance of a recommendation from the Acting Director of the Budget, where the request for funds is now pending.

"On March 24, 1932, shortly after the passage of the act of 1931, authorizing \$20,877,000 to be appropriated for hospital construction, the Maryland delegation in Congress made its first appearance before the Federal Board of Hospitalization. We were supported at that time by testimony from many of the leading citizens of Maryland, especially representatives of our service organizations. Gen. Frank T. Hines, chairman, and his associates of the Federal Board of Hospitalization, found it impossible to include Maryland in the allocation of the 1931 appropriation.

"We accepted this decision without complaint, because we have at all times been impressed with the fairness displayed by General Hines and his associates. When it became apparent additional funds would be available for veterans' hospital construction through national emergency appropriations, we renewed our efforts to bring about a finding favorable to the erection of a new hospital in or near Baltimore. This effort took form in the introduction by Senator TYDINGS and Congressman COLE as companion legislation to authorize the erection of a veterans' hospital in or near Baltimore.

"Pending consideration of these measures, a further hearing before the Federal Board of Hospitalization was held on June 10, 1938. At this hearing Senator TYDINGS presented the delegation from Maryland, headed by the Governor of the State, the mayor of Baltimore, leading representatives of our service, and civic organizations, and the congressional delegation, in all about 250. The necessity for and the advisability of a new hospital in or near Baltimore was again gone into most fully.

"We are happy to be able to report that following the hearings on June 10, 1938, the Federal Board of Hospitalization recommended the construction of a Veterans' Administration facility of 300 beds in the vicinity of Baltimore.

"During the summer of 1938, the Acting Director of the Budget was requested to allot funds through P. W. A. for this and other hospital construction work throughout the country. The request for Maryland along with but one other was returned to the Veterans' Administration because additional P. W. A. funds were not available.

"We are most reliably informed that a renewal of the request of the Acting Director of the Budget has been made for additional funds to carry through to completion the decision favorable to relieving the situation now facing the veterans of Maryland. We are advised that such funds might, if not all, then in part, be available through savings on the projects now under contract and approved by the President and the Budget.

"With the knowledge that this much-needed new veterans' hospital in or near Baltimore has received the approval, as to the necessity for it, of the Federal Board of Hospitalization, which Board we are sure enjoys the highest respect and esteem at your hands, we earnestly request, if such is compatible with the practice you pursue in drafting appropriation bills, to make available at this time the funds necessary for the construction of a veterans' facility in or near Baltimore, in accordance to the findings referred to above.

"We are cognizant of the fact that at this date the application for the necessary funds amounting to approximately \$1,300,000, so we are advised, is without the approval of the President or the Acting Director of the Budget. The undersigned have been in touch with the Acting Director of the Budget and also anticipate an early conference with the President. In view of the favorable consideration we anticipate and the admitted merit the claim for a new hospital in or near Baltimore possessed, we earnestly appeal for such

favorable consideration by your committee as you can give at this time.

"We have deliberately refrained from incorporating in this statement statistics pertaining to the military population of Maryland, the necessity for additional beds and other conditions, because of the previous finding by the Federal Board of Hospitalization, to which we respectfully refer your committee if a basis for the findings of the Board favorable to the location of the new hospital in or near Baltimore is desired."

Resolution requesting the United States Administrator of Veterans' Affairs to construct a United States Veterans' Bureau general medical and surgical hospital in the city of Baltimore or elsewhere in the State of Maryland

Whereas the Congress of the United States has appropriated a fund for the construction of Veterans' Bureau hospitals in the various parts of the United States; and

Whereas the location of these hospitals has been left to the discretion of the Administrator of Veterans' Affairs; and

Whereas there is no Veterans' Bureau general medical and surgical hospital located within the boundaries of the State of Maryland; and

Whereas there are at the present time 502 veterans in Maryland who have made application for treatment in general hospitals and who cannot be cared for because there are no beds available; and

Whereas the United States Administrator of Veterans' Affairs has recommended to the President of the United States that there be constructed a United States Veterans' Bureau general medical and surgical hospital in the city of Baltimore or elsewhere in the State of Maryland; Therefore be it

Resolved by the City Council of Baltimore, That the city of Baltimore does hereby petition the President of the United States to approve the recommendation of the United States Administrator of Veterans' Affairs to cause to be constructed a Veterans' Bureau general medical and surgical hospital of not less than 300- to 500-bed capacity in the city of Baltimore or elsewhere in the State of Maryland; and be it further

Resolved, That the chief clerk of the council is hereby requested to transmit a copy of this resolution to the President of the United States, to the United States Administrator of Veterans' Affairs, and to the Maryland representatives of both Houses of the Congress of the United States.

Mr. DIRKSEN. Mr. Chairman, I yield myself 45 minutes.

Mr. Chairman, this is the first regular appropriation bill in the Seventy-sixth Congress. This bill carries appropriations for some 40 different independent agencies of the Government.

No man can sit on the Committee on Appropriations and listen to the amazing and perplexing testimony from agencies that are expending annually in excess of \$1,500,000,000 of the people's money without appreciating a statement a bishop in New York once made about the institutional church. He said it had got so big and so bewildering that God got lost in the machinery. I never sit in a group of hearings in the Appropriations Committee but that somehow or other I feel that I sometimes get lost in the machinery, like a great many other people lost in the labyrinthine functions of this great institution we call the United States Government.

Let me first pay a little testimony to the chairman of the subcommittee, the Honorable CLIFTON WOODRUM, of Virginia. In my considered judgment, the gentleman from Virginia is one of the ablest Members of this House. Along with that, he has demonstrated fairness to the minority at every stage of the proceeding, so we cherish for him a real respect, admiration, and devotion. There are lots of times in the course of a hearing when we undertake to get from witnesses information that may appear prejudicial, or may appear to some, perhaps, as having a partisan and political tinge. Of course, it becomes necessary for the chairman to rule and to indicate whether witnesses ought to proceed under such a line of questioning. Almost invariably, however, the chairman in the interest of fairness has ruled on our side, and we of the minority pay our little tribute to him for that sense of fairness which has been one of the great attributes of the Appropriations Committee.

It is a liberal education to sit in the hearings on this particular bill involving some 40 agencies. The bill includes, among other things, an appropriation for repairing the roof on the largest museum in the world, where the collections are inventoried at \$130,000,000 and where 2,500,000 people come every year to see everything from the skeleton of a dinosaur to the Lindbergh plane that flew the Atlantic some years ago. It contains appropriations for cleaning out the alley slums in Washington, D. C. It contains appropriations

to recapture oil lands that were alienated from the Government a great many years ago and on which we have spent sundry thousands of dollars in the hope they can be recaptured in the interest of naval oil reserves. It includes appropriations and authorizations for the acquisition of land in the Nation's Capital so that it might be properly expanded without too great expense upon the taxpayers. It includes that great inland empire that has been discussed here today, known as the Tennessee Valley Authority, which, today, owns 500,000 acres of land, and if they acquire much more and put much more concrete and water down in the State of Tennessee there probably will not be any place for the people to live and some of our good Members will have to take their constituencies elsewhere.

Mr. MAY. Mr. Chairman, will the gentleman yield to me?

Mr. DIRKSEN. I would rather not. I am coming to that matter later.

Mr. MAY. I want to refer to the flood that happened night before last.

Mr. DIRKSEN. It includes the Veterans' Administration. It includes what will ultimately be one of the most important adjuncts of this country, the National Advisory Committee on Aeronautics, which is more or less in the infant stage in this country as compared with Italy and Germany.

It includes pensions for railroad men and funds to bring electric power to homes and firesides in obscure and unserved villages and hamlets; it includes funds to adjudicate the labor troubles of sailors on the high seas; it includes funds to make maps in Alabama and to experiment with freezing strawberries in Tennessee; it includes funds to complete the controversial monument to Thomas Jefferson even though the sacred cherry trees may have to suffer; it includes funds for the establishment of air navigation facilities in Alaska and for completing the sculpturing of a marble mountainside in South Dakota where 10,000 years hence posterity may look upon the handiwork of this generation and wondering what strange people occupied this section of the earth in 1939; it includes funds to pay injuries to C. C. C. workers and to mediate railroad disputes.

So when you sit in the hearings on this bill, you get a liberal education for weeks and weeks as you examine department heads and find out what makes the wheels of Government move. Then, of course, all of the information, both on the record and off, consisting of more than 2,100 pages, is finally compressed into a report from which you are expected to glean the substance of this bill. As I first examined that report I felt it was one of the finest that has ever been drawn up by any subcommittee or any clerk, and I am going to pay a little tribute to the clerk of this committee, Mr. Arthur Orr. He is faithful, he is diligent, he is able, and this report is somewhat of a monument to his diligence and capacity. I am sure the rest of the members of the subcommittee join me in my respect for him and for the ability with which he is serving the Congress and, particularly, the Appropriations Committee.

Now, when you consider this bill you reach some rather general conclusions. Some of them I have stated over a period of years, and I am going to restate them because I believe they will bear emphasis.

The first one is this. There is something just a little bit farcical at times about the way we are constrained to get information out of the Government departments. Here comes the Social Security Board, with thousands of people on the pay roll, administering old-age insurance, unemployment compensation, old-age assistance, the welfare of mothers and crippled children and dependent children, and when they range themselves on the opposite side of the committee for cross-examination the very best we can do is, by a species of examination, secure from them a skeleton factual picture of what is going on in that Board. We have to do the same thing with the Rural Electrification Administration, that had \$40,000,000 and, in addition, \$100,000,000 of advances from the R. F. C. They can put it all on paper. You can set down a very beautiful balance sheet, but it does not indicate to the people's representatives precisely what is going on in the Government, and it would not be too much to ask that at

least a million dollars be set aside so that the legislative branch of the Government could hire experts at salaries that experts will command, and without any niggardliness on our part, so they can dip into the processes of government and find out whether these appropriations that are made from year to year are efficiently administered and efficiently expended. There is no other way in which to do it. The legislative structure of government is weak in this respect, and the time will come, if we ever expect to secure a maximum of efficiency in expenditure, which must manifestly be the forerunner of economy, then we must have some other legislative adjunct to this House, so that we can send them into the departments, let them make an investigation—not for a week, not for a month or 2 or 3 months—but to be investigating all the time, and then report to the Congress, and particularly to the Appropriations Committee.

This is one of the things I see. The other basic conclusion is this: Sooner or later there must be some consolidation.

We have, for instance, administering the various electric functions of the Government, the Tennessee Valley Authority, the Rural Electrification Administration, the Electric Home and Farm Authority. We have the Bonneville Dam, we have this great instrumentality known as the Grand Coulee, we have the Fort Peck power project, we have the Federal Power Commission, and I assume that there are other instrumentalities of government that are engaged in the same kind of administration of power facilities for the people of this country. Why can there not be a consolidation? I see no reason why not. It would be in the interest of eliminating duplication in the Government, and certainly it would save money for the taxpayers.

The same thing is true in the field of housing. This bill contains appropriations for the Federal Housing Authority. In the Department of the Interior there is the United States Housing Authority. In the Department of Agriculture there is the Resettlement Administration and also what is left of the subsistence homes project, like Greenbelt, in Maryland, or the one in Pennsylvania, or Arthurdale, or Reedsville in West Virginia—all dealing with housing or some aspect of housing; and I fancy we could do a great job for the taxpayers of this country if a committee, perhaps the Appropriations Committee, might set itself diligently to the task for a while in the hope that all of these functions that are purveyed to the people in one form or another can be harmonized and put in their proper sphere, in the interest of savings for the taxpayers. Those are things that somehow press themselves on your attention and emphasize themselves year after year, and we are not going to function as efficiently as we should until some of those consolidations are effected.

There are some things in this bill that require special emphasis. I am going to group the first of them and hang a few ideas upon the talk that has been appearing in the contemporary press about the danger of taking this country into war. In this bill, first of all, is an appropriation of \$140,000 for the American Battle Monuments Commission. It never receives any discussion, because it is efficiently administered. They do not spend too much for travel or for personal services, and it is one of those things we gloss over, but I want you to go back into the hearings and read the very brief report of the American Battle Monuments Commission, because it administers 12 war memorials, 8 war cemeteries in Europe, 6 of them in France, 1 in Belgium, and 1 in England. There are something over 30,000 of our boys sleeping over there today, and this is not too much money for them. But what I want to bring to your attention this afternoon very briefly as this hysteria of war mongering sweeps across the country is the fact that there are a little over 30,000 over there who are casualties of the last war. They are comrades of mine, because I spent 17 months over there fighting along with them, and when you think of those sacrifices it makes dim and dull the jingoistic spirit and desire of anybody to ever rush this country into war. [Applause.] There is an item in this bill—a related item, for Veterans' Administration—that was delineated at considerable length by the chairman of the subcommittee.

We are spending \$420,000,000 in the form of pensions for those who fought the battles of the Nation, and if you go back and break down the tables that come from the Veterans' Administration, you will find there are 393,135 World War veterans that are receiving compensation from their Government today; and in addition thereto there are 110,940 dependents of veterans receiving compensation, so that the total for the World War, which was just 21 years ago, is 504,075. Think of it. Over a half million of our veterans and their dependents who are on the pension rolls today because the disintegrating seed of war has been implanted in them. They are what I refer to as the great legion of despair, for whom no armistice will ever be signed. Oh, I tell you that takes some of that spirit out of you when they talk about projecting this country into war and probably fixing our frontier a good many miles from where it is at the present time. There is the record. But there is an even more ghastly record in these prosaic figures that come from the Veterans' Administration. These tables are in the hearings. Get yourselves a copy and take it home with you this summer. The Veterans of Foreign Wars and the American Legion will be expecting you to make speeches at these district meetings and at these picnics. There is material for the speeches. There is one which is agonizing and ghastly, which I regard as the most tragic of all. It is the N. P. cases. What a multitude of agony is covered by these two letters of the alphabet. Column 1, fiscal year 1930, N. P. cases. They are neuropsychiatrics. They are the boys for whom there will never be an armistice. They are the boys in whom that little slender cord that binds the present to the past and the present to the future has been snapped away. It has been fractured and ruined by shell shock, by the detonation of 240-millimeter shells, and by all the living agony of war. How many have we got today?

Here they are: There are some 17,235. Yes. They are in the asylums. They are in the institutions of the country, and they look out rather vacuously as one talks to them, because there will be no end to the war for them. That is not the whole story, gentlemen. The Administrator of Veterans' Affairs testified before the committee that it will be 1965 before we reach the peak of those whose minds will slither away as a result of the war that was fought 21 years ago. From 1918 to 1965! How long is it? Forty-seven years. Then we reach a load of 27,000 mental cases. Let all those who would like to put this country into war read these figures. They will get some better ideas of war and war's aftermath, and will not be so free with the English language as they rush into the newspapers seeking perhaps to create war psychosis and war hysteria in this country that will sooner or later develop into another shambles and carnage. [Applause.]

Gentlemen, I could not refrain from talking on these items today. I felt it was necessary. I like to do my little bit for the country. As a member of several patriotic organizations, I go in for adequate national defense; but I am not going to lose sight of the ball. I want to keep my eyes glued upon the objective, which is the objective of peace with all nations, so that we do not have to go through the brutal experience that the country has been going through since 1929 or 1930. Oh, it is easy to talk about Herbert Hoover and the market crash of 1929 as the cause of the depression which still besets us for the tenth year. Everybody knows that he had not anything to do with it.

It was simply the ultimate effect of economic forces that were set in motion by the World War. You cannot kill off 12,000,000 young men like me, who are producers and consumers; you cannot dip down into the social and economic fabric of the world and throw them over on the junk pile without there being a great consequent inrush of forces that, for want of anything else, we dub by the term "depression." Yes, there is a law of retribution and a law of compensation, and when it breaks, oh, we set about in our feeble way to set up economic contrivances to head it off. But what we live through today is the result of man's own lack of vision, his short-sightedness, that cost so many millions of lives, including the lives of many from our own country. So when

you read these hearings, gentlemen, when you read about the Veterans' Administration, about the American Battle Monuments Commission, about the National Advisory Committee on Aeronautics that is experimenting in the field of aerodynamics, think in terms of what may happen to those who make up this country if we are ever dragged into another struggle.

So with that much I am going to leave that item.

Now, I want to go to something else, a very prosaic item, the Central Statistical Board. It is not very important in itself, I suppose, because it carries only \$126,000, and the life of that Board expires this year. But you know as you sit there plying questions to those who come before the committee you find out how many returns, how many forms, how many questionnaires and reports must be filed by the citizenry of this country. We have appreciated this trouble before, so the Central Statistical Board was set up to coordinate the activities of governmental agencies in the field of statistics and reduce the number. It has functioned nearly 5 years.

They have gotten out a report in response to the request of the President of the United States. This report came out on the 10th day of January 1939. It is not very old. But if you will go through it, this is what you will find: Under administrative returns—and by "returns" I mean the return that has to be filed by the retail store with the Department of Commerce, the income-tax blank, the return that has to be filed with the Interstate Commerce Commission by the railroads and many others—under "administrative returns" there were 97,500,000 filed last year. Think of it! Ninety-seven and one-half million returns, and the number of questions in those returns averaged 60. My conscience! We are making a nation of bookkeepers out of our people and keeping them so busy answering questions from Government institutions and agencies that a lot of them scarcely have time to make a living.

Here is the Internal Revenue Bureau, 16,800,000 returns. United States Employment Service, 11,500,000. Over 30,000,000 in Social Security. Over ten and one-half million of regulatory returns; 17,000,000 farm returns. Can you not imagine a farmer out in that Illinois Corn Belt watching the mail carrier come along, scratching his head and saying, "Well, here comes another one of those infernal questionnaires, I suppose, from the Department of Agriculture or some other Federal agency, who wants to know how many bees we have on the place, how many goats, and how many chickens." The farmers are filing an average of three returns a year. There are over 21,000,000 farms that will file them. These are compiled by the Central Statistical Board.

Railroads! Have you any idea that the railroads have to file on the average of 1,000 returns annually with the Federal Government in all forms and branches? Large industries have to file at least 250 every year, and the small retailer has to file at least 10 which average 50 questions to the return. Well, I thought that the Central Statistical Board was going to stop some of that tomfoolery and nonsense, but instead I think it is going to get worse; and while I am going to make no move to strike that item out of this bill, I am not going to shed any tears if somebody else does, because I do not think that this Board is the answer. Tons and tons and tons of literature infiltrate into the Government every year in the form of questions and questionnaires and returns. It is a tremendous thing.

A businessman told me no later than this morning that he received a questionnaire that will take his firm at least 3 months to complete and it is likely to cost \$15,000 to provide the answers for it. You cannot laugh this sort of thing off. It has become a tremendous and onerous burden on business and industry. Congress will have to make a determined effort to see that this burden is diminished somewhat. There is no other answer for it, and the sooner we start the better. Now, do not forget, we have this responsibility. Some 38,000,000 of these returns come in because in the laws that went across this floor we wrote provisions requiring that returns be made, and in all other respects these returns are incidental to the functions with which we have invested so

many governmental agencies today. Take heed, then, when other legislation comes into this Chamber, as to whether or not we can do a little something to lift this tremendous statistical burden off the back of American business and American industry. Statistics are necessary, but we have so much duplication and unnecessary falderol today that it just adds to the Nation's bewilderment; and do not forget that the more statistics we require the more jobs and the greater the expense.

Now, Mr. Chairman, I want to talk a little about the T. V. A., because it has been discussed here rather freely this afternoon. I never think of T. V. A. but what I think of Aaron Burr and his old side-kick, Blennerhassett. You remember away back—John, was it not 1804? I think it was.

Mr. RANKIN. Is the gentleman referring to Aaron Burr now or Samuel Insull? I did not understand the gentleman's question.

Mr. DIRKSEN. You know, my old friend from Mississippi will always drag a red, white, and blue herring across the trail. It was down in his country that Aaron Burr and Blennerhassett sought to set up an inland empire, oh, I expect 130 or 140 years ago. They were going to include all that southwestern country and even include Mexico; but it was a rather abortive and fruitless attempt, and did not get very far. They sought by force of arms to set up an inland empire. Congress, however, has gone them one better. We set one up by legislation in 1933, and we called it the Tennessee Valley Authority.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Not now. I am afraid of those red, white, and blue herrings the gentleman has up his sleeve.

It is an empire; make no mistake about it. It owns 500,000 acres of land. It has a 10-dam construction program on down there, and there are going to be more dams; make no mistake about that, either. There was some speculation a little while ago as to whether that was contemplated in the original program. It does not make any difference whether it was or not; their authority is sufficiently broad if other dams are necessary; they can build them on the Holston River, on the Little Tennessee, on the Clinch, on the French Broad River. These rivers, according to Mr. Parker, the chief engineer, tail out away up in the hills of Tennessee so small that you can step across them, but they are thinking some of making those places navigable. Well, I sometimes think it would be better to pave them and make highways out of them, because I expect there will be but very little navigation up there.

It has become a colossal program, however, not only from the standpoint of power but from the standpoint of expenditure. It is going to involve at least \$494,000,000 according to their own testimony, but in our considered judgment it will run over \$500,000,000. Remember also they own 500,000 acres of land, and this is going to be important also from what they call their related activities; and these, Mr. Chairman, are very interesting. I know of nothing in which the Tennessee Valley Authority is not interested at the present time, and that includes fertilizer. I think you have heard a good deal about it.

I have heard a great deal about the broad authority for producing fertilizer down there, but I rather fancy if you go back to the original act of 1933 you will find that the original purpose was to produce nitrogen by a fixation process—and it is so stated in the act. To be sure, they had extra authority, and I do not quarrel about that; but I am directing your attention to the fact that they are getting just a little bit wide of the mark down there; and when they talk about their phosphate fertilizer program and their acquisition of land at \$2,000 per acre, I scratch my head a little bit and commence to wonder whether all this was within the purview of the original act. You will find in the hearings that last year their manufacturing expense on large-scale production of fertilizer was \$1,875,000. Just bear that in mind. Let us say in round figures that the amount was \$1,800,000 for large-scale fertilizer operations. They sold this fertilizer in various places. How much did they get for it? They testified

before the committee that they got prices in line with the commercial price that obtained at that time.

How much did they get? They got \$1,250,000 and it cost \$1,800,000 to make it up. They got \$1,250,000.

I am disposed to question that kind of a function on the part of this Government because it goes far beyond the range of experimentation.

There is an item in here for \$450,000 for small-scale production and small-scale research. That is a fair amount of money. Out in my country, I remember my mother used to give me a penny on Sunday and said, "My son, do not spend it all in one place." It gave me some regard for a dollar and I tell you \$450,000 is a lot of money. So I am disposed to look into that a little bit. When I related before that the T. V. A. has spent over \$7,000,000 on the fertilizer program, not counting the investment cost, someone said, "Well, that is not very much." Mr. Chairman, that is a lot of money to me. I am disposed to look into that and see where commercial production ends and experimentation begins. If we are going to put them in the fertilizer business, let us go the whole darned hog and give them all the money they want. Let us go the whole hog and set them up as competitors of private enterprise in the country. But if you want to limit it to experiments and research in the development of an efficient fertilizer and an efficient process that can be administered and operated by private enterprise, then it seems to me this fertilizer program is going to bear a little investigation and a little bit of research. I had the impression back in 1933 that the T. V. A. would carry on fertilizer research and enable private industry to produce high-grade active fertilizers at a minimum cost. Today we find T. V. A. up to its neck in large-scale efforts and the end is not yet.

Let us look at some of the related items that the Tennessee Valley Authority is carrying on at the present time.

Tree planting and erosion control. They own their own nurseries down there. They are going to set out 9,000,000 trees in 1940. They set out 20,000,000 trees in 1938. I am wondering whether we set them up for that purpose or whether the States of Alabama, Mississippi, Georgia, and the other States ought to carry on that kind of a function? That is just one item. For that, of course, they are asking only \$93,000 this year.

Fish and game preservation. I do not assume to know whether it is a fact, but certainly it was disclosed to me that in the course of their so-called malarial and mosquito control they poured poison on the waters and killed some of the fish and fish spawn. Now we have to bring the fish back and we have \$117,000 in here for fish and game preservation.

Land use and recreational planning. What fine language. Recreational possibilities of Gilbertsville and Watts bar reservoirs. Land use and recreational operations and development for 1940—\$49,000.

Readjustment of families and completed projects. It is a very naive statement. Remember, this is the Tennessee Valley's language, not mine. They say that many of the families have settled close to their former homes, which has occasioned some pressure on the available land resources, and because these folks insist on coming back home we have got to have a program to adjust them, so we are going to spend \$44,000 on that.

Planning studies of villages. Why, bless you, every village they are operating down there is operating at a loss. Let us consider the Muscle Shoals Village operation. Look at this fine language. You would miss it unless you were an accountant. "Estimated net income and expense, fiscal year 1940." If you just casually read that it would not mean so much, but when you ask a question or two, do you know what you find? You will find, in addition to the rent they collected down in the Muscle Shoals Village they still have to have \$126,000 out of the Federal Treasury to make it pay. What kind of a fool management is it which cannot rent houses down there and make the village a going self-sustaining concern?

Here is the Norristown operation. The same thing obtains. The sum of \$73,000 has to be taken out of the Federal Treasury to make it pay.

Maintenance of national-defense properties. That is one that makes me a bit hot. When this bill came on in 1933 for consideration I remember the great, tall, and stentorian discussion about preserving those plants down there in the event of an emergency. I refer to that old nitrate plant down there. I doubt whether you could get the wheels to turn over and if you will ask one of the engineers he will tell you that that kind of an operation will be obsolete if an emergency ever arises. But, Mr. Chairman, we keep it going, and we dip into the Treasury to the tune of \$80,000 a year in order to do it.

I will just mention some of these related activities:

General mapping, \$316,000. My God, what a lot of maps you could make for \$316,000.

General studies and surveys: What that language means the Lord only knows, but the language is going to cost us \$97,000.

Forest redevelopment and soil conservation, \$291,000.

Agricultural development and soil conservation, \$262,000; and under that there are some beautiful things. For instance, dehydration of fruits and vegetables. They squeeze a little water out of the sweetpotatoes down there so they will get to market fresher. Freezing of fruits and vegetables. They freeze young berries, strawberries, peaches, and that sort of thing. They froze several thousand pounds and got them up to the St. Louis market last year. I understand it cost 27 cents a pound to get them up there and they were sold for 7 cents a pound. I suppose that is all right in the great and good name of experimentation, but it is costing like sin and it is coming out of the Federal Treasury.

Transportation studies: Tell me by what authority the T. V. A. is making transportation studies? Oh, they got out a book this year. It has a great title, "The Interterritorial Freight Rate Problem of the United States."

I do not know where they get that authority, but they are getting money out of the Federal Treasury to conduct a study of that kind, and it is living proof of what I said a while ago to the effect that it is an empire unto itself that combines every function now exercised by this Government. Soon we shall be able to abolish the Interstate Commerce Commission, the Bureau of Chemistry and Soils, the State governments of the seven States in the T. V. A. area, and let T. V. A. march on.

You can understand now when I say here is a great inland empire, freezing strawberries, inventing electric hay dryers, planting trees, generating electricity, and spewing concrete over 500,000 acres, and do you not believe it is about time we look into it?

The investigating committee empowered by this House and by the Senate was down there, and after they left Knoxville what happened? Oh, the Tennessee Valley Authority authorized an audit of its books. Do you know that the General Accounting Office has not audited a lot of the things down there since 1934? You will find that in this book. Then they hired Lybrand, Ross Bros. & Montgomery, an outstanding firm of accountants, and paid them \$40,000 of Tennessee Valley money—yes; but taxpayers' money—to audit the books after the investigating committee had left Knoxville.

They have a big item in here for legal expense. They have lots of lawyers on the pay roll, make no mistake about it. You will find on the last page of this justification, "Legal department, for 1939, \$240,000." But that is not enough; they must have other lawyers. You will not find it here or in their annual report, but they went up to New York and got John Lord O'Brien, who once ran against Senator WAGNER, and paid him \$75,000 for legal services in connection with recent litigation. In the light of this expenditure it is a little amusing to think how the President inveighed against lawyers a year or two ago as economic royalists. But, royalists or not, they look good to T. V. A. when it gets into trouble.

This sort of thing is going to bear a little investigation, and we are going to have to keep our eyes open because they are playing with \$500,000,000 of the people's money, and it is, in

part, money derived from my constituents and the constituents of every other Member of this House. The direct appropriation of \$39,000,000 will come out of the pockets of the taxpayers in all sections of the country, and if most of them get any benefits, they will be so tenuous and slender as to be virtually invisible.

I am going to make it my business to see whether or not there is an efficient expenditure of that sum, even though the whole program in this inland empire may be justified from the point of flood control, power, and navigation.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Kentucky.

Mr. MAY. In connection with the gentleman's remark about flood control I should just like to inform the gentleman that the mayor of Paducah, Ky., the largest city in western Kentucky, called me at midnight last night and told me they had turned loose a 17-foot head of water down that river without notice to anyone, and that it had swept away barges and lumberyards and one thing and another. I suppose that is the kind of flood control they are going to give us from now on.

Mr. DIRKSEN. My good friend the gentleman from Kentucky knows we thrashed that question out here. We licked the Gilbertsville Dam three times on this floor, but a provision for its construction was placed in the bill on the other side of the Capitol. It caught us in an unguarded moment, and it stayed in the bill. I should think the great Senator from Kentucky who is now in the Senate for another 6 years will not need this \$112,000,000 Gilbertsville Dam, this great, monumental mass of masonry which is supposed to be for power and flood control, and should now assist in making a saving for the Nation's taxpayers. No engineer has yet justified it to me. In my experience in hydraulics and as a dredging contractor out on that old Illinois River I have always learned that you had to have an empty dam in order to have effective flood control, but here we are going to have a full dam for power, and I suppose the upper 2 feet of the dam for flood control, and let the Tennessee River "go Gallagher" when it will.

You are not going to get much benefit down there, Andy, out of that Gilbertsville Dam, and it is going to cost us \$112,000,000. My regret, of course, is that it is going to cost my people a proportionate part of that sum. So, when you come to that part of the bill, think it over a little bit and determine whether or not we ought to call a halt. This dam is not needed for power. There is lots of power right now; enough to meet most of the demand. We ought to have a real, forthright investigation by the best engineers in the country. We can afford to spend \$1,000,000 if it is going to save \$112,000,000, and make no mistake about that.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from California.

Mr. VOORHIS of California. What about the investigation that has already been authorized? Does not the gentleman believe the findings of the committee making that investigation are of some significance, particularly in view of the glee with which the investigation was inaugurated by those who thought it would prove bad for the T. V. A.?

Mr. DIRKSEN. My friend the gentleman from California is just too naive. All the gentleman has to do is to look at the names of those who are on the committee and who predominate on the committee. If they had given us a committee of independent people who would not be beholden, say, to an administration or to any political group of any kind, we would really "go to town" on an investigation and get somewhere; but you cannot get anywhere if you start out with the premise that the purpose is not to uncover any pay dirt in the first instance, and then load the committee with enough members of one party so that the minority cannot go to the bottom of the matter.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Briefly.

Mr. MAY. Will the gentleman explain what the T. V. A. paid for phosphate lands down there and what the cost was?

Mr. DIRKSEN. The figures are in this justification. The T. V. A. bought 349 acres and paid for them \$678,000. They bought the land from the International Agricultural Corporation. There is testimony here also to show that the Victor Chemical Co. bought land, and how much did they pay? They paid \$75—not \$2,000—an acre.

Mr. WIGGLESWORTH. If the gentleman will permit, I simply wish to add that the record indicates the International Agricultural Corporation paid \$145,000 for the land to which the gentleman has referred.

Mr. DIRKSEN. The gentleman is correct. That was \$145,000 for 2,348 acres. The representatives of the T. V. A. said, "Oh, there is a reason for it. The phosphate content of the land we bought is infinitely higher than that of the other and is more accessible and more available. It is easier to mine this phosphate, and so forth." Maybe that is so, Mr. Chairman, but it has to be powerfully good land, even with phosphate in it, to bring \$2,000 an acre; make no mistake about that.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from New York.

Mr. TABER. Does the gentleman understand that representatives of J. P. Morgan & Co. control the chemical company that sold out to the T. V. A.?

Mr. DIRKSEN. I have not heard it, but it is possible.

Mr. TABER. It was in the papers around Knoxville.

Mr. DIRKSEN. Mr. Chairman, this is my benediction on T. V. A., and now I want to get to something else. I want to get to the Federal Communications Commission, sometimes referred to as the Federal Radio Commission. It used to be the Federal Radio Commission, but it is more inclusive now since the act of 1934.

[Here the gavel fell.]

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 15 additional minutes.

The CHAIRMAN. If the time is to be divided equally, there are only 7 minutes remaining under the control of the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WOODRUM of Virginia. Mr. Chairman, I yield the gentleman from Illinois sufficient time to make up the 15 minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for 15 additional minutes.

Mr. DIRKSEN. Away back in 1910 we put the first radio act on the books, and there have been 36 or 37 enactments since that time, notably the act of 1934, which is known as the Communications Act. They have virtual life and death power over broadcasting in this country. As the thing had finally grown up, you know from your own experience on your own radio that there are about 90 available air pathways in the broadcast band and you get reception between 550 and 1500 kilocycles. It is the business of the Federal Communications to police the air. It must take over 700 broadcast stations and make them function in these pathways with little or no interference. It must issue licenses on the basis of public convenience and necessity. It issues licenses for a 6-month period and then requires renewals. Millions of dollars are invested in the radio industry, and that huge investment hangs on the hair of a license issued by a Federal commission. You can, therefore, appreciate the power and authority of the Commission and what it means to the industry. But more than that, there are 33,000,000 radio sets in this country, serving 27,000,000 homes, from which you can imagine how influential radio can be in influencing the lives, actions, and conduct of the people of this country. If any strange and mysterious things are happening in the Commission, I am sure that the American people and the radio industry want to know about it.

Now, there is a division in the Federal Communications Commission that looks after broadcasting. Over a period of years they have licensed about 714 stations, and I think there are 40 or 45 more that will be under construction sometime this year.

Things have not been so well down there for one reason or another. My colleague from Massachusetts indicated to the committee yesterday that as early as December there was

an editorial in Business Week saying that Tom Corcoran was writing a new radio act. This was long before we came here for the Seventy-sixth Congress. Then on the 7th of December the Washington Post carried an article on the front page to the effect that they had heard Mr. Corcoran was writing a new radio act.

We asked Mr. McNinch about it in the committee, and you will find the colloquy in the hearings. He says he knew nothing about it; and then as we plied him with questions about why the Board of Examiners was dismissed, why it was abolished, in fact, and why the full hearing procedure was changed, he looked at the chairman in considerable dismay, and finally said:

Mr. Chairman, before I make any statement I want to say I do not think it is within the province of the Appropriations Committee to ask for this information coming along with a justification on a Budget item.

But he said:

If I have got to testify, the first thing I want to say to you is that the President sent a message up to Senator WHEELER and Chairman LEA, and he is going to ask for a reorganization of the Radio Commission.

What is this reorganization, and what is wrong down there? Well, I do not know. I am not going to speak from hearsay, and I am not going to do anybody down there an injustice; but the dismissal of experienced and trusted employees, the complete revamping of the examining procedure, the effort of Chairman McNinch to secure exception from the civil-service rules of 40 attorneys in the Commission, the quick rush of the Chairman of the Commission to the air waves to defend this action when the news broke in the press, the feeble and unconvincing justification of this whole action, and the speedy effort to invoke an investigation of radio monopoly by the Commission itself when it heard that Congress was contemplating such action are enough to justify the conclusion that all is not right. I am a little alarmed about it for the simple reason if they do send a message and they do ask for a three-man commission by new legislation, instead of a seven-man commission, I am wondering how far the administration is going to go to dominate that Commission; and if you ever dominate the airways and give anybody absolute control, you have got control of the United States of America—make no mistake about it.

There is a provision in this Radio Act that I do not like. I suspect I voted for it in 1934, not knowing, perhaps, what I was voting for at the time, because the matter had not gone to the degree that it has now; but if you ever examine that act and look at section 606, here is what it says:

606. (c) Upon proclamation by the President that there exists war or a threat of war or a state of public peril or disaster or other national emergency, or in order to preserve the neutrality of the United States, the President may suspend or amend for such time as he sees fit the rules and regulations applicable to any or all stations within the jurisdiction of the United States.

I am alluding to that this afternoon because that bill probably will be on the floor one of these days if it is ever reported out of the committee. Then we will have a chance to ventilate our views and determine whether or not we want a small commission that can be dominated, that may probably invoke censorship, that may probably keep people off the airways, that can determine how far you can go without comment and political commentary, or whether we are to have an independent commission, sufficient in size to guarantee and to assure to the people of this country that there is going to be no domination of the air channels. If I had it to do over again, I would never vote for that proposition, and I am not sure but what I shall drop a bill into the hopper one of these days to repeal in whole or in part section 606, paragraph (c), because I would not like to see a situation such as prevailed only last week in the National Capital be made the vehicle for dominating the airways and controlling the things that might be said to the people of the country.

I do not know why Mr. McNinch was sent to the Radio Commission. I do not know why he abolished the examiners, but there is now in effect an examining procedure down there that in my humble judgment is not as good or as efficient or

as sound as the procedure in vogue before that change was made. It may be that it is all part and parcel of an effort to streamline this Commission, because of its importance in purveying sentiment and truth to the people everywhere in the country.

This offers a good opportunity to make an observation on this and other commissions. The trouble is not in the law; it is not necessarily a great basic weakness in the radio law as such, but rather in the personnel. When you go back you will find that most of our troubles heretofore have been because of those who sat on the board, who probably have not administered the act as it should have been administered. They removed Mr. Humphrey from the Federal Trade Commission back in 1935. I thought he was a good man, and he should have stayed there, because he gave quite an efficient administration. Then there was the trouble and difficulty in the Tennessee Valley Authority when Mr. Arthur Morgan was removed. Now we have a situation in that a former Member of the House is before the Senate for confirmation of appointment to the Interstate Commerce Commission, and we have this same personal problem on the part of the Federal Communications Commission. I am not advising the President as to what he ought to do, but I do say that a lot of these things and a lot of friction could have been eliminated if perhaps just a little more care had been exercised in getting administrators and key men who will administer and carry out the law that the people's representatives have enacted, without fear or favor, and without making an attempt to control an important agency of government. Instead of abolishing the examining procedure of the Commission, the Chairman might have given some time to the formulation of a radio policy which we do not have today, and to other basic needs that are so essential to the industry and to the public. Back in Civil War days someone remarked, "Let me write the songs of a nation and I care not who makes the laws." That might today be paraphrased by saying, "Give me the control of the Nation's air waves, and I care not who makes its laws." This Congress must be on the alert when this matter comes on.

That leads me to the last item which I wish to discuss. That is the National Labor Relations Board. I do not want to say a great deal about it, except about one phase. I listened with interest to the colloquy that occurred this afternoon to the effect that we ought to strike the whole appropriation out of the bill. Gentlemen, you cannot do that. The Appropriations Committee has no such authority. We are simply agents and servants of the House.

Congress wrote that legislation known as the Wagner Act and set up the National Labor Relations Board. Having gotten it on the books, you virtually mandated the Committee on Appropriations to look over their Budget justifications and to determine by report how much money they ought to have to carry on their functions. If a change is to be made, it ought to be made by amending the law, not by striking out, not by cutting down the amount to such proportions that you hamstring or cripple or decapitate the functions of the National Labor Relations Board. I have some different opinions about it. The Wagner Act is on the books, and if we will be honest with ourselves, we know that it is there to stay. It is a case now of efficiency, and shall I say tactful administration, but in that respect there has been some difficulty probably in a lack of tact, a lack of diplomacy on the part of some of the members of the Board. I shall give you an illustration of it. I hold no personal animus toward any member of the Board. I asked Mr. Edwin Smith to put into the record his speech delivered in Mexico to the International Industrial Relations Institute on September 3, 1938. I thought it was proper that he should do so. There was considerable talk about that speech, and I asked him to put it into the record. I suggest that you read it. You can understand why the Labor Board has not always fared as well in the press and in the eyes of the public as it might have. Remember that these gentlemen hold judicial authority. They exercise quasi legislative and executive functions, as well as judicial functions, and when they appear before the public they ought to be rather careful about their

language. Board members cannot make intemperate public statements on a highly controversial law and then expect to secure maximum cooperation from the affected parties and from the public.

Here is what Edmund Smith said, among other things—and you will find it on page 1643 of the hearings. He said:

One cannot temporize with the wording of a statute for reasons of diplomacy.

If he had been a little more diplomatic there would not be the hostility today that there is, and the chances are that this act might have been administered with far less friction than you find right now between employers and employees.

But that expression of administrative philosophy is the key to the demand for modifications of the Wagner Act today and to the lack of confidence on the part of many in securing proper administration from some members of the Board. By contrast, it is interesting to compare the approach of the Federal Trade Commission. To that agency we entrusted the administration of the Robinson-Patman Act. The Federal Trade Commission could have disrupted the entire distribution structure of the country had it been so disposed. Instead, it took a calm judicial view of the matter and has been able to proceed with administration and enforcement of the act, and without temporizing, and yet avoiding the frictions and heat that are so often destructive of genuine and enduring progress.

That is No. 1. But let me read another one that I thought was essentially unfair. I can understand how a man gets into the ill grace of the people by making statements of this kind. On page 1640, reading from this Mexican speech, he said:

The enemies of the act at first pinned their hopes on the expectation that the Supreme Court would declare the act unconstitutional. The judges in many of our lower Federal courts shared this expectation.

Who is he, as an administrative officer of the Government, to make a blanket indictment against the Federal courts when that Board has to appear in those same courts? You talk about lack of tact. Yes. That is lack of tact, and it is not any wonder they have gotten into difficulty. I never heard Chairman Warren Madden say that sort of thing. I think the Chairman of the Labor Board has done a pretty fair job. Not so long ago you heard him over the radio in debate with Charles Hook, of the American Rolling Mill Co. He gave a good account of himself. He made a calm, factual exposition of his case without using strictures against employers or employees. If all the members of the Board had done likewise a great deal of the heat, a great deal of the vehemence with which this Board is assailed would not be in evidence today. But if Mr. Edwin Smith made that kind of a speech in public it is only to be inferred that he may have uttered similar sentiments elsewhere. So I can readily understand, through the lack of tact and the lack of diplomacy, that this act has given so much trouble. Is it any wonder that the American Federation of Labor wants it amended? Is it any wonder that employers want it amended? It is because they are afraid of expressions of that kind, and do not know where it will ultimately lead.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield briefly.

Mr. HOFFMAN. Is the gentleman aware that this Board about which he is talking has ruled officially that a manufacturer or employer cannot give to his workers the speech of a Congressman?

Mr. DIRKSEN. Perhaps so.

Mr. HOFFMAN. There is not any question about it. They have.

Mr. DIRKSEN. I do not justify everything the Board has done. I recognize they are an exploratory body. They have been feeling their way, but I do say that a lot of the ill will of the country has been rightfully incurred because of tactless statements like that.

Here is another one, in connection with sit-down strikes. At page 1629 of the hearings Mr. Madden said:

My own attitude certainly is that the sit-down is an illegal trespass upon the employer's property.

Mr. HOFFMAN. Will the gentleman yield right there?

Mr. DIRKSEN. Let me finish. We asked Mr. Donald Smith that question. He said:

I do not condone sit-down strikes, and may I say that I hold the same views as does the chairman with regard to the sit-down strike situation.

We asked Mr. Edwin Smith that question, and he said:

I suppose that the legality of the sit-down strike, as the chairman suggested, is not a matter for determination by the Board, but by the courts. I am aware of the fact that in a number of jurisdictions laws have been passed since the sit-down was instituted as a weapon of striking, which have defined them as trespasses or misdemeanors, or otherwise illegal.

Then he said:

I think that the sit-down strike is a pretty flexible term.

Well, you read your own interpretation into it; but is it any wonder that they are shooting at the Board today? Why did he not make an out-and-out statement and say, "It is illegal; it has been so held and as an administrative officer of the Government we say it is an illegal act and a trespass upon the rights of the employer"? But no; he had to equivocate. He had to go around the corner. That is the reason that the Labor Board has been in difficulty, because of that sort of thing. I like to defend them when I can, because I think they have done a lot of good work, but I want to recur to the premise I made a little while ago in connection with the Federal Communications Commission. So often the trouble is not in the act; it is in the maladministration of the act and in tactless statements made in public. We probably can, with profit, amend the Wagner Act, but it probably would not have all the heat and curse that is on it today if there had been a little more tact and a little more forthrightness on the part of some who have the authority to administer it. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 8 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Chairman, there has been a great deal said here about the appropriation for the Gilbertsville Dam. During the few minutes I have at my disposal I want to hold myself to a discussion of the appropriation for the Gilbertsville Dam. I want to cite you some of the findings of fact that have been made in the various court proceedings and some of the statements that have been made by the leading engineers of this country relative to the importance of Gilbertsville Dam and the construction of a high dam.

STATEMENT ON GILBERTSVILLE DAM

Gilbertsville Dam is the key dam in the T. V. A. system for the improvement of navigation on the Tennessee River and the control of floods on the Tennessee and Mississippi Rivers. Five years of research and investigation have gone into the planning of this dam. It is one of the most valuable and urgently necessary water-control projects in the country. In an attempt to defeat an initial appropriation for this dam a number of arguments have been made plausible to the layman but without any foundation in fact. There is summarized below the facts with respect to the arguments against the construction of the dam, together with a summary of the reasons why failure to appropriate at this time for the beginning of construction of the dam would result in a grave set-back for the movement to conserve our natural resources, to control and improve our rivers, and to prevent flood devastation in the Tennessee and Mississippi River Basins. The facts stated are for the most part taken from official sources.

A. ANSWERS TO ARGUMENTS AGAINST CONSTRUCTION OF THE DAM

Low dams versus high dams: In the debates on the Gilbertsville appropriation, the statement has been made that low navigation dams would afford a superior type of navigation to that which would be supplied by Gilbertsville. Even Maj. Rufus Putnam, chief expert for the 18 utility companies in the recent T. V. A. case at Chattanooga—Tennessee Electric Power Co. against T. V. A.—admitted that navigation improvement by high dams such as Gilbertsville affords a more

technically efficient navigation channel than the alternative type of improvement by low dams (T. E. P. transcript, p. 1928). (The record in the T. E. P. case had not been printed when these citations were made and transcript references are to the official typewritten transcript of the proceedings. References to the Ashwander case are to the printed record.) And in the Ashwander case at Birmingham, in which the late Judge Grubb decided against T. V. A., the court nevertheless found as a fact that high dams of the type of Gilbertsville were superior to low dams for navigation purposes (finding of fact No. 138, Ashwander record, pp. 1082, 1083). The three-judge court at Chattanooga made the same finding (finding of fact No. 54). (Finding of fact No. 54, made by the court in the T. E. P. case, after many weeks of hearing evidence from many witnesses for both sides who covered every phase of the problem, is so conclusive on the advantage of high over low dams for navigation purposes that it is attached to this memorandum in full text.) These findings were based not on the testimony of the Authority's witnesses alone but on the basis of the testimony of the utilities' witnesses and of the Army engineers as well. In the Ashwander case Gen. George B. Pillsbury, then Assistant Chief of Engineers of the United States Army, testified that "there is no question as to the superiority of high dams over low dams for purposes of navigation" (Ashwander record, pp. 753, 754). In the Chattanooga case, Col. Lewis Watkins, who supervised the preparation of historic House Document 328, which was presented to Congress in 1930 by the Army engineers, and is the bible for the Tennessee River development, a man more familiar with the Tennessee River and its problems than any other living man, testified that high dams were superior in every way to the low-dam type of development (T. E. P. transcript, pp. 3271-3274). In House Document 328 itself the Board of Engineers for Rivers and Harbors made the flat assertion (p. 13) that a 9-foot waterway improvement by means of low-lift dams "would be inferior to the high-dam developments." The Gilbertsville Dam is one of the high-dam developments referred to.

Indeed, if low dams are built, it will be necessary in the future to destroy or submerge them in order to make way for high dams. In House Document No. 306, Seventy-fourth Congress, first session, Gen. E. M. Markham recommended with respect to the Ohio "the progressive replacement of the old—low—locks and dams with a less number of higher-lift dams," and so forth. Low dams have no value for flood control or power, and waste the resources of the sites for these purposes (T. E. P. case, finding of facts Nos. 70, 93).

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. RANKIN. That is exactly the reason that the enemies of this legislation, who are in sympathy with the Power Trust, want to put in these low dams, to forever prevent your people from using the hydroelectric power in those streams.

Mr. SPARKMAN. And waste the resources.

Mr. RANKIN. That is right.

Mr. SPARKMAN. I wish to speak for a moment now about the use of the Gilbertsville pool by river craft.

Use of Gilbertsville pool by existing craft: Another argument made is that existing river craft will not be able to use the Gilbertsville pool. This is based on the bugaboo that the pool is so large that waves will be created by wind action which will interfere with the passage of the old type of river craft in use on the Ohio River. Colonel Watkins testified in the Chattanooga case that the contrary was true, that the crooked, winding channel created by low dams was much more hazardous to navigation than the large open channels created by the high dams. Mr. James Brodie, superintendent of maintenance and chief engineer of the Federal Barge Line of the Inland Waterways Corporation, a practical navigator of great experience, testified that "a deep, long, slack-water pool is much more easy to traverse and is much more dependable than any other kind of inland waterways" (T. E. P. transcript, p. 4895). Mr. Brodie also testified (T. E. P. transcript, pp. 4895-4896) that all of the equipment of the Federal Barge Line could be used on the Tennessee

River after completion of the high-dam system, and that all the craft in use on the Ohio and Mississippi could use these pools, except a few antiquated coal barges now in use on the upper Ohio, which would probably never have occasion to use the pools in any case.

We must not be misled by statements that the Gilbertsville Reservoir will be 5 miles wide. Such widths will occur only for several short stretches at the confluence points of a few large tributaries, and then only on the rare occasions when the pool is at top flood level. The width generally is less than 2 miles when the pool is at its normal navigation level.

Effect of flood draw-down on navigation pool: Another argument that has been made is that "the reservoir must be kept practically empty in order to catch floodwaters, and that would destroy navigation; with it dry and empty you could not navigate." This objection is wholly without foundation. At elevation 350—above sea level—the pool will have a minimum depth of 12 feet, adequate for vessels of 9-foot draft, with customary overdepths. From elevation 350 to the top of the gates, at elevation 375, there will be storage space for 4,600,000 acre-feet, which storage is all controlled flood storage and can be used for flood control without impinging in any way on the navigation pool.

Valley storage: A final argument against Gilbertsville is that it will displace natural "valley storage." The short answer to this argument was made in the T. E. P. case by Mr. George R. Clemens, civil engineer of the Mississippi River Commission, and in responsible charge of that Commission's Comprehensive Report on Reservoirs in the Mississippi River Basin (H. Doc. 259, 74th Cong., 1st sess.). He pointed out that valley storage was merely the successive positions taken by the flood itself, and that far from reducing floods on the Mississippi, this uncontrolled storage increased the flood heights on the Mississippi by retarding the discharge of the Tennessee until it coincided with the flood crest on the Mississippi, as occurred in the 1937 flood (T. E. P. transcript, pp. 3607-3611). The three-judge court came to the same conclusion (T. E. P. case, finding of fact No. 66).

B. FACTS IN SUPPORT OF IMMEDIATE CONSTRUCTION OF GILBERTSVILLE DAM

Strategic importance of Gilbertsville Dam for navigation: The Gilbertsville site is at the mouth of the Tennessee, near Paducah. It is therefore the bottle neck so far as the development of water commerce in the Tennessee Basin is concerned. No traffic can move in or out of the Tennessee Basin without passing through the 184-mile stretch which Gilbertsville Dam will improve. It is the great connecting link between the Tennessee Valley and the remainder of the great Mississippi Valley. The seven dams constructed or under construction on the Tennessee to provide 9-foot navigation will have only limited usefulness for through traffic between the Tennessee system and the Mississippi system unless this bottle neck is eliminated and a full standard channel created.

Strategic importance of Gilbertsville Dam for flood control on the lower Mississippi River: It is now universally recognized that it is absolutely necessary for Mississippi flood control to supplement the existing protection works on the Mississippi by reservoir projects on the tributaries. (See report of Army engineers of April 6, 1937, Committee Document No. 1, 75th Cong., 1st sess., pars. 20, 21.) The Gilbertsville site is the most strategic for this purpose in existence. It is immediately above the junction of the Ohio and the Mississippi at Cairo, and can therefore be regulated with precision, drawing down the pool in advance of floods and storing the entire flow of the Tennessee during the peak flood stages on the Mississippi, as the flood crest approaches Cairo. It is not only the most strategic reservoir in location, but the largest in size, and will alone cut off from 2 to 3 feet from the crest of the floods on the Mississippi from Cairo all the way down to Helena, Ark., with very substantial effect on flood heights through the remainder of the length of the Mississippi. When one recalls that the levees on the Mississippi have already been built to the maximum feasible height, and that in times of flood disaster even inches are important the tremendous benefits to Mississippi flood control from this project can be appreciated (T. E. P. case, findings of fact Nos. 61-63).

The Gilbertsville site is far cheaper for Mississippi flood control than any other site in the Mississippi Basin. A report on this site by a board of independent consulting engineers, consisting of Mr. O. N. Floyd, of Dallas, Tex., consultant for the Army engineers on the flood-control project at Sardis, Miss., and numerous other projects; Mr. L. L. Hiding, an experienced consulting engineer associated with Mr. A. E. Morgan in the design and construction of numerous flood-control projects; and Mr. E. W. Lane, for a number of years associated with the Bureau of Reclamation and now professor of hydraulic engineering at Iowa State University, contains the following conclusion:

The cost of the Gilbertsville project per acre-foot of storage or per foot of reduction in flood stage at Cairo, Ill., is less than one-half the cost of any other reservoir or system of reservoirs which could be located on the tributaries of the Mississippi River above Cairo.

The three-judge court at Chattanooga, in its unanimous opinion last year, made the following statement:

It is reasonably estimated that Gilbertsville, when completed, will supply over 4,000,000 acre-feet of flood storage, and it is the most important of the series for flood control on the Ohio and Mississippi.

Even the conservative Engineering News-Record, which is opposed to the Authority's power activities, editorially recognized the outstanding character of this project in its issue of April 7, 1938. The editorial is attached in full text.

Effect of delay on program of T. V. A.: Any delay in the construction of this project creates the hazard that the delay will result in loss of life and destruction of property because of a flood catastrophe which this project could have averted. Delay in construction postpones the removal of the bottle neck to through navigation on the Tennessee River and the full realization of the benefits of the Tennessee Valley Authority project.

Delay would be wasteful as well as dangerous. The Authority has planned its construction program to achieve maximum economy and efficiency. It has prepared long-range plans for the transfer of men and equipment from project to project in a coordinated series. Indeed, all of the dams have been treated as a single giant project. An interruption in the construction of any single unit of this great project will impair economy and efficiency and result in the waste both of human resources and of material.

If the appropriation is not made now, it will be necessary for the Authority to discharge scores of experienced engineers. These men have acquired invaluable experience in dealing with this project in its preliminary phases. If these men are discharged, they can never be reassembled, and replacements will have to be made from less qualified and experienced personnel. Gilbertsville is not an emergency project, but a part of a permanent program for the conservation and utilization of our natural resources for the benefit of the people of America. However, the necessity of stimulating employment in the current business recession adds final force to the argument for constructing the project at this time.

Gilbertsville is a part of a regional project. However, its greatest value is not for the Tennessee Basin but for the whole Mississippi Valley below Cairo. It is a truly national project. [Applause.]

TEXT OF FINDING OF FACT NO. 54 MADE BY THREE-JUDGE COURT IN TENNESSEE ELECTRIC POWER CO. ET AL. V. TENNESSEE VALLEY AUTHORITY ET AL.

54. The high-dam projects of the Authority will provide a navigation improvement substantially superior to that which could be provided by the system of low dams set forth in House Document No. 328. The superiority of high dams for navigation was recognized by the Board of Engineers for Rivers and Harbors in House Document No. 328. The Authority's projects will provide superior channel depths and widths, substantially fewer lockages, substantially less current velocities, pool fluctuations, and interruptions from floods. The elimination of lockages will substantially reduce the time consumed in lockages; the superiority of channel depths and reduction of current velocities will substantially increase the speed of movement and reduce the amount of motive power required; and the wider and longer pools of the high dams are preferred by the navigator to the narrow, crooked pools of the low dams. The reduction in pool fluctuations will greatly encourage the development of terminal facilities necessary to the development

of commercial navigation. The advantages of the Authority's projects in these respects will insure a substantially greater efficiency of the navigation channel, substantially greater dependability of service, and may reasonably be expected to attract a substantially greater volume of traffic on the improved river. The high dams will also provide substantial improvement of navigation on the tributaries which would not be provided by the low-dam projects. The advantages of high dams cannot be accurately measured in monetary terms. The boats and barges which are now in general use on the interconnected inland waterways of the Mississippi River system will be able to navigate the Tennessee River where improved by the projects of the Authority without change of design or extent of loading.

[Editorial from the Engineering News-Record of April 7, 1938]

BASIC CONTROL

Current animosities may easily inspire the thought that no more money should be squandered on T. V. A. expansion, and that therefore the plan to build a large dam at the mouth of the Tennessee River should be rejected. Such a thought would be unfair. It would ignore the fact that the Gilbertsville project mainly serves to reduce Mississippi River floods. Of course, the big reservoir would also improve navigation on the Mississippi, as well as open up the Tennessee itself; but the flood-control effect remains the commanding argument. Back of this situation lies a simple but compelling reason. The truth is that the whole Mississippi River control plan is a failure insofar as the city of Cairo and the basins immediately below are concerned; in last year's flood the city escaped destruction only by a hair. Gilbertsville would provide a safety margin by cutting 2 to 4 feet off Cairo flood heights—not enough in the biggest flood but a very considerable approach to full protection. It would be the first piece of effective tributary control, and one of the largest, in the ultimate Mississippi River system. The estimate of flood benefits reported by Carl A. Bock on another page, approaching \$100,000,000, reflects its importance and emphasizes that the project deserves earnest consideration.

The CHAIRMAN. There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

CIVIL AERONAUTICS AUTHORITY

Salaries and expenses: For salaries and expenses of the Civil Aeronautics Authority, including the expenses of operation, maintenance, and upkeep of air navigation facilities, in carrying out the duties, powers, and functions devolving upon it pursuant to the authority contained in the Civil Aeronautics Act of 1938 (52 Stat. 973), including traveling expenses and expenses of employees detailed by the Chairman of the Authority or the Administrator to attend meetings of associations, organizations, or other properly constituted bodies concerned with the civil aeronautics industry or the art of aeronautics, in the United States or in foreign countries; personal services and rentals in the District of Columbia and elsewhere; contract stenographic reporting services; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; expenses of packing, crating, drayage, and transportation of household effects and other personal property (not exceeding in any one case 5,000 pounds) of employees when transferred from one official station to another for permanent duty, upon specific authorization by the Chairman of the Authority or the Administrator; purchase and exchange of professional and scientific books, law books, books of reference, atlases and maps, periodicals, and newspapers; purchase and exchange (not to exceed \$400,000), operation, maintenance, repair, and overhaul of aircraft, aircraft power plants, propellers and equipment, and spare parts thereof; purchase and exchange (not to exceed \$45,000), hire, maintenance, repair, and operation of passenger-carrying automobiles, including two automobiles for use in the District of Columbia; and purchase of special clothing, wearing apparel, and suitable equipment for aviation purposes (including rubber boots, snowshoes, and skis), \$13,738,000: *Provided*, That this appropriation shall be available for payments, at a rate not to exceed 3 cents per mile, to maintenance and operating personnel, as reimbursement to such personnel of the expenses of necessary travel in their personally owned automobiles within the limits of their official posts of duty when such travel is performed in connection with the maintenance and operation of remotely controlled air navigation facilities.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 8, line 1, strike out "\$13,738,000" and insert in lieu thereof "\$11,000,000."

Mr. TABER. Mr. Chairman, the Civil Aeronautics Authority was created a year ago, and it was indicated to us that it would promote efficiency and economy to have this organization in this shape. The result of the proposition, however, is that so far we are presented with a 50-percent increase in the cost of operation next year over the cost for the current year. Frankly, this is not along the line of efficiency and economy, in my belief.

The cost of these functions at the present time is, altogether, \$14,000,000; that is, for the current fiscal year, 1939.

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Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. BULWINKLE. I call the attention of the gentleman from New York to the fact that last year when the civil aeronautics bill passed the House not one word was said, according to my recollection, by any Member on either side of the Chamber that it would be more economical to establish the Civil Aeronautics Authority. What we did say was that it would bring about more efficiency and a greater promotion of aeronautics in civilian life. I think the members who were on the committee at that time will bear me out in my statement.

Mr. TABER. I am rather surprised, Mr. Chairman, because I have always understood that the set-up was supposed to promote efficiency and economy.

This outfit went to the Budget and requested \$34,000,000. The Budget dropped them to \$21,230,000, and this committee has dropped them to \$21,218,000. What kind of set-up has this organization and what kind of set-up is it proposed to give them?

At the present time the number of employees upon this roll is 3,233. This is brought about with an appropriation this year of \$14,000,000. It is proposed to give them 4,332 employees in the fiscal year 1940—an increase of 1,100 employees. At the present time the Interstate Commerce Commission, with all its regulation of railroads, trucks, busses, and all that sort of thing, has a total of only 2,739 employees. It seems to me that it is absolutely ridiculous for this activity, even if it does to a certain extent engage in promotion, even if it does to a certain extent engage in the development of some airports—it seems to me that it is absolutely ridiculous for this organization to carry a set-up 50 percent greater than that of the Interstate Commerce Commission.

As this House approaches the problem of the cost of government it must show a tendency to economize if we are to get anywhere. The amendment I have offered would cut this appropriation that appears on the top of page 8, for salaries and expenses, \$2,738,000.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TABER. If this amendment is adopted, I propose to attempt to reduce the item on page 9, line 10, by \$1,000,000, thereby saving nearly \$4,000,000 out of this whole appropriation. It seems to me that if we are to get anywhere it is absolutely necessary to get rid of a large portion of these additional employees that are expected to be added.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. TABER. In a moment. If the gentleman will turn to page 1878 of the hearings, he will see where it is proposed to increase the number of regional employees from 2,489 to 3,620, and to increase their compensation by \$2,300,000. The entire set-up is on a basis of extravagance and tremendous overhead.

We can never get stability in this Government if we are continually to increase every item that comes up. I hope, therefore, that the House will take a position for economy and cut out the major portion of this increase in the number of employees and \$2,000,000 in salaries. They would not be necessary with efficient management. We can very well allow \$1,000,000 less for facilities and developmental expense.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. BULWINKLE. Does the gentleman know how much was carried in the bill last year for navigation facilities?

Mr. TABER. I can tell the gentleman in a moment.

Mr. BULWINKLE. I will supply the figure for him: \$4,570,000. This year they ask for \$15,312,870. I am asking the gentleman if, time after time, in the last few years here in Congress there has not been criticism because the Government did not establish air navigation facilities to protect the passengers and the planes?

Mr. TABER. The Government is going a very long way at this time in attempting to establish these facilities. It is moving faster than there is any reason for so doing.

Mr. BULWINKLE. May I ask the gentleman if he knows how many men it takes to man one of these beacon lights at an air station?

Mr. TABER. Perhaps three.

Mr. BULWINKLE. It takes five, and the more you have the more men it is going to take. This acts as a protection to the planes and to the passengers in those planes. I am calling this to the gentleman's attention, because this was done for the absolute safety of the traveling public. The Congress should not stint when it comes to saving human lives.

Mr. TABER. It is not necessary for the Congress to go back on the proposition of saving human life. It should go ahead and provide what is necessary, but it should not go ahead and provide a lot more than is necessary.

The proposal I made to make a cut on additional facilities was not to prevent providing what is necessary by this year's appropriation. The proposal I make is to cut \$1,000,000 off of a \$7,000,000 appropriation, which the gentleman referred to, and which compares with an appropriation of \$4,000,000 for the current year. I do not think that is cutting down unnecessarily on facilities which take care of human life. I think it is showing common sense and an honest progress, instead of being wildly extravagant. That is what this kind of a proposition sets up.

[Here the gavel fell.]

Mr. HOLMES. Mr. Chairman, I ask unanimous consent that the gentleman may have 5 additional minutes.

Mr. WOODRUM of Virginia. Mr. Chairman, 15 minutes on one amendment is rather long. I want the gentleman to have sufficient time.

Mr. HOLMES. Mr. Chairman, I ask unanimous consent that the gentleman may have 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HOLMES. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. HOLMES. I call attention to the fact that on page 35 the total appropriation for the Interstate Commerce Commission, with its varied functions of regulation, including air, rail, and water, is only \$8,908,000. The gentleman's proposition is to reduce the appropriation in the case of one item for the Civil Aeronautics Authority.

Mr. TABER. It is to reduce this particular item to \$11,000,000, as that is an increase over the current year.

Mr. KLEBERG. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. KLEBERG. Does the gentleman think that within 1 year of the operation of the Civil Aeronautics Authority they could develop the practical operation to a degree of consistency with the safety requirements of present-day flying? I feel that the gentleman's suggestion is good, but I think it is untimely. I think he is 2 years ahead of time. The Civil Aeronautics Authority does not have the necessary money to carry out its functions.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. TABER].

Mr. Chairman, the House, after great deliberative consideration passed a bill organizing the Civil Aeronautics Authority and did so because it felt there was a great and pressing need for a concentrated effort to operate in this new field of navigation which so vitally affects the lives of American people. Since that event we have been more impressed with the fact that aviation is facing an era of great

expansion. The people are using it more and more every day. Every time we pick up a newspaper we are confronted with a situation where there has been loss of life and property.

This agency estimated its needs, composed as it is of experts in their lines, at a total of \$34,895,000. The Budget cut that \$13,000,000, which was a severe and drastic cut. My good friend the gentleman from New York [Mr. TABER], keen and astute as he is, did not hear the proceedings before the subcommittee. He has had access to the hearings. However, I believe every member of the subcommittee was impressed with the ability and the sincerity of the people who are operating this department. As far as I am concerned, I do not want to take the responsibility of impeding the development of this new agency, which is so vitally necessary in this time of expanded aviation.

I hope the Committee will allow these items, which have been passed upon by the subcommittee unanimously, so far as I know, and permit them to stand and give the Civil Aeronautics Authority a chance to organize and to operate satisfactorily in this important field.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The amendment was rejected.

The Clerk read as follows:

Salaries and expenses, Air Safety Board: For salaries and expenses of the Air Safety Board in carrying out the duties and functions devolving upon it pursuant to the provisions of title VII of the Civil Aeronautics Act of 1938 (52 Stat. 973), including personal services in the District of Columbia and elsewhere; traveling expenses; contract stenographic reporting services; operation, maintenance, repair, and overhaul of aircraft; hire, maintenance, repair, and operation of passenger-carrying automobiles, including one automobile for use in the District of Columbia; and purchase of special clothing, wearing apparel, and suitable equipment for aviation purposes (including rubber boots, snowshoes, and skis), \$380,000, of which amount not to exceed \$25,000 may be expended for temporary employment in the investigation of aircraft accidents of consultants and experts on a contract or fee basis without regard to section 3709 of the Revised Statutes.

Mr. COCHRAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I hope every Member of the House now present will remember the words of the gentleman from Virginia [Mr. WOODRUM] a few moments ago when he spoke so highly of those in charge of the Civil Aeronautics Authority, because when we come to the consideration of page 66 it is my purpose to offer an amendment restoring the salaries that were provided by the last Congress in setting up the Civil Aeronautics Authority. It is true Congress after most careful consideration set up this very necessary agency as Mr. WOODRUM says.

The Subcommittee on Appropriations has reduced the salaries of these very outstanding men, about which the gentleman from Virginia [Mr. WOODRUM] just spoke, despite the fact the statutory provision states they shall be paid a certain salary. As I pointed out in my remarks just before adjournment this is not economy. You might limit the amount they can draw from this appropriation but if six unanimous decisions of the Court of Claims and Supreme Court mean anything everyone affected will eventually get their full salary with interest.

Mr. DIRKSEN. I may say to the gentleman from Missouri that one can think very highly of a Government administrator and still not give him the keys to the Federal Treasury. That is the answer.

Mr. COCHRAN. The gentleman from Virginia was speaking about these experts, the wonderful men who are now running the Civil Aeronautics Authority, yet in another part of the bill he wants to cut the salaries of these experts. I only want to give them the salary that every Member of the House who voted for the Civil Aeronautics Authority bill in the last Congress provided they should receive. If we felt last year they should receive a specific salary then why limit the amount below that figure they can receive under this bill?

The proper way to approach this matter is through the legislative committee not by a limitation on an appropriation

bill. I hope Mr. WOODRUM will speak as highly tomorrow as he did today about the officials whose salaries he seeks to reduce.

The pro forma amendment was withdrawn.

The Clerk read as follows:

CIVIL SERVICE COMMISSION

For three Commissioners and other personal services in the District of Columbia, including personal services required for examination of Presidential postmasters, and including not to exceed \$2,500 for employment of expert examiners not in the Federal service on special subjects for which examiners within the service are not available, and for personal services in the field; for medical examinations; for necessary traveling expenses, including those of examiners acting under the direction of the Commission, and for expenses of examinations and investigations held elsewhere than at Washington, including not to exceed \$5,000 for expenses incident to attendance at meetings concerned with problems of public officials, educational groups, Government employees as such, and other similar organizations, which are peculiar to the interests and business of the Commission, when specifically directed by the Commission; for furniture and other equipment and repairs thereto; rental of equipment; supplies; advertising; telegraph, telephone, and laundry service; freight and express charges; streetcar fares not to exceed \$300; stationery; purchase and exchange of law books, books of reference, directories, subscriptions to newspapers and periodicals, not to exceed \$1,000; charts; purchase, exchange, maintenance, and repair of motortrucks, motorcycles, and bicycles; garage rent; postage stamps to prepay postage on matter addressed to Postal Union countries; special-delivery stamps; and other like miscellaneous necessary expenses not hereinbefore provided for, \$4,250,000, of which not to exceed \$550,000 shall be immediately available: *Provided*, That notwithstanding any provisions of law to the contrary, the Civil Service Commission is authorized to expend not to exceed \$3,000 of this amount for actuarial services pertaining to the civil service, Canal Zone, and Alaska Railroad retirement and disability funds, to be obtained by contract, without obtaining competition, at such rates of compensation as the Commission may determine to be reasonable: *Provided further*, That no details from any executive department or independent establishment in the District of Columbia or elsewhere to the Commission's central office in Washington or to any of its district offices shall be made during the fiscal year ending June 30, 1940, but this shall not affect the making of details for service as members of the boards of examiners outside the immediate offices of the district managers: *Provided further*, That the Civil Service Commission shall have power in case of emergency to transfer or detail any of its employees to or from its office or field force.

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to express my approbation of the action of the Committee in giving the Civil Service Commission the amount recommended by the Budget in this year's annual appropriation. For many years the Civil Service Commission has been handicapped in performing its duties by the lack of a proper appropriation. While the amount appropriated in this bill is considerably less than the Commission asked of the Budget, the committee has given them every dollar the Budget recommended, as I recall the figures.

In this connection I wish to call the attention of the Members of the House to the fact that the Commission has stationed one of its staff in the office of the House Committee on the Civil Service, room 246, in the old House Office Building. He will be there from 9 until 3 every day and from 9 until 12 on Saturday for the purpose of being of service to the Members of the House and their secretaries in dealing with any matters you may have with reference to the civil service. Mr. Robert L. Bailey is the contact man they have stationed in that position. I have found him to be a very capable and a very affable gentleman. He is there for your service for the purpose of enabling you to give better service to your constituents on matters affecting the civil service.

I again wish to express my appreciation to the Committee for this appropriation. [Applause.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

CIVIL-SERVICE RETIREMENT AND DISABILITY FUND

For financing of the liability of the United States, created by the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920, and acts amendatory thereof (38 U. S. C. 11), \$86,329,000, which amount shall be placed to the credit of the "civil-service retirement and disability fund."

Mr. THORKELOSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been flying aircraft for a little longer than 10 years, and I believe I know something about aviation. I want the Members of Congress to know that we had safe aviation before we had officials sitting here in the Civil Aeronautics Authority office in Washington. Safety does not depend on an office in Washington. The Civil Aeronautics Authority is merely a regulatory body. It controls the lighting of the airways, the beams, markers, and so forth. The safety of air transportation and the safety of the passengers depends on the private companies and on the pilots of the planes and not on the Civil Aeronautics Authority.

My statement is merely to give credit to the men who pioneered in aviation.

The pro forma amendment was withdrawn.

The Clerk read as follows:

DISTRICT OF COLUMBIA ALLEY DWELLING AUTHORITY

The unexpended balance on June 30, 1939, of the "Conversion of inhabited alleys fund," established pursuant to the provisions of the District of Columbia Alley Dwelling Act, together with all accretions during the fiscal year 1940 to said fund under the provisions of said act and of the United States Housing Act of 1937 shall be available until June 30, 1940, for the purpose of carrying out the provisions of said District of Columbia Alley Dwelling Act.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word, in order to ask a question of the gentleman from Virginia.

Does the provision for the Alley Dwelling Authority contemplate that the Authority is going to wind up its affairs in the course of time, or is there a revolving fund the Authority uses?

Mr. WOODRUM of Virginia. There is a revolving fund, and the Authority gets more money from the United States Housing Authority.

Mr. VOORHIS of California. They have to lay out their program so they use the same money over and over, and, as they reconstruct buildings or erect new buildings, they are compensated by careful management of their properties and the rent on such buildings. In other words, they are demonstrating that low-cost housing can be made self-supporting by careful management.

Mr. WOODRUM of Virginia. The gentleman is correct.

Mr. VOORHIS of California. I just wanted to bring out these facts because it seems to me the Authority is doing an excellent job and I wanted to comment on it.

The pro forma amendment was withdrawn.

The Clerk read as follows:

For all printing and binding for the Federal Power Commission, including engraving, lithographing, and photolithographing, \$85,000.

Mr. CROWE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order for 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. CROWE. Mr. Chairman, the matter I desire to bring to the attention of the House at this time is a telegram which I will read and comment on for a moment. This telegram is dated yesterday and was sent from Lawrenceburg, Ind., to Hon. EUGENE B. CROWE, Congressman, Washington, D. C.:

Ohio River reaches threatening stage here tomorrow morning. Had rain occurred above Cincinnati and below Big Sandy, it is likely 1937 would be repeated, or, if rains come, may still repeat. Cannot appropriation for levee be passed and the people assured that relief of the hazardous condition immediately started? The public is much aroused, wanting to send 100 or more telegrams to you today. What is the present situation?

LAWRENCEBURG LEVEE COMMITTEE,
V. M. O'SHAUGHNESSY, Chairman.

At about this time 2 years ago, on January 21, 1937, the floodwaters of the Ohio River overflowed the levees at the city of Lawrenceburg, Ind., and at Jeffersonville, Ind., as well as other points along the Ohio River, and flooded some 11 States. Many millions of dollars' loss was sustained at Lawrenceburg, Aurora, Rising Sun, Patriot, Vevay, Madison,

Utica, Jeffersonville, Clarksville, and other points in my district. According to the figures of the War Department, more than \$400,000,000 of property was destroyed by that flood, although \$800,000,000 is the figure placed on the damage by many people who have taken a survey of the situation. More than 1,000,000 people were rendered homeless and were removed from their homes, many by train as the water was coming over the tracks and many by trucks and automobiles. They were taken out on rafts, in boats, motorboats, canoes, and what not. The suffering lasted for many days, for many weeks, and in cases many months. Thus you can understand the conditions and the mental feeling of everyone who lives along the Ohio River when the floods come as they have in the Ohio River at this time.

I am informed the War Department has estimated that approximately \$195,000,000 is needed for flood-control levees, and so forth, throughout the United States at this time. This money is needed now. However, I understand the Budget will reduce the figure perhaps to \$110,000,000. Really, in the Ohio River Valley alone, something like \$100,000,000 is needed this year for necessary levees and flood walls for protection; not for the future but immediately.

The city of Lawrenceburg, Ind., pays yearly in taxes into the Federal Government at least six to eight times the amount required to give that city the needed protection.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CROWE. I yield.

Mr. RANKIN. If instead of cluttering up the Ohio River with low dams they had built high dams on the Ohio and its tributaries, as they have on the Tennessee River, you would now be protected from these disastrous floods. The amendments we put in the flood-control bill last year enable the Federal Government now to go ahead and really control floods on those streams and at the same time improve navigation and utilize the water power.

Mr. CROWE. Mr. Chairman, I am not fully conversant with that matter, but, no doubt, the gentleman is right, because he is quite an authority on matters of this kind. No Member of the House has rendered finer service to the House on the power question than has the gentleman from Mississippi [Mr. RANKIN]. The thing I am particularly interested in at this time is the appropriation of a reasonable amount of funds by the Congress to start these levees and floodwalls. Another thing which should be incorporated in the legislation this year is a renewal of the program of 1937, which would permit the President in cities where they are financially unable to furnish all the lands and rights-of-way to furnish up to one-half of that expense by the Federal Government. Two cities of which Paducah, Ky., is one, have been granted this privilege. It is now unfair to ask other cities which have as little ability and as little funds to supply it 100 percent. This should also be incorporated in the legislation. I propose to do everything I can to bring this legislation to a successful conclusion.

[Here the gavel fell.]

LIGHT AND POWER RATES

Mr. RANKIN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I agree thoroughly with what the gentleman from Indiana [Mr. Crowe] has had to say. We have never controlled the floods in this country on any stream so far, except the Tennessee River. Norris Dam, 2 years ago, saved the city of Cairo, Ill.

Mr. THOMAS F. FORD. And also the Colorado River.

Mr. RANKIN. The gentleman from California says they have controlled floods on the Colorado River. I accept the correction. That is because of Boulder Dam. We are now getting ready to control floods on the Columbia River because of Grand Coulee and Bonneville.

Whenever we can build high dams on the Ohio and its tributaries such as we have built on the Tennessee, the Columbia, and the Colorado, we cannot only improve its navigation perfectly but we can also control its floods and at the same time generate for the people of Ohio and the surrounding country hundreds of thousands of horsepower of electric

energy to be used for the benefit of those people in that area for all time to come. The sooner this is done the better. You will never control floods by building levees or by building low dams.

However, I want to call your attention to the last word in this paragraph I am supposed to speak on. I want to speak to you for a moment on the work of the Federal Power Commission. In my opinion, the Federal Power Commission has done more for the American people in the last 4 years than it had done in all the years of its existence up to 1934 by carrying out the provisions of a resolution which Senator NORRIS and I got passed a few years ago to make and publish a survey of the power rates in every State of this Union and in every municipality or every community of 250 people, giving the county information on power rates.

You might as well get ready, because you are going to have to put up with me the rest of this Congress, at least, and I am going to cross-examine you gentlemen who get up here and attack the T. V. A. or Rural Electrification Administration. I am going to cross-examine you on what power rates your people pay. A man who does not know what electricity costs the people in his home town is not qualified to discuss the power question on this floor. I am going to tell you where you can get that information and how to make your comparisons. Call up the Federal Power Commission and have them send you the power-rates survey for your own State. Then if you want to know how they compare with the T. V. A. rates you send and get one for Mississippi or Tennessee. If you get one for Mississippi, of course, look at Tupelo, Corinth, Amory, or other surrounding towns. If you want to know how they compare with the far West, send down and get one for the State of Washington and compare your rates with what is paid in Tacoma, Wash., or in Seattle. Send and get one for the State of California and see what electricity costs in Los Angeles, the home of the distinguished gentleman from California [Mr. Ford], and you will realize what your people ought to pay for electricity. If we could reduce those rates all over the country to those levels we would save the American people \$1,000,000,000 a year on their light and power bills alone.

That is what I am driving at. The greatest natural resource in all the world outside of the soil from which we live is the water power in our navigable streams and their tributaries. What I am trying to do is to get that water power developed and distributed to your people at rates based upon the cost of generation, transmission, and distribution.

This is not the Government going into a private business. The power business is a public business. It is necessarily a monopoly, and when private power companies accuse the Government of going into a private business they overlook the fact that they themselves are trying to run a public business and the Federal Government is trying to protect the American people.

Let me say to you, gentlemen, do not any of you from the coal districts deceive yourselves. One of the leading experts that the power companies sent to testify in the T. V. A. investigation said that with \$3 coal they can generate power at 4.18 mills a kilowatt-hour.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. This is cheaper—4.18 mills a kilowatt is cheaper than any municipality in the Tennessee Valley area buys T. V. A. power. You can generate power with coal and distribute it all over this country at the standard T. V. A. rates, without loss, and yet you have the National Coal Association, a bunch of operators who are fighting this program, trying to wring from the coal consumers in this country higher prices for coal. They are interlocked with the utilities to such an extent that people in the coal area are being overcharged—people who live next door to the mines are being overcharged for electric lights and power just as badly as if they lived 300 miles away.

This is a national issue; it is one of the greatest issues the American people have before them today—that of bringing to every home, to every store, and to every business establishment an abundance of electricity at proper rates.

In Europe, outside of Russia and probably some of the Balkan States, from 90 to 100 percent of the farmers have electricity in their homes. In Switzerland it is probably 100 percent. Others are making drives for the same purpose.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes.

Mr. MILLER. Can the gentleman tell us the source of the figures that the farmers in France, at least 90 percent of them, have electricity?

Mr. RANKIN. Yes; I got the figures from the Rural Electrification Administration.

Mr. MILLER. Then the gentleman will permit me to say that I saw a good many farms in France just a year ago, and they are just as they were 20 years ago, still burning candles.

Mr. RANKIN. Oh, the gentleman has looked over areas in the United States and seen thousands of farms with high-powered lines running right over the houses that cannot even get any service.

In New Zealand, a sparsely settled country, 65 percent of the farmers have electricity.

We can put electricity into every farm home in America without burdening anybody, by developing the water power of this Nation, and squeezing the water out of existing power stocks, and reducing rates to their proper levels.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes; I yield to the gentleman from Pennsylvania for a question.

Mr. RICH. Does the gentleman expect to furnish power to everybody in this country by doing the same thing that they are doing down in Tennessee now; namely, buying up all of the public utilities?

Mr. RANKIN. Mr. Chairman, let me say to the gentleman from Pennsylvania that he guessed exactly right. I would like to say that it is the policy to spread through this Nation—

Mr. RICH. That is what I thought you were trying to do—Russianize the Government and take over everything.

Mr. RANKIN. No; I am trying to Americanize it. I am in favor of carrying this power policy even as far as the city of Williamsport, Pa., the gentleman's home town. I do not want to leave anybody out.

Mr. RICH. Oh, we have electricity in Williamsport now, it is right there now, but we in Williamsport do not want to pay for buying all of the power companies and thus Russianizing the Government. They are Americans up there.

Mr. RANKIN. Then they should be treated as Americans and not as slaves of the Power Trust.

His people buy their electricity from the Pennsylvania Power Co., and as a rule they are overcharged at least 100 percent.

I will give you the comparison of the rates in Williamsport with the T. V. A. rates. Since the residential consumers in Pennsylvania use less than 60 kilowatt-hours a month I will just run the figures up to 100 kilowatt-hours a month.

The first 25 kilowatt-hours a month in Tupelo, Miss., under the T. V. A. rates cost 75 cents; in Williamsport, Pa., the cost would be \$1.90. In Tupelo, Miss., 40 kilowatt-hours cost \$1.20; in Williamsport, Pa., it costs \$2.89. In Tupelo 100 kilowatt-hours a month cost \$2.50; in Williamsport, Pa., it costs \$5.28.

In other words, the domestic consumers in Williamsport are paying tribute to the Power Co. in overcharges of more than 100 percent.

The burden on your commercial consumers, that is your merchants, hotel, restaurant, filling-station operators, and others who pay commercial rates, is even greater. For instance, in Tupelo under the T. V. A. rates 150 kilowatt-hours a month costs the commercial consumer \$4.50; in Williamsport, Pa., it costs \$9.40. In Tupelo 375 kilowatt-hours a month costs the commercial consumer \$10; in Williamsport it costs \$19.80. In Tupelo 750 kilowatt-hours costs the com-

mercial consumer \$17.50; in Williamsport it costs \$37.60. In Tupelo 6,000 kilowatt-hours a month costs the commercial consumer \$90; in Williamsport, Pa., it costs \$211.50.

What I am trying to do is to bring light and power rates down to the T. V. A. levels, not only to the people of Mississippi, but to the people of Pennsylvania, including the ones at Williamsport, and to the people in every other State in this Union, including every farmer in America.

The Clerk read as follows:

NATIONAL ARCHIVES

Salaries and expenses: For the Archivist and for all other authorized expenditures of The National Archives in carrying out the provisions of the Act of June 19, 1934 (48 Stat. 1122-1124; 40 U. S. C. ch. 2A), as amended; the act of July 26, 1935 (49 Stat. 500-503; U. S. C., Supp. II, title 44, ch. 8A), as amended; including personal services in the District of Columbia; supplies and equipment, including scientific, technical, first-aid, protective, and other apparatus and materials for the arrangement, titling, scoring, repair, processing, editing, duplication, reproduction, and authentication of photographic and other records (including motion-picture and other films and sound recordings) in the custody of the Archivist; purchase and exchange of books, including law books, books of reference, maps, and charts; contract stenographic reporting services; purchase of newspapers, periodicals, and press clippings; not to exceed \$100 for payment in advance when authorized by the Archivist for library membership in societies whose publications are available to members only or to members at a price lower than to the general public; travel expenses, including not to exceed \$1,000 for the expenses of attendance at meetings concerned with the work of The National Archives; repairs to equipment; purchase, exchange, maintenance and operation of motor vehicles; and all other necessary expenses, \$850,000: *Provided*, That section 3709 of the Revised Statutes (41 U. S. C. 5) shall not be construed to apply to any purchase or service rendered for The National Archives when the aggregate cost involved does not exceed the sum of \$50.

Mr. MOSER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. MOSER: Page 31, line 12, after the word "expenses", strike out "\$850,000" and insert "\$775,000." In line 14, strike out the word "not", and in line 15, after the word "Archives", strike out the remainder of the section.

Mr. WOODRUM of Virginia. Mr. Chairman, I make the point of order that we have passed that paragraph of the bill. We have read through line 18.

The CHAIRMAN. In the opinion of the Chair we were reading rather rapidly, and the gentleman from Pennsylvania [Mr. MOSER] had called the attention of the Chair that he wished to introduce an amendment at this point. The Chair overrules the point of order.

Mr. MOSER. Mr. Chairman, this amendment is offered because The National Archives came into this House last year and had placed in the independent offices appropriation bill a provision which placed them under the civil service. This year they have gone before the committee and have asked for another \$75,000, stating that it is their purpose to employ an additional 33 clerks. If we consider the merit system and adopt the principle of efficiency and recognize the merit system as something promoting efficiency, it is scarcely justifiable that this Congress should proceed and in 1 year give them an additional 33 clerks. In addition to this, there is mention of the fact that they propose to remove about 112,000 cubic feet of records this year, and appropriations are included for that purpose. The amendment will require them to get competitive bids for any necessary removal from garages or other places of storage of records to be placed in The Archives Building proper. I feel that part of the act which specifies a minimum of \$50 should be taken out, and that is the further purpose of this amendment. There is no reason why the Revised Statutes should be set aside to exempt people in The Archives Division from its exactions in respect to removals from garages and other places, to permit items of less than \$50 for transferring, and make them cumulative from time to time whenever they feel they can spend \$50 or a less amount. That is the purpose of the latter part of the amendment. The first part is for the purpose solely of having The National Archives operate on the economical basis we were led to believe they were able to operate when they adopted the merit system and adopted civil service for The Archives. I feel this Committee

should adopt this amendment, believing it is solely in the interest of economy and that it will promote efficiency.

There is much that could be said about The Archives that does not relate to this particular section or to this amendment, particularly with reference to the cost and utility of the Federal Register, which I shall not go into at this time. I trust that the Committee may see fit to adopt this amendment.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MOSER. Yes.

Mrs. ROGERS of Massachusetts. Do I understand that the 33 clerks will be taken on without competitive examination?

Mr. MOSER. Nothing is said about that, but under the present rule they would be required to take a competitive examination, if it is adhered to. I suspect they have the 33 clerks already selected and recommended for noncompetitive examination.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 3 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, The National Archives is not one of the new mushroom agencies that has sprung up under the recent regime. It is an agency for which the minority party can take a portion of the credit or blame, according to whether you consider it a credit or a blame. I think it is a much-needed institution in the Federal Government. If time permitted, which it does not, I might enlarge upon it to show you that prior to the time we had this depository for valuable governmental papers they were stored in cellars and rat holes and every other place in the District of Columbia. The Bureau of the Budget allowed them a very modest increase in personnel to take care of the task of moving these valuable Government documents into The Archives and fixing them for preservation.

The clerks will come in under competitive civil-service examination.

I am unable to follow the logic of the other question involved in the gentleman's amendment. The language of the bill simply permits The National Archives not to have to advertise for bids when the amount involved is not in excess of \$50. I think that would commend itself to the business judgment of any citizen. Where an agency has a moving job, hauling some of these papers from a department to The Archives, or anything of that nature, it would be silly to compel them to go through the formality of calling for competitive bids on such a hauling job.

I very much hope that the amendment offered by the gentleman from Pennsylvania [Mr. Moser] will not be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. Moser].

The question was taken; and on a division (demanded by Mr. Moser) there were ayes 83 and noes 92.

Mr. MOSER. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

Mr. RANKIN. Mr. Chairman, I ask unanimous consent to revise and extend the remarks I made in Committee.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

NATIONAL LABOR RELATIONS BOARD

Salaries and expenses: For three Board members, and for all other authorized and necessary expenditures of the National Labor Relations Board in performing the duties imposed by law or in pursuance of law, including rent and personal services in the District of Columbia and elsewhere; repairs and alterations; communications; contract stenographic reporting services; law books; books of reference; newspapers; periodicals; operation, maintenance, and repair of one automobile; \$3,039,600: *Provided*, That the Board may procure supplies and services without regard to section 3709 of the Revised Statutes (41 U. S. C. 5) when the aggregate amount involved does not exceed \$50.

Mr. TABER. Mr. Chairman, I offer an amendment.

Mr. WOODRUM of Virginia. Mr. Chairman, I move that the Committee do now rise.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York for the information of the Committee, and the amendment will be pending on the resumption of the session of the Committee.

The Clerk read as follows:

Amendment offered by Mr. TABER: Beginning on page 32, in line 18, strike out the remainder of page 32, down to and including line 5 on page 33.

The CHAIRMAN. The amendment will be pending when the Committee resumes its session.

The question is on the motion of the gentleman from Virginia.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SMITH of Virginia) having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 3743, the independent offices appropriation bill, 1940, had directed him to report it had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and include certain charts and tables from the hearings.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

TAXATION OF COMPENSATION OF PUBLIC OFFICERS AND EMPLOYEES

Mr. DOUGHTON, from the Committee on Ways and Means, submitted a privileged report on the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which was read a first and second time and referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that on Thursday next it may be in order to consider the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees; that there may be 3 hours of general debate, one-half the time to be controlled by the gentleman from New York [Mr. REED] and one-half by myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this is agreeable to the gentleman from Massachusetts [Mr. TREADWAY], the ranking Republican member on the Ways and Means Committee.

Mr. DOUGHTON. I am so assured.

Mr. RAYBURN. Mr. Speaker, I will say that I contacted the gentleman from Massachusetts [Mr. TREADWAY] and the gentleman from Ohio [Mr. JENKINS] and they said it was entirely agreeable to them.

Mr. MARTIN of Massachusetts. May I ask if it is the purpose of the majority leader then to adjourn from Thursday until Monday, upon the passage of this bill on Thursday?

Mr. RAYBURN. That is correct. It had been the hope that we would reach the so-called May bill on Thursday, but, as the gentleman knows, a great many Members, especially on his side of the aisle, desire to be away Friday, Saturday, and Sunday, and some of them on Monday. So the program now is to dispose of this bill on Thursday and adjourn until Monday, and then take up the May bill for general debate on Monday and try to finish it on Tuesday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

EXTENSION OF REMARKS

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein certain excerpts from the hearings and other relevant matters.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

APPOINTMENT TO COMMITTEES

Mr. DOUGHTON. Mr. Speaker, I offer the following privileged resolution.

The Clerk read as follows:

House Resolution 84

Resolved, That the following-named Members be, and they are hereby, elected members of standing committees of the House of Representatives, as follows:

Expenditures in the Executive Departments: Mr. Schulte, of Indiana; Mr. Claypool, of Ohio; Mr. John L. McMillan, of South Carolina.

Committee on Roads: Mr. Crowe, of Indiana.

Committee on Insular Affairs: Mr. Beckworth, of Texas.

Committee on Mines and Mining: Mr. Murdock of Arizona.

Committee on Elections No. 3: Mr. John L. McMillan, of South Carolina.

The resolution was agreed to and a motion to reconsider was laid on the table.

HOOR OF MEETING THURSDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet at 11 o'clock a. m. on Thursday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. COCHRAN. Mr. Speaker, in view of the message of the President today in reference to the Works Progress Administration, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by my colleague the gentleman from Missouri [Mr. CANNON].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DUNN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a bill which I introduced today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

H. R. 3743

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DONDERO. Mr. Speaker, the bill now before the House, H. R. 3743, making appropriations for the Executive Office and other independent executive bureaus, boards, commissions, and so forth, carries with it appropriations of a staggering sum. When we are called upon to vote on this bill no choice will be left a Member of the House except to vote "yes" or "no" on the entire measure.

There are a number of items in the bill which have my full approval. The appropriation for the Veterans' Administration, Civil Service Commission, Home Owners' Loan Corporation, and many more. There are other appropriations included in the bill which I cannot support. There is an increase of more than a quarter of a million dollars for the National Labor Relations Board and \$16,000,000 for the Tennessee Valley Authority which I cannot support. It is to the latter subject that I desire to address my attention.

One of the questions occupying the minds of the American people today is how long can America continue to authorize \$9,000,000,000 Budgets in the face of \$5,000,000,000 tax receipts? How long can this Government continue to function with annual deficits of nearly \$4,000,000,000? How far beyond a national debt of \$45,000,000,000 can this country go before it reaches the brink of national bankruptcy? How much further can we strain the credit of the Nation before that credit is exhausted? How much further can we plunge this Nation into debt before we face inevitably either inflation or repudiation? Every thoughtful person is asking himself

these questions. And yet in the face of that condition we are confronted with appropriations carried in this bill, including the expenditure of money on new dams and appropriating more money for the construction of the Gilbertsville Dam in the Tennessee Valley Authority.

There is a limit even to the credit of the United States, and that limit may be nearer than many Members of this House realize. There is no attempt being made by the administration to economize, and every effort on the part of the House of Representatives is met by rebuke and criticism of those in high authority in the Government.

The Members of the House also have a mandate from the people in spite of the Public Treasury's use to influence them otherwise. Economy in government is a necessity, that we as the people's Representatives must recognize, in the face of the decree issued by the electorate at the polls on the 8th day of last November. This is one of the big issues before the country today and this Congress cannot discharge its duty to the American people unless it is willing to face the issue courageously. It is my judgment that to continue, the course this Nation is now following will be fatal to America and insolvency will be the final result.

On two former occasions this House refused to grant an appropriation of approximately \$3,000,000 to begin the construction of Gilbertsville Dam. At a time when many Members who were opposed to the project were absent from the House, it was brought in a third time and passed by the slim margin of 7 votes. It is here again, this time asking for approximately \$12,500,000, and two new dams are contained in the bill, namely, Watts bar for \$4,252,000 and Coulter Shoals for \$228,000, and for tributaries \$220,000, or a total of more than \$17,000,000.

I call the attention of the House to the language on page 47 of the bill, lines 14 to 17, inclusive, which read:

And for construction of a dam at or near Watts bar on the Tennessee River, Tenn., and for preliminary investigations of sites for dams at or near Coulter Shoals on the Tennessee River, Tenn., and on tributaries of said river.

But a vote for these items does not mean a vote of \$17,000,000 alone. It means a vote of \$166,000,000, the estimated cost to complete the three projects.

It seems to be the theory that once Congress is embarked upon a costly folly the Federal Government is compelled to complete it. At least in two instances this Congress refused to follow that course in denying further appropriations for the Florida ship canal and Passamaquoddy, and neither is it too late for this Congress to stop the construction of the Gilbertsville Dam. Only about \$5,000,000 of the total has been expended on this project, and less than \$1,000,000 of the total estimated cost of \$64,000,000 has been expended on the preliminary work at Watts bar and Coulter Shoals. These amounts may be saved to the American people by abandoning the present plan to build these costly dams and construct navigation dams instead.

I was somewhat surprised to hear the gentleman from Alabama [Mr. SPARKMAN] this afternoon declare here on the floor that the Gilbertsville Dam was the key dam for the improvement and navigation of the Tennessee River. I call his attention to the statement—in reference to this same dam—of one of the most distinguished Members of this body, an eminent authority on the subject of navigation in this country, the gentleman from Texas [Mr. MANSFIELD], the chairman of the Rivers and Harbors Committee, who declared on the floor of this House on the 22d of March 1938, page 3876 of the CONGRESSIONAL RECORD, third session of the Seventy-fifth Congress, that, and I quote:

One thought I want to leave in your minds: Whenever you build this Gilbertsville Dam, according to the plans that are now under consideration, you may have a power dam, you may have a flood-control dam, but take it from me, in my horse-sense view, you totally destroy navigation.

This House does not realize that we are building an inland empire in the Tennessee Valley Authority at the expense of the taxpayers of the Nation in a vain attempt to produce electric energy for less than it can be produced by private investment companies. The T. V. A. yardstick has been held

up as a glowing example of what Government can do, but when the people once understand and learn the truth of what this Government is doing with their money a solemn protest will be lodged against it.

I am not one of those who believe that suddenly someone has discovered that electric energy can be produced for about one-half or less by the Government than anyone else can produce it. The joint congressional committee appointed to investigate the T. V. A. has forced that agency to divulge some carefully guarded secrets. These concern mainly the method by which that agency allocated costs to the various functions of the system, such as flood control, navigation, and power. It was brought to light by the committee of the multiple use of the dams that 62 percent of the cost is charged off against navigation and flood control, leaving arbitrarily only 38 percent to power. This ridiculous percentage of cost to power at Gilbertsville Dam still shows a per kilowatt cost for installed power of \$277 as against \$64 for Wilson Dam. This House did not know that fact a year ago, and if the Members of this body vote to continue Gilbertsville Dam they are doing so with their eyes wide open to the facts.

It would be interesting, indeed, for the country to know why the comprehensive plans of the Tennessee River prepared by the Army engineers, at a cost of nearly a million dollars has been abandoned and forgotten. That plan called for a complete development of the Tennessee River at a total estimated cost of \$77,000,000.

The present installed program is estimated to cost the people of the Nation anywhere between five hundred million and a billion dollars.

It should always be borne in mind that neither interest nor taxes are ever charged against the T. V. A. yardstick. It was estimated in the appropriation for the fiscal year of 1939 that the total installed capacity of Gilbertsville Dam was 192,000 kilowatts. It now is known from the testimony of Mr. J. S. Krug, chief power-planning engineer of the T. V. A., that the T. V. A. intends to install but 128,000 kilowatts at Gilbertsville, or 64,000 less than the figure previously stated and 32,000 kilowatts less than the 160,000 kilowatts now considered as the ultimate capacity of this project. From studies made it appears that out of a total cost of \$112,000,000 for Gilbertsville Dam about \$35,000,000 will be charged to power, and this amounts to an average of \$275 per kilowatt of stored capacity. This is far above the cost per kilowatt for the estimated cost of all other dams in the T. V. A. This power is not necessary. It will prove a waste of public money, and the appropriation contained in this bill for continuing work on that dam should be defeated.

The appropriation for Watts bar of \$4,252,000 and Coulter Shoals for \$228,000 and the tributaries of \$220,000 should be stricken from the bill entirely in order to save this country from being plunged further into debt by this useless and unnecessary expenditure of money.

The T. V. A. yardstick is not an honest yardstick, and the claims that are being made for it are mostly the result of arbitrary allotments of money, questionable bookkeeping, and an attempt to paint a rainbow of abundant life under planned economy at a terrific cost to the taxpayers of the country.

If the T. V. A. agency operated under the same conditions, the same cost, the same expenses, and the same restrictions as private investment or private utilities, it would not make the claims and representations attributed to it. Instead of a profit, it is operating at a deficit, and the power feature alone, if charged with a very low interest rate of 3½ percent, would show a deficit of more than two and a half million dollars for 1938.

Let us strike out all three appropriations for the dams specified.

EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a resolution passed by the House of Representatives of the State of Montana commending Members

of the Congress of the United States for introducing a bill designed to guarantee to farmers the cost of production.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement signed by the two United States Senators from Maryland and the Maryland delegation in the House, together with a brief resolution adopted by the Baltimore City Council.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement made by the president of the American Federation of Labor at Milwaukee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain figures from the Treasury statement and a brief statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. HANCOCK and Mr. DIRKSEN asked and were given permission to extend their own remarks in the RECORD.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a brief editorial in reference to Mr. Amlie, a former Member of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. VOORHIS of California asked and was given permission to extend his own remarks in the RECORD.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to include in the remarks I made in the Committee of the Whole a brief editorial and also a quotation from a lawsuit to which I referred.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein certain statistical data submitted by the Department of Agriculture.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House heretofore entered, the gentleman from Oregon [Mr. PIERCE] is recognized for 30 minutes.

Mr. PIERCE of Oregon. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD and to include in connection with my remarks a printed memorial from the Legislature of the State of Oregon and also a report from my county on the same matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon [Mr. PIERCE]?

There was no objection.

STOP FARM LOSS THROUGH NOXIOUS WEEDS

Mr. PIERCE of Oregon. Mr. Speaker, the destruction of good land by noxious weeds has moved so rapidly it has assumed the proportions of a national agricultural problem commensurate with that of the Dust Bowl. These weeds infest to some degree thousands of farms and are widely prevalent in practically every State in the Union. Millions of acres are involved, and in some places land values—tax values—of extensive tracts are destroyed. In all probability noxious weeds are the greatest menace from nature that agriculture is facing in this country, because of the serious

economic loss involved. The annual loss to farmers caused by weeds has been estimated as high as \$3,000,000,000, almost one-third of the total farm income. This is 3 times the loss by reason of insect pests of plants, and 12 times the loss suffered through animal diseases. It is only within the last few years that we have recognized the serious implications of the steadily advancing spread of the perennial weeds, particularly in the West and Northwest over the Great Plains area. They are today greatly reducing the total value of farm production. So rapidly do the perennial weeds spread that some of them, for example the bindweed, will double their area in 5 years if not brought under control.

WEEDS REDUCE FARM VALUES

The Federal Land Banks, which hold today practically one-half of the farm mortgages of the United States, are insisting that appraisers make careful survey of noxious weed infestation on all lands offered for loans. If the infestation is at all serious, and the acreage involved is large, the loan is refused. Other lending agencies are also insisting that the land be practically free from noxious weeds, before they will consider loans. Land values throughout the entire country have been reduced, because of noxious weeds, on an average of from \$10 to \$20 an acre.

WEED-CONTROL LEGISLATION

State legislation has been enacted, and many types of bills are being proposed and introduced in Congress to control or stamp out these costly pests. We have had research as to the extent of the spread and methods of control. We have considered preventive measures in pure seed bills. Proposals have been made for vast expenditures for weed control and eradication without specifying methods of destruction, but providing cooperative procedures and further experimentation. None so far have reached the heart of the problem. Heretofore no clearly defined and specific program for weed control throughout the Nation has been proposed. Mine is inclusive, offering a plan and a method which is applicable to all States facing the problem and willing to cooperate with the Federal Government.

CONGRESS ORDERS WEED-CONTROL RESEARCH

Recognizing the seriousness of the weed menace, the Seventy-fourth Congress authorized the Department of Agriculture to carry out "investigations of chemicals for the control of noxious weeds and plants." The report was made in January 1937, and it will, I hope, soon be ordered printed so its important findings may be utilized by the States and by groups working on the problem. The report is concerned largely with sodium chlorate manufacture, distribution, and use. The importance of this herbicide was made so clear and its agricultural value so apparent that the matters of cost and distribution now become questions of immediate importance.

NEW PLAN PROPOSED

That report and the building by the Government of the great Bonneville Dam providing, as a byproduct, an abundance of cheap electric power, have led me to the preparation and introduction of a bill—H. R. 196—which appears to me to be of outstanding importance as a measure of farm relief. That bill puts Nation and State back of the farmer in his struggle to overcome the ravages of Nature which he could not successfully battle individually. Weeds cross all lines between national, state, county, and neighborhood boundaries.

The urgency of the problem and the necessity for legislation lead me to ask the attention of this House as I set forth some of the facts about the extent of the weed menace and a proposal for dealing with it expeditiously and without great expenditures from the Federal Treasury. Science has once again come to the aid of the farmer, and the results of Government scientific research may be beneficially applied for farmers if we Members of Congress inform ourselves and agree to proceed intelligently. Listen, then, to the story of the weeds:

HOW WEEDS ARE SPREAD

The presence of noxious weeds, and the continued spread of the weed-infested areas, is not solely the fault of the farmer.

The county, state, and federal governments are also to blame and must assume their share of the burden of eradication. Monopoly control of chlorate production has been a contributing factor. It is known that weed seeds are transferred by windstorms, sandstorms, irrigation ditches, farm machinery, motor and railway vehicles, by livestock, especially sheep, by birds, and by interstate traffic in feeds and seeds. Even the airplane often has seeds and weeds as unlisted passengers and has become an agency for spreading weeds swiftly and widely. The individual farmer has no control over these forces and factors. Furthermore, even if he could afford it, the farmer by himself cannot wage a campaign against the spread of noxious weeds. Undertaking such a task would be futile. He cannot command nor control his neighbors nor clear public lands and highways.

Many of the weeds appear to have started in the Northwestern States. Weeds were undoubtedly first introduced by emigrants who brought from other lands seeds of their favorite grains. Most of the farmers knew nothing of the menace, and by the harrow, the plow, and the cultivator they spread the weeds over their lands. A root, picked up at the point of infestation, might be carried 20 or 30 rods and there start a new crop. In the irrigated lands of the West noxious weeds spread with great rapidity, especially along the uncultivated banks of ditches carrying water from the channels into the fields.

Most of the noxious weeds will not be eaten by stock under any conditions, and some of the weeds, if cut with hay, prove poisonous to stock even in the cured form. They are a menace without a redeeming good quality.

TENANT FARMING INCREASES WEED MENACE

Much of the rapid growth of weed infestation is traceable to neglect by the tenant farmers, who cannot afford to kill weeds and lack the incentive. A few years ago, when farmers were quite generally cultivating their own fields, they took an interest in the land and saw to it that the values of their farms increased. A good farmer would not permit his land to be ruined by noxious weeds which would destroy crops and render the ground unproductive. With the increase of tenant farmers, who are not encouraged to build up land values but forced to mine the soil and to farm cheaply, weeds spread at a furious rate without hindrance. The tenant makes no attempt to clean up infested areas, nor to prevent spread, as he can more easily move to another farm, leaving ruin behind him.

Rented lands will be kept productive only if costs of eradication are reduced and some premium offered for cooperation in weed control as part of the soil-conservation program. Under my bill it is possible for tenants to become part of the compulsory control program because they are aided by the States which accept benefits offered by the Federal Government. The tenant becomes a working member of a large group upon which cooperation is obligatory.

PURE-SEED LAWS

The control and regulation of the traffic in seeds is the best preventive measure against new weed infestation. Such seed legislation does not, however, solve the problem of getting rid of the weeds that are now with us.

Many of the States have passed pure-seed laws. Some are really enforcing them. This Seventy-sixth Congress should enact a stringent seed act, national in scope, regulating the importation of foreign seeds and controlling transportation of seeds and grains across State lines. No doubt this would work hardship upon importers of foreign seeds, but the American farmer must be protected.

Seed-cleaning plants must not be allowed to sell screenings to poultry or sheep feeders if they contain noxious-weed seeds. From many of these mills you can follow the trail of carriers from the vendor of the screenings to the home feed yard by the growth of noxious weeds along the roads.

KINDS OF NOXIOUS WEEDS

Annual weeds that grow from seeds alone are quite easily controlled by the ordinary farm methods of cultivation. Perennial weeds which propagate from the roots, as well as from seeds, are the only ones which concern us. Especially

harmful are those which have an extensive underground stem or root system, growing deeply into the soil, far below the reach of any plow. Most of them have joints in their roots and at these joints they send up sprouts to the top of the soil, spreading from this underground growth. Very few of these weeds are natives of North America. Most of them are importations from Asia and Europe, especially from the countries around the Baltic Sea. Among the most serious of the noxious weeds are Canadian thistle, wild morning glory, field bindweed, sometimes called "creeping Jenny," Russian knap weed, quackgrass, white top, Johnson grass, St. Johnswort, perennial sowthistle, Australian fieldcress, and field pepper grass. It is important to note that each type of weed has characteristics which determine control methods.

UNIVERSALITY OF WEED MENACE

A national weed-control conference was held in Des Moines, Iowa, in October 1938. Its report gives startling evidence of the universality of the weed problem and the general agreement on several points: (1) That the extent of weed infestation by noxious perennials has passed beyond the small-area stage and that entire farms and sections are completely infested; (2) that the long and costly process of cultural control must be applied to extensive areas; (3) that chemical control through herbicides is now imperative; (4) that Federal aid in supplying chemicals—sodium chlorate—is necessary. Every Congressman representing agricultural sections should study the report.

I quote a few startling sentences for the purpose of bringing home to my colleagues the fact that this matter concerns them and their people. Each statement was made by an authority.

We have in Illinois 100,000 acres of Canada thistle scattered over 79 of the 102 counties. We have had but 1 year in which European bindweed has been considered a noxious weed, and we have well over 100,000 acres.

The loss due to weeds in Indiana has been estimated at approximately \$44,000,000 per year. There is one 90-acre farm in the State that is completely covered with bindweed.

We (in Missouri) made a survey last year and found about 10,000 farms infested. This year's survey showed 16,000 infested farms.

We have somewhere around 37,000,000 acres in farms (in South Dakota), and about one-third of this farm land infested with bindweed. The loss from creeping Jenny is estimated at \$6,000,000 in 1935.

At the present time, according to the available information, Nebraska has about 400,000 acres of bindweed. Every county has some, and most farms have small patches.

Here is the peculiar thing about it, and this is probably true in most of the other States, of our eight primary noxious weeds here in Iowa, there is only one which is a native of the United States, and that happens to be horse-nettle. We know that field bindweed exists in approximately 70 counties in this State.

I quote on the situation in California as set forth at another weed conference:

St. Johnswort has crowded out all the forage plants until now they can't get an animal ready for market on 70 acres of land where it took only 7 acres to keep one cow before this infestation came in. You can see what that loss has been to the cattle and sheep industry in California.

The county agricultural agent in one county that I represent in Congress asked me to make an inspection of the spread of the morning glory there. This agent told me that he believed there were 3,000 acres of farming land in that county infested with morning glory. After many miles of travel we concluded that we saw fully 10,000 acres, more or less, infested with noxious weeds, especially morning glory. Some farms had been abandoned—farms that I knew in my boyhood days to be most productive. It was a serious shock to me to see the utter waste and ruin, knowing how valuable the land was at one time, and still would be if the fields of morning glory were eradicated.

WEED ERADICATION REQUIRES GOVERNMENTAL ACTION

Weed eradication is a national problem, requiring vigorous and closely integrated action. A successful plan to eradicate weeds must involve participation by the farmers as well as

by the county, state, and federal governments, all of which are concerned to save and restore land values and to compensate for past neglect. This sharing of responsibility in the eradication of weeds is a democratic approach to the problem. It is in accord with the principles of a self-governing people and involves a just division of the burden.

It would be unjust for government, state or national, to attempt to saddle on the farmer the entire expense of weed eradication. In the first place, the cost would approximate \$1,000 per 100-acre farm of 25-percent infestation, and very few farmers have the available cash for such an undertaking. Furthermore, no plan for weed control can be successful unless it involves an integration of scientifically detailed State plans with county directional activities, both relying on the cooperation of the farmer. The farmer must assume the final responsibility for the eradication of weeds from his land, but he should not be left solely to his own resources, for such a scheme would be doomed to failure. He could not have the scientific knowledge, he could not finance buying of chemicals, and he would always be at the mercy of other landowners. He must have the cooperation of his neighbors and the county and state authorities in order to insure against prompt reinfestation if there is neglect. We cannot require him to act without the supplementary help of the Government reaching down to him through state and county authorities and insuring the cooperation of his neighbors.

CONTROL OF WEEDS BY AGRICULTURAL TECHNIQUES

It is well known that noxious weeds can be brought under some control and possibly eradicated by agricultural methods, for example, clean cultivation and the planting of competitive crops. Each of these methods has been found to possess merit in certain localities. In general, however, they are too slow or too costly. If noxious weeds are never allowed to grow green leaves above the ground, they cannot get the necessary nourishment to sustain life. If the land can be kept black, free from green leaves, the roots will be killed. However, weeds often lie in the ground for years and at the right time under right conditions they grow. The majority of farmers could not afford to subject their land to clean cultivation which often requires approximately 2 years to bring about complete eradication. The ordinary farmer cannot pay taxes and expenses for cultivation during these years when no crop is grown. When a quarter or a third of the land is clean cultivated, we are still confronted with the normal expansion of weed infestation from the untreated areas. On the Pacific coast we have a method of farming extensively practiced. We plow the ground one year, let it lie fallow that year, and then sow it the following year, reaping a crop of grain every 2 years. This plan makes it difficult to destroy noxious weeds, because the cultivator, nor plow, does not touch the land for a whole year.

CHEMICAL HERBICIDES NECESSARY

Chemical herbicides must be employed in conjunction with the aforementioned agricultural technique in order to insure definite headway against the weed menace. It is agreed that chemical treatment is needed to supplement cultural methods and that only chemical treatment is efficacious for certain places. There is no other practical method of killing the noxious weeds in the fence corners, along the ditch lines, highways, railroad rights-of-way, and all other spots where it is impossible to practice clean cultivation. The availability of chlorates at a low cost is necessary for the success of a weed-control program. The high cost of sodium chlorate has prevented weed-control, thus bringing ruin to farms and farmers for the enrichment of a monopoly.

Faced with the necessity of clean cultivation or the costly application of sodium chlorate at present prices for chlorate, the farmer moves off and allows the land to be sold for taxes or to revert to the mortgagee. He becomes a tenant elsewhere or a transient laborer. Society then must bear the burden of another discouraged and impoverished family.

SODIUM CHLORATE THE BEST HERBICIDE

A successful plan for the control and eradication of noxious weeds necessitates the use of chemical herbicides, according

to plans and programs carried out for a considerable number of years before the menace is brought entirely under control. Of the known useful chemicals, sodium chlorate has given the best results. Reports of field investigations indicate that this chemical is probably the most effective general herbicide, being useful in practically all climates and on all soils. It is particularly efficacious in combating noxious weeds. Sodium chlorate is recommended as the best all-round herbicide by practically all experienced county agricultural agents who have responsibilities relating to the control and eradication of noxious weeds.

Our Department of Agriculture, realizing the necessity for serious attention to noxious-weed infestation, has made a very careful and thorough study of herbicides and is now in a position to assume responsibilities for the important program I have incorporated in my bill. In carrying out the will of the Seventy-fourth Congress, the Department set up a small experimental chlorate plant which is now in operation at the Arlington Experimental Farm in Virginia, where investigations are being conducted on various phases of chlorate production, the objects being to develop an efficient manufacturing technique and to learn the actual cost of production.

The result of this experimentation has encouraged me to prepare and introduce my bill—H. R. 196—which puts the Government back of the farmer in his fight to keep his lands productive. I propose an enlargement and extension of the Department's work for the benefit of the entire country, providing a manufacturing plant for sodium chlorate which will serve as a price regulator and also for production on a scale which will benefit the farmers of all States undertaking weed-control programs. A great source of cheap electricity at tide-water offers a unique opportunity for this undertaking.

SODIUM CHLORATE PRODUCTION IN THE UNITED STATES

Sodium chlorate is made from common salt. Large quantities of electricity are required to transform the brine solution into sodium chlorate, and for this reason chlorates are always made at a source of cheap electric power. I have been amazed at the facts learned during my investigation of the weed problem. A complete monopoly is aided and abetted by Government which allows millions to be accumulated by the privileged few and destroys values of rich farm lands because weed-control herbicides are too costly.

In the United States there is at present only one large commercial producer of sodium chlorate, with a plant located at Niagara Falls, N. Y. It is believed that the annual domestic production is in the neighborhood of ten to twelve million pounds. This quantity is supplemented by importations from Germany, France, and other countries, also largely handled by one firm. The annual importations vary over a very wide range from one to nine million pounds. During the year 1937, 7,000,000 pounds were imported.

The manufacture of sodium chlorate is protected by a specific duty of 1½ cents a pound. It is startling, indeed, to learn that our Government, when faced with a farm-finance problem of staggering proportions, actually levied on farmers a tribute through tariff of \$3,000,000 in 10 years for the benefit of one monopoly, and allowed costs to mount so high weed control has been financially impossible. Is it any wonder that in our Bonneville bill we sought and secured protection from monopoly use of public power?

COST OF SODIUM CHLORATE

Chlorate has been sold to the farmers at from 9 to 12 cents per pound, depending on the quantity purchased and the distance from the point of manufacture. The wholesale price of chlorate in Europe is approximately 4 cents a pound, and sometimes this figure is somewhat shaded. It appears that sodium chlorate can be manufactured in this country at prices which will be as low as those prevailing in Europe.

Electricity and salt can be obtained in the United States as cheaply as elsewhere. It is appreciated, however, that our labor costs and our capital charges are greater than in European countries, but only a small force is required to operate an electrochemical chlorate plant. The Government can surely lend its credit for farm necessities at the same low interest rates charged private utilities.

SODIUM CHLORATE AT COST

In conjunction with its technical studies, the Bureau of Chemistry and Soils has investigated the economics of sodium chlorate manufacture, distribution, and use. In its report, which the Chief of the Bureau submitted to the House Appropriations Committee in January 1937, it was shown that sodium chlorate could be produced for about 4.9 cents a pound. Subsequent research has indicated that this cost could be reduced, especially at a source of abundant cheap power. Based on these investigations, it is believed that sodium chlorate can be produced at close to 4 cents a pound. If, in accordance with my bill, the chlorate is distributed by the federal government, without profit, to states which participate financially in weed-control programs, it is clear that the net cost to either state or county government or to the farmer would be very small. Furthermore, all that is required of the Government is not a dole or a subsidy but merely legitimate and necessary cooperation in making possible the production and distribution of this herbicide. The money invested by the Government in this enterprise would be paid back to the Federal Treasury. It would be repaid again by the removal of the weed menace and the restoration of lands to the tax rolls. Surely it is not asking too much to have our Government participate in an effort to solve a national problem.

Chlorate must be sold to the farmers at a price that they can afford to pay.

Sodium chlorate can and will make a clean kill if it is spread on in sufficient strength. A bad infestation has required about 6 pounds to the square rod, or 960 pounds to the acre. If sold at present prevailing prices, that would cost the farmer \$100 an acre, often more than the land is worth. Even at the average low infestation with the use of 400 pounds an acre, costs are beyond the farmer's ability to pay. Under such circumstances the mortgagor simply moves off the property and lets the mortgagee take possession. No wonder the Federal Land Banks refuse to lend money to landowners whose property is infested with noxious weeds.

PROVISIONS OF H. R. 196

Because chemical weed eradication provides the surest and quickest attack on the weed problem, and because costs are now prohibitive, I have in my bill empowered the Secretary of Agriculture to construct and operate an electrochemical plant for the manufacture of sodium chlorate and to distribute this herbicide at cost to the various States which carry out cooperative programs for the control and eradication of noxious weeds. My bill authorizes the Secretary of Agriculture to acquire land and utilize equipment and facilities now owned by the United States in the vicinity of the Bonneville Dam in Oregon, and to engage in the production of chlorates. For the purpose of acquiring land and constructing a plant capable of producing six to eight million pounds of sodium chlorate annually an appropriation of \$750,000 is to be authorized. To provide an operating fund for the payment of salaries and the purchase of raw materials the sum of \$250,000 is included.

It is believed that chlorate can be produced at such a Government plant at approximately 4 cents a pound. If this is distributed at cost to State governments which participate financially in accordance with other provisions of the bill, it will provide a means of getting sodium chlorate to the farmer at a small fraction of the present market price and at a cost which represents his share of the responsibility. Note that the Government deals only with States and that it rests with them to arrange distribution.

The construction of such a plant this coming summer at Bonneville, on the Columbia River, will do more than any other one thing to stay the advance of noxious weeds, a real menace to agricultural and economic development. The farmer can afford to pay from ten to twenty dollars an acre for herbicides that will wipe out the infestations of noxious weeds. He cannot afford to pay, and will not pay, the present exorbitant monopoly prices for necessary sodium chlorate resulting in a cost of from fifty to one hundred dollars

an acre for treatment. Cheap chlorate is an absolute necessity if we are going to wage a successful war against the great enemy of agriculture in America.

WHY COLLECT ANY DUTY ON CHLORATE WHEN IT ENTERS THE PORTS OF THE UNITED STATES

The Government has lent millions of dollars to construct the Bonneville Dam and the electric plant there. No more useful purpose can be found for the sale of 5,000 kilowatts at that plant than for the manufacture of herbicides to help the farmers of America to control a pest which can be controlled if they are freed from the stranglehold of Government-aided monopoly.

C. C. C. CAMPS USEFUL IN WEED CONTROL

The Seventy-sixth Congress will probably make the C. C. C. a permanent department of the Government, and will face the need of work programs for W. P. A. It appears to many of us that weed control may offer opportunity for men who find it impossible to secure work in industry. Should these two departments continue and be permanent relief features of our Government, there is nothing workers in W. P. A. or the enrollees in C. C. C. can do of wider benefit than to clean up the noxious-weed infestation that now threatens American agriculture. The Seventy-sixth Congress must so change and modify present legislation that there will be no question about the right to put projects for weed eradication under these agencies. What better public service can be found for a C. C. C. camp than to clean up the St. Johnswort which was described so graphically by the California weed man? A black, fine grazing land more than 11 miles square now totally valueless! C. C. C. camp boys could make a perfect clean-up of this infestation and restore the range to its natural usefulness.

Limitations on C. C. C. activities have been prohibitive so far as weed control on private property is concerned. We must legislate to remove such limitations. We must enroll C. C. C. boys for the farm-defense program. The Federal Government spends huge funds each year to protect our shores against foreign invasion. It maintains armor plants, shipyards, and arsenals to provide defense for our coastal property. To the farmers in the central and western States the invasion of weeds, with the resulting destruction of his property, is a problem so serious that he is convinced the Government should not be indifferent to his welfare, and should assume the responsibility of his defense program.

In order to make any of the plans workable we must produce cheap chlorate free from monopoly control in manufacture and importation.

NEED FOR IMMEDIATE ACTION

The weed problem must be attacked from every angle, and early and vigorous action is necessary. It is an absolute necessity that American legislative bodies be awakened to the seriousness of the present situation. It is fundamental that we must have cheap sodium chlorate. The farmer must be compelled by law to clean up his fields. If he will not do so, the authorities should at once perform the necessary labor in eradicating the weeds, and the cost of that work should be a first lien on the land, like taxes, to be collected ahead of the mortgage.

There is nothing so seriously threatening the productive acres of America as the encroachment of noxious weeds. The menace must be met without delay.

One of the solutions is to give the farmer a weapon with which he can fight, and that weapon is sodium chlorate. Give him that weapon at the cost of manufacture, which I believe ultimately will be about one-fourth of the present selling price.

When the corn borer threatened, the Government appropriated \$10,000,000 to fight it, and it was in no way as destructive as noxious weeds. Millions have been spent on the boll weevil, a serious threat but not so widely menacing as noxious weeds.

SHORTAGE OF CHEMICAL HERBICIDES

As we study the problem of weed control the immensity of it becomes more impressive. Summing it up briefly for your thoughtful consideration, I ask you to recall my statement

that the total amount of sodium chlorate now being manufactured in the United States is about 10,000,000 pounds annually. At a 25-percent infestation the requirement for weed killing is 100 pounds per acre, minimum. It is apparent that the 10,000,000 pounds would be good for only 100,000 lightly infested acres. Every state west of the Mississippi reports several times that many acres infested, with an expansion of 15 percent infested area each year.

There is an actual shortage of sodium chlorate. Only a small percentage of what we need is now being manufactured here. The most we could do with the present output would be to prevent weed expansion from 700,000 acres. We have millions of infested acres. It is true that agricultural technique will care for a large portion of these, but chemical herbicides are now actually needed greatly in excess of the amount manufactured. Shall we provide it with our own men and electric power or bring it from Europe?

Again I remind you that prices have prohibited the use of chemical herbicides, thus causing great farm losses.

We must face two issues. First, reduce prices. Second, a greater supply of chemical herbicides. The Government owns the power. The Government has the technical men who know how to do this piece of work. The way is clear.

H. R. 196 MEETS THE SITUATION

My bill does more than to provide for the production and distribution of sodium chlorate, which constitutes the essential and indispensable foundation for work on the weed-control problem. It provides for making this herbicide available at a reasonable price which can be paid by all responsible agencies undertaking distribution to cooperating farmers. It provides for the administration by the Secretary of Agriculture, who is best qualified to judge the needs of the several States and who has at his command the results of years of experiment on this problem. It enables him to marshal the technical forces of the Nation to wage the battle in the most effective manner. Of greatest importance, however, is the fact that it provides, for the first time, a satisfactory basis for a Nation-wide integrated program to free American farmers from the weed menace and to aid the farmer in this expensive and burdensome undertaking.

In placing the building and management of this plant in the Department of Agriculture, I am asking only an extension of work which they have already begun and successfully carried on on a smaller scale in their Arlington experimental plant, where sodium chlorate is manufactured. The Department is the national clearing house for all information on weed control. It is informed on the results of research of all State experimental stations, and it is in close touch with farmers. The formulas under which herbicides are manufactured will undoubtedly be changed from time to time, so it is clearly apparent that the project should be under the control of the Federal agency which can give the best scientific and technical direction from a chemical as well as from a plant standpoint. In order to insure equal benefits to all States, the responsibility must rest with the Federal Government.

From my home county I present a summarized statement which is typical of eastern Oregon:

The total area of the county is 1,284,480 acres; total land in farms is 463,536 acres; cropland is approximately 155,000 acres, and the area infested with noxious weeds probably exceeds 2,500 acres. Infestation is chiefly wild morning glory or bind weed and Canadian thistle.

Approximately 300 acres of whitetop and Russian knap weed and an additional 150 acres of morning glories have been eradicated by chemical treatment and cultivation during the past 6 years. First demonstrations of chemical control began in 1921 by the use of common salt, which was successful but very expensive. Chlorates have been used here since 1928, with the county annually expending from \$1,500 to \$3,500, beginning with 1930.

The first compulsory control of weeds was begun in 1933, when the county court made the entire county a compulsory-control district for whitetop. All of the old acreage is killed, and we think it will eventually be completely eradicated, but new weeds come in from time to time.

Knap weed was placed in the compulsory control district in 1937, and most of this weed has been eradicated.

Chemicals used include sodium arsenite material, common salt, oil, carbon bisulphide, and chlorates, both sodium chlorate and the patent Atlacide. Of this amount approximately 95 percent has

been one of the chlorates, which have proved the most successful from the point of effectiveness and cost. Use of chemical during the past 3 years has been as follows: 1936, 91,499 pounds of chlorate and a small amount of Atlacide; 1937, 56,608 pounds of chlorate and 864 pounds of carbon bisulphide; 1938, 35,235 pounds of chlorate and 3,507 pounds of carbon bisulphide.

You will note that considerably more chlorate was used in 1936 than in the following years. This was due to the fact that cooperation in furnishing chemicals by the W. P. A. enabled the county to supply the material to the farmers at a lower cost. The above amount of chemical, if purchased at present rates, would cost over \$14,000. It is my opinion that a reduction in the cost would result in increased use of this chemical, probably as much as 300 percent.

The control and eradication of weeds is a difficult process, and this material is not perfect. It is, however, the best we know of and cheaper than other materials, even at its present cost. We are making good progress in all areas where infestation is light, but on the larger areas have found it impossible to treat on account of the big cost involved.

H. G. AVERY,
County Agricultural Agent.

House Joint Memorial 14

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

We your memorialists, the Legislature of the State of Oregon, respectfully represent:

Whereas weeds constitute one of the greatest agricultural problems in the United States and constitute the greatest source of agricultural loss, with the possible exception of soil erosion; and

Whereas a conference representing five different upper Mississippi Valley States estimated an annual crop loss of \$1,000,000,000 because of weeds; and

Whereas the State of Idaho, after large expenditures previous to 1936, engaged in \$2,000,000 weed-control program for that State in 1936, three-fourths of which was financed with Federal money; and

Whereas the other Northwestern States, including Utah, Montana, Wyoming, Oregon, and Washington, are taking steps in the matter of weed control; and

Whereas 57 percent of the land in Oregon is in Federal ownership; and

Whereas the weed problem has been recognized by the three farm organizations of Oregon; namely, the Oregon State Grange, the Farmers' Educational and Cooperative Union, and the Farm Bureau Federation, as of major importance, and they have passed resolutions favoring national, State, county, and individual weed control; and

Whereas the Oregon State Planning Board has reported an annual loss of \$1,500,000 from a limited number of perennial noxious weeds in Oregon alone and have recommended additional research work, additional control work, and Federal assistance; and

Whereas it is the consensus of opinion of these bodies that noxious weeds are gaining ground rapidly, that the control measures are inadequate, and that more research is needed and that the weed problem is no longer an individual problem but a public problem: Be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That the Legislative Assembly of the State of Oregon hereby does petition the Congress of the United States:

1. To enact legislation declaring that the control of noxious weeds is of major agricultural importance and of such far-reaching consequence that the problem may no longer be considered solely an individual problem but that it has become a major national problem and that in the public interest Federal assistance should be given the States, counties, and individuals cooperating in the control of noxious weeds just as such assistance has been provided for insect, plant, and animal disease control.

2. To provide funds and assistance through special appropriation, W. P. A., or similar channels, civilian conservation camps, soil conservation and agricultural conservation activities for actual work in weed control.

3. To provide for the control of noxious weeds on all federally owned and controlled lands in counties having regularly organized weed-control districts.

4. To require the United States Department of Agriculture to establish, after conference with the interested States, national policies covering (a) weed control, (b) interstate movement of seeds containing weed seeds designated as noxious, and (c) a comprehensive policy of research.

5. To finance a comprehensive Federal and State program of research in the Bureau of Plant Industry of the United States Department of Agriculture to determine upon the best materials and methods that may be used in the control of weeds.

6. To take steps toward the production of cheap weed-killing chemicals at some of the Federal power projects in or near weed-infested regions such as the Bonneville project in Oregon and the Grand Coulee project in Washington; and be it further

Resolved, That the Secretary of State be and he hereby is authorized and directed to forward one copy of this memorial to the President of the United States, to each Member of both Houses of Congress, to the Governors of each of the respective States, and to the Secretary of the United States Department of Agriculture.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PATMAN (at the request of Mr. DIES), indefinitely, on account of illness.

To Mr. HENDRICKS, indefinitely, on account of illness in family.

SENATE BILLS REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 25. An act prohibiting the operation of motor vehicles in interstate commerce by unlicensed operators; to the Committee on Interstate and Foreign Commerce.

S. 117. An act for the relief of Lulu M. Peiper; to the Committee on Claims.

S. 279. An act for the relief of Pherne Miller; to the Committee on Claims.

S. 529. An act for the relief of Margaret Rose Uncapher, Milton E. Uncapher, Jr., and Andrew G. Uncapher; to the Committee on Claims.

S. 584. An act for the relief of John R. Holt; to the Committee on Claims.

S. 660. An act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for the reapportionment of cotton-acreage allotments not planted by farmers entitled thereto; to the Committee on Agriculture.

S. 764. An act for the relief of Charles F. Kegel; to the Committee on Claims.

S. 885. An act to authorize and direct the Comptroller General of the United States to allow credit for all outstanding disallowances and suspensions in the accounts of the disbursing officers or agents of the Government for payments made to certain employees appointed by the United States Employees' Compensation Commission; to the Committee on Claims.

S. 1076. An act for the relief of the widow of the late William J. Cocke; to the Committee on War Claims.

S. J. Res. 57. Joint resolution authorizing the Secretary of War to cause a completion of surveys, test borings, and foundation investigations to be made to determine the advisability and cost of putting in a small experimental plant for development of tidal power in the waters in and about Passamaquoddy Bay, the cost thereof to be paid from appropriations heretofore or hereafter made for such examinations; to the Committee on Rivers and Harbors.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 47 minutes p. m.) the House adjourned until tomorrow, Wednesday, February 8, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Wednesday, February 8, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building, Washington, D. C.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, February 8, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill. Mr. R. V. Fletcher, of the American Association of Railroads, will be the witness.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Naval Affairs Committee of the House of Representatives on Wednesday, February 8, 1939, at 10:30 a. m., for the purpose of continuing the consideration of H. R. 2880, "To authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes," carrying out partially the recommendations of the Hepburn report.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 446, House Office Building,

Wednesday, February 8, 1939, at 10:30 a. m., for the public consideration of House Joint Resolution 90 and H. R. 2200.

COMMITTEE ON PENSIONS

The Committee on Pensions will hold a hearing at 10 a. m. Wednesday, February 8, 1939, on H. R. 2301, to amend section 2 of the act entitled "An act granting pensions and increases of pensions to certain soldiers and sailors of the War with Spain, the Philippine Insurrection, or the China Relief Expedition, to certain maimed soldiers, to certain widows, minor children, and helpless children of such soldiers and sailors, and for other purposes," approved May 1, 1926.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Wednesday, February 8, 1939, on the bill H. R. 785 and related bills relating to draft convention No. 53.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Thursday, February 9, 1939, at 10:30 a. m., to hold hearings on the reports on Milwaukee Harbor, Wis., Mississippi River at Cochran, Wis., and Tacoma Harbor, Wash.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearings on Wednesday, February 8, 1939, on H. R. 785 and related bills will deal with the exemption of vessels of less than 200 gross tons from the provisions of the treaty. The hearing on Tuesday, February 21, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in Room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

398. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting the draft of a proposed bill to amend the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931; to the Committee on the District of Columbia.

399. A letter from the Acting Secretary of the Treasury, transmitting the draft of a proposed bill providing for the seizure and forfeiture of vessels, vehicles, and aircraft used to facilitate violations of the narcotic laws, the counterfeiting laws, and the National Firearms Act (which subjects to regulation by means of the taxing power the traffic in machine guns, sawed-off shotguns, silencers, and other gangster type weapons); to the Committee on Ways and Means.

400. A letter from the Attorney General of the United States, transmitting the draft of a bill to permit any judge or justice of the United States to retire at his option in case he becomes unable, because of permanent disability, to perform the duties of his office; to the Committee on the Judiciary.

401. A letter from the Administrator of the Rural Electrification Administration, transmitting the report of the Rural Electrification Administration for the year ending June 30, 1938; to the Committee on Interstate and Foreign Commerce.

402. A communication from the President of the United States, transmitting the draft of a proposed provision pertaining to an existing appropriation of the Department of the Interior for the fiscal year 1939 (H. Doc. No. 153); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LUTHER A. JOHNSON: Committee on Foreign Affairs. House Joint resolution 79. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held April 24 to 29, 1939, inclusive; without amendment (Rept. No. 25). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 3790. A bill relating to the taxation of compensation of public officers and employees; with amendment (Rept. No. 26). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H. R. 3707. A bill relating to information with respect to compensation of corporate officers and employees; with amendment (Rept. No. 27). Referred to the Committee of the Whole House on the state of the Union.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. BLOOM: Committee on Foreign Affairs. House Resolution 78. Resolution requesting information of the State Department on Mexican relations (Rept. No. 24). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1147) granting an increase of pension to Ernest Killian; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2100) granting a pension to Fannie A. Ott; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOUGHTON:

H. R. 3790. A bill relating to the taxation of the compensation of public officers and employees; to the Committee on Ways and Means.

By Mr. MAY:

H. R. 3791. A bill to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress; to the Committee on Military Affairs.

By Mr. GEARHART:

H. R. 3792. A bill authorizing construction of Pine Flat Reservoir and other works in the Kings River Basin, Calif.; to the Committee on Irrigation and Reclamation.

H. R. 3793. A bill authorizing construction of distribution systems required for irrigation of lands participating in the development of the Central Valley project, California; to the Committee on Irrigation and Reclamation.

H. R. 3794. A bill to establish the John Muir-Kings Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. DIMOND:

H. R. 3795. A bill to provide a right-of-way through the Chilkoot Barracks Military Reservation, Alaska; to the Committee on Military Affairs.

By Mr. DISNEY:

H. R. 3796. A bill to extend the period of restrictions on lands of the Quapaw Indians, Oklahoma, and for other purposes; to the Committee on Indian Affairs.

H. R. 3797. A bill to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925; to the Committee on Indian Affairs.

By Mr. HANCOCK:

H. R. 3798. A bill to amend section 373 of title 28 of the Code of Laws of the United States, and describing rules for the disqualification of judges in certain cases; to the Committee on the Judiciary.

By Mr. HARE:

H. R. 3799. A bill to authorize the erection of buildings to accommodate second- and third-class post offices; to the Committee on Public Buildings and Grounds.

By Mr. JONES of Texas:

H. R. 3800. A bill to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture.

By Mr. LUTHER A. JOHNSON:

H. R. 3801. A bill to extend the time for retirement of cotton pool participation trust certificates; to the Committee on Agriculture.

By Mr. MAGNUSON:

H. R. 3802. A bill regulating the performance of work by the enlisted or commissioned personnel of the United States Navy, Army, and Coast Guard; to the Committee on Military Affairs.

H. R. 3803. A bill to provide for a review of the project documents on the Lake Washington Ship Canal, King County, Wash.; to the Committee on Rivers and Harbors.

By Mr. NICHOLS:

H. R. 3804. A bill to provide more effectively for the national defense, to prescribe the method of supplying the aircraft requirements of the War and Navy Departments, and for other purposes; to the Committee on Military Affairs.

By Mrs. NORTON:

H. R. 3805 (by request). A bill to repeal section 603 of the Revenue Act of 1932; to the Committee on Ways and Means.

H. R. 3806 (by request). A bill to provide for the transfer of United States Employment Service records, files, and property in local offices to the States; to the Committee on Labor.

By Mr. O'NEAL:

H. R. 3807. A bill authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City; to the Committee on the Library.

By Mr. REECE of Tennessee:

H. R. 3808. A bill to provide for the use of scientific tests to determine the degree of intoxication of motor-vehicle operators in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. REES of Kansas:

H. R. 3809. A bill extending the competitive classified civil service of the United States; to the Committee on the Civil Service.

By Mr. ROMJUE:

H. R. 3810. A bill to amend section 13 (a) of the act approved June 25, 1938 (52 Stat. 1069), entitled "Fair Labor Standards Act of 1938"; to the Committee on Labor.

H. R. 3811. A bill to provide for the appraisal of the pneumatic mail-tube systems in New York and Boston; to the Committee on the Post Office and Post Roads.

H. R. 3812. A bill granting postal employees credit for Saturday in annual- and sick-leave law, thereby conforming to the 40-hour-week or 5-day-week law; to the Committee on the Post Office and Post Roads.

By Mr. SCRUGHAM:

H. R. 3813. A bill to provide for the naval defense, by acquiring stocks of strategic and critical raw materials, minerals, ores, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the naval forces and the civilian population in time of a national emergency, and for other purposes; to the Committee on Naval Affairs.

By Mr. SMITH of Maine:

H. R. 3814. A bill for the erection of a memorial to the memory of Maj. Gen. Henry Knox at Thomaston, Maine; to the Committee on the Library.

By Mr. SMITH of Washington:

H. R. 3815. A bill to provide for the construction of a post office and Federal building at Aberdeen, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. SWEENEY:

H. R. 3816. A bill to provide for the filling of vacancies in the Motor Vehicle Service; to the Committee on the Post Office and Post Roads.

By Mr. THORKELSON:

H. R. 3817. A bill providing for the cancelation of certain crop-production and harvesting loans, and for other purposes; to the Committee on Agriculture.

H. R. 3818. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Mines and Mining.

H. R. 3819. A bill to amend the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana," as amended by the act of August 26, 1935 (49 Stat. 799); to the Committee on Irrigation and Reclamation.

By Mr. VOORHIS of California:

H. R. 3820. A bill to amend section 80a of the act of June 16, 1933 (48 Stat. 273, U. S. C., Annotated, title 12, sec. 972); to the Committee on Agriculture.

By Mr. BLAND:

H. R. 3821. A bill to provide for recognizing the services rendered by civilian officers and employees in the construction and establishment of the Panama Canal and the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. GORE:

H. R. 3822. A bill amending the Tennessee Valley Authority Act of 1933, as amended; to the Committee on Military Affairs.

H. R. 3823. A bill amending the Tennessee Valley Authority Act of 1933; to the Committee on Military Affairs.

By Mr. HILL:

H. R. 3824. A bill to provide funds for cooperation with Wapato School District No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation; to the Committee on Indian Affairs.

By Mr. RABAUT:

H. R. 3825. A bill to provide for the establishment of a Coast Guard station at or near Grosse Pointe, Lake St. Clair, Mich.; to the Committee on Merchant Marine and Fisheries.

By Mr. RANDOLPH:

H. R. 3826. A bill to create a United States Public Works Authority, and to define its powers and duties, and for other purposes; to the Committee on Banking and Currency.

By Mr. SHEPPARD:

H. R. 3827. A bill to extend the mining laws of the United States to the Joshua Tree National Monument in California; to the Committee on the Public Lands.

H. R. 3828. A bill granting wartime benefits to veterans of campaigns and expeditions; to the Committee on World War Veterans' Legislation.

By Mr. VOORHIS of California:

H. R. 3829. A bill to abolish compulsory deductions from salaries of civilian employees for quarters, subsistence, laundry, and similar facilities when not actually used; to the Committee on Expenditures in the Executive Departments.

By Mr. FERGUSON:

H. R. 3830. A bill to amend the Revenue Act of 1934, so as to impose taxes upon the processing of wheat; to the Committee on Ways and Means.

H. R. 3831. A bill making miscellaneous amendments to the Soil Conservation and Domestic Allotment Act and Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

H. R. 3832. A bill authorizing parity payments on wheat; to the Committee on Agriculture.

H. R. 3833. A bill making an appropriation for wheat producers to insure parity payments; to the Committee on Agriculture.

By Mr. KENNEDY of Maryland:

H. R. 3834. A bill to amend the act entitled "An act to regulate steam and other operating engineering in the District of Columbia," approved February 28, 1887, as amended; to the Committee on the District of Columbia.

By Mr. TARVER:

H. R. 3835. A bill authorizing the Post Office Department to cooperate with the several States in the collection of State taxes; to the Committee on the Post Office and Post Roads.

By Mr. GEYER of California:

H. R. 3836. A bill to provide for the establishment of a home for retired merchant seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. CONNERY:

H. R. 3837. A bill to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906; to the Committee on Merchant Marine and Fisheries.

By Mr. KENNEDY of Maryland:

H. R. 3838. A bill to protect trade-mark owners, producers, distributors, and the general public against injurious and uneconomic practices in the distribution of competitive commodities bearing a distinguishing trade-mark, brand, or name through the use of voluntary contracts establishing minimum resale prices and providing for refusal to sell unless such minimum resale prices are observed; to the Committee on the District of Columbia.

By Mr. HOOK:

H. R. 3839. A bill to regulate interstate and foreign commerce in feeds, grains, grain and seed screenings, hay, bedding, packing material, and other materials recognized as carriers of noxious-weed seeds; to prohibit the shipment of certain materials carrying noxious-weed seeds in interstate and foreign commerce; to require certain treatments to kill noxious-weed seeds carried in certain materials in interstate and foreign commerce; and for other purposes; to the Committee on Agriculture.

By Mr. SMITH of Connecticut:

H. R. 3840. A bill to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes; to the Committee on Military Affairs.

By Mr. WHITE of Idaho:

H. R. 3841. A bill to provide for the construction of a highway within the Yellowstone National Park to provide an entrance to such park from the State of Idaho; to the Committee on the Public Lands.

By Mr. HARRINGTON:

H. R. 3842. A bill to amend section 13 (a) of the act approved June 25, 1938 (52 Stat. 1069), entitled "Fair Labor Standards Act of 1938"; to the Committee on Labor.

By Mr. DUNN:

H. R. 3843. A bill to provide \$30,000,000,000 which shall be expended within a period of 5 years to furnish employment and to end poverty in the United States and its possessions; to the Committee on Ways and Means.

By Mr. MOTT:

H. R. 3844. A bill authorizing the Secretary of the Interior to convey a certain tract of land to the State of Oregon to be used for public-park purposes; to the Committee on the Public Lands.

By Mr. SABATH:

H. R. 3845. A bill to amend sections 1001 and 1002 of title 10 of the Social Security Act, approved August 14, 1935; to the Committee on Ways and Means.

By Mr. GREEN:

H. R. 3846. A bill to provide payment of pensions and increase in pensions to all veterans in all wars, their widows and dependents, and certain peacetime soldiers; to the Committee on World War Veterans' Legislation.

By Mr. KEAN:

H. J. Res. 155. Joint resolution to amend the Constitution of the United States relative to taxes on certain incomes; to the Committee on the Judiciary.

By Mr. RYAN:

H. J. Res. 156. Joint resolution authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President; to the Committee on War Claims.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolutions Nos. 18, 19, and 20, with reference to Federal aid to State or Territorial veterans' homes, Works Progress Administration, and flood control; to the Committee on Flood Control.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALL:

H. R. 3847. A bill for the relief of Lena Hendel, nee Lena Goldberg; to the Committee on Immigration and Naturalization.

H. R. 3848. A bill for the relief of Janet Hendel, nee Judith Shapiro; to the Committee on Immigration and Naturalization.

By Mr. BOLTON:

H. R. 3849. A bill granting an increase of pension to Caroline Hoffman; to the Committee on Invalid Pensions.

By Mr. CHANDLER:

H. R. 3850. A bill to afford an opportunity of selection and promotion to certain officers of the United States Naval Academy class of 1909; to the Committee on Naval Affairs.

By Mr. CLEVINGER:

H. R. 3851. A bill granting a pension to Mettie Grace Cameron; to the Committee on Invalid Pensions.

H. R. 3852. A bill granting a pension to Myrtle R. Oldfield; to the Committee on Invalid Pensions.

H. R. 3853. A bill for the relief of Floyd Elton; to the Committee on Claims.

H. R. 3854. A bill granting an increase of pension to Mary Buhner; to the Committee on Invalid Pensions.

H. R. 3855. A bill granting an increase of pension to Elizabeth Brown; to the Committee on Invalid Pensions.

H. R. 3856. A bill granting an increase of pension to Catharine Brown; to the Committee on Invalid Pensions.

H. R. 3857. A bill granting an increase of pension to Abbie Davison; to the Committee on Invalid Pensions.

H. R. 3858. A bill granting an increase of pension to Harriet Deamer; to the Committee on Invalid Pensions.

H. R. 3859. A bill granting an increase of pension to Celestia A. Flunks; to the Committee on Invalid Pensions.

H. R. 3860. A bill granting an increase of pension to Phebe L. Alspaugh; to the Committee on Invalid Pensions.

H. R. 3861. A bill granting an increase of pension to Ellen A. Stevens; to the Committee on Invalid Pensions.

H. R. 3862. A bill granting an increase of pension to Sarah Marks; to the Committee on Invalid Pensions.

H. R. 3863. A bill granting an increase of pension to Margaret I. Reider; to the Committee on Invalid Pensions.

H. R. 3864. A bill granting an increase of pension to Catherine J. Cupp; to the Committee on Invalid Pensions.

H. R. 3865. A bill granting an increase of pension to Frances A. Kuder; to the Committee on Invalid Pensions.

H. R. 3866. A bill granting an increase of pension to Mary L. Hill; to the Committee on Invalid Pensions.

H. R. 3867. A bill granting an increase of pension to Christena Huffman; to the Committee on Invalid Pensions.

H. R. 3868. A bill granting an increase of pension to Eunice Palmer; to the Committee on Invalid Pensions.

H. R. 3869. A bill granting an increase of pension to Charlotte Buckmaster; to the Committee on Invalid Pensions.

H. R. 3870. A bill granting an increase of pension to Samantha Snyder; to the Committee on Invalid Pensions.

H. R. 3871. A bill granting an increase of pension to Esther J. Kimberly; to the Committee on Invalid Pensions.

H. R. 3872. A bill granting an increase of pension to Ora E. Houser; to the Committee on Invalid Pensions.

By Mr. CLUETT:

H. R. 3873. A bill granting an increase of pension to Saturna A. Smith; to the Committee on Invalid Pensions.

By Mr. COLLINS:

H. R. 3874. A bill granting a pension to Minnie Seiter; to the Committee on Invalid Pensions.

H. R. 3875. A bill for the relief of Hunter George Taft; to the Committee on Naval Affairs.

H. R. 3876. A bill for the relief of the estate of Lamar Smith; to the Committee on Claims.

By Mr. CONNERY:

H. R. 3877. A bill for the relief of Edward J. Fegan; to the Committee on Naval Affairs.

H. R. 3878. A bill for the relief of John E. Cassidy; to the Committee on Naval Affairs.

H. R. 3879. A bill for the relief of William A. Ambrose; to the Committee on Naval Affairs.

By Mr. EATON of California:

H. R. 3880. A bill granting a pension to Mrs. J. W. Jones; to the Committee on Invalid Pensions.

By Mr. ENGLEBRIGHT:

H. R. 3881. A bill for the relief of C. W. Robbins; to the Committee on Claims.

H. R. 3882. A bill for the relief of Beatrice Luce; to the Committee on Claims.

H. R. 3883. A bill for the relief of Jacob Silverberg; to the Committee on Naval Affairs.

By Mr. FLANNAGAN:

H. R. 3884. A bill to authorize and direct the Secretary of the Treasury to make payment for certain injuries to Mrs. E. J. Clifton; to the Committee on Claims.

By Mr. FORD of Mississippi:

H. R. 3885. A bill granting a pension to C. E. Kynerd; to the Committee on Invalid Pensions.

By Mr. GRIFFITH:

H. R. 3886. A bill for the relief of Preston Herndon; to the Committee on Naval Affairs.

By Mr. GARTNER:

H. R. 3887. A bill for the relief of Capt. Walter L. Shearman; to the Committee on Claims.

By Mr. HEALEY:

H. R. 3888. A bill for the relief of Maria Bartolo; to the Committee on Immigration and Naturalization.

H. R. 3889. A bill for the relief of Richard E. Mooney; to the Committee on Military Affairs.

H. R. 3890. A bill for the relief of Dominick Edward Maggio; to the Committee on Naval Affairs.

By Mr. HEINKE:

H. R. 3891. A bill granting a pension to Elvira M. Birkner; to the Committee on Pensions.

H. R. 3892. A bill granting an increase of pension to Annie Minnie Gist; to the Committee on World War Veterans' Legislation.

By Mr. JENKS of New Hampshire:

H. R. 3893. A bill for the relief of Roswell Freeman Corney; to the Committee on Naval Affairs.

By Mr. KINZER:

H. R. 3894. A bill to carry into effect the findings of the Court of Claims in the matter of the claim of the First Columbia National Bank, of Columbia, Pa.; to the Committee on War Claims.

By Mr. LEWIS of Colorado:

H. R. 3895. A bill granting a pension to Vera Mae Scott; to the Committee on Pensions.

H. R. 3896. A bill granting a pension to Ozetta M. Taylor; to the Committee on Invalid Pensions.

H. R. 3897. A bill for the relief of Harry L. Smigell; to the Committee on Claims.

H. R. 3898. A bill granting a pension to Lewis I. Montgomery; to the Committee on Pensions.

H. R. 3899. A bill granting a pension to Mary Catherine Dolphin; to the Committee on Invalid Pensions.

H. R. 3900. A bill granting a pension to Elizabeth L. Lloyd; to the Committee on Invalid Pensions.

H. R. 3901. A bill granting a pension to Capitola Pease; to the Committee on Invalid Pensions.

H. R. 3902. A bill granting a pension to Mary J. Edwards; to the Committee on Invalid Pensions.

By Mr. MANSFIELD:

H. R. 3903. A bill to confer the Medal of Honor, for service in the Philippine Insurrection, on William O. Trafton, deceased; to the Committee on Military Affairs.

By Mr. MILLER:

H. R. 3904. A bill for the relief of John W. Barbrick; to the Committee on Claims.

By Mr. MOTT:

H. R. 3905. A bill granting an increase of pension to Eliza Wray; to the Committee on Invalid Pensions.

By Mr. O'BRIEN:

H. R. 3906. A bill granting a pension to Charles F. Walker; to the Committee on Invalid Pensions.

By Mr. O'TOOLE:

H. R. 3907. A bill for the relief of William A. Reithel; to the Committee on Claims.

By Mr. RAMSPECK:

H. R. 3908. A bill granting a pension to William E. King; to the Committee on Pensions.

By Mr. REED of Illinois:

H. R. 3909. A bill for the relief of Silas S. Myers; to the Committee on Claims.

By Mr. ROCKEFELLER:

H. R. 3910. A bill granting an increase of pension to Phinia E. Howard; to the Committee on Invalid Pensions.

By Mr. RYAN:

H. R. 3911. A bill for the relief of Floyd L. Jones; to the Committee on Claims.

H. R. 3912. A bill for the relief of the heirs of John Cauley, deceased; to the Committee on Claims.

By Mr. SCHAFER of Wisconsin:

H. R. 3913. A bill for the relief of John Angus MacDonald; to the Committee on Military Affairs.

H. R. 3914. A bill granting an increase of pension to John F. Kopczynski; to the Committee on Pensions.

By Mr. SHEPPARD:

H. R. 3915. A bill for the relief of Florence Winifred Shay; to the Committee on Claims.

H. R. 3916. A bill for the relief of Malven A. Williams; to the Committee on Military Affairs.

H. R. 3917. A bill for the relief of Frank Charles Robie; to the Committee on Naval Affairs.

H. R. 3918. A bill to provide for the reinstatement of First Lt. Richard C. Hutchinson, Air Corps Reserve, to the active list of the Regular Army; to the Committee on Military Affairs.

By Mr. SMITH of Maine:

H. R. 3919. A bill for the relief of Alfred P. Paquin; to the Committee on Naval Affairs.

By Mr. SMITH of Washington:

H. R. 3920. A bill granting an increase of pension to Charles L. Shaeffer; to the Committee on Pensions.

By Mr. SMITH of West Virginia:

H. R. 3921. A bill for the relief of Elizabeth E. Smith; to the Committee on Claims.

By Mr. SUTPHIN:

H. R. 3922. A bill granting a pension to Harriet B. Skene; to the Committee on Pensions.

H. R. 3923. A bill for the relief of Nicholas Mecca; to the Committee on Military Affairs.

By Mr. SWEENEY:

H. R. 3924. A bill for the relief of Mr. and Mrs. Charles O. Nevel; to the Committee on Claims.

By Mr. TAYLOR of Tennessee:

H. R. 3925. A bill for the relief of Evelyn L. Ratcliffe; to the Committee on Claims.

By Mr. THORKELSON:

H. R. 3926. A bill for the relief of the Missoula Brewing Co.; to the Committee on Claims.

By Mr. VINSON of Georgia:

H. R. 3927. A bill for the relief of Mrs. Marijo McMillan Williams; to the Committee on Claims.

By Mr. VOORHIS of California:

H. R. 3928. A bill granting an increase of pension to James J. Scanlon; to the Committee on Invalid Pensions.

H. R. 3929. A bill for the relief of A. J. Samis; to the Committee on Immigration and Naturalization.

By Mr. WADSWORTH:

H. R. 3930. A bill granting a pension to Arta A. Hunn; to the Committee on Invalid Pensions.

By Mr. WEST:

H. R. 3931. A bill for the relief of Charles H. LeGay; to the Committee on Military Affairs.

By Mr. WIGGLESWORTH:

H. R. 3932. A bill for the relief of the estate of Guy M. Brown; to the Committee on Claims.

By Mr. ZIMMERMAN:

H. R. 3933. A bill for the relief of Otho L. Curtner; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

930. By Mr. BURDICK: Memorial of the Twenty-sixth Legislative Assembly of the State of North Dakota, January 3, 1939, Senate Concurrent Resolution No. 44; to the Committee on Appropriations.

931. Also, memorial of the Twenty-sixth Legislative Assembly of the State of North Dakota, January 3, 1939, House Concurrent Resolution No. 114; to the Committee on Ways and Means.

932. Also, memorial of the Twenty-sixth Legislative Assembly of the State of North Dakota, January 3, 1939, House Concurrent Resolution No. 135; to the Committee on Agriculture.

933. Also, memorial of the Twenty-sixth Legislative Assembly of the State of North Dakota, January 3, 1939, House Resolution F; to the Committee on Appropriations.

934. Also, memorial of the Twenty-sixth Legislative Assembly of the State of North Dakota, January 3, 1939, Senate Concurrent Resolution No. 42; to the Committee on Agriculture.

935. Also, memorial of the Twenty-sixth Legislative Assembly of the State of North Dakota, January 3, 1939, House Concurrent Resolution No. 83; to the Committee on Appropriations.

936. By Mr. COFFEE of Washington: Resolution of Local No. 180, International Molders' Union, of Tacoma, Wash., pointing out that there are now pending in Congress certain amendments to the National Labor Relations Act; asserting that such amendments, though emanating in some cases from known friends of labor, will have the effect of opening up the Labor Act to attack from hostile sources; insisting that the Labor Act has provided immeasurable benefits for

all forms of organized labor and assures it full opportunity to expand and strengthen itself; asserting that with the present spirit in Congress prevailing there is grave danger of the Labor Act being emasculated; and therefore urging Congress to vote down all amendments to the National Labor Relations Act at this time; to the Committee on Labor.

937. By Mr. FLAHERTY: Petition of the Yankee Division, Veterans' Association, Boston, Mass., favoring adoption of amendments to legislation governing veterans' affairs; to the Committee on World War Veterans' Legislation.

938. Also, petition of the Building and Construction Trades Council, of Boston and vicinity, favoring restriction in the amount of appropriations on building and construction projects to a \$25,000 maximum; to the Committee on Appropriations.

939. Also, petition of the Plymouth Co., East Boston, Mass., urging amendment of the social-security law; to the Committee on Ways and Means.

940. By Mr. GERLACH: Petition of members of the Lehigh Valley district, Pennsylvania branch, Catholic Verein of America, urging the Congress of the United States to adhere to the general policy of neutrality as set forth in the act of August 31, 1935, and amended May 1, 1937; to the Committee on Foreign Affairs.

941. By Mr. GILLIE: Petition of Mrs. Ida Steiner and 70 other residents of Bluffton, in Nottingham and Harrison Townships, Ind., urging passage of legislation to prevent advertising of alcoholic beverages; stating that the States cannot adequately regulate or prohibit the advertising of liquor as long as Congress permits such advertising through the medium of interstate commerce, and therefore most earnestly urging assistance in securing this proposed legislation in order that State regulations and laws upon the subject may thereby be made more adequate and effective and that radio advertising of alcoholic beverages may be stopped entirely; to the Committee on Interstate Commerce.

942. By Mr. HALLECK: Petition of members of Townsend Club, No. 1, Akron, Fulton County, Ind., expressing their approval of the Townsend plan; to the Committee on Ways and Means.

943. By Mr. HANCOCK: Petition signed by Albert Haskell, Jr., and other residents of Cortland, N. Y., favoring the continuance of the Spanish embargo; to the Committee on Foreign Affairs.

944. Also, memorial of the California Assembly, Joint Resolution No. 19, relating to memorializing the President and the Congress of the United States to continue the Works Progress Administration Federal art project; to the Committee on Appropriations.

945. Also, petition of the California Assembly, Joint Resolution No. 20, relating to Federal aid to State or Territorial veterans' homes; to the Committee on World War Veterans' Legislation.

946. By Mr. HAWKS: Resolution of the Woman's Christian Temperance Union, of Waukesha, Wis., urging the passage of legislation to prevent advertising of alcoholic liquors by press and radio; to the Committee on Interstate and Foreign Commerce.

947. By Mr. KINZER: Petition of 390 citizens of the Tenth Congressional District, protesting against provisions of the International Labor Conference Treaty of 1936, Convention No. 53, as ratified by the Senate of the United States in the Seventy-fifth Congress, second session, effective November 1, 1939, under which four licensed men must be carried on all vessels, regardless of size, which pass outside the confines of the inland-waterways system of the United States; to the Committee on Merchant Marine and Fisheries.

948. By Mr. KEOGH: Petition of Allan S. Haywood, president, New York State Industrial Union Council, New York City, favoring the passage of the independent offices appropriation bill with no riders, strings, or conditions attached; to the Committee on Appropriations.

949. Also, petition of the Congress of Industrial Organizations, Washington, D. C., concerning the \$3,230,000 appropriation for the National Labor Relations Board; to the Committee on Appropriations.

950. Also, petition of the United Cannery, Agricultural, Packing, and Allied Workers of America, concerning the wage-hour law and the fruit and vegetable industry; to the Committee on Labor.

951. By Mr. LEWIS of Colorado: House Joint Memorial No. 5, of the House of Representatives of the Thirty-second General Assembly of the State of Colorado, concerning the establishment of an airport at or near the city of Cortez, Colo.; to the Committee on Interstate and Foreign Commerce.

952. By Mr. MASSINGALE: Resolution (State of Oklahoma H. Res. No. 17) requesting and memorializing the Congress of the United States to authorize sufficient appropriations to carry on the development of the water resources, flood control, drainage, and soil erosion within the State of Oklahoma; commending the Oklahoma delegation in Congress for their activities in behalf of such projects in that State; commending the attitude of the President of the United States in his efforts to bring about such improvements; and commending the Corps of Engineers of the United States Army in solving the water-resource problems of that State; to the Committee on Appropriations.

953. Also, resolution (State of Oklahoma H. Res. 21) memorializing Congress to amend the National Housing Act amendments of 1938, to permit insuring of mortgages involving a principal obligation not to exceed \$3,000 without requiring that the owner and occupant of the property shall have, at the time of issuing the insurance, paid on account of the property 10 percent of the appraised value thereof in cash or its equivalent; to the Committee on Banking and Currency.

954. By Mrs. NORTON: Petition of 51 members of the Holy Name Society, of our Lady of Mount Carmel Church, Bayonne, N. J., petitioning Congress for as long as we shall adhere to the general policy of neutrality as enunciated in the act of August 31, 1935, to retain on our statute books the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

955. Also, petition of 294 members of St. Vincent's Parish, Bayonne, N. J., petitioning the Congress for as long as we shall adhere to the general policy of neutrality as enunciated in the act of August 31, 1935, to retain on our statute books the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

956. By Mr. PFEIFER: Petition (telegram) of the New York State Industrial Union Council, New York City, favoring passage of the independent offices appropriation bill without riders or conditions attached; to the Committee on Appropriations.

957. Also, petition of the Congress of Industrial Organizations, Washington, D. C., opposing any reduction in the appropriation of \$3,230,000 for the National Labor Relations Board; to the Committee on Appropriations.

958. Also, petition of 50 residents of the Third Congressional District, Brooklyn, N. Y., concerning the Patman anti-chain-store bill; to the Committee on Ways and Means.

959. By Mr. PLUMLEY: Petition of 15 residents of Northfield, Vt., favoring revision of the Neutrality Act to read, "The United States shall not furnish war supplies to any aggressor nation"; to the Committee on Foreign Affairs.

960. By Mr. REED of Illinois: Petition of Rosa C. Schmidt, grand regent, and 26 members, of Naperville, Ill., Court No. 756, of the Catholic Daughters of America, recommending the adherence to the general policy of neutrality as enunciated in the acts of August 31, 1935, and May 1, 1937; to the Committee on Foreign Affairs.

961. By Mr. RISK: Petition of Saylesville (R. I.) Post, No. 33, the American Legion, opposing the raising of the Spanish embargo to permit the shipments of arms and ammunition to Spain; to the Committee on Foreign Affairs.

962. Also, petition of Joseph Sansone and 22 other residents of the town of Bristol, R. I., opposing the lifting of the Spanish

embargo and allowing the shipments of arms and ammunition to Spain; to the Committee on Foreign Affairs.

963. By Mr. SCHAEFER of Illinois: Petition of Rev. Louis F. Ell, pastor, and certain parishioners, of the Blessed Sacrament Church, Belleville, Ill., urging retention on the statute books of the principles enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

964. Also, petition of 1,200 members of the Townsend Club of East St. Louis, Ill. (Frank C. Smith, president), membership of Progressive Miners Union, No. 8, and membership of Bricklayers and Masons Union, No. 30, urging Congress to enact into law House bill 2, known as the Townsend Act, without amendments; to the Committee on Ways and Means.

965. By Mr. SECCOMBE: Petition of Mrs. Celia Badalamenti and numerous residents of Canton, Ohio, urging Congress to adhere to the general policy of neutrality as set forth in the act of August 31, 1935, and amended by the act of May 1, 1937; to the Committee on Foreign Affairs.

966. Also, petition of John E. Cighon and other residents of New Philadelphia, Ohio, and vicinity, urging Congress to adhere to the general policy of neutrality as set forth in the act of August 31, 1935, and amended by the act of May 1, 1937; to the Committee on Foreign Affairs.

967. Also, resolution by Canton Council, No. 341, Knights of Columbus, Canton, Ohio, approving the Neutrality Act of May 1, 1937, and opposing its repeal; to the Committee on Foreign Affairs.

968. Also, petition of Irene Westerh, chairman, legislative committee, and other members of Court Canton, 1047, Catholic Daughters of America, of Canton, Ohio, urging Congress to adhere to the general policy of neutrality as set forth in the act of August 31, 1935, and amended by the act of May 1, 1937; to the Committee on Foreign Affairs.

969. Also, petition of Albert J. Fox and numerous residents of Canton, Ohio, and vicinity, urging Congress to adhere to the general policy of neutrality as set forth in the act of August 31, 1935, and amended by the act of May 1, 1937; to the Committee on Foreign Affairs.

970. Also, petition of Rev. George Hovanec and others, of Alliance, Ohio, urging adherence by the United States to the principles of the neutrality acts of August 31, 1935, and May 1, 1937; to the Committee on Foreign Affairs.

971. By Mr. VAN ZANDT: Petition of Rev. J. E. Bachnak and others, of Winburne, Clearfield County, Pa., urging adherence by the United States to the general policy of neutrality as enunciated by the 1935 and 1937 acts; to the Committee on Foreign Affairs.

972. Also, petition of Michael Humenik and others, of Grassflat, Clearfield County, Pa., urging the adherence by the United States to the general policy of neutrality as enunciated in the 1935 and 1937 acts; to the Committee on Foreign Affairs.

973. By Mr. WHITE of Idaho: Petition of certain citizens of Boise, Idaho, urging an enlarged appropriation for the operation of the Dies committee; to the Committee on Rules.

974. Also, petition of certain citizens of Kellogg, Idaho, objecting to any change in the Wagner Labor Act; to the Committee on Labor.

975. Also, petition of the Wallace Trade and Labor Council, Wallace, Idaho, urging the Congress to establish a system of hospitalization and medical care for private citizens; to the Committee on the Civil Service.

976. Also, petition of the Security Benefit Association of Pocatello, Idaho, urging amendment to the social-security bill to exempt subordinate councils or lodges of fraternal benefit associations and their officers from provision of the act; to the Committee on Ways and Means.

977. By the SPEAKER: Petition of certain citizens of the State of California, petitioning consideration of their petitions with reference to the General Welfare Act (H. R. 2 and S. 3); to the Committee on Ways and Means.

978. Also, petition of Maria Gonzalez and others, of Lares, P. R., petitioning consideration of their petition with reference to neutrality; to the Committee on Foreign Affairs.

979. Also, petition of the Associated Puerto Rican Press, Puerto Rico, petitioning consideration of their resolution with reference to propaganda; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 8, 1939

The House met at 12 o'clock noon.

Rev. Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou whose greatness is unsearchable and whose amazing love crowneth all our days, we rejoice that Thou wert the God of our fathers and that Thou art also the God of their succeeding generations. Again we approach that throne of grace from which none has ever been repelled or sent empty away. We come constrained not only by our necessities but encouraged by the blessed assurance that Thy fatherly heart opens with love in response to those who seek Thee. Let Thy hand of blessing rest this day upon all whom Thou hast called to positions of leadership and service in the life of our Nation. May peace and prosperity be the heritage of men everywhere. In the name of Christ our Lord we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

FORMER RESIDENCE OF THE LATE JUSTICE OLIVER WENDELL HOLMES

The SPEAKER laid before the House the following communication from the Clerk of the Supreme Court of the United States:

FEBRUARY 7, 1939.

The honorable the SPEAKER OF THE HOUSE,
United States House of Representatives,
Washington, D. C.

SIR: By direction of the Chief Justice I have the honor to transmit to you herewith a copy of the order entered this day selecting three Associate Justices of the Supreme Court of the United States to serve as members of the committee constituted by the joint resolution of Congress of June 22, 1938 (52 Stat. 943, ch. 595), entitled "To authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes."

I am, sir,

Yours very respectfully,

CHARLES ELMORE CROPLEY,
Clerk of the Supreme Court of the United States.

ORDER

Pursuant to the joint resolution of Congress of June 22, 1938 (52 Stat. 943, ch. 595), entitled "To authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes," the Chief Justice announced the selection of the following Associate Justices of the Supreme Court to serve as members of the committee constituted by said joint resolution: Mr. Justice Stone, Mr. Justice Roberts, and Mr. Justice Frankfurter.

Per Mr. CHIEF JUSTICE HUGHES.

FEBRUARY 7, 1939.

COMMITTEE ON WILDLIFE CONSERVATION

The SPEAKER. Pursuant to the provisions of House Resolution 65, Seventy-sixth Congress, the Chair appoints the gentleman from Michigan [Mr. DINGELL] to fill the vacancy on the Committee on Wildlife Conservation.

COMMEMORATION OF THE ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE FIRST CONGRESS OF THE UNITED STATES

The SPEAKER. Pursuant to the provisions of House Concurrent Resolution 4, Seventy-sixth Congress, the Chair appoints as members of the joint committee to make suitable arrangements for the commemoration of the one hundred and fiftieth anniversary of the First Congress of the United States under the Constitution the following Members of the House: Mr. RAYBURN, of Texas; Mr. SABATH, of Illinois; Mr. BLOOM, of New York; Mr. EATON, of New Jersey; and Miss SUMNER, of Illinois.

SPECIAL COMMITTEE TO INVESTIGATE UN-AMERICAN ACTIVITIES

The SPEAKER. Pursuant to the provisions of House Resolution 26, Seventy-sixth Congress, the Chair appoints the gentleman from California [Mr. VOORHIS] to fill the vacancy

on the Special Committee to Investigate Un-American Activities.

PERMISSION TO ADDRESS THE HOUSE

Mr. TREADWAY. Mr. Speaker, I ask that the time granted to me to address the House on tomorrow may be postponed for 1 week in view of the legislative program that has been arranged for tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a memorial from the Legislature of the State of New Mexico to the Congress with reference to the proposed extension in the State of New Mexico of the boundary of the Navajo Indian Reservation.

Mr. RICH. Reserving the right to object, Mr. Speaker, may I ask the gentleman how far it is expected to extend this boundary?

Mr. DEMPSEY. This memorial requests that the Congress not extend it at all. The legislature opposes any extension of the boundary.

Mr. RICH. Does the gentleman mean the legislature of the gentleman's State is opposed to extending the boundary of the Navajo Indian Reservation?

Mr. DEMPSEY. Yes.

Mr. RICH. I wish a lot of other States would do the same as the gentleman's State is doing.

Mr. DEMPSEY. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an address delivered before the annual convention of the Virginia State Dairymen's Association by Mr. Woodbury Willoughby, economic analyst in the Division of Trade Agreements of the Department of State, on the subject of reciprocal-trade agreements and their effect upon American dairy farmers.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I am introducing a resolution authorizing the President to invite the nations of the world to the council board for a possible solution of the chaotic conditions in the world today.

EXTENSION OF REMARKS

Mr. SHANLEY asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. BYRNS of Tennessee asked and was given permission to extend his own remarks in the RECORD.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a copy of the statement I made yesterday before the Committee on Ways and Means on the subject of proposed amendments to the Social Security Act.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. BALL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein a short editorial on the splendid service rendered by the United States Coast Guard.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SANDAGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement on the effect of the trade agreements on the American lace industry.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD with reference to House Joint Resolution 91.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SACKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein an address delivered over the radio by Senator JAMES M. MEAD, of New York.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

FEBRUARY 8, 1939.

HON. WILLIAM B. BANKHEAD,

Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: Because of another committee assignment, I hereby submit my resignation as a member of the Committee on Indian Affairs.

Respectfully yours,

LINDLEY BECKWORTH.

INDEPENDENT OFFICES APPROPRIATION BILL, 1940

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the independent offices appropriation bill, 1940 (H. R. 3743).

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3743, with Mr. LANHAM in the chair.

The Clerk read the title of the bill.

Mr. HOFFMAN. Mr. Chairman, I have an amendment at the Clerk's desk.

The CHAIRMAN. When the Committee rose yesterday an amendment offered by the gentleman from New York [Mr. TABER] was pending, and it was understood that the amendment, which had already been read, would be considered first.

Mr. HOFFMAN. I have sent my amendment to the desk. It is a perfecting amendment and has preference over the amendment of the gentleman from New York.

The CHAIRMAN. That, of course, can be determined after the gentleman from New York has completed his statement in reference to his amendment, and for the information of the House, and without objection, the Clerk will again report the amendment of the gentleman from New York [Mr. TABER].

The Clerk read as follows:

Amendment offered by Mr. TABER: Beginning on page 32, in line 18, strike out the remainder of page 32, down to and including line 5, on page 33.

Mr. TABER. Mr. Chairman, I have offered this amendment for the purpose of throwing out the entire appropriation for the National Labor Relations Board. I am doing this on the same theory and with the same feeling the committee had with reference to the Communications Act, and that is, if we are going to have any chance of recovery the Labor Relations Act must be substantially amended so that it will provide a square deal for different groups of employees and for the employers, and that a board representing the Government should be committed to impartiality and that promotion of activities of one kind or another is beyond my comprehension, and it is also beyond

my comprehension that the Congress should stand for that sort of thing.

My idea is that we should refuse at this time to appropriate any money for the Labor Board and that the matter should be held in abeyance until the deficiency bill and that no such appropriation should be made unless the Congress shall have passed, and the President shall have signed, a bill providing proper and fair amendments of the act.

This is my position. This is the basis of my amendment, and I hope the House will adopt the amendment so that we can begin to have action along the line of clearing up this situation which is such a bar at the present time to the employment of our people and the return of prosperity. [Applause.]

The CHAIRMAN. The Chair will state that it is the understanding of the Chair the gentleman from Michigan [Mr. HOFFMAN] has a perfecting amendment to offer and, of course, perfecting amendments are in order before amendments to strike. Will the gentleman from Michigan kindly submit his amendment?

Mr. HOFFMAN. If the Chair is willing and the Committee has no objection, I would prefer to wait until the pending amendment is disposed of.

The CHAIRMAN. That is within the discretion of the gentleman from Michigan.

Mr. FITZPATRICK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. TABER].

Mr. Chairman, I think it would be a great mistake to adopt the amendment offered by the gentleman from New York. I have always been opposed to bringing in legislation on an appropriation bill unless it was some minor matter of legislation or legislation to correct some error in a bill.

As I understand it, this act was adopted so that the Labor Relations Board could take up various disputes between the workers and their employers. I believe we should give them a fair chance to do the job which Congress intended them to do. I am not taking sides as to whether the act should be amended or not, or whether it should be eliminated entirely. If the act should be amended, then the matter should be referred to the legislative committee and they should hold hearings and bring the hearings to the House and let the House decide, after extensive hearings, whether or not we should amend the National Labor Relations Act; but up to the present time there is nothing before the Members of this House that would indicate that we should dispose of this Board.

It has been stated that the Board has shown favoritism to the C. I. O. I have no knowledge of this personally and cannot give any opinion. If it is true, then it is the fault of the administrators of the Board and not the act itself. I am not taking sides with any labor organization or with any employer, and I feel it is the duty of the National Labor Relations Board not to take sides but, on the other hand, to be fair and just with all labor organizations and employers. There is no reason why I should lean toward the C. I. O., as during the last election I understand they were behind the American Labor Party, who put a candidate in the field against me; but that will have nothing to do with my supporting this appropriation. I believe, however, that the appropriation should be approved to carry out the intentions of the act itself; and, if carried out as Congress intended it, I believe it will not only be beneficial to the employees and employers, but to the American people as a whole.

This is not the appropriate place for us to act in order to eliminate the Board at this time. It was brought out in the hearings that in 19 cases that were brought into the United States Supreme Court, 17 were won by the Labor Board. It was also brought out at the hearings that out of 41 disputes between the Federation of Labor and the C. I. O., 21 cases were decided in favor of the Federation of Labor. I do not know the merits of the cases in question, and you yourself do not know them except for what has been printed in the newspapers.

They have asked for an increased appropriation, because there are today some 3,700 undisposed cases before the National Labor Relations Board. This is the reason they want to get increased personnel, so they can go out and investigate these cases properly. I think it would be of great benefit to our country and to the taxpayers if we can have a board set up that will consider our labor disputes and do justice to the employer and the employee and reach an agreement without any strikes. As I understand, during the last year the Board settled 771 strikes.

I have stated the object of this act and the responsibility of the Board. If the act is not perfect, let us amend it in the proper way by referring it to a legislative committee, as I stated in the beginning of my remarks, and after hearings are held and all the facts are brought out let them bring in a bill, but let us not eliminate this Board because some are against it.

I hope the amendment offered by the gentleman from New York will be defeated and that we will continue this Board until we, the Members of Congress, after hearings, develop the necessity of amending the act, or, if necessary, abolishing the Board. I therefore ask that the amendment be defeated. [Applause.]

MR. LELAND M. FORD. Mr. Chairman, I move to strike out the last word. I rise to support this amendment as offered. I support it upon the ground of an occurrence that happened in Los Angeles during the strike in the Douglas airplane plant—a sit-down strike. Some 21 men were indicted by the Los Angeles grand jury. I believe 18 out of that 21 were convicted, most of whom received jail sentences. The National Labor Relations Board now tells the Douglas Co. they will have to take these men back into their employ and have to pay them, not only for their time they were off but for the time they spent in jail. That is one of the most un-American decisions I ever heard of and I do not think it should be countenanced in any way, shape, or form. I do not think we should permit a board to come in and tell a plant that its men who had been convicted of a crime against that plant must not only be taken back in the plant, but must be paid for the time that they were off. Such a thing needs no support, and I hope the Congress will not give a board of that kind 1 cent.

MR. VOORHIS of California. Mr. Chairman, I rise in opposition to the pro forma amendment. The argument advanced by the gentleman from New York [Mr. FITZPATRICK] on this question is an unanswerable argument. It is to the effect that if you want to amend the National Labor Relations Act, the way to do it is in a straightforward manner and not by trying to knock out the Board through refusing an appropriation. I feel that this whole question, however, can be based upon the Board's record. Congress passed the National Labor Relations Act for the purpose of doing two things; in the first place, because the Congress felt that the right of collective bargaining and organization on the part of labor is a proper corollary right in this industrial age to the concentration of industrial ownership and the virtual helplessness of the individual wage earner. The second reason that Congress had was that by that organization industrial disputes would be decreased. There is good reason to believe that. The President's commission sent last summer to England to investigate the question came back with a report that in England substantial industrial peace already existed, and one of the basic reasons was that throughout British industry the right of organization and collective bargaining is unquestionably recognized.

What is the record of this Board? The Board has carried out its assignment with regard to diminishing industrial disputes and strikes. In 1937 there were 394 strikes every month, and in 1938 exactly half that number. Go back to the winter of 1936-37 and you will find a very bad situation, and why, because the Supreme Court decision was not yet handed down definitely validating the Labor Relations Act and because, therefore, that act was being disputed in many quarters. So we had a chaotic condition where, naturally, there was much difficulty.

Just before that happened there were 186,000 workers on strike, and in the same month 50,000 workers were appealing to the Board to settle the question without a strike. A year later, in March 1938, there were only 20,000 workers on strike for the purpose of establishing the right of organization, and three times the number were appealing to the Board that had been appealing to that Board before. In other words, on the question of strike over the right of organization, you have set up a machinery which is functioning effectively for the reduction of industrial disputes. These figures show to me that we are coming out of the woods, that there are half as many strikes, and half as many of the reduced number concerning the right to organize. What we hoped would happen has happened, I believe, largely through the efforts of this Board. The sit-down strike—and I do not know anybody that defends it as a labor weapon—has become virtually a memory. Figures on that were given to the Supreme Court by Mr. Fahy, general counsel of the National Labor Relations Board. He pointed out that in March 1937 there were 137 such strikes, the greatest number in any one month during the period before the act had been passed on by the Supreme Court, when the maximum confusion existed, and after the Court acted there was an immediate drop in April to 52, and a continuous drop ever since until today there is only a handful of workers who have been concerned in any such strikes.

The New York Journal of Commerce is not known as an advocate of the Labor Relations Act, but on November 2, 1938, that paper told its industrial and business readers that—

Losses of industry and workers due to strikes in the final quarter of 1938 promise to be at the lowest level in some years.

And further that—

Recent National Labor Relations Board decisions have concluded many disputes.

MR. HOUSTON. Mr. Chairman, will the gentleman yield? MR. VOORHIS of California. Yes.

MR. HOUSTON. Is it not true that during the fiscal year 1938 the Board had approximately 12,000 cases before it, and disposed of over 9,000, and only a very small percentage went to trial?

MR. VOORHIS of California. Yes; only about 5 percent went to trial. All the rest were settled with that. You cannot destroy the legitimate right of labor to organize and bargain collectively. Violence takes place where that right is resisted. The work of this Board has been in large measure to prevent industrial disputes over the right of organization.

THE CHAIRMAN. The time of the gentleman from California has expired.

MR. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 20 minutes.

THE CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

MR. RICH. Mr. Chairman, reserving the right to object, I would like to have 5 minutes. How many will have an opportunity to speak on this?

MR. WOODRUM of Virginia. I see six gentlemen on their feet at this time. It seems to me that 20 or 25 minutes should be sufficient. Other amendments are coming to this section. I ask unanimous consent, Mr. Chairman, that the debate close in 20 minutes on this particular amendment, and let the Chair divide the time between the gentlemen.

THE CHAIRMAN. Is there objection to the request of the gentleman from Virginia that the debate on this amendment be limited to 20 minutes?

MR. RAMSPECK. Mr. Chairman, reserving the right to object, this is a very important matter. I hope the gentleman will extend that and give me 5 minutes.

MR. WOODRUM of Virginia. Mr. Chairman, I modify the request to make it 30 minutes.

THE CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

THE CHAIRMAN. The gentleman from Michigan [Mr. Hook], the gentleman from California [Mr. THOMAS F. FORD],

the gentleman from Pennsylvania [Mr. RICH], the gentleman from Illinois [Mr. KELLER], the gentleman from Pennsylvania [Mr. DUNN], and the gentleman from Georgia [Mr. RAMSPECK] will each be recognized for 5 minutes.

The gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman, the age-old question of capital and labor is now being discussed.

I am rather proud of the record that has been made by the National Labor Relations Board under the Labor Act. When you strip it of all bias on the part of those who are antilabor, you will find that they have done a magnificent job.

This Board had before it a total of 19,176 cases since the fall of 1935, and on January 1 of this year there were only 4,094 cases pending. They had all been disposed of except that number. There were 7,931 consent election cases. Those were victories for the employees. However, when you stop to consider that there were 2,360 cases, or 16 percent, involving 302,324 workers dismissed by the Board and regional directors, you will see that those were victories for the employers. When they say that the employer is not given a chance before this Board they deliberately misstate the facts.

Mr. HOFFMAN. Will the gentleman yield right there?

Mr. HOOK. I doubt whether I will yield to the gentleman.

Mr. HOFFMAN. Well, make up your mind one way or the other. It does not make any difference to me.

Mr. HOOK. I think the gentleman's prejudice and bias is such that his judgment would not be good on the question.

When we look at the record of the sit-down strikes, we find that in March of 1937 we had 438 sit-down strikes. From January to August 1937 we had 438, but in the same time in the following year we only had 38. Why? Because the Supreme Court of the United States validated the National Labor Act, and the National Labor Relations Board stepped into the picture and handled the cases as best they could. They had a large job on their hands. They still have. They are being fought from all sides by those who do not want collective bargaining and those who want collective bargaining but want to have it all to their own liking.

Many years ago a great labor leader said the labor question should be "thought out—not fought out." The only way the labor question can be thought out is by a board such as the National Labor Relations Board. Being an attorney, I know it does not make any difference which side wins a lawsuit—the opposite side is not satisfied with the decision. No matter what the decision of the National Labor Relations Board in any case, the employer would not be satisfied. In the case of a controversy between unions, the union which loses its case is not satisfied. It is up to us to look at the record; to look at what has been done; look at the situation today as compared to the conditions that existed before the creation of the Board, and you will find they have done a wonderful job. They should be allowed to go on to do a better job in the future.

In 1935 we knew exactly why we passed this act. The past history of American industrial relations has been a shameful record of the attempts of American workmen to speak in their own behalf through organizations of their own choosing and the defeat of these attempts by overpowering employer strength. For example, the great United States Steel Corporation, founded at the beginning of this century on the announced policy that it would never deal with worker organizations, maintained and enforced that policy, bringing about an untold loss of lives and money. And so with other great American industries—coal; and more recently the newer industries of rubber, aluminum, glass, and automobiles.

The rights of workers were recognized in law. Yes, 18 years ago Chief Justice Taft, speaking from the Supreme Court Bench, said that a single employee was helpless in dealing with his employer and that the right to organize into unions was a just and legal one. But it was not until 1935, through this act, that we provided an instrument to enforce that legal right.

Do not think it was generosity on the part of Congress. American workmen have grown up. In the past century we

imported foreign labor to make our steel, dig our coal, and build our railroads. Their grandchildren have grown up in American schools. They believe in democracy, and a democracy is a way of life. We told them under the N. R. A. that they had the right to organize. We clinched that right by passing this act. And what happened?

Industrial employers still lived in the nineteenth century. Ignoring the letter and the spirit of the act, they so much as said that they were above the rulings of this Board. They tied its hands in a hundred and one injunction suits, but the Board fought back. It fought to enforce this law to the letter. If it had not—if it had sidestepped and evaded its duty, then you really would have seen an overwhelming number of strikes. The Board kept its course. It held hearings. It established precedents on a sound legal basis, built up a body of labor law in accordance with the act as we wrote it. We ought to be proud of this Board. With propaganda against it, with corporation lawyers saying it was unconstitutional, it stuck to its job, and on April 12, 1937, the Supreme Court of the United States upheld it in five cases. The Court said its procedure was fair and that every move it had made was constitutional—just the contrary of what its very vociferous critics had prophesied.

Why should not this Congress be proud of an agency which took our law and under great difficulty and age-old prejudice made it work in such an equitable manner that it was clearly vindicated in a court which had to reverse all of its previous thinking in order to do so?

Why? Because it annoyed some employers to have to accept this procedure of collective bargaining. Before the Supreme Court upheld it the Board made 60 cease and desist rulings and only one employer obeyed it. However, immediately following that decision, United States Steel, International Harvester, and Goodyear Rubber—all of them under investigation by the Board—decided to give up their company unions and obey the act. The Jones & Laughlin Corporation, test case in the Supreme Court, let the Board conduct an election. Twenty-five thousand employees voted for a trade union. The company accepted their vote, recognized their union, gave it a contract, and began the most peaceful era of labor relations it had ever known.

That is why we passed this act—to get employers and employees living at peace with each other. We have what we want and do not know it.

This Board began to operate as we had hoped as soon as its validity was established, and in spite of the A. F. of L.-C. I. O. controversy which arose to harass it the Board has handled 20,000 cases and written 15,000 of them off the books. It has peacefully settled 8,000 cases involving a million and a half workers. It has found for the employer in 5,000 cases by dismissing actions against them or getting the unions to withdraw the cases. Does that fact surprise you? Then look at the record. There is nothing secret about it except that the Board has seen fit to settle these cases quietly and without the fanfare of publicity. Shall we blame it for that? Perhaps. For the charge might well be made that the Board stands guilty of excessive modesty when its opponents can spread the report that it encourages strikes, when, as a matter of record, it has settled or averted more than 2,000 strikes involving half a million workers.

Another half million workers marched to the polls and cast their secret ballots for representatives in more than 1,700 Board elections.

I say this is an amazing record. I say the Congress should grant the Board's appropriation and give it a vote of thanks. Thanks for stopping 2,000 strikes. Thanks for upholding the right of collective bargaining so honestly.

This Board has far less than 1,000 employees scattered over the 48 States and Hawaii. It has more pages of testimony to review than all the other quasi judicial agencies combined. Its employees work nights and Sundays to keep up. They are making effective the rights of workers to which America has given lip service for generations. Cut them down. Make their task impossible. But be prepared for the worst wave of strikes we have ever known. American labor means to

have protection for the right to bargain collectively. To deny that justice is folly. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from California [Mr. THOMAS F. FORD] is recognized.

Mr. THOMAS F. FORD. Mr. Chairman, the National Labor Relations Board was created primarily for the purpose of protecting the men who work in their right to select their own representatives to bargain collectively on wages, hours, and working conditions. The employer by reason of his superior financial position and prestige in his community has always had all kinds of protection, including that afforded by the courts. This act was the first attempt to give to labor rights which, while guaranteed by the Constitution, have been uniformly denied by the great majority of employers.

We have heard a great deal about the sit-down strike. One would think the National Labor Relations Board invented the sit-down strike; but the gentlemen who are criticizing the labor unions for utilizing the sit-down strike, which nobody is particularly anxious to sanction, never say one word about the lock-out. Do you remember about the lock-out? What was it? It was not only a lock-out but it was a knock-out, because many of the great industrial concerns employed thugs and strong-armed brutes of all kinds to go out and beat up men who were trying to get a decent day's pay for a hard day's work.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. No; I do not.

Mr. HOFFMAN. Not for a question?

Mr. THOMAS F. FORD. Not for anything.

Mr. HOFFMAN. Not to tell us when the last lock-out was?

Mr. THOMAS F. FORD. Not to you. The gentleman is speaking out of order, Mr. Chairman.

Now, my friends, the gentleman from New York [Mr. TABER] comes here with an amendment to strike out the National Labor Board's appropriation. I do not like to use the word which I would like to use in connection with that kind of subterfuge. I am convinced that the real purpose behind it is to repeal by a shabby trick the National Labor Relations Act. If that is your purpose, why not openly say so? That would be the courageous thing to do.

You are going to find, when the vote on this comes, that the bulk of the opposition will come from the other side. This will demonstrate to the people of the country whether the Republican Party is so much in favor of labor as many of its speakers and candidates professed during the recent campaign.

This Board has accomplished, as figures presented on the floor show, a very distinct service to both industry and labor. It has operated to diminish, not increase, labor troubles, except for the period of organization and pending the Supreme Court's decision as to its constitutionality. I think it is the duty of Members of this House to protect the bill that the Appropriations Committee has brought in and refuse to amend it in this particular, for it is not an amendment but an underhanded attempt to nullify the act.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield for a question?

Mr. THOMAS F. FORD. No; I have finished.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. RICH] is recognized for 5 minutes.

Mr. RICH. Mr. Chairman, as just stated by the previous speaker, that this is a political issue, I can see where there is no political issue in the N. L. R. B. In the first place, money has been appropriated to carry on this work until the 1st of next July, and the present operation should not suffer. If this act is properly amended, a deficiency appropriation can be made for the purpose of carrying on the work of the N. L. R. B. after July 1 of this year, but it must be conducted in a manner fitting to our American institutions and our American life.

Last summer, in the year 1938, Mr. William Green, president of the A. F. of L., made this statement—and I quote:

No hostile employer in America has done the cause of labor more harm than those who fomented, executed, and administered the

policies of the Committee on Industrial Organization during the past 18 months.

This came from the lips of a man who has been a labor representative all his life, a man who has worked, a man who knows the conditions of labor, a man who is trying to help, aid, and assist labor in every possible way.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. RICH. Not right now. I will later if I have the time.

Mr. Chairman, I am in sympathy with the idea that labor has the right to organize, unmolested from industrialists or radical labor organizers. I do not think any Member of the House of Representatives wishes to deny labor this privilege; but to let the situation continue where responsibility is incumbent only upon manufacturers and business, where there is no responsibility whatsoever on the part of labor, is very unjust. The Federal Government requires rigid compliance by manufacturers and employers of labor but gives permission to labor to do the things radical labor wants or compels it to do without assuming any responsibility. It is my belief that where there is a contract between manufacturers and labor, the responsibility and obligations of the contract should rest equally on manufacturers and on labor. That is just; that is honest; that makes for good regulation and good government.

During the past 2 years of our national life there have been more strikes than in any other like period in the history of this Nation. There is certainly something wrong when the people of this country come to the point that they deem it advisable to settle their disputes through the method of the strike. This method causes both labor and business to suffer as well as all the people. The logical thing to meet such a situation is a fair-minded board to settle the disputes before the point of a strike is reached so that both employers and those who want employment will have the opportunity of going ahead without losing time, without the industry being shut down. Therefore this law should and must be changed if we want to put 12,000,000 people back to work in industry and agriculture.

Mr. HOUSTON and Mr. SACKS rose.

Mr. RICH. Mr. Chairman, I must decline to yield, for my time is so limited. I am unable to do so.

Mr. Chairman, our greatest gift to labor today is employment, and at good wages, where men can find contentment and happiness and secure those things of life that good work and wages afford, but I ask how this can be given when the manufacturers, the industrialists, the farmers, and the businessmen are afraid to proceed with development that would give employment? This fear is caused by the difficulties they encounter in trying to administer their affairs. Businessmen today want to get out of business rather than to continue in business, and the action and decisions of the N. L. R. B. is more responsible for this condition than anything else I know of. So I say to the Members of Congress that the duty confronting us at the present moment is that of correcting the laws that have been placed on the statute books. This method probably is not the best course to that end, but it is one way to accomplish it. We all know that Mr. Green would never have made such a statement as I quoted a few moments ago were the laws of this country all just and administered in the true interests of labor. If jobs are to be provided for people, then conditions must be brought about to restore the confidence of business, so that business and labor can go ahead hand in hand. This is the kind of cooperation we want, and this is the kind of administration of our laws that we want, to the end that the rights of both capital and labor are safeguarded, to the end that the manufacturers, the employers, and the employees of this country may go forward hand in hand to make this a greater country for all people. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Illinois [Mr. KELLER] is recognized for 5 minutes.

Mr. KELLER. Mr. Chairman, lest we forget, it seems to me that the attention of the House should be called to the fact that it is now just 100 years since we ceased putting men in jail in the United States of America for asking for better wages

or better working conditions. It has taken this 100 years and the experiences of the men who have done the work of the country during this time to come to the point where the National Congress recognized, and passed a law upholding, the right of labor to organize collectively under its own leadership.

That is exactly what the National Labor Relations Act means. The American people have grown from the point where under the old common law it was called conspiracy and men put in jail even in our own country to the point where we no longer recognized that principle. On the contrary, we hold that the right of men to organize is a fundamental human right, and it has been so held by the courts every time they have had a chance to decide the matter.

It does seem to me that we ought to bear this in mind when we discuss this entire question. It is not just a temporary thing we are talking about here this morning. Unfortunately, it has been brought up in a way that it should not have been brought up. It should not be considered in this manner, because if we are going to consider this law on its merits, as has been pointed out here, the whole matter should go to the Labor Committee, hearings should be held where everybody who objects to the present provisions may be heard, and a decision arrived at fairly and squarely, to be laid before this body for its decision. That is the only rational way to handle it. Therefore, it seems to me it is going a long way from the proper method to do the thing the gentleman from New York is insisting on our doing this morning.

Mr. LELAND M. FORD. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from California.

Mr. LELAND M. FORD. The gentleman does not mean to infer by his remarks that these men were put in jail in California for insisting upon their right to organize?

Mr. KELLER. I did not talk about California. I am giving you the historic view of it.

Mr. LELAND M. FORD. I want the RECORD to show they were not put in jail for that.

Mr. KELLER. If the gentleman has not studied the matter from an historic standpoint, he will find a great deal of information along that line which may open his eyes to the things that the Labor Relations Board is bringing out. I do not know the case the gentleman refers to, and I doubt whether he does, though he may.

Mr. SACKS. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Pennsylvania.

Mr. SACKS. The gentleman from Pennsylvania [Mr. RICH] inferred that William Green and the American Federation of Labor are for this amendment. Did the gentleman hear anything like that?

Mr. KELLER. No; I never heard anything like that, neither did he and neither did anybody else.

Mr. RICH. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from Pennsylvania.

Mr. RICH. May I say I did not infer the American Federation of Labor is for this amendment.

Mr. KELLER. Then the gentleman is excused.

Mr. RICH. I would not be ignorant enough to make a statement of that kind.

Mr. RANDOLPH. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I am certain the gentleman from Illinois is familiar with the act and its workings. We who believe in it realize that there are controversies which arise in the beginning of the administration of such acts as this, but may I say that the Chairman of the Labor Board, a former dean of law of West Virginia University, Mr. Madden, is one of the finest men I have known, and he is fair in every way.

Mr. KELLER. There is no question about that. The truth of the matter is to expect perfection at the beginning of the creation of a board of this kind is nonsense. It is not done that way, because we happen to belong to the

human race and learn through experience, as we are doing and as we are going to continue to do.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. KELLER. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Is it not true that during the first 6 or 8 months the Board was trying to function all the employers fought it and took the matter to the Supreme Court for decision?

Mr. KELLER. Unfortunately there were 50 lawyers representing the Liberty League who gave as their united opinion to the manufacturers of this country that the law was unconstitutional. They did the nifty thing of standing up and telling the manufacturers of this country not to obey the law. If workmen had combined and conspired to prevent the enforcement of a law which the Congress had passed and which the President had signed, they would have been denounced as anarchists. These 50 "big-time" lawyers set themselves up as the acting supreme court of the United States. When the manufacturers refused to obey the law, the workers, after a year's abuse from their employers, also refused, saying, "When you make the big ones obey the law we will obey the law." Chaos came and only when the real Supreme Court upheld the law and overruled the Liberty League conspirators did we start toward industrial peace.

During this period, of course, chaos would naturally reign and it did reign; but since the Supreme Court gave its decision, as pointed out by several of the gentlemen who preceded me, we have been establishing peace from that time, which is the true object of the National Labor Relations Act.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman, if the amendment offered by the distinguished gentleman from New York is adopted, it will be a big step backward. Since the establishment of the National Labor Relations Board a tremendous amount of good has been accomplished not only for the employees but also for the employers. A great deal of the criticism heaped upon the Board has been unjust. Instead of eliminating the appropriation it should be increased so the Board can continue to do the good work it has done since its creation. For the benefit of all concerned the amendment should be defeated. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair will recognize the gentleman from Missouri [Mr. WOOD] for 2 minutes.

Mr. WOOD. Mr. Chairman, I do not think it is necessary to say much about the pending amendment; however, may I make the observation that the Taber amendment is a glaring example of Republican leadership. [Applause.] We passed the National Labor Relations Act for the purpose of giving the workers of this Nation the right to organize and bargain collectively with their employers. This act to my mind was a Magna Carta for labor. We all know that at this late hour when there are thousands of cases unsettled, some twelve or fourteen thousand, many of the workers of the Nation are desirous of organizing, it would be nothing short of a national calamity to attempt to junk these cases, as numerous strikes and lockouts would immediately occur, thereby creating great confusion in industry.

If we should adopt this amendment chaos would reign. There is no question in my mind but that not only thousands but hundreds of thousands of workers would be on strike within a few months. The Members of this Congress owe it not only to the people but to themselves to keep faith with the workers. We passed the Wagner Act for the purpose of freeing the wage earners of this Nation so they might have the right to organize and bargain collectively and protect themselves and their families in their employment from the aggressions and discriminations of the employers, and so they might have the right to associate with their fellows without molestation or discrimination on the part of the employers. To adopt this amendment would be not only breaking faith with the workers of the Nation but would be an outrage not only to the workers but to the Nation as a whole because it certainly would create turmoil,

strikes, and difficulty. We have set up this great structure to litigate questions of wages, hours, and working conditions. To adopt this amendment and cut off the appropriation for this Board would be to take away from the National Labor Relations Board the right to function. [Applause.]

[Here the gavel fell.]

Mr. RAMSPECK. Mr. Chairman, as a member of the Committee on Labor and as a Member of this House I am one of those who must assume responsibility for the creation of the National Labor Relations Board, because as a member of the Committee on Labor I helped draft the law and as a Member of the House I helped pass it.

I am not here today to defend the policies of the National Labor Relations Board. I have publicly criticized them on the floor of this House, and did so last year when the appropriation bill was up for consideration. I am pleased to say, however, that I believe that in response to criticism the Board has improved the technique of its operation.

If you wish to abolish the National Labor Relations Board, the courageous way to do it is not to snipe at it by cutting off its appropriation but to introduce a bill to repeal the act. The Committee on Labor is perfectly capable and ready and willing to consider any complaints against the operation of this law. Therefore, I am here today to defend the principle involved in the law, rather than the procedure which a board may have temporarily adopted. I say the principle is unassailable. Under our Constitution, any man has a right to join any organization he sees fit to join, provided it is not organized to destroy our form of government. Labor has this right, and this act was passed for the purpose of making effective the right under our Constitution of the working people of America to belong to any organization they see fit to join and to choose their own representatives for the purpose of negotiating in a free and open and American manner with the men for whom they work. Therefore, Mr. Chairman, let us rest this matter with the Committee on Labor. As one member of the committee, I stand ready to help any Member of this House who wants to get a real review of the operation of this law to obtain consideration by the Committee on Labor of the complaints that have been made against the Board; but I am not willing to assassinate the principle involved in this act by withdrawing financial support from the Board.

I hope the Members of the House will vote down this amendment. If you want a review of the actions of the Board, introduce legislation and refer it to the proper legislative committee for consideration. [Applause.]

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Missouri.

Mr. WOOD. Is it not a fact that most of the criticism centered upon the Board is due to the fact we have a division in the ranks of labor?

Mr. RAMSPECK. I believe that is very largely responsible. It is an unfortunate situation, but it is not the fault of the Board.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The foes of the principle of this bill would try to arouse us to the belief that there is discord in the ranks of labor concerning the measure. The Board no doubt has made some mistakes. Labor, through its organizations, is united in support of the act. There is no such discord, is there?

Mr. RAMSPECK. There is no discord as to the continuation of the Board. There is some dissension in the ranks of labor as to some of the actions of the Board, just as there is as to the actions of other people, but I do not know of any laboring man or any labor organization that does not earnestly desire the continuation of this Board. [Applause.]

[Here the gavel fell.]

Mrs. NORTON. Mr. Chairman, I wish to add my protest to the protests that have just been heard against this amendment. This is an unfair way to take care of whatever complaints may have arisen in regard to the National

Labor Relations Act. The proper way to consider, if it is necessary to consider, any complaint with regard to the act, is in the committee where the act originated.

As the gentleman from Georgia [Mr. RAMSPECK] has so well said, the Committee on Labor is ready and willing to hear evidence concerned with the act if and when amendments are considered, but we do not believe that a cowardly, contemptible method such as this is the proper way to adjust complaints or disagreements.

I certainly hope the Members will vote down this amendment. For myself, I believe the act has accomplished a great deal of good, and I also believe that if unity could be established between the two labor organizations many complaints regarding the National Labor Relations Act would disappear. [Applause.]

Mr. RAYBURN. Mr. Chairman, there never has been and never will be a board or commission set up in the Government that will please everybody. It happens to be my fortune or misfortune to have been connected with a great deal of legislation creating boards and commissions. From the committee on which I served came the acts creating the Federal Power Commission and the Federal Trade Commission. I was the author in the House of the three acts the Securities and Exchange Commission now administers. I was the author of the bill that brought into being the Communications Commission.

If I were to vote against appropriations to continue the life and activities of commissions just because they had performed some act or rendered some decision I did not like, then I would be voting, each and every time such an appropriation was proposed, to destroy, yea, in the language of the gentleman from Georgia [Mr. RAMSPECK], to assassinate these commissions. The courageous thing for the gentleman from New York, and those who stand with him, to do with reference to the matter of the National Labor Relations Act is to introduce a bill repealing the entire act and let the bill come before the House and be discussed and given sane consideration, rather than to come in under an appropriation bill, after the board or commission has been set up, and deny that board or commission the money to perform the functions the House of Representatives only a year ago voted by an overwhelming majority to assign to it.

This amendment is typical of many amendments that are offered and many amendments that will be offered, as I understand, to the bill now under consideration.

I have found it wise, after nearly 26 years of service in this House, to follow the committee when I am not absolutely certain of my ground or feel sure I know more about what has happened in the committee or what has happened with reference to the board or the commission or any department of the Government than the members of the committee know after going through extensive hearings and giving the matter long and tortuous consideration.

I think it would be a terrible thing, an inane and an insane thing, to vote down an appropriation for the continuation of this Board, and I do not believe that men on either side of the aisle by a majority vote will do any such thing. [Applause.]

The pro forma amendment was withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 5, noes 186.

So the amendment was rejected.

The Clerk read as follows:

Total, National Labor Relations Board, \$3,189,600.

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: On page 33, in line 2, after the semicolon following the word "automobile", strike out "\$3,039,600" and insert in lieu thereof "\$3,000,000", and in line 9, after the comma following the word "Board", strike out "\$3,189,600" and insert "\$3,000,000."

Mr. WOODRUM of Virginia. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WOODRUM of Virginia. Part of the amendment certainly comes too late, because we had read that portion of the bill to which it applies.

The CHAIRMAN. The Chair will state that the gentleman from Michigan [Mr. HOFFMAN] was on his feet, and the Chair was advised that, inasmuch as the amendment related to two different paragraphs of this same section, that it should be read after the reading of the three additional lines. This being no fault of the gentleman from Michigan, and the gentleman being on his feet, the Chair does not think the gentleman should be precluded from offering the amendment.

Mr. WOODRUM of Virginia. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WOODRUM of Virginia. Is it not correct procedure that amendments should be offered to the paragraph where the bill is being read by paragraphs?

The CHAIRMAN. As a matter of fact, the gentleman is quite correct in his assumption that amendments cannot be offered after the paragraph has been passed. In this instance this was an inadvertence of the Clerk, who thought that the amendment related to the succeeding paragraph, when, as a matter of fact, the gentleman from Michigan [Mr. HOFFMAN] was on his feet and was demanding recognition.

Mr. WOODRUM of Virginia. Mr. Chairman, inasmuch as this is practically a pro forma amendment to give the gentleman an opportunity to make a speech, I withdraw the point of order.

Mr. HOFFMAN. The gentleman does not need to withdraw it, because the Chair has overruled it.

The CHAIRMAN. The point of order, as a matter of fact, would be well taken; but the Chair thinks, under the circumstances, it would be unjust to the gentleman from Michigan to sustain such a point of order.

The gentleman from Michigan is recognized for 5 minutes.

FREE SPEECH AND A FREE PRESS DENIED WITH THE AID OF FUNDS WE APPROPRIATE

Mr. HOFFMAN. Mr. Chairman, the attitude of the Appropriations Committee handling this bill, which contains an item of \$3,189,600 for the use of the National Labor Relations Board, if my understanding of the statement made by the gentleman from Virginia [Mr. WOODRUM] and the gentleman from Illinois [Mr. DIRKSEN] is correct, is that, so long as legislation passed by Congress remains upon the books, it is the duty of the Appropriations Committee to allocate funds to the agency charged with the enforcement of the law, regardless of the interpretation placed upon the law by the enforcing agency and of the manner in which it is using the funds appropriated.

With that theory I cannot agree and this bill shows clearly the error in their reasoning. They contend that, if the law is not appropriate for the purpose for which it was passed, or if we no longer are in accord with the policy established by the law, we should either repeal or amend the law, and that proposition is sound. Unfortunately, the error is not so easily rectified.

A majority of this House know, and an overwhelming majority of the people of the country demand, that the provisions of the N. L. R. A., commonly known as the Wagner law, be changed. About this there is no doubt.

Nevertheless, there are many of us who realize that it may be a long time before a bill is brought out on the floor of this House repealing or amending the Wagner law—this for the reason that the administration seems to be opposed to its amendment; we know that John L. Lewis and his C. I. O. are opposed to it; and this Congress is still greatly influenced by the wishes of the administration.

This law is being used by the present N. L. R. B. in violation of the first amendment to the Constitution, which provides that—

Congress shall make no law * * * abridging the freedom of speech or of the press.

Just why should we appropriate money which the N. L. R. B. uses in part to suppress freedom of speech and of the press?

Just why should we wait before remedying the wrong which is being done to our citizens until some committee in the House or Senate sees fit to release for our action a bill which would correct the situation?

If we cut this appropriation by \$39,600, it will serve as a warning to the Board to cease its wrongful, its arbitrary, and its un-American interpretation of the law.

So long as it is my privilege to remain in Congress and the Wagner Act remains unamended, the attention of the Members of the House will be called, as I am able to gain the floor, to the necessity for the amendment of that act.

Let me give you a few facts which cannot be contradicted and which show clearly that the Board denies the right of free speech, the freedom of the press, to some who are opposed to its views.

Under the Constitution certain members of the C. I. O. have exercised their right to free speech and, by their utterances, have coerced workers into joining the C. I. O. But the Board holds that neither an employer nor an employee, using the speech of a Congressman made on the floor of the House, can intimate to employees that they are not required to join the C. I. O. in order to get or retain a job.

On the 8th day of April 1937, Richard Frankenstein, a C. I. O. organizer, speaking in Detroit, said:

Henry (meaning Ford) will either recognize the union or he won't build automobiles.

About the same time John L. Lewis made this statement:

Henry Ford will change his mind or he won't build cars.

Here are unequivocal statements by two men who had at their command thousands upon thousands of men ready to do their will, telling a manufacturer of automobiles that he must deal with them or discontinue his business. They were, in effect, telling his employees that they would either join the C. I. O. or they would be out of a job. They exercised the right of free speech.

Our Supreme Court has held in the case of DeYoung against Oregon, decided in 1937, Two Hundred and Ninety-ninth United States Reports, page 353, that even the Communist, under this amendment, had the right to speak freely and to freely write his thoughts advocating the overthrow of our Government, the executive, the legislative, and the judicial branches.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; just briefly.

Mr. COX. I am prepared to agree with the gentleman that this Board and its organization has been, in aggregate, a butcher of the rights of the people, but will not the gentleman agree with me that there is great force in the position taken by the gentleman from Georgia [Mr. RAMSPECK] and by the leader of the majority, the gentleman from Texas [Mr. RAYBURN], that so long as it is in existence, funds ought to be appropriated for it to carry on its work in a proper way.

Mr. HOFFMAN. Funds should be provided and they are provided in this bill for the proper activities of the Board, and the only object of this amendment is to intimate to the Board that we have no sympathy with the construction they place on the act which deprives a man of the right of free speech and freedom of the press guaranteed under the amendment to the Constitution.

Let me continue the argument to show that the right of free speech exercised by the Communists under the provisions of the first amendment and in which they are protected by the decisions of the Supreme Court is denied to the employer by the activities of this Board.

Henry Ford, evidently believing that he had the right of free speech and a free press, gave his viewpoints on labor organizations, and, among other things, he told not only his employees, but all who cared to listen or to read his pamphlets, that no man desiring work need to pay anyone to get a job with the Ford Motor Co.

This Board, to whom we are today asked by the C. I. O. to give \$3,230,000, held that that statement made by Ford, advising his workers and others who might be seeking jobs that

it was not necessary for them to pay John L. Lewis' organization in order either to get a job or to hold a job in the Ford Motor Co., was an unfair labor practice.

After litigation in the circuit court of appeals and in the United States Supreme Court the Board was permitted to withdraw and vacate its order.

After further proceedings, the trial examiner, by his intermediate report dated November 7, 1938, while finding in favor of the Ford Motor Co. on all the issues raised by the amended complaint, again held that the giving to the employees of the Ford Co. at the Chicago plant of the pamphlets, setting forth Mr. Ford's views, was an unfair labor practice.

If Homer Martin may be permitted, as he was permitted in the winter of 1937, speaking to a meeting of some 50,000 people on the streets of Detroit, to say that, "The Supreme Court of the United States is the greatest threat to democracy in the United States outside of fascism"; if Frankenstein can tell the workers of Detroit, as he did and as he is permitted to do, that Ford will either recognize the union or he will not build automobiles; if John L. Lewis can tell Henry Ford, through the public press, that he "will change his mind or he won't build cars," why, I ask you, cannot Henry Ford tell his employees that they need not pay tribute to John L. Lewis in order to work for the Ford Motor Co.?

Why should we appropriate money to further the activities of a board which denies to an American citizen the right freely to express his opinion, when the Supreme Court protects a Communist in the expression of his views?

On the 1st day of June 1937, on the floor of this Hall a talk was made by me, pointing out that many of the activities of the C. I. O. in the sit-down strikes in Michigan were directed by and carried on in the manner approved by the Communists. Later, that speech was republished with illustrations.

Seeking to force all the employees of the Muskin Shoe Co. at Westminster, Md., into its organization, the C. I. O. was conducting an organizing campaign. One of the employees, who was opposed to the C. I. O. secured and distributed to some of his fellow workers in the plant reprints of the speech made on the floor of Congress which contained the illustrations added by the Constitutional Educational League.

On July 5, 1938, this National Labor Relations Board held that the Muskin Shoe Co. was guilty of an unfair labor practice because it permitted one of its employees to give to some of his fellow workers copies of that speech as illustrated. It thus denied, not only to the Muskin Shoe Co., but to the employee who distributed the speech the right of free speech and of a free press.

Trial Examiner Hugh C. McCarthy on June 24, 1938, held in the case of Cooper, Wells & Co., which had factories at Decatur, Ala., and in Berrien County, in the Fourth Congressional District of Michigan, that the company was guilty of an unfair labor practice because an employee of that company distributed copies of that same speech to some of his fellow workers.

On February 7, 1938, a regional director for the Board filed his intermediate report in which he complained because the Charles S. Harrison Post of the American Legion of Columbus, Ga., had adopted a resolution which quoted at length from the speech made by me on the floor of this House on the first day of June 1937, in which it was pointed out that the C. I. O. was following in the footsteps of the Communists.

Note this now, if you will, an American Legion post is condemned because it calls attention to the subversive activities of the C. I. O.

The Chairman of this Board, it has been said, has not gone so far in construing the law against the employer or the independent worker as have the two Smiths, but even the Chairman takes the position, as will be seen by reading pages 1575 and 1576 of the hearings, that if the relation of employer and employee does not raise a presumption of undue influence it does place the employer in a position of enormous influence over the employee.

Mr. Madden was asked, in substance, if an employee went to an employer and attempted to discuss organization activi-

ties, the formation of a union, or to seek advice as to affiliation with any labor organization, as to whether he should join the A. F. of L., the C. I. O., or a company union, what position the employer should take, and he replied:

I have no doubt whatever as to what I would advise an employer to do in those circumstances. I would advise him simply to say to his man, "I am sorry, but the spirit of this law asks me to keep my hands off your organization affairs."

Here we have a fair, square statement to the effect that the employer has no right as an American citizen to answer an employee's question on a matter which vitally concerns each of them.

The United States Supreme Court, in *Near v. Minnesota* (283 U. S. 697), has clearly defined the meaning of the first amendment. That same Court upheld the right of the citizen to circulate pamphlets in 1938 when it decided the case of *Lovell v. Griffin* (58 S. C. R. 666).

The N. L. R. A. has been held to be constitutional by the Supreme Court of the United States, and it must be assumed that the act did not intend to run counter to the first amendment of the Constitution. In fact, in *National Labor Relations Board v. Union Pacific Stages* (1938) (99 Fed. (2d) 153) the Circuit Court of Appeals for the Ninth Circuit held that the act was never intended to violate the Constitution of the United States.

It further held that it was not intended to prevent the free expression by an employer of his opinion as to whether or not his employees should or should not be required to join a union.

If I read that decision correctly, the Court held that if such a construction be given to the act then the act itself would be unconstitutional.

A trial examiner of the Board having again, on November 7, 1938, held that an employer who tells an employee or one looking for a job that he need not join any particular union in order to obtain or to hold that job is guilty of an unfair labor practice, and that holding being directly contrary to the first amendment and to the decisions of the United States Supreme Court, we should cut this appropriation to this Board as a warning to it that it should proceed in a lawful way and subject to the provisions of the Federal Constitution. [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate upon this amendment close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DIRKSEN. Mr. Chairman, in answer to the gentleman from Michigan [Mr. HOFFMAN] it has never been contended either by the distinguished chairman of this subcommittee or myself that any Member of this House or this committee should be precluded in his right to offer any amendment to any section of this bill, to strike out any portion, or to strike out whole paragraphs of the bill. I simply defend the procedure and the authority of the Committee on Appropriations. The Congress passed the Wagner Act. Under that act the National Labor Relations Board was set up and under the Budgetary and Accounting Act of 1921 it is their business to come before the Committee on Appropriations and there justify the amount they request and justify the efficiency of the expenditures they make.

There is, therefore, no basis for the contention the gentleman from Michigan [Mr. HOFFMAN] made at the outset, and it is evidenced by the fact that an amendment was pending here a while ago to strike out the whole paragraph. If the House wishes to do so, it is quite all right; but the members of the subcommittee listened to testimony from members of the Board, from the Secretary, from the fiscal agent of the Board, and then determined in their best judgment what is necessary in order to articulate the functions of the Board for the next fiscal year. To show you how abortive and how fruitless and futile the efforts of the gentleman from Michigan are, if you strike out \$39,600 under this amendment, the Labor Board can discharge 25 stenographers, and that is as

far as it will go. It will not vary or alter or determine the policy in one iota or particular. It does not change the attitude of the members of the Board. It does not change one circumstance of policy, and it is a rather vain and fruitless way of going about an effort to penalize the Board, whose philosophy is probably not agreeable to the gentleman from Michigan. I stated on this floor yesterday, and stated in rather caustic and critical terms, that I did not agree with everything that the Board has done. I take exception to the viewpoint and the philosophy that has been expressed by some members of the Board, but I am not so naive as to think that I am going to change that policy by knocking \$39,600 off their appropriation.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. With pleasure.

Mr. HOFFMAN. Does the gentleman think it would be of any value to them to know that we do not approve of that, that we cut that out?

Mr. DIRKSEN. How shall the Board understand that the gentleman from Michigan has that in mind, when he simply strikes \$39,600 off the total appropriation? The Board is under no obligation to infer that it was meant to change their policy, and so the amendment of the gentleman from Michigan has no value whatsoever in determining what the Board ought to do in the future. As has been stated, I think the Wagner Act ought to be amended in some particulars—in two that have come to my attention out of experiences in my own county that have impressed themselves on my attention, but this is not the way to go about it.

Mr. HOFFMAN. Then I ask the gentleman if he approves of this statement of Mr. Madden, on page 1576 of the hearings, wherein he said that if an employee came to the employer and asked his advice that Mr. Madden would say to the employer that he should not advise him at all, and whether or not the gentleman is in favor of an amendment to take care of things like that?

Mr. DIRKSEN. And I answer that by asking the gentleman this question: How will the gentleman's amendment in any way affect the statement that Mr. Madden made then, or in any statement that he makes in the future?

Mr. HOFFMAN. Very well. If we cut this and if he sees the debate and understands why it was offered it might be a reminder not to make a decision of that kind.

Mr. DIRKSEN. All he will understand is that one out of 435 Members sought to strike out \$39,600 because he did not agree with some principle or policy of the Board. Certainly that is not going to be very persuasive either in this body or to the Board.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. Is it not a good time when we discuss giving these departments money, to scold a little and offer suggestions?

Mr. DIRKSEN. Yes, indeed.

Mr. GIFFORD. Then I want to ask the gentleman, did not the Board and its personnel encourage strikes?

Mr. DIRKSEN. That is a matter of high controversy.

Mr. GIFFORD. We could not have had more strikes if we had two boards.

Mr. DIRKSEN. Certainly I cannot ventilate that now. It would take several hours. I could make a very persuasive statement about it.

Mr. GIFFORD. It is a good time to talk about it.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I believe the action of the House on the amendment offered by the gentleman from New York [Mr. TABER] and the debate which has followed has somewhat clarified the situation. Certainly it would be most unfortunate if the committee pursued the very questionable policy of trying to show its displeasure toward departments, because they do not agree with some action they have taken either on a matter of policy or a matter of personnel or appointments or whatever it might be, and chip a little bit off of their appropriation. That is a

species of legislative coercion. If a department or a commission is not acting and functioning in the way that Congress thinks it should, the way is wide open to amend the organic law or to abolish the commission.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. GIFFORD. Does not the gentleman's memory serve him that in years past he has tried the same thing himself?

Mr. WOODRUM of Virginia. I do not think so, but, of course, one of the things that a good legislator ought to do is to change his mind if he has erred.

Mr. GIFFORD. If my memory serves me, it was often done on your side of the House, that I think you yourself must have done it sometime.

Mr. WOODRUM of Virginia. I may have engaged in it. In 16 years' experience under the administrations I have served, I no doubt have a lot of sins to answer for.

Mr. GIFFORD. I just wanted the gentleman to recognize that there is nothing novel about this.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield briefly.

Mr. O'CONNOR. The law is administered in just about the same fashion as is the Federal Trade Commission. The significant thing about this whole set-up is that out of 15,082 cases that were filed only 6 percent ever went to a decision before the Board.

Mr. WOODRUM of Virginia. That is correct. The fact is the committee has gone into this matter very carefully. We have made appropriations for the National Labor Relations Board, and we have given them an increase of \$264,000 over their appropriation for the current fiscal year. We made a slight reduction of \$40,000 in their clerical help. While it would be most unwise for Congress to undertake to try to penalize a board or a commission because it did not like them, on the other hand it would be equally stupid and foolish to set up the criterion that because we do like them and because they are popular and because a lot of telegrams have been sent, we are going to go hog wild and open the doors of the Treasury to them. So I want to ask the committee to respect the calm and deliberate consideration of the subcommittee which handled this matter. Our appropriation gives the Board \$264,000 more than the current fiscal year, and in the estimation of the committee it is ample to enable them to carry on the functions for which they were created.

I hope that later on when amendments are offered to increase the amount the Committee of the Whole House will permit the action of the subcommittee to stand.

I yield now to the gentleman from Michigan.

Mr. HOOK. Mr. Chairman, the gentleman from Michigan [Mr. HOFFMAN] in making his statement referred to free speech. I want to call the attention of the gentleman to the fact that previous to the enactment of the National Labor Relations Act, when a worker went out and tried to organize a union he was brought into the office of the employer, and even though he had a family, even though that family needed food, the employer said to him, "You are out talking union organization. You are fired from this plant." What did that man at that time think of free speech? Where was the protection of free speech to him? When he went out with a piece of union literature in his pocket and he was fired for that, what did he think about free press? He has now free speech, at least, under the act.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. WOODRUM] has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The amendment was rejected.

The Clerk read as follows:

SOCIAL SECURITY BOARD

Salaries and expenses: For all authorized and necessary administrative expenses of the Social Security Board in performing the duties imposed upon it in titles I, II, III, IV, VII, IX, and X of the Social Security Act, approved August 14, 1935, including three Board members, an executive director at a salary of \$9,500 a year, and other personal services in the District of Columbia and elsewhere; travel expenses, including not to exceed \$10,000 for expenses

of attendance at meetings concerned with the work of the Board when specifically authorized by the Chairman and not to exceed \$5,000 for travel in foreign countries; not to exceed \$10,000 for payment of actual transportation expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses of persons serving while away from their home, without other compensation, in an advisory capacity to the Social Security Board; expenses of packing, crating, drayage, and transportation of household goods and other personal effects (not to exceed in any case 5,000 pounds) of officers and employees when transferred from one official station to another for permanent duty, when specifically authorized by the Board; supplies; reproducing, photographing, and all other equipment, office appliances, and labor-saving devices; services; advertising, postage, telephone, telegraph, and not to exceed \$900 for teletype news services and tolls; newspapers and press clippings (not to exceed \$1,500), periodicals, manuscripts and special reports, purchase and exchange of lawbooks and other books of reference; library membership fees or dues in organizations which issue publications to members only or to members at a lower price than to others, payment for which may be made in advance; alterations and repairs; rentals, including garages, in the District of Columbia or elsewhere; purchase and exchange, not to exceed \$25,000, operation, maintenance, and repair of motor-propelled passenger-carrying vehicles to be used only for official purposes in the District of Columbia and in the field; and miscellaneous items, including those for public instruction and information deemed necessary by the Board, \$22,000,000: *Provided*, That section 3709 of the Revised Statutes (41 U. S. C. 5) shall not be construed to apply to any purchase by the Board when the aggregate amount involved does not exceed the sum of \$100: *Provided further*, That the Board may expend not to exceed \$25,000 of the sum herein appropriated for temporary employment of persons or organizations, by contract or otherwise, for special accounting, actuarial, statistical, translating and reporting, engineering, and organizational services determined necessary by the Board, without regard to section 3709 of the Revised Statutes (41 U. S. C. 5), and the provisions of other laws applicable to the employment and compensation of officers and employees of the United States: *Provided further*, That no salary shall be paid for personal services from the money herein appropriated under the heading "Social Security Board" in excess of the rates allowed by the Classification Act of 1923, as amended, for similar services: *Provided further*, That this latter proviso shall not apply to the salaries of the Board members nor to the compensation of persons or organizations temporarily employed for the special services described in the second proviso of this paragraph.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 42, line 21, strike out "\$22,000,000" and insert "\$21,450,000."

Mr. DIRKSEN. Mr. Chairman, first let me say that this amendment is practical and it can be practically applied. This bill carries \$22,000,000 for salaries and expenses for the Social Security Board. They were authorized to spend \$22,500,000 by the Budget, but we cut them \$500,000 in the subcommittee. It is my belief this could be cut just a little further, and so I restore the figure to \$21,450,000, which was the amount available to them during the fiscal year 1939 for administrative expenses.

It is a matter of controversy and opinion as to whether the Board should be given more. My own opinion is that we could slice off another \$550,000 and not do injustice to the Security Board or cripple their functions in any respect. Let me tell you why. They have, for instance, an informational service getting out pamphlets, writing speeches, making broadcasts over the radio, and that sort of thing, in which they employ 91 people. For this they have asked \$295,540. It looks to me as though the pattern of the Social Security Act has been pretty well established and that there are opportunities for economy. Certainly, they could economize in this particular bureau by diminishing the number of people who are now writing speeches and pamphlets. Offhand, it seems that to have 91 people engaged in this kind of work in a single bureau in Washington is a little too much. Then, they have a Bureau of Research and Statistics, whose work has been going on for a long time. It is my better judgment that they can be reduced. At the present time they have over 206 people working in the Research Bureau and have asked for \$514,900 for this service. They have a large staff in the general counsel's office; as a matter of fact, they have 154 lawyers in the Social Security Board in Washington today, and they are asking \$460,900 for this purpose.

Insofar as we were able to cross-examine the administrative staff before the committee, it was my deliberate judgment that there could be economies, that there could be consolida-

tions of functions, and that we are entirely justified in slicing another \$550,000 off of the appropriation, so that it will be reduced to \$21,450,000, the amount that was carried in the 1939 act. As this thing grows they will have thousands and thousands of employees. They have not reached their full personnel stature as yet. I rather hesitate to think to what proportions the Social Security Board will grow unless we serve notice on them that we are going to demand some economy; and, as I say, this amendment is entirely practical, because it simply means a diminution of jobs that are not absolutely essential. I hope the Committee will support the amendment.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MAY. What is the nature of the speeches that are prepared by these 90 employees?

Mr. DIRKSEN. I do not know, but I have a rough breakdown here. They gave out 2,883 newspaper releases. They wrote 484 articles, and they occupied 701 hours of broadcasting time for which they did not have to pay anything. They must, however, have men to devise broadcasting script, to write up releases, and one thing and another; and it seems here is a good place where the Congress can very well economize. I sincerely hope the Members will support this very worth while and practical amendment, because it is in the interest of economy and it will work neither injustice nor hardship upon the Board.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, I think it would be a very dangerous thing further to curtail the administrative expenses of the Social Security Board. The committee, as stated by the gentleman from Illinois, made a slight cut in this appropriation. It must be remembered that the Social Security Board has perhaps the biggest task administratively of any bureau or board or organization which the Government has set up during this emergency. It reaches out into every county, every city, and every hamlet in the Nation. It touches the lives, the habits, the customs, and the hopes and aspirations of all the American people. For this reason it is quite natural that they must have a large force of people engaged in informational and educational work.

I cannot recall readily, but they stated in our hearings the number of communications that come to them. They get inquiries from humble citizens who want to know this and who want to know that, who are asking about the operations of this law; and it has required a large amount of educational work in order to inform your constituents and my constituents of what their duties and their privileges and prerogatives are under this law. It seems to me that for Congress now to be niggardly in the matter of their appropriations would be something that might react upon every Member of this body when my constituents and yours are not able to get the information and the service they are entitled to expect from this Board.

I hope very much that the Committee will not make any further reduction.

Mr. DUNN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Pennsylvania.

Mr. DUNN. If this amendment is adopted, it will mean a number of people will lose their jobs. Instead of adopting amendments which will result in people losing their jobs, we should create more jobs.

Mr. WOODRUM of Virginia. It would cripple the service which this organization is rendering to the forty or fifty million people who are policyholders or clients of the Social Security Board, and I hope the amendment will not be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DIRKSEN].

The question was taken; and on a division (demanded by Mr. DIRKSEN) there were—ayes 80, noes 86.

Mr. DIRKSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. WOODRUM of Virginia and Mr. DIRKSEN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 111, noes 130.

So the amendment was rejected.

The Clerk read as follows:

Grants to States for unemployment-compensation administration: For grants to States for unemployment-compensation administration, as authorized in title III of the Social Security Act, approved August 14, 1935, including rentals in the District of Columbia and elsewhere, \$49,000,000.

Mr. WOODRUM of Virginia. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM of Virginia: On page 44, line 13, after the sign and figures "\$49,000,000", strike out the period and insert a comma and add the following: "of which sum such amount as may be necessary shall be available for grants under title III for any period in the fiscal year 1939 subsequent to March 31, 1939."

Mr. WOODRUM of Virginia. Mr. Chairman, I have shown this amendment to the gentleman from Illinois and the gentleman from Massachusetts. This does not affect the amount provided in the paragraph for grants to States for unemployment compensation administration but merely permits the use of a portion of that during the balance of the fiscal year after March 31. A deficiency item has already been acted upon, which gives the Social Security Board funds for these grants up to April 1. If language is inserted according to the pending amendment, it will permit that Board to use a portion of this money for grants to States for unemployment compensation administration during the remainder of the fiscal year. I understand the gentlemen on that side do not have any objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

The amendment was agreed to.

The Clerk read as follows:

TENNESSEE VALLEY AUTHORITY

For the purposes of carrying out the provisions of the act entitled "The Tennessee Valley Authority Act of 1933," approved May 18, 1933, as amended by the act approved August 31, 1935 (16 U. S. C., ch. 12a), including the continued construction of Pickwick Landing Dam, Guntersville Dam, Chickamauga Dam, Hiwassee Dam, Gilbertsville Dam, and for construction of a dam at or near Watts Bar on the Tennessee River, Tenn., and after preliminary investigations of sites for dams at or near Coulter Shoals on the Tennessee River, Tenn., and on tributaries of said river, and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, and for examination of estimates of appropriations and activities in the field, fiscal year 1940, \$39,000,000: *Provided*, That this appropriation and any unexpended balance on June 30, 1939, in the "Tennessee Valley Authority fund, 1939," and the receipts of the Tennessee Valley Authority from all sources during the fiscal year 1940 (except as limited by sec. 26 of the Tennessee Valley Authority Act of 1933, as amended), shall be covered into and accounted for as one fund to be known as the "Tennessee Valley Authority fund, 1940," to remain available until June 30, 1940, and to be available for the payment of obligations chargeable against the "Tennessee Valley Authority fund, 1939," and for contractual obligations for the procurement of equipment as authorized in the Independent Offices Appropriation Act, fiscal year 1939: *Provided further*, That in addition to the amount herein appropriated, the Tennessee Valley Authority is hereby authorized to incur obligations and enter into contracts for the procurement of equipment to be installed in dams and powerhouses in an amount not in excess of \$4,000,000, and this action shall be deemed a contractual obligation of the Tennessee Valley Authority and the United States for payment of the cost thereof.

Mr. DITTER. Mr. Chairman, I make a point of order against the paragraph just read, in that, starting with line 17, there is added to the paragraph legislation on an appropria-

tion bill, and I therefore make a point of order against the entire paragraph.

The CHAIRMAN. May the Chair inquire to which page the gentleman refers?

Mr. DITTER. Page 48.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. DITTER. Mr. Chairman, I make the point of order that, starting with line 17, page 48, legislation is provided for granting authority to the Tennessee Valley Authority in excess of that which it presently has by statutory law. There is no existing law providing for the authority that would be exercised by the T. V. A. under this provision, and since it is legislation attached to an appropriation bill I make a point of order against the entire paragraph.

Mr. WOODRUM of Virginia. Mr. Chairman, this language was carried in the appropriation act last year, but the gentleman is correct. It is subject to a point of order, and I concede the point of order. I offer the paragraph with that portion eliminated.

The CHAIRMAN. The Chair is ready to rule.

A similar point of order as indicated by the gentleman from Virginia [Mr. WOODRUM] was passed upon by Chairman Vinson, of Kentucky, on the 28th of April 1937, to the effect that language in a general appropriation bill authorizing the T. V. A. to incur obligations and enter into contracts was held to be legislation and not in order.

In accordance with that ruling, the Chair sustains the point of order made by the gentleman from Pennsylvania [Mr. DITTER].

Mr. WOODRUM of Virginia. Mr. Chairman, I offer the paragraph with the exception of the language beginning in line 17, page 48.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM of Virginia: Page 47, after line 6, insert:

"TENNESSEE VALLEY AUTHORITY

"For the purpose of carrying out the provisions of the act entitled 'The Tennessee Valley Authority Act of 1933,' approved May 18, 1933, as amended by the act approved August 31, 1935 (16 U. S. C. ch. 12a), including the continued construction of Pickwick Landing Dam, Guntersville Dam, Chickamauga Dam, Hiwassee Dam, Gilbertsville Dam, and for construction of a dam at or near Watts bar on the Tennessee River, Tenn., and for preliminary investigations of sites for dams at or near Coulter Shoals on the Tennessee River, Tenn., and on tributaries of said river and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, and for examination of estimates of appropriations and activities in the field, fiscal year 1940, \$39,000,000: *Provided*, That this appropriation and any unexpended balance on June 30, 1939, in the 'Tennessee Valley Authority fund, 1939,' and the receipts of the Tennessee Valley Authority from all sources during the fiscal year 1940 (except as limited by sec. 26 of the Tennessee Valley Authority Act of 1933, as amended), shall be covered into and accounted for as one fund to be known as the 'Tennessee Valley Authority fund, 1940,' to remain available until June 30, 1940, and to be available for the payment of obligations chargeable against the 'Tennessee Valley Authority fund, 1939,' and for contractual obligations for the procurement of equipment as authorized in the Independent Offices Appropriation Act, fiscal year 1939."

Mr. STARNES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STARNES of Alabama to the amendment offered by Mr. WOODRUM of Virginia: On page 48, in line 4, as printed in the present bill, after the comma strike out "\$39,000,000" and insert in lieu thereof the following: "\$39,455,000."

Mr. STARNES of Alabama. Mr. Chairman, I ask unanimous consent to proceed out of order for an additional 5 minutes.

Mr. WOODRUM of Virginia. Mr. Chairman, reserving the right to object, and I shall not object, I should like to see if we can have some understanding about the time for debate on this paragraph. There will be several amendments, Mr. Chairman. I ask unanimous consent that all debate on my

amendment, which is the paragraph, and all amendments thereto, close in 1 hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. DIRKSEN. Reserving the right to object, Mr. Chairman, I should like to have 10 minutes to present a discussion with respect to the language the gentleman wishes to strike out of that amendment.

Mr. CANNON of Missouri. I should like to have 10 minutes, Mr. Chairman.

Mr. WIGGLESWORTH. Reserving the right to object, Mr. Chairman, may I ask the distinguished gentleman from Virginia if we cannot let the debate run along for a little while before coming to an agreement?

Mr. WOODRUM of Virginia. The difficulty is that if gentlemen are going to speak for 10 or 15 or 20 minutes each, there ought to be some understanding in the beginning so the Members will be advised as to how much time we are going to be able to devote to this subject.

Mr. Chairman, I modify my request and ask unanimous consent that all debate on this paragraph and all amendments thereto close in 1 hour and 20 minutes.

Mr. FADDIS. Reserving the right to object, Mr. Chairman, I have an amendment I wish to offer as a substitute amendment. I want some assurance that I will be able to offer the amendment in this time, or I shall be compelled to object.

Mr. WOODRUM of Virginia. The gentleman will have plenty of time to offer amendments.

The CHAIRMAN. The gentleman from Virginia modifies his request and asks unanimous consent that the time of debate on this paragraph be limited to 1 hour and 20 minutes. Is there objection?

Mr. CANNON of Missouri. Reserving the right to object, Mr. Chairman, I understand that out of that time the gentleman from Illinois [Mr. DIRKSEN] and I will each be allowed 10 minutes.

Mr. WOODRUM of Virginia. Mr. Chairman, in view of the great interest shown in this matter, I again modify the request to an hour and a half.

The CHAIRMAN. The modified request is that the time be limited to 1 hour and 30 minutes. Is there objection?

Mr. PEARSON. Reserving the right to object, Mr. Chairman, I should like to inquire of the chairman of the subcommittee, the gentleman from Virginia, whether or not those of us who are on our feet and are interested in this matter are to be given an opportunity to be heard within the hour and a half?

Mr. WOODRUM of Virginia. The time will be under the control of the Chairman. Of course, I do not control the time.

Mr. TABER. Reserving the right to object, Mr. Chairman, will it be the purpose of the Chairman to divide the time between those in favor of the amendment and those opposed to it?

The CHAIRMAN. Insofar as the Chair is able to ascertain the views of the gentlemen who would speak, that is true. Of course, it will facilitate the work of the Chair, if the time is to be limited, if some agreement can be had in advance with regard to which Members shall speak and the length of time they shall use.

Mr. DIRKSEN. A parliamentary inquiry, Mr. Chairman. The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. Is it understood to be a part of the request of the gentleman from Virginia that some Members are to be allotted 10 minutes, including myself?

The CHAIRMAN. The request as presented did not include any such stipulation, but is simply a request that the time be limited to 1 hour and 30 minutes.

Is there objection to the request of the gentleman from Virginia?

Mr. TARVER. Reserving the right to object, Mr. Chairman, it is apparent that a number of amendments are to be proposed to the amendment of the gentleman from Virginia and the Committee is not now advised as to the nature of some of the amendments. I do not believe that at this time

we ought to agree to an arbitrary limitation on debate, and for that reason I am compelled to object.

Mr. WOODRUM of Virginia. Mr. Chairman, we have had very liberal debate on this matter under general debate, and the question has been debated even out of order. It seems to me an hour and a half of debate on one item in the bill is ample in view of the fact there are other items which are going to be controversial. The Members will not want to stay here late tonight, and we must finish the bill today. Therefore, I am compelled to move that all debate on my amendment and all amendments thereto close in an hour and a half.

Mr. TARVER. Mr. Chairman, I make the point of order that it is not in order for the gentleman to move to close debate until after debate has proceeded for at least 5 minutes.

Mr. WOODRUM of Virginia. I concede the point of order, Mr. Chairman. The gentleman from Alabama is entitled to speak for 5 minutes.

The CHAIRMAN. The point of order that there shall be no motion to limit debate until after there has been debate is sustained.

The gentleman from Alabama asks unanimous consent that he may address the Committee for an additional 5 minutes. Is there objection?

There was no objection.

Mr. STARNES of Alabama. Mr. Chairman, the purpose of my amendment is to restore to this bill the sum of \$455,000 which was recommended by the Director of the Budget. If this \$455,000 is restored by the House, it will serve to add \$25,000 as an initial step in the program for a washing plant for raw phosphate which will ultimately cost approximately \$500,000, and will also add \$430,000 for the construction of a commercial-sized unit for a blast furnace for the purpose of reducing raw phosphate to a commercial product so it may be used in the fertilization of farms.

Mr. CANNON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. By what fuel is this blast furnace to be fueled?

Mr. STARNES of Alabama. By coal.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield to the gentleman from Michigan.

Mr. HOOK. As a matter of information, why should the blast furnace be fueled by coal when all this electric power is available?

Mr. STARNES of Alabama. I want to answer the gentlemen's question. If you will let me make my statement I believe it will serve to answer many questions the Members may have in their minds.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield.

Mr. CASE of South Dakota. Is the gentleman sure that gas may not be used part of the time in the furnace?

Mr. STARNES of Alabama. No; gas may be used, and I thank the gentleman for that contribution.

This great movement had its inception or arose out of conditions which this country was confronted with in 1917. Muscle Shoals was originally developed for the production of nitrates in war and fertilizer in peace.

When the T. V. A. Act was passed in 1933 the Congress continued the original conception of the development of this great area; that is, the production of cheap fertilizer for the farmers of America as a part of the interrelated T. V. A. program.

Today the T. V. A. has approximately \$3,000,000 worth of equipment down there for use in carrying on its experiments in the production of fertilizer and approximately \$1,000,000 of raw material in the form of raw phosphate. They have to obtain their supplies of raw phosphate from commercial sources at the present time, and raw phosphate

constitutes 40 percent of the total cost of commercial fertilizer which is sold to the farmer.

There were only two bids during the past year, and the beginning of this washing plant will act as a deterrent to commercial companies from raising the prices of raw phosphate to a prohibitive point. This is of special import to Members from the farm belt and to the Members from the West, where we have great natural beds of phosphate.

The T. V. A. has experimented more than any other agency in this country in the development of cheaper fertilizer. They have produced triple superphosphate, which is three times more powerful than the commercial product which is being sold to the farmers today by the commercial companies. They can produce this triple superphosphate at approximately the same cost the present type of phosphate is produced by the commercial companies. Real savings come to the farmer in the shipment of this triple superphosphate because it is three times more effective as a plant food than the fertilizer the farmers buy which is produced by the commercial companies.

The T. V. A. has successfully experimented with the use of electricity in reducing raw phosphates, and it is the first agency to do so.

It is interesting to note that the commercial companies have not changed their method of reducing raw phosphate to a commercial fertilizer since 1880.

The T. V. A. wants \$430,000 to construct a commercial-sized unit blast furnace for the purpose of obtaining a contrast or a comparison between the economies in production in the electric furnace method and the blast furnace method. This should be of special importance to all of us and especially to those from the coal regions, and certainly this entire subject is of vast importance to the 40,000,000 farmers of the country. Having given you the background, I am making an appeal to you not to depart from the original conception in the development of this great area—the production of cheaper fertilizer and a more potent fertilizer than the commercial companies now produce; in other words, let us get a greater plant food content in our commercial fertilizer at approximately the same cost. You will then be effecting a real saving to the American farmer. The soil is our greatest natural resource. It has been impoverished by improper farming methods and erosion throughout the centuries. The replacement of phosphate is problem No. 1 in restoring soil fertility.

I listened yesterday with wonder and amazement to the remarkable and eloquent address of the distinguished gentleman from Illinois [Mr. DIRKSEN] when he took a row of prosaic figures and entranced this House with his histrionic ability and told us such beautiful and amazing stories. I listened with rapt amazement when he touched upon the fertilizer situation in which he attacked the T. V. A. fertilizer program. I thought that, although the line of fertilizer which he spread upon the pages of the CONGRESSIONAL RECORD on yesterday might produce the vote in certain sections of the country, it would not enrich our impoverished soil nor guarantee the production of better crops for the farmers of America. [Laughter and applause.]

I am very much interested in bringing to the farmers of America cheaper and better fertilizer. The T. V. A. has pioneered in this field, and that effort has spread not only in the T. V. A. area but all over the United States. Through the various land-grant colleges and agricultural schools of this country we have already used fertilizer produced by the T. V. A. in 38 of the States in the Union, and through the Department of Agriculture, 3 additional States, making a total of 41 States which have received benefits from the distribution of fertilizer manufactured at the Shoals by the T. V. A.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I am happy to yield to the distinguished gentleman, inasmuch as I have mentioned his name.

Mr. DIRKSEN. I want to read to the gentleman from the T. V. A.'s own Budget justification where we are allowing them \$450,000 for small-scale research work; we are allowing them \$785,000 for tests and demonstrations of the use of fer-

tilizers, and in addition the bill contains other items on the fertilizer program that will project them into large-scale production, as distinguished from research and experimentation; and the gentleman will admit that last year we expended \$1,875,000 in large-scale production and sold the fertilizer at 68½ cents per unit, which is the commercial rate, and lost \$650,000 on the deal. If the gentleman will justify that, I will eat it.

Mr. STARNES of Alabama. The gentleman from Alabama cannot admit the accuracy of the statements or the conclusions drawn by the gentleman from Illinois. They did expend \$1,875,000 for the production of fertilizer, and they sold at commercial prices \$1,200,000, the other \$600,000 was not a loss, because that amount represents the cost of the fertilizer the T. V. A. used themselves in their own experiments.

Mr. DIRKSEN. And will the gentleman tell me what the language means in the T. V. A.'s own figures?—

Net cost of experimental production, \$625,000.

Mr. STARNES of Alabama. They had representatives before our subcommittee who attempted to explain to the gentleman from Illinois in the committee what that \$600,000 in large part represented, namely, fertilizer which the T. V. A. used itself in carrying on demonstrations.

Mr. DIRKSEN. Will the gentleman yield further?

Mr. STARNES of Alabama. Oh, just a moment.

Mr. DIRKSEN. I want to keep the record straight.

Mr. STARNES of Alabama. The T. V. A. has spent a total of approximately \$230,000,000 on its program, and the total for research in fertilizer amounts to \$6,404,000.

The fertilizer program of the T. V. A. has the general approval of the farmers of this country. Their sentiment is well expressed in a letter addressed to me by the Honorable Edward A. O'Neal, president of the American Farm Bureau Federation, under the date February 7.

I quote in part from Mr. O'Neal's letter:

The T. V. A. fertilizer research and demonstration projects are a part of our conservation program to restore and maintain the fertility of our soils. This program has met with widespread and growing support of farmers. American farmers pay an annual fertilizer bill of about \$160,000,000. The low plant-food content of prevailing mixed fertilizers penalize farmers heavily through unnecessary costs for filler.

During the past 2 years the American Farm Bureau Federation has had a special committee of farmers studying the T. V. A. fertilizer and conservation program. On the basis of our committee's findings our organization has strongly endorsed and urged the necessary costs for filler.

In view of the vital importance of the fertilizer program to the farmers of this country, I sincerely hope the House will support my amendment.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the amendment. There are two propositions involved in the gentleman's amendment. The amount that is suggested is to provide for two items.

The first item, as he says, is \$25,000 to start a washing plant, to bluff the private industries, so that they will not hike the price on the cost of raw materials. The facts are, as the evidence shows, that we have already a million dollar bluff there, because we have spent almost \$1,000,000 acquiring raw phosphate land, and it stands there today as perpetual protection to the T. V. A. fertilizer enterprise, and as a threat to the private industries to keep them from hiking the price of the raw product.

The second item, the larger, is \$430,000, and that is proposed to start a new commercial production unit.

To keep clearly in mind what the situation is we should realize what the bill still provides. There is not a single thing in the bill as it now stands, with the appropriation now provided, that will interfere in the slightest with any phase of the present fertilizer work of the T. V. A.

The bill as it now stands carries the full request for the regular operation of the present fertilizer plant. I have here the printed Budget estimates as submitted to our committee

by the T. V. A. Our bill still permits the \$450,000 asked for research. It still permits the amount of money necessary to produce this fertilizer that is sold through the Triple A—\$1,250,000. It still permits \$625,000 to be set up as the cost of providing the fertilizer that is used in the T. V. A.'s own distribution. It still provides \$550,000 additional for farm tests and demonstrations and that means for the salary of the demonstrators who go out to show the farmers how to use the fertilizer they furnish to them. It still provides \$110,000 for tests and research by State university experiment stations. It still permits \$115,000 for soil surveys through the various States, and it still provides \$10,000 for the payment of freight on the fertilizer distributed.

The only place in which a reduction is made is in the request on appropriations for new equipment, and we still leave here \$240,000 for the construction of an agglomerating plant. We still leave here \$100,000 for new instruments and tools and for improvements to the existing plant.

So, in the appropriations carried in this bill we make full provision for continuing the operations with the three electric furnaces now used and we provide \$340,000 for additional equipment and improvements.

The \$430,000 which the gentleman's amendment would provide proposes to establish at this famed home of cheap electric power a blast furnace, a commercial-size plant. Questions asked of the representatives of the T. V. A. at our hearing revealed that they recognize that the establishment of a commercial-size production plant at the present time is not justified on the basis of research now made. The question was asked as to whether or not this would be a laboratory plant or a production plant. The hearings will show that the answer was that it would be a production plant. At Nashville, Tenn., a blast furnace is in operation by a private company at the present time. This simply means Government competition. But possibly a commercial-size plant is wanted for experimentation.

I have in my hand a five-page statement that was prepared by a member of the Tennessee Valley Authority and by Dr. Miller, the man in charge of this operation, who came to see me a couple of days after the hearing. The statement says:

We recognize that there has not been sufficient experimentation yet to determine whether or not we should build a commercial plant.

In this statement I also read this sentence:

A design for stoves has been worked out with reasonable hope of satisfactory operation before much more exploratory work is necessary.

Then they go on to suggest that they would be willing to have this item reduced from \$430,000 to \$250,000, so that they could have a laboratory plant. In fact, they suggest that course be pursued; that is, an experimental blast furnace before they put up a commercial plant.

They conclude as follows:

As indicated in the foregoing discussion, an alternative procedure would be to concentrate efforts immediately on a smaller-sized blast furnace to develop more complete information for use in determining the larger and more expensive installation. It is therefore suggested that this course of action would reduce this item to \$258,000.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I am sorry; I only have a few minutes.

So that in no way does the recommendation of the subcommittee interfere at all with the fertilizer program. You may be in favor of the fertilizer program and vote for this bill with complete confidence that the appropriation carries every item needed to continue, plus \$240,000 for an agglomerating plant and \$100,000 for other improvements.

The only thing the committee did was to say that since the \$25,000 for a washing plant is starting a half-million-dollar washing plant—not now needed—when there is a "bluff" already there, with nearly a million dollars for phosphate land already purchased, we should not start until the washing plant is needed.

And since the \$430,000 is for an unproved commercial-size blast furnace, when the primary product of the T. V. A. is electricity, the committee felt that further experimentation should be made before we borrow money to spend \$430,000 for a blast furnace when the gentlemen themselves said they had not had enough experimentation to determine that a commercial-size plant should be built.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. TARVER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not a member of the subcommittee of the Appropriations Committee reporting this bill, but because of my membership on the subcommittee handling agricultural appropriations, I have heard considerable evidence from officials of the Department of Agriculture as well as from officials of the T. V. A. regarding this subject matter. It is for that reason that I venture to trespass for a moment on your time.

I hope no Member of the House will misunderstand the situation. The items which the gentleman from Alabama [Mr. STARNES] is seeking to restore to the bill are items that were asked for by the T. V. A., and which were deemed of sufficient importance by the Bureau of the Budget to merit its approval.

The subcommittee handling this bill has brought in a bill carrying with it an appropriation of \$1,800,000,000, in round figures. In their report they point with some pride to the fact that out of Budget estimates of approximately that amount, they have managed to save \$1,500,000. They have saved approximately one-third of that \$1,500,000 by taking it out of this appropriation for the benefit of the farmers of this country who are burdened with the high prices which they now have to pay for commercial fertilizer.

The officials of the T. V. A. are satisfied that with some additional funds they can go further than they have yet been able to go in an effort to solve the fertilizer problem of these farmers living in the areas of the country where a considerable portion of their gross income must be paid out for commercial fertilizer. There is no more pressing farm problem. Those farmers are today in the grip of what I think may properly be referred to as the Fertilizer Trust. I say that because evidence has been submitted to a subcommittee, of which I am a member, showing that during recent years, although the prices of raw materials going into the manufacture of commercial fertilizer have continually decreased, the price of the completed product, commercial fertilizer as sold to the farmer, has continually increased. That situation could only be brought about by price-fixing agreements in violation of antitrust laws between the most important units of the fertilizer industry. Is not an effort to remedy that situation worthy of an appropriation of a few hundred thousand dollars? Is it not as important to have a yardstick for the cost of fertilizer manufacture as for the cost of power?

The purpose which the Congress had in mind when it provided in establishing the project at Muscle Shoals, that it should be devoted primarily in peacetime to the manufacture of fertilizer, should not be overlooked. These few thousand dollars will enable T. V. A. to proceed more effectively with that work. They desire to go further in an effort to solve this problem and they have asked this comparatively small amount of \$455,000 out of a total appropriation of \$1,800,000,000, and have secured for it the approval of the Budget. It is now sought to effect a paltry saving by leaving this Budget estimate out of this huge bill. I believe in economy, but I have seen little evidence of economy in government recently, and I do not want it to begin by eliminating these small items for the benefit of consumers of commercial fertilizers.

I certainly hope that in justice to the agricultural population of this country, who live in areas where commercial fertilizer must be bought in order that they can produce anything like a reasonable crop, the House will give effect to the recommendation of the Budget and not undertake to make this small saving at their expense.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, it strikes me that this amendment is absolutely unnecessary, for, as the gentleman from South Dakota [Mr. CASE] stated, this bill already provides many thousands of dollars for aid to the fertilizer department of the T. V. A.

It never was the intention of the act setting up the T. V. A. that it should engage in any operation that would be in direct competition with industry. It has not been the intention to sell fertilizer in the open market in direct competition with the fertilizer companies. It was intended that the T. V. A. engage in experimentation. They have spent millions of dollars for experimentation, and I am not really opposed to their carrying on experimentation where and when private industry cannot do it. This, of course, is the only justification for the establishment of the fertilizer division. There is no justification for the expenditure of this large sum for the construction of a blast furnace. They already have at Muscle Shoals a large blast furnace in full operation operated by electricity. This furnace will be sufficient for all reasonable experimentation. The extravagant spending of money by the T. V. A. is well recognized.

Here is the proposition in a nutshell: This bill carries \$450,000 in this item, and the bill is already loaded to the limit as far as T. V. A. is concerned. There is no question about it, and I dare say that the acting chairman of this committee certainly will agree with me that the bill already at this time carries as much as it ought to carry for this activity.

When we come to consider the appropriation for the construction of the Gilbertsville Dam and the Watts Bar Dam and the Coulter Shoals Dam, I hope we might strike these appropriations out. We were able to defeat the Gilbertsville Dam on several previous occasions, and I hope we can do it today. This project will cost the United States the colossal sum of at least \$200,000,000. Its availability as a flood-control project or as an advantage to navigation does not justify this terrific expenditure. The Army engineers say that better navigation facilities and more useful flood-control programs can be constructed in the vicinity of Gilbertsville for at least one-tenth of this terrific expenditure.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. STARNES) there were—ayes 41, noes 62.

So the amendment was rejected.

Mr. FADDIS. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Virginia [Mr. WOODRUM].

The Clerk read as follows:

Amendment offered by Mr. FADDIS as a substitute for the amendment offered by Mr. WOODRUM of Virginia: On page 47, after line 6, insert the following:

"TENNESSEE VALLEY AUTHORITY

"For the purpose of carrying out the provisions of the act entitled 'The Tennessee Valley Authority Act of 1933,' approved May 18, 1933, as amended by the act approved August 31, 1935 (16 U. S. C. ch. 12a), including the continued construction of Pickwick Landing Dam, Guntersville Dam, Chickamauga Dam, Hiwassee Dam, and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, and for examination of estimates of appropriations and activities in the field, fiscal year 1940, \$21,797,000: *Provided*, That this appropriation and any unexpended balance on June 30, 1939, in the 'Tennessee Valley Authority fund, 1939,' and the receipts of the Tennessee Valley Authority from all sources during the fiscal year 1940 (except as limited by sec. 26 of the Tennessee Valley Authority Act of 1933, as amended), shall be covered into and accounted for as one fund to be known as the 'Tennessee Valley Authority fund, 1940,' to remain available until June 30, 1940, and to be available for the payment of obligations chargeable against the Tennessee Valley Authority fund, 1939,' and for contractual obligations for the procurement of equipment as authorized in the Independent Offices Appropriation Act, fiscal year 1939."

Mr. FADDIS. Mr. Chairman, if the members of the committee having bills will turn to page 47, line 13, they will notice that my amendment proposes to cut out that language following the Hiwassee Dam down to and including all of line 17, and on page 48, line 4, it proposes to change the amount, \$39,000,000, to \$21,797,000, a total saving of more than \$17,000,000, and an ultimate saving of at least \$200,000,000.

Mr. Chairman, as a member of the Committee on Military Affairs, which committee originally brought in the bill setting up the Tennessee Valley Authority, I feel quite sure there are but few members of that committee remaining today who are not sadly disappointed in the trend affairs have taken in regard to the T. V. A. Some time later, when we were asked to bring out legislation extending the T. V. A., we did so with a great deal of reluctance. Those who were Members of the House at that time will remember that it was, indeed, a long and bitter fight before they were able to drag from the members of that committee any authority to grant an extension to the T. V. A. Those of us who were the best acquainted with the conduct of the T. V. A. at that time had our grave suspicions of the intentions of this bureau which had been set up with such extensive and unprecedented authority. I may say to the members of this committee that here in front of you today in this proposed appropriation for the T. V. A. is a typical example of the rising tide of bureaucracy which threatens to engulf representative government in this Nation. Here is a bureau originally set up to provide nitrates for national defense, fertilizer for farmers, and to serve as a yardstick with which to measure utility rates. Now they are trying to develop into a gigantic octopus to stretch all over this Nation. Typical of all bureaus, they are endeavoring, first, to create a larger field for their own activity—endeavoring to enhance their own power and to grow until they can take unto themselves all-embracing power for all activities within their reach.

Let me say to you Members representing coal-mining districts and to everyone on this floor who is concerned about the employment situation that you should stop and think before granting any further extensions to the T. V. A. For every million kilowatts of electricity they produce they do away with the need for over 700 tons of coal, and every ton of coal mined and put on the market represents a day's work for some coal miner or railroad worker.

Today, when we are resorting to almost every resource within our power to feed the unemployed in this Nation, it seems to me to be extreme nonsense to go ahead and create more unemployment. Taking the figures of the Tennessee Valley Authority itself we find that at the present time they have a productive capacity of 570,000 kilowatts. In a recent deal they have bought 296,000 kilowatts. This, we find, gives them a total output of 866,000 kilowatts. According to their own most optimistic figures they will have sale for only 563,000 kilowatts even in December of 1941. At the present time, or, indeed, 2 years hence, therefore, they have a surplus of at least 303,000 kilowatts.

Are we to permit this octopus of bureaucracy to continue to grow? Every year they demand more, and more, and more money. Shall we grant them continually increasing amounts in order to permit them to extend their activities all over the Nation? Each year they come asking for a comparatively small appropriation to be used in preliminary work. Last year it was \$5,000,000 for the Gilbertsville Dam. Today they are back asking for \$12,503,000 for the same dam on the plea that this sum is necessary to save the original \$5,000,000 from being wasted. At the same time they are asking for \$5,000,000 additional for preliminary work on various other dams, which will make necessary the eventual expenditure of nearly \$200,000,000. It is but the start of another vicious cycle. Let us stop it here.

I am sure the gentleman from West Virginia [Mr. RANDOLPH] and his five colleagues, who also understand the coal industry and who are in accord with me in this matter, see the threat of the T. V. A. to the bituminous-coal industry.

Mr. PATRICK. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Alabama.

Mr. PATRICK. Does the gentleman take the position this Congress should act in such a way that its actions on labor in the country in the production and advancement of higher ways of dealing with its affairs should be curtailed because it might add more labor?

Mr. FADDIS. Yes; I certainly do. I do not believe this Congress is justified today, because of some socialistic experiment, in permitting labor to be displaced so far as employment is concerned, and I do not believe this Congress is justified in building up one section at the expense of other sections of the United States to the extent that it is building up this section.

The evidence in regard to the production of electricity in connection with the T. V. A. from the very first has shown that electricity has never been produced as cheaply by water power as it has by steam when it has been necessary to buy sites composed of farm land for power dams. [Applause.]

[Here the gavel fell.]

Mr. PEARSON. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Pennsylvania [Mr. FADDIS].

Mr. Chairman, I do not know of anything new that can be said about the construction of the Gilbertsville Dam, and certainly I know of no answer that can be made to the philosophy just propounded by the distinguished gentleman from Pennsylvania with reference to the creation of unemployment by the further construction of dams on the Tennessee River. It is an argument that falls by virtue of its own weight. It has no justification either in fact or in logic.

Mr. Chairman, the Congress of the United States has already approved the construction of the Gilbertsville Dam and the work is in progress there. The sum of \$5,500,000 has already been spent in the construction of that project, and certainly the Congress in its wisdom would not now, in a moment of hysteria or excitement, undertake to junk the work and the expenditure that has already been made at Gilbertsville and seek to nullify the entire program of the Authority by now saying that the Authority shall not have the power to construct the dam, which means more in the system than any other single unit under construction by the Tennessee Valley Authority.

In answer to the argument made by the gentleman from Pennsylvania with reference to the sale of power, may I ask him in his diligence to turn to page 1679 of the hearings and read what gentlemen who know something about the sale of power from the Authority have to say about that. Mr. Krug and Mr. Burke, engineers competent to fill their respective positions, said under oath before the committee that the Authority is now selling its peak load of power, that it is up to the estimate which they gave 1½ years ago to the Congress and that unless this program goes on there will not be enough power generated by the Authority to take care of the needs of that section.

I wish I had time to discuss the great work that the Authority is doing in a section of this country that needs it worse than any other part of America. I am only appealing to the fairness of the membership of this House in the consideration of this great question and in considering the needs of that section from which I come, the great Tennessee Valley area, which through this instrumentality, the Tennessee Valley Authority, which Congress created in 1932 is bringing into its own a section that has always had potentialities but which has never been implemented with those agencies which made it possible to realize on those potentialities. The Tennessee Valley Authority is making those things possible, those things to which we are entitled and which we can never hope to attain except through this agency.

The money which has been expended through the Authority has gone into good citizenship; it has gone into valuable public resources that will yield dividends in time to come, dividends in dollars and cents, dividends in matters that are of vital concern to the citizenship of this country, and has added to our natural wealth and resources. I appeal to the membership of this House to permit this program to

proceed in an orderly manner. Let the Tennessee Valley Authority proceed with its activities and vote down the amendment offered by the gentleman from Pennsylvania which would only have a tendency to hamstring and throttle one of the greatest works that any Government instrumentality has undertaken in the southern region of this country.

The hearings reveal the value of the Gilbertsville project from the standpoint of navigation, flood control, and eventually the generation of power. It is shown to be the most essential unit in the whole river program and to abandon it now will mean the virtual loss of all that the Government has invested in the Tennessee Valley. I hope the amendment will fail.

Mr. CROWE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am opposed to any curtailment which would destroy the Tennessee Valley Authority and its usefulness. I would like to speak for a moment with reference to a matter on which I spoke yesterday. I believe that as far as the Ohio Valley is concerned the first thing to do in that valley is to undertake the construction of levees and sea walls for those cities that were stricken in the 1937 flood. Flood control for navigation and for power, irrespective of merit, should give way for the present to the imperative demand of immediate levees and sea walls.

During the floods of 1937 an estimated value of between \$400,000,000 and \$800,000,000 worth of property was lost, and in addition to that something like 1,100,000 or 1,200,000 people were marooned and moved from their homes to places of safety. One million two hundred thousand people would amount to 120 cities with a population of 10,000 each. That gives you an idea of the number of people who were moved during the floods of 1937.

Mr. Chairman, we are going to ultimately build these levees and sea walls. The floods may return this year or next year. If it returns—and there has been a near approach to it recently—you will probably have another half billion dollars of loss. You would still build the levees thereafter. So why not build the levees and sea walls, appropriating sufficient money now to do it, and save the ultimate loss which is sure to come if there are further delays? It has been 2 years now since those floods. Further delay cannot be tolerated. We have need for the labor. We have the unemployed which can be utilized on those projects. My opinion is that every Member in the United States who has a district affected by floods should join with me in asking the Appropriations Committee to appropriate the full amount necessary to construct these needed levees and sea walls, which, in my opinion, the War Department will recommend to the committee as being necessary to start the construction of this year. I am informed the War Department will suggest near \$200,000,000 as necessary to properly get under way in the whole United States necessary flood control. I urge serious consideration to the appropriation of a sufficient amount by this Congress to do the job and do it right and save the repetition of another damaging flood.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I wonder if it would be possible now to fix a time for closing debate. I ask unanimous consent that all debate close in 30 minutes. There are five or six gentlemen on their feet.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this paragraph and all amendments thereto close in 30 minutes. Is there objection?

Mr. RANKIN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. Did not the gentleman's request apply merely to this amendment?

Mr. JENKINS of Ohio. That is the heart of the whole program.

Mr. RANKIN. Let us find out what the gentleman's request is.

The CHAIRMAN. Will the gentleman from Virginia kindly restate his request?

Mr. WOODRUM of Virginia. Mr. Chairman, as a parliamentary inquiry, may I ask if there are any other amendments on the desk to be offered?

The CHAIRMAN. The gentleman from Tennessee [Mr. TAYLOR] has an amendment to be offered, in addition to the two amendments now pending, which are the amendment offered by the gentleman from Virginia and the substitute to that amendment offered by the gentleman from Pennsylvania.

Mr. WOODRUM of Virginia. Under those circumstances, Mr. Chairman, I modify the request and ask that the debate be limited to 45 minutes.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that all debate on this paragraph and all amendments thereto close in 45 minutes. Is there objection?

Mr. TAYLOR of Tennessee. Reserving the right to object, Mr. Chairman, am I included among those who will be allotted time to speak?

Mr. WOODRUM of Virginia. The Chair will control the disposition of the time.

Mr. TAYLOR of Tennessee. I should like to have 5 minutes on my amendment.

Mr. SHORT. Mr. Chairman, I assume the Chair will divide the time equally between the proponents and opponents?

The CHAIRMAN. The Chair has no way of reading the minds of those who will speak in advance of their utterances, but the Chair will endeavor to be fair in that regard. The Chair will recognize first the gentleman from Tennessee [Mr. TAYLOR], who has an amendment to offer, in order that his amendment may be pending, and the Chair will then endeavor to equalize the time to the best of his ability.

Mr. SHORT. I would be pleased to follow the gentleman from Tennessee.

The CHAIRMAN. The Chair will state further that the Chair is endeavoring, insofar as possible, to alternate between the two sides in the recognition of Members to address the Committee.

Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. TAYLOR of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of Tennessee to the amendment offered by Mr. WOODRUM of Virginia: In line 9 of the amendment, after the word "for", insert the words "completion of."

In line 10, after the word "sites", insert the words "and construction of", and in the same line strike out the letter "s" in the word "dams."

In line 23, strike out "\$39,000,000" and insert in lieu thereof "\$41,228,000."

Mr. TAYLOR of Tennessee. Mr. Chairman, I concede, of course, that if the amendment which is pending should be adopted the amendment I have offered would become absolutely futile and a nullity.

I do not believe there is anyone on this floor who is any more strongly for economy than I am, but there are different kinds of economy. There is sound economy and there is unsound or false economy. In my opinion, the adoption of this amendment would mean unsound economy in its essence, because I believe the time has certainly come when the membership of this House must realize that the T. V. A. is a permanent institution and that the program as originally outlined by the War Department, and under a Republican administration, I would remind my Republican colleagues, must be ultimately carried out.

Of course, if this amendment should be adopted it would simply mean that the work of the T. V. A. would stop with the completion of the Chickamauga Dam, and that would leave the Gilbertsville, Watts bar, and Coulter Shoals Dams suspended like Mahomet's coffin, and entirely out of the picture. It seems to me that to stop this work at a time when the T. V. A. has spent hundreds of thousands of dollars building up an organization would be the quintessence of stupidity. We have this trained organization already built up, and we also have a great army of unemployed, not

only in that area but throughout the country, that would benefit from this development. To go ahead with this program now, it seems to me, would be the soundest sort of economy.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman from Tennessee.

Mr. COOPER. Last year when the appropriation for the Gilbertsville Dam was under consideration I made some remarks, and at that time pointed out that in a statement issued by Dr. A. E. Morgan, the former Chairman of the T. V. A., he took the very definite position that the construction of the Gilbertsville Dam was fully justified from the standpoint of flood control alone. I am sure the gentleman will recall that statement.

Mr. TAYLOR of Tennessee. I recall that statement of Dr. Morgan and I concur in his statement. Originally as the T. V. A. was projected it was primarily a flood-control and navigation project. Now, with the completion of the Chickamauga Dam we have navigation up to a point in Rhea County, near Dayton, where there is no traffic for transportation whatever.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield to the gentleman.

Mr. MAY. In the original intent of the act was there any national defense included?

Mr. TAYLOR of Tennessee. Of course, national defense was included and on yesterday I discussed at considerable length the question of national defense which, in my judgment, is the major feature of the development down there; because in the event of emergency we can locate plants in that area, as was suggested by the War Department during the World War, when a commission was sent all over the country to select sites for munitions plants, and out of the nine sites recommended by that commission, eight of them were in the Tennessee Valley and one of them was nearby.

This was for the reason that we will have, in the event of an emergency, an abundance of electricity in the Tennessee Valley. It is far removed from our coasts where plants would be within easy access of enemy aircraft. Then we have ore of all kinds there, zinc, lead, copper, and everything down there, in fact, conducive to the proper location of munitions and airplane facilities, and from the standpoint of national defense alone this program is fully justified.

My amendment provides \$2,000,000 for beginning of work at Coulter Shoals, and with the completion of Coulter Shoals and Watts bar, with Gilbertsville, we will have a 9-foot navigation channel all the way from the Ohio River to Knoxville, Tenn.

I wish my Republican colleagues would finally realize the fact that T. V. A. is a reality and get behind us in this movement, because I think it means something politically for the Republicans to get behind this proposition. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say to my distinguished friend from Tennessee—in fact, the two gentlemen from Tennessee—that there is no one in this House that I more dislike to disagree with than they; but when my friend from Tennessee, the last gentleman who spoke [Mr. TAYLOR], talked about national defense and the construction of plants for the production of munitions of war down in Tennessee, it came to my mind somehow that the CONGRESSIONAL RECORDS of this Congress and the last three or four Congresses are full of facts showing that we have a \$67,000,000 nitrogen plant at Muscle Shoals that has not produced a dime's worth of nitrogen since it was constructed. It is as dead as the tomb of Moses. That \$67,000,000 is gone, and that \$67,000,000 plant is being kept there as a relic or as a souvenir to national defense at a cost of several hundred thousand dollars a year for its supposed maintenance by the Tennessee Valley Authority.

Now, with respect to my other friend from Tennessee [Mr. PEARSON], than whom there is no more delightful gentleman in this House, I am just wondering if he would read the

printed hearings of the House Military Affairs Committee of 3, 4, and 5 years ago on the subject of T. V. A., and find there that the proof showed that the Tennessee Electric Power Co. had a surplus of 50 percent of the normal requirements of the entire State of Tennessee and that it and other allied private companies operated a distribution system in every town and city with a population of 300 or more with the exception of one, and that the T. V. A. has recently acquired all of them, which is 50 percent above needs and has developed at the expense of the taxpayers 480,000 additional kilowatts in the three dams that have been completed.

Mr. PEARSON. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. PEARSON. I would like to say to the gentleman from Kentucky that I am somewhat familiar with the business of the Tennessee Electric Power Co. and its activities in Tennessee, and that the Tennessee Electric Power Co. furnishes power to but two single counties west of the Tennessee River in the State of Tennessee, and that entire area is dependent on other companies for its electrical power and is now purchasing from the Tennessee Valley Authority all of the power that it produces just as fast as lines can be built to transmit it.

Mr. MAY. Did the gentleman take into consideration in that estimate the fact that the Tennessee Valley Authority has sold largely below the cost of production its entire surplus to four great private corporations, including a chemical company and the Aluminum Co. and the Arkansas Power Co., and that is the reason it does not have what it claims as a surplus at this time?

The deal it has recently made provides that they take over every facility of the Tennessee Electric Power Co. in the State of Tennessee. However, I must get along to another point I wanted to make. I am going to leave the question of kilowatt capacity and ability to serve because I think it is settled that they are able to serve the entire State now and that there will be no shortage.

I want to call attention to this fact: If the Tennessee Valley Authority can expand at will because it can come to the Congress and say, "We want to build three more dams and we will just let you wet your feet a little by giving us \$200,000 to start with," and then come back and say, "You have already authorized it, approved it, and confirmed it, and now give us enough money to spend thirty or forty million dollars more on it."

The point has been made that they have spent \$5,000,000 at Gilbertsville Dam. Let me say that the record discloses—and it has never been contradicted—that they spent more than \$2,000,000 on that project in the purchase of land before the dam was ever authorized and they had the titles for it and they were recorded. They were presuming upon the liberality of the Congress. They figured we were all liberals in the spending of other people's money. Now they say that is a waste. I will tell you what we can do with that. They have bought that fertile, that productive, that fine bottom-land on both sides of that river and we can convert that land into homesteads for the homeless coal miners from my district and from western Kentucky who are suffering in the mines and want to go back to agriculture.

Mr. RANKIN. And drown the last one of them the first time they have any high water.

Mr. MAY. No; we will not drown them. I may say to the statesman from Mississippi, who has gone Socialist, that T. V. A. will drown the taxpayers of this country and probably electrocute the gentleman from Mississippi. [Laughter and applause.]

Mr. RANKIN. Mr. Chairman—

The CHAIRMAN. The Chair has not recognized the gentleman from Mississippi and, as a matter of fact, is trying to alternate recognition between the two sides, and in the list of nine Members among whom the 45 minutes was to be divided the gentleman's name does not appear.

Mr. RANKIN. It was there when I was up at the desk awhile ago.

The CHAIRMAN. The request of the gentleman from Virginia was for 45 minutes.

Mr. RANKIN. My name was on the original list before the time was limited to 45 minutes. I asked for time from the very beginning.

The CHAIRMAN. The only way under the circumstances to obviate the difficulty would be to give 4 minutes to each speaker instead of 5.

Mr. RANKIN. Very well.

The CHAIRMAN. If that is agreeable. Under the plan of alternate recognition, the Chair will recognize someone on the Republican side of the Chamber. The Chair has the names of the gentleman from Illinois, Mr. DIRKSEN; the gentleman from Ohio, Mr. JENKINS; and the gentleman from Missouri, Mr. SHORT.

Mr. DIRKSEN. Is it understood that I am to have additional time under that original request from the Chairman?

The CHAIRMAN. There was no such understanding in the request.

Mr. DIRKSEN. I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

Mr. RANKIN. Oh, we could not agree to that out of the 45 minutes. The gentleman had an hour yesterday, and we Members who are not on the Committee on Appropriations get very little time. We could not agree to that.

Mr. DIRKSEN. The gentleman objects?

Mr. RANKIN. I shall have to object.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, to make sure that you have an adequate appreciation of what the issue is, I am going to suggest, first of all, that you vote down the Taylor amendment now pending, and then vote for the proposal of the gentleman from Pennsylvania [Mr. FADDIS]. If you do so, you will save the Federal Treasury \$17,203,000. That will be an immediate saving in the fiscal year 1940, and, in addition, if we do not ultimately authorize Watts bar and Coulter Shoals, two dams on the tributaries, and Gilbertsville, we may effect an ultimate saving of approximately \$201,000,000. That is what is involved in the proposal on the floor at the present time. Let me picture the thing in this fashion. Here is a U-shaped river which reaches out into North Carolina, Kentucky, Virginia, and Tennessee. It flows southwest, a little west, and then northeast into the Ohio. The first dam is 20 miles from Paducah, known as Gilbertsville, and it will cost at least \$107,000,000, and possibly a great deal more, according to the testimony. There has been expended thus far or will be by the 30th of June of this year, about five and one-half million dollars on Gilbertsville Dam. They want \$12,500,000 for 1940. If you vote for the Faddis amendment, you strike out that \$12,500,000. They want \$4,252,000 for another dam known as Watts bar. We have only \$678,000 invested in that now, or we will have on the 30th of June, but if you vote for the Faddis proposal, we will strike that out and save four and a half million dollars in 1940. Incidentally, if we never authorize them to go ahead with Watts Bar, you will save the Federal Treasury ultimately \$30,000,000. Then there is Coulter Shoals. There the cost will be \$26,000,000. We have only \$550,000 of exploratory work invested at the present time, and they want \$220,000 more for the next fiscal year. I was of opinion that this would be a 10-dam project, but it will most likely be a 12-dam project, and possibly a 13-dam project, before they get through, according to the testimony. So you have a chance today, by voting down the Taylor amendment and supporting the Faddis amendment of saving \$17,000,000 and a possible saving running into hundreds of millions of dollars before we get through.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I have only a few minutes. To show you that they do not need any more new dams for power now, T. V. A. has six stalls at the Wheeler Dam in which they have not installed any generators; they have four stalls waiting for generators at Pickwick Landing Dam, and they have stalls for four generators at Chickamauga that have not been

installed as yet. They have stalls at Hiwassee that have no generators installed in them. They can put 10 more generators in at Wilson Dam, so why build any more dams or authorize any more preliminary work until the stalls they can use down there at the present time are provided with generators, as the engineers tell us they shall be. So much for power. There are 820,000 potential kilowatt-hours of power that can be developed by installations in the idle stalls in which no generators are set at the present time. They ask for generators. Let us give them to them. The dams have all been built, but why authorize them to proceed with more exploration on Gilbertsville, Watts bar, Coulter Shoals, when there has not been any justification for proceeding with the construction.

Now, they will not want them for navigation. Let me tell you what Mr. Parker, the chief engineer of the T. V. A., told the committee. I asked him what would be required to make navigation possible on this project, and he said, on page 1675 of the hearings:

I think the possibility of developing navigation on the project is rather remote.

That is the T. V. A. engineer speaking. Those are the figures which they supplied the committee. There is no justification for giving this additional money. So vote down the Taylor amendment and vote for the Faddis amendment, and save the taxpayers over \$17,000,000 in immediate economies and possible economies running into \$200,000,000 before we get through. That is the issue. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. RANKIN] at this time, and will then recognize the gentleman from California [Mr. VOORHIS].

Mr. RANKIN. Mr. Chairman, nobody is surprised at the attitude of the gentleman from Kentucky [Mr. MAY]. We know of his fight against the Tennessee Valley Authority almost from the very beginning.

I know that the T. V. A. is one of the most profitable investments that the American people have ever made. From a power standpoint it benefits every single constituent you have that even uses electric lights every month it rolls around.

It has resulted in a reduction of light and power rates to the electric consumers of \$556,000,000 a year. I shall break that amount down by States and show how much it has benefited your people.

For instance, during the year ending February 28, 1932, we used 62,000,000,000 kilowatt-hours of electricity in this country, for which we paid \$1,803,000,000, according to the Edison Electric Institute Bulletin—the mouthpiece of the private power interests.

During the year ending February 28, 1937, we used 91,000,000,000 kilowatt-hours, for which we paid \$2,086,080,300, according to the Edison Electric Institute Bulletin.

If we had paid the same rate for this 91,000,000,000 kilowatt-hours that we were paying back in 1932, the year before the T. V. A. was created, the cost would have been \$2,642,000,000, or \$556,000,000 more than we actually paid.

I have broken these figures down by States to show the amount saved to the people of each State during last year.

They are as follows:

Alabama	\$7,600,000
Arizona	1,500,000
Arkansas	3,400,000
California	33,200,000
Colorado	5,000,000
Connecticut	11,600,000
Delaware	604,000
Florida	11,000,000
Georgia	7,600,000
Idaho	3,000,000
Illinois	65,600,000
Indiana	20,600,000
Iowa	6,800,000
Kansas	4,800,000
Kentucky	6,800,000
Louisiana	3,600,000
Maine	2,000,000
Maryland and District of Columbia	13,600,000
Massachusetts	29,600,000
Michigan	14,600,000
Minnesota	5,600,000

Mississippi	\$3,400,000
Missouri	12,000,000
Montana	4,000,000
Nebraska	5,000,000
Nevada	230,000
New Hampshire	2,400,000
New Jersey	18,400,000
New Mexico	1,800,000
New York	67,400,000
North Carolina	4,000,000
North Dakota	1,200,000
Ohio	55,400,000
Oklahoma	3,800,000
Oregon	5,200,000
Pennsylvania	70,600,000
Rhode Island	4,400,000
South Carolina	2,000,000
South Dakota	1,600,000
Tennessee	1,200,000
Texas	14,200,000
Utah	6,200,000
Vermont	1,200,000
Virginia	2,400,000
Washington	7,200,000
West Virginia	6,600,000
Wisconsin	16,200,000
Wyoming	470,000

If the amount of savings for any one State is overestimated, remember that the savings for some other State is underestimated, because, as I said, according to the figures of the Edison Electric Institute Bulletin, these savings amount to \$556,000,000 a year.

Everyone who turns an electric switch benefits or participates in these savings every time he pays his light or power bill.

Remember, this \$556,000,000 represents the savings for only 1 year. It will be repeated every year that rolls around and will increase as time goes by.

This Gilbertsville Dam is the most important piece of flood-control construction that is before this Congress or will be before it at this session. It is primarily a flood-control project. You cannot hurt me personally from a power standpoint by opposing this appropriation, for the simple reason that I have taken time by the forelock and have every county in the district I represent provided with electricity from the Tennessee Valley Authority at the T. V. A. rates. You cannot hurt me, but you can hurt the American people if you adopt the Faddis amendment. Why? Because this Gilbertsville Dam is not so much a power dam; it is primarily a flood-control dam and will do more to control floods on the lower Ohio and lower Mississippi Rivers than any other construction that has ever been attempted.

Two years ago Norris Dam alone saved the city of Cairo, and if we had had the Gilbertsville Dam we could have held back the flood on the Tennessee behind that dam and could have prevented the great disaster that happened to the lower Mississippi River in 1927. If you defeat this appropriation you might as well defeat all flood-control legislation in the future.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes. I yield to the gentleman from Tennessee.

Mr. COOPER. Is it not true that the estimates show that the construction of the Gilbertsville Dam will reduce the flood heights on the gage at Cairo about 2 feet?

Mr. RANKIN. Certainly; and 1 foot reduced at Cairo in 1937 would have saved a great deal of the trouble. One foot in 1927 would have saved the great catastrophe on the lower Mississippi that cost probably hundreds of millions of dollars.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The flood-control problem is a national problem.

Mr. RANKIN. Why, of course.

Mr. McCORMACK. Last year some of us from New England voted against this particular dam because it was 100 percent Federal contribution, and New England and other sections of the country were not receiving it, but conditions have changed now.

Mr. RANKIN. Yes, sir. We are doing the same thing for New England that we are doing here. The Federal Government is contributing 100 percent of the cost. Therefore the engineers can build these dams where they ought to be built. We are doing the same thing for your States and for your localities; but if you follow the gentleman from Pennsylvania [Mr. FADDIS] and the gentleman from Kentucky [Mr. MAY], who are both avowed enemies of the Tennessee Valley Authority, and have been almost from the beginning, then you simply strike at every effort at flood control in your own territory and in every other section of the United States. This is a national issue.

This question involves the welfare of all the American people. It is a project for the benefit of the American people. I hope you will vote down the Faddis amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I wish it were possible to take a vote on the Gilbertsville Dam just to see what would happen if there were a promise made that no power would be developed there. I just wonder what the result would be under those circumstances.

In the few minutes that I have I want to address myself generally to the T. V. A. as a whole. I believe that any project as important in its scope as the T. V. A., any project doing as much as the T. V. A. has done to cut power rates to the ultimate consumers of America, having been as much in the public eye as it has and subject to as much attack as it has, if there were anything unsound about this project or anything to be criticized in the management of the project, it certainly would have been blazoned across the headlines of every paper in the country long before this.

So I say, first, I have the utmost confidence in the people who are carrying on this great enterprise.

The second thing I want to say is this: We have been told a great deal about empires, about the great empire of the T. V. A.—and there was some implication that because of the scope of the work attempted down there it should be criticized. I believe the reason this "empire" is criticized is because it is conducted primarily and basically for the benefit of the American people. I could name you some other empires: Empires of power, empires of finance, empires of steel, and so on, and so forth, far larger, far more powerful, economically, than the T. V. A. today; but we do not hear these empires criticized.

I am concerned not so much with the liberty of the power trusts and monopolies to control the people of America as I am in preserving the independence, for example, of the small farmer of this country who has been recognized as the backbone of the Nation. From the national-defense standpoint you could do nothing better than to get power to him at cheap cost and to get fertilizer to him at cheap cost.

There are only three nations in this world that have adequate supplies of phosphates, perhaps the most important fertilizer there is—only three nations, and ours is one. If there is any natural resource on the development of which the American Government could well spend money it is phosphates. One other point. We have heard talk about saving money; yes, we could save money by not building any of these dams. Money could have been saved by not building the railroads. Money could have been saved by not making any capital investment of any sort. The question is: Is the expenditure justified in the results that it yields for the benefit of the people? Ask anyone who comes from the region of the T. V. A. what they think about it and you will find hardly an individual who is not strong for the T. V. A. If this is true, then those of us who come from other parts of the country who stand up and vote against this great enterprise must necessarily do so on the ground that we are not willing to see the welfare of that section of the country built up. For my part, I am not only willing but eager to see the purchasing power, the economic welfare, of the people of the Tennessee Valley built up to the largest, the greatest possible

extent that we can. I believe further that the falling water God has given to humanity to be used for the benefit of humanity is being far better used in the Tennessee Valley than it is in any other place I know of in the United States. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. SHORT] for 5 minutes.

Mr. SHORT. Mr. Chairman—

Mr. FADDIS. Mr. Chairman, will the gentleman yield for an observation?

Mr. SHORT. I yield.

Mr. FADDIS. I hope the gentleman will speak somewhat on the argument that has been made that flood-control affairs should be taken out of the hands of the fanatics and put into the capable hands of the Board of Engineers of the United States Army. [Applause.]

Mr. SHORT. I do not presume to tell the old Members of the House anything they do not already know, but for the benefit of the new Members I may say that this proposition was voted down by a subcommittee on appropriations in the last Congress. It was voted down by the full Committee on Appropriations and was twice rejected by the Members of this House. Over in the Senate, however, \$5,000,000 was stuck on because a certain Senator was up for reelection, was brought in here in a conference report, and in the closing hours of the session when bad, vicious legislation always is rushed through when few Members are on the floor and everyone is anxious to go home—it was passed, I think, by a margin of seven votes.

For the life of me, I cannot understand how any reasonable or sane man who has read the hearings carefully can support this indefensible proposition. I want every Member to know that I am tremendously interested in navigation, flood control, power, and the like. I have served on the Flood Control Committee of the House, on the Rivers and Harbors Committee of the House, and have listened to the hearings as a member of the Committee on Military Affairs.

The Gilbertsville Dam does not give flood-control protection; neither does it improve navigation. The truth of the matter is it makes navigation next to impossible. It builds a dam 100 feet high, creating a lake 184 miles long, 7 miles wide, and at the lower end of this reservoir you could float a battleship. Modern barge traffic would not be able to operate on the lake which would be created if this proposition is carried out. All of the witnesses before the various committees of the House have testified to this.

About 50 years ago the greatest disaster on any of our inland waterways occurred on Lake Pepin on the upper Mississippi River when a storm kicked up and a boat sank. Nearly 100 human lives were lost.

To have flood control there must be an empty reservoir, like the conservancy district on the Miami River above Dayton, Ohio. If the reservoir is full it cannot, of course, hold back floodwaters. In order to have power the reservoir must be full. Flood control and power are constantly and at all times in conflict. You cannot have flood control and power at the same time.

They talk about affording flood control. Mr. Chairman, if you build this dam you are going to prevent the waters of the Ohio from backing up into the Tennessee and you will simply sweep Cairo off the map. Instead of giving flood control it would add to the hazard. It destroys navigation; and, whereas, you have but one flood every 10 or 12 years that covers only 480,000 acres of land, here you will by the construction of this dam cover over 937,000 acres of improved farm land.

The Mississippi Valley Association at its annual convention held last November in St. Louis, which I attended and which was attended by more than 500 delegates from 25 States, went on record against this proposal. I would like to read one of the resolutions passed at that convention.

[Here the gavel fell.]

Mr. JENKINS of Ohio. Mr. Chairman, I have some time and I ask unanimous consent that my time may be given to the gentleman from Missouri [Mr. SHORT].

The CHAIRMAN. If there is no objection, the time to be yielded to the gentleman from Ohio [Mr. JENKINS], will be yielded in extension of time to the gentleman from Missouri [Mr. SHORT].

There was no objection.

Mr. SHORT. Mr. Chairman, this resolution to which I referred reads as follows:

Electrical energy can now be generated so cheaply by modern fuel engines as to challenge the wisdom of flooding fertile lands and valuable improvements by the construction of high dams for power creation when low and less expensive dams for flood control and navigation would better serve the public interest.

The truth of the matter is if you want flood control and improvement of navigation by the construction of a series of low dams, they may be constructed for ten to fourteen million dollars. Here you are going to spend \$112,000,000 of the taxpayers' money when this country right now is facing bankruptcy.

Mr. MAY. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman know and understand that they have projected in their future plans a high dam a few miles below Paducah, across the Ohio River, and a canal from the Tennessee River to the Cumberland River?

Mr. SHORT. Yes; of course. Over \$600,000,000 is involved in this whole program. It is going to cost the taxpayers over a billion dollars before we are through.

Let me say this in conclusion: Sometimes you plead flood control; sometimes you plead improvement of navigation; sometimes you plead power; but the whole T. V. A. set-up was based on flood control and navigation in order to avoid constitutional objections. Even the Senator from Nebraska said that they used flood control and navigation as a peg on which to hang the whole program, when the primary purpose was to generate, distribute, and sell cheap hydroelectric power that can be produced just as cheaply by fuel today. They are not only paralyzing but destroying the coal industry, not only of Pennsylvania and Kentucky but of Ohio, Illinois, West Virginia, and the other coal-producing States of our country.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Is it not a fact that the gentleman is supported in his statement when he says that these projects are not primarily navigation and flood control by the Army engineers themselves?

Mr. SHORT. I am absolutely supported by the Army engineers.

Mr. Chairman, I want to say a word about the gentleman from Mississippi [Mr. RANKIN]. I love him, but my good friend [Mr. RANKIN] cannot talk about a pretty girl without discussing power. [Laughter.] He has the power complex, and no man has championed this as much and no man deserves more credit in the whole United States, either in or out of Congress, for championing the T. V. A.; but I want to remind my good friend [Mr. RANKIN], that unless we cease this Government subsidized competition with private business, we are not only going to destroy every source of taxation which supports government but we will in fact not put back to work the unemployed men in this country. I want to remind him that 4,000,000 American citizens, not "economic royalists" and "princes of privilege," but 4,000,000 good, average, middle-class Americans, have invested over \$12,000,000,000 of their own money in the utility industry of this country. That industry hires and employs 250,000 American citizens. It pays \$250,000,000 a year to the Federal Government in taxes, only to have the Federal Government come in and set up an organization in direct competition with private enterprise which it, the Government, taxes to support the Government itself.

Mr. RANKIN. And they overcharge the people of the United States a billion dollars a year for electricity, too.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Chairman, coming as I do from the far Northwest, and from the congressional district that has the Grand Coulee Dam in it, which is one of the Nation's greatest projects, I am naturally favorable to T. V. A. Coming from a region that is now beginning to be served with cheap electricity by the great Bonneville project and the region that has the mighty Columbia River flowing through it, which is one of the world's greatest hydroelectric power streams, it will be quite natural that some will charge me with a partisanship and a bias in favor of public power versus private power. It may be that I possess this weakness to a degree, but I think any fair-minded man or woman who will read the record of the history of the development of private utilities, with their holding companies and multiplied holding companies, will see at least something in it which indicates a necessity for the Federal Government to enter this matter of supplying electric power and protect its citizenship.

The first step of consequence was taken through the creation of the T. V. A. I had heard so much concerning T. V. A. that I doubted some of the statements in reference to its services that its advocates presented on the floor of this House. After we adjourned last year I spent a full week down there and then following that, with my good friend, the gentleman from South Dakota [Mr. CASE] and other members of a joint House-Senate committee, we held hearings on phosphates throughout that region for another week. I had the opportunity to at least see first-hand and draw some inferences and conclusions about T. V. A. that are better than those that its friends or enemies may paint, who have never seen it.

The amendment here proposed to kill Gilbertsville Dam. The proposal seems to be more one to injure and destroy than for any other purpose. The enemies of public power foolishly seem to think that here is a chance to strike a blow for the old Power Trust. In this they are mistaken.

Gilbertsville Dam is not a power dam. It could never justify itself as a power project and it is not sought to be so justified. It is the key dam in a mighty river development that is intended to protect the people who live in that region, both for many miles above and below, against the ravages of Nature, and as an incident to that development, power will be produced and there will be involved a land-conservation program. Gilbertsville is primarily a flood-control and a navigation dam, and anyone who sees the picture first-hand must come to that conclusion. The fact that it will store water and back up water for 100 miles does not in any way disqualify it from being a flood-control dam and at the same time having some use as a power dam, because it will not be kept filled to capacity; no, not even to half its capacity.

Work has now been commenced on the Gilbertsville Dam. As the gentleman from Mississippi [Mr. RANKIN] has stated, the T. V. A. is itself a project now so far along that neither those who are in principle opposed to the Government's engaging in activities of this kind nor those who have selfish motives can defeat it. The Supreme Court of the United States in the last 10 days, after literally years of litigation, has stated that the T. V. A. is not subject to attack by the Power Trust. In my judgment we would make a serious mistake if we turned this project down now. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, it is true, as has been stated in the debate today, that in the last session of Congress there was a very heated controversy over the question of whether or not the Tennessee Valley Authority should begin construction of the Gilbertsville Dam. The legislative history is just about as stated here today. The Committee on Appropriations deleted the item and the House concurred. The Senate reinserted the item. The matter was debated and carefully considered. Finally, by a roll-call vote—by a very narrow margin, it is true, but by a roll-call vote—the Gilbertsville Dam was authorized and money expended.

Mr. Chairman, I do not mind being frank to say that I was not one of the Members who last year insisted on the

construction of the Gilbertsville Dam. In the subcommittee and in the conference committee I hoped that the item could be deleted, certainly until economic conditions in the country might be more propitious, if and when; but that was not the judgment of the Congress. Let us remember that, speaking in the parlance of the legislation involved, the question of whether there ought to be a T. V. A. or ought to be a Gilbertsville Dam is water that has gone over the dam. In the beginning of this program, when the administration asked for the Tennessee Valley Authority legislation, there was laid down a program of development of a series of dams for the purpose of flood control, navigation, and power—those three objectives. The matter was considered, and Congress authorized the T. V. A. We have gone on year after year and have constructed periodically, systematically, and logically the different units in this program.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. No; I have only 5 minutes.

Mr. MAY. Just one question is all.

Mr. WOODRUM of Virginia. Yes; I know; I know what the gentleman would say. We understand each other.

Mr. MAY. I wanted to ask about the Gilbertsville Dam. How much money is spent that cannot be utilized?

Mr. WOODRUM of Virginia. The gentleman does not approve of the Gilbertsville Dam; we understand that.

The Gilbertsville Dam seems to be the bone of contention here, because the amendment of the gentleman from Pennsylvania would stop the construction of the Gilbertsville Dam, which is under construction. Colonel Parker, who, if my information is correct—and I should like to be corrected if I am wrong—was an Army engineer before he went with the Tennessee Valley Authority, or, at any rate, a very eminent engineer, and is now the engineer for the Tennessee Valley Authority, agrees with Dr. Morgan, the deposed head of T. V. A. There has never been any difference of opinion as to the need for or the value of the Gilbertsville Dam as a flood-control project. No provision is made here for any power units in the Gilbertsville Dam. Colonel Parker states in the hearings at page 1768 that at this location it is perfectly logical to provide a dam for water storage that at the same time has power proclivities, because there is provided a difference of flood heights that is maintained all the time, so when the flood seasons come the water in the dam can be lowered to take care of a certain number of feet for flood-control purposes, without in any way interfering with power, if power should be installed.

We have not reached the point of producing power at Gilbertsville. There is not a penny in this bill for any power unit at the Gilbertsville Dam, but there has never been any difference of opinion in the T. V. A. about the value of Gilbertsville Dam as a flood-control project and as a navigation project.

Mr. DIRKSEN and Mr. MAY rose.

Mr. WOODRUM of Virginia. I yield first to the member of the committee.

Mr. DIRKSEN. I believe it should be said in all fairness that there is something more involved here than Gilbertsville. There is involved also a potential expenditure of \$30,000,000 on Watts bar, \$26,000,000 on Coulter Shoals, and \$40,000,000 on two dams on tributaries, on which exploration work is being done at the present time. This aggregates \$96,000,000.

[Here the gavel fell.]

The CHAIRMAN. The Chair will explain the parliamentary situation. The vote will come first on the amendment of the gentleman from Tennessee [Mr. TAYLOR]. The vote will then come on the substitute offered by the gentleman from Pennsylvania [Mr. FADDIS] to the amendment of the gentleman from Virginia [Mr. WOODRUM]. The vote will then come on the amendment of the gentleman from Virginia [Mr. WOODRUM].

The first vote is on the amendment offered by the gentleman from Tennessee [Mr. TAYLOR].

Mr. RANDOLPH. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. RANDOLPH. Is it in order that the amendment be again read at this time?

The CHAIRMAN. By the unanimous consent of the Committee. Does the gentleman make such a request?

Mr. RANDOLPH. Mr. Chairman, I ask unanimous consent that the amendment be read. I believe the parliamentary situation would be helped thereby and that Members would appreciate it if the amendment should be read.

The CHAIRMAN. Without objection, the Clerk will report the amendment offered by the gentleman from Tennessee.

There was no objection.

The Clerk read the amendment of Mr. TAYLOR of Tennessee.

Mr. DIRKSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DIRKSEN. Mr. Chairman, as the matter in the amendment is set forth by page and line, it does not conform with the copies of the bill in the hands of the members of the Committee, and I would suggest, therefore, that the Clerk transpose the lineage so we can follow the reading of the amendment.

The Clerk resumed and concluded the reading of the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now recurs on the substitute amendment offered by the gentleman from Pennsylvania to the amendment offered by the gentleman from Virginia.

The question was taken; and on a division (demanded by Mr. FADDIS) there were—ayes 135, noes 113.

Mr. WOODRUM of Virginia. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. WOODRUM of Virginia and Mr. FADDIS.

The Committee again divided; and the tellers reported that there were—ayes 159, noes 122.

So the substitute amendment was agreed to.

The CHAIRMAN. The question now recurs upon the amendment of the gentleman from Virginia as amended by the substitute amendment of the gentleman from Pennsylvania.

The question was taken, and the amendment, as amended, was agreed to.

The Clerk read as follows:

UNITED STATES MARITIME COMMISSION

To increase the construction fund established by the "Merchant Marine Act, 1936," \$100,000,000, of which not to exceed \$3,990,000 shall be available for administrative expenses of the United States Maritime Commission, including, but not limited to, the following: Personal services in the District of Columbia and elsewhere; travel expenses in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended, including not to exceed \$2,000 for expenses of attendance, when specifically authorized by the Chairman of the Commission, at meetings concerned with work of the Commission; printing and binding; law-books, books of reference, and not to exceed \$2,500 for periodicals and newspapers; procurement of supplies, equipment, and services, including telephone, telegraph, radio, and teletype services; purchase and exchange (including one at not to exceed \$1,500), maintenance, repair, and operation of passenger-carrying automobiles for official use; typewriting and adding machines, and other labor-saving devices, including their repair and exchange; rent, including heat, light, and power, in the District of Columbia and elsewhere; expenses (not exceeding \$10,000) of packing, crating, drayage, and transportation of household effects and other personal property (not exceeding 5,000 pounds in any one case) of employees when transferred from one official station to another for permanent duty, upon specific authorization by the Chairman of the Commission; expenses incurred in preparing and transporting, to their former homes in this country or to a place not more distant, the remains of employees who may die while in the discharge of their official duties abroad or in transit thereto or therefrom, and for the ordinary expenses of interment of such remains; allowances for living quarters, including heat, fuel, and light, as authorized by the act of June 26, 1930; and including not to exceed \$75,000 for the employment, on a contract or fee basis, of persons, firms, or corporations for the performance of special services, including accounting, legal, actuarial, and statistical services, without regard to section 3709 of the Revised Statutes.

Mr. VAN ZANDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: On page 49, line 10, after the word "which", strike out the word "not" and insert "no part is available to any carrier in competition with another carrier subject to the regulation of the Interstate Commerce Commission and not."

Mr. VAN ZANDT. Mr. Chairman, I offer this amendment to protect one of America's outstanding industries and an industry that employs millions of people, and upon whom other millions depend for their daily livelihood.

During the past months and here today we have discussed the unemployment problem of our Nation. Some say 14,000,000 are unemployed, while others say 13,000,000. We have spent billions of dollars to date, and will, no doubt, appropriate during this Congress billions of dollars to take care of the unemployed, and my amendment will in no way increase the cost of taking care of the unemployed, but will provide employment for the unemployed.

The railroads of this country have plenty of competition. I speak of busses, I speak of private cars, of airplanes, and, especially, of the inland waterways and coastwise transportation vessels, and so forth.

This bill calls for an appropriation of \$100,000,000 to construct vessels, and my amendment will simply restrict these cargo vessels that compete with the railroads of this country, especially in coastwise service.

Please do not forget that in your districts throughout the entire United States there are thousands upon thousands of railroad men dependent upon the railroads, and if you continue to subsidize competition for the railroads of this country, you are simply adding to the unemployment ranks.

I speak here today as one who had been employed on a railroad for 21 years, as one whose family has been employed by the railroads likewise for years, and I know the plight of the engineer, the fireman, the mechanic, and the laborer, and if I were permitted to take you to my home town I could introduce you to thousands upon thousands of railroad men who have not worked for months and months, and who today are refused relief by reason of the fact that they are on the extra list of the railroads.

So let us adopt this amendment and let us give the railroads of this country an opportunity to haul the cargo or the freight they used to haul, and let us restrict the cargo vessels that the Maritime Commission will construct to the hauling of trans-Atlantic cargo and not coastwise. [Applause.]

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

An amendment of this kind should be considered much more fully and carefully than it can be considered here. As a matter of fact, I think the \$100,000,000 which is contemplated here will be expended almost entirely for ships engaged in ocean transportation and trading with foreign countries. At the same time, there is injected by this amendment matters that are now receiving the careful consideration of the Interstate Commerce Committee of the House and also in a short while will receive the careful consideration of the Merchant Marine Committee of the House. I refer to an adjustment or a regulation of rates whereby there may be a cooperation rather than conflict. As a matter of fact, it is seriously questionable if there is any real conflict between the coastwise shipping and the railroads of the country. In some places the railroads themselves are interested in these ships. I think the common-sense thing to do is to defeat this amendment and to permit this question to be considered in the usual regular way. It is impossible at this time to say whether the amendment has any serious effect or not, but it might have and it may be embarrassing to the Commission. The amendment provides that no part of the fund shall be used in connection with any shipping that is in competition with any railroad. There are hundreds of thousands of seamen on the beach, and they are entitled to consideration along with the railroad labor of the country—men who have devoted their lives to the sea and to the sailing of ships. What we ought to do is to try to get at some constructive program that will allow all of these services to survive, so that commerce may be

transported at a reasonable rate to all parts of the country and all kinds of labor may be employed. Do not destroy by an amendment of this kind, but let us approach the problem in a constructive way. [Applause.]

Mr. MAY. Mr. Chairman, I move to strike out the last word, and I do that for the purpose of getting more light on this amendment. I wish to propound a question to the gentleman from Pennsylvania [Mr. VAN ZANDT], the author of the amendment. What is the effect of this amendment on the railroads and the labor of the railroads?

Mr. VAN ZANDT. One hundred million dollars under the present bill is appropriated to permit the construction of ships that will haul cargo—trans-Atlantic, trans-Pacific, or coastwise. My amendment will restrict the use of the money or will restrict the use of ships to the hauling of cargo as far as coastwise traffic is concerned. In other words, no ships built with this money shall haul cargo in competition with railroads that operate, say, between New York and Savannah, New York and New Orleans, New York and San Francisco. The ships could be used only to haul cargo trans-Atlantic and trans-Pacific and would not be permitted to go on the Great Lakes.

Mr. MAY. Does it likewise affect the transportation on the Mississippi River and on the inland waterways?

Mr. VAN ZANDT. It does not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

Mr. VAN ZANDT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: Page 50, line 22, change the period to a colon and insert "Provided, That no part of this construction fund shall be expended for the construction of any cargo vessel unless said vessel is equipped with coal-burning equipment."

Mr. VAN ZANDT. Mr. Chairman, this bill provides a \$100,000,000 fund to be used by the Maritime Commission for the construction of vessels and a grant authorizing the Commission to contract for an additional \$230,000,000 of ship construction. My amendment would add this language on page 50, line 22, after the period:

Provided, That no part of this construction fund shall be expended for the construction of any cargo vessel unless said vessel is equipped with coal-burning equipment.

Inasmuch as my amendment is in line with the avowed purpose of the President's recovery program, I fail to see how gentlemen on the majority side of this Chamber could oppose it in good conscience. The adoption of this amendment would revive two great industries. It would take men off relief rolls and put them back to work at decent wages and give our cargo-carrying merchant marine a time-tested fuel at low cost.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. Yes.

Mr. HINSHAW. Does the gentleman understand that on the west coast of the United States we do not know what coal is. All we have there for fuel is oil.

Mr. VAN ZANDT. I do. While the benefits of this amendment would be Nation-wide, it would result in tremendous benefit in my district alone. I think it is safe to say that fully 75 percent of the people in the Twenty-third Congressional District of Pennsylvania are either directly or indirectly dependent upon the coal and railroad industries for a livelihood.

Both of these great industries have been hard hit for a decade. The coal industry has suffered as a consequence of this administration's hydroelectric development program, such as the Tennessee Valley projects and the widespread use of fuel oil. The railroads have suffered in consequence of the development of gasoline-propelled transportation of both passengers and freight.

I am not suggesting that naval vessels use coal. Nor am I asking that passenger liners burn coal. But there is no argument against burning coal in the cargo ships to be constructed

with these funds totaling \$330,000,000. The equipment for burning coal in cargo ships is modern and efficient.

Moreover, this is not a question of sacrificing efficiency to give millions of men and women honest jobs. To build ships now not designed to use coal is to fly in the face of plain economic facts. To do otherwise will prove expensive and destructive in the end.

New processes recently have been perfected whereby petroleum may be refined to a point where 80 percent of high-grade gasoline can be produced and in the refining it is not necessary to produce any fuel oil whatsoever.

It is well known that fuel oil has been sacrificed by the oil industry and sold for any price that it would bring. Under the old refining processes it was necessary to make fuel oil because gasoline had to be made. Under the new processes, it is not.

While it may take perhaps 5 years to get this new process into full swing, it is now an accomplished fact and wisdom dictates that we prepare for that time. When this new process is in general use it is obvious that the price of fuel oil will go to such a level that it would be wholly uneconomical to use it for fuel.

The President and other officials of this administration are constantly harping about private industry taking up the slack to relieve unemployment. How can private industry survive, much less take up the slack, if this administration persists in policies which would destroy entire industries and throw more men and women out of work?

Take the question of labor cost in producing coal and oil, for instance. Today the labor cost in producing a ton of coal is \$1.27, while the labor cost in producing 4 barrels of fuel oil, including its refining, which is the equivalent of a ton of coal, is 68 cents. Therefore the Government itself can help solve the unemployment problem by using coal in its cargo ships.

There is a movement in England to put the merchant marine back on a coal-burning basis to put the miners back to work in Wales. Central Pennsylvania and West Virginia produce the best coal adapted to ships. There is no reason why Congress should not see to it now that these new ships are constructed to burn coal.

Let us use some common sense in this recovery program. Let us pass legislation which will not impose a greater burden on the taxpayers of the Nation, but which will revive two great industries and will not only restore employment of the miners and railroaders but will help save these industries from destruction rather than add to the army of the unemployed.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. RANDOLPH. I just want to ask the gentleman if he will not make a correction. He spoke of the excellency of the coal in Pennsylvania and in southern West Virginia. I think it is unnecessary to jump from Pennsylvania to southern West Virginia, because the northern West Virginia coal is just as good.

Mr. VAN ZANDT. We will correct it to say "West Virginia," because I know of the gentleman's deep interest in the coal industry in all sections of his own State.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. VAN ZANDT. I yield.

Mr. HOUSTON. I appreciate the gentleman's position about coal, but I have an oil district. What am I to do? Move to a coal district?

Mr. VAN ZANDT. I am concerned about the unemployed miners in the Twenty-third District of Pennsylvania.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BLAND. Mr. Chairman, I rise in opposition to the amendment.

Gentlemen, the Maritime Commission, charged with the responsibilities imposed upon it by the Congress, is trying to build up a merchant marine in this country upon the most economical basis and to meet the responsibilities with which they are charged to build up an American merchant marine for national defense and for the promotion of the commerce

of this country. In order to have a merchant marine provided for national defense, we must have the most modern, up-to-date ships, and we must take into consideration the merchant marine of all nations of the world. Insofar as it is possible to use coal, if most economical, I am sure it will be considered, but we must consider the nations of the world which are using oil. I may add that there are oil districts in this country, too. It is not to the interest of our merchant marine that we shall devote these cargo carriers entirely to coal. One of the gentlemen on the minority side asked a few moments ago what would be done on the Pacific coast where there is no coal. That question is peculiarly pertinent. What is to be done with the cargo carriers going to other nations of the world where they cannot get coal? What is going to be the extra expense of building bunkers in the ship to carry the coal to foreign destinations and return, even if possible. What about the space used for coal which will destroy the cargo-carrying capacity?

I wish you could realize what we are up against in fighting the merchant marine of other nations of the world, seeing how Germany and Italy and other nations are driving, in a perfectly proper way, to build their merchant marines. We must meet these nations on an economical basis. We cannot pass upon this question of construction here on the floor of the House, but must leave those questions to the agencies in which we have vested this great responsibility who will try to solve these and other problems so as to reduce the cost to the American people.

I appeal to you to defeat this amendment. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

The amendment was rejected.

The Clerk read as follows:

VETERANS' ADMINISTRATION

Administration, medical, hospital, and domiciliary services: For all salaries and expenses of the Veterans' Administration, including the expenses of maintenance and operation of medical, hospital, and domiciliary services of the Veterans' Administration, in carrying out the duties, powers, and functions devolving upon it pursuant to the authority contained in the act entitled "An act to authorize the President to consolidate and coordinate governmental activities affecting war veterans", approved July 3, 1930 (38 U. S. C. 11-11f), and any and all laws for which the Veterans' Administration is now or may hereafter be charged with administering, \$97,000,000: *Provided*, That not to exceed \$3,500 of this amount shall be available for expenses, except membership fees, of employees, detailed by the Administrator of Veterans' Affairs to attend meetings of associations for the promotion of medical science and conventions of organized war veterans: *Provided further*, That this appropriation shall be available also for personal services and rentals in the District of Columbia and elsewhere, including traveling expenses; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; for expenses incurred in packing, crating, drayage, and transportation of household effects and other property, not exceeding in any one case 5,000 pounds, of employees when transferred from one official station to another for permanent duty and when specifically authorized by the Administrator; furnishing and laundering of such wearing apparel as may be prescribed for employees in the performance of their official duties; purchase and exchange of law books, books of reference, periodicals, and newspapers; for passenger-carrying and other motor vehicles, including purchase, maintenance, repair, and operation of same, including not more than two passenger automobiles for general administrative use of the central office in the District of Columbia, one of which may be replaced during the fiscal year 1940 at a cost, including exchange, of not to exceed \$1,500; and notwithstanding any provisions of law to the contrary, the Administrator is authorized to utilize Government-owned automotive equipment in transporting children of Veterans' Administration employees located at isolated stations to and from school under such limitations as he may by regulation prescribe; and notwithstanding any provisions of law to the contrary, the Administrator is authorized to expend not to exceed \$2,000 of this appropriation for actuarial services pertaining to the Government life-insurance fund, to be obtained by contract, without obtaining competition, at such rates of compensation as he may determine to be reasonable; for allotment and transfer to the Public Health Service, the War, Navy, and Interior Departments, for disbursement by them under the various headings of their applicable appropriations, of such amounts as are necessary for the care and treatment of beneficiaries of the Veterans' Administration, including minor repairs and improvements of existing facilities under their jurisdiction necessary to such care and treatment; for expenses incidental to the maintenance and operation of farms; for recreational articles and facilities at institutions

maintained by the Veterans' Administration; for administrative expenses incidental to securing employment for war veterans; for funeral, burial, and other expenses incidental thereto for beneficiaries of the Veterans' Administration accruing during the year for which this appropriation is made or prior fiscal years: *Provided further*, That the appropriations herein made for the care and maintenance of veterans in hospitals or homes under the jurisdiction of the Veterans' Administration shall be available for the purchase of tobacco to be furnished, subject to such regulations as the Administrator of Veterans' Affairs shall prescribe, to veterans receiving hospital treatment or domiciliary care in Veterans' Administration hospitals or homes: *Provided further*, That this appropriation shall be available for continuing aid to State or Territorial homes for the support of disabled volunteer soldiers and sailors, in conformity with the act approved August 27, 1888 (24 U. S. C. 134), as amended, for those veterans eligible for admission to Veterans' Administration facilities for domiciliary care.

Mr. BLAND. Mr. Chairman, I offer an amendment.
The Clerk read as follows:

Amendment offered by Mr. BLAND: On page 51, line 16, strike out "\$97,000,000" and insert in lieu thereof "\$98,000,000."

Mr. BLAND. Mr. Chairman, my purpose in bringing this amendment before the House is to provide that the United States Government shall do with some of its own employees that which it is trying to get industry to do with its employees. We pass fair standard labor acts and other provisions and at the same time the United States violates every rule and every principle of that act in the veterans' facilities, with its own employees.

When the hearings on this bill were in progress I asked the gentleman from Virginia—and I am not complaining of him at all—if he would interrogate the witnesses before him to know why it was that waitresses, nurses, firemen, chauffeurs, attendants, and other persons are required to work outrageously long hours at these facilities and for unreasonably low pay. In the case of chauffeurs, some of them were required to work for 24-hour stretches. The excuse for that action was that this chauffeur was on a "stand-by" service. In other words, he could lie down, with a phone close by during the night; but if somebody called the chauffeur to take him out to a hospital or for other legitimate purpose, or for any excuse, he would have to go out.

That is not rest. That is violating every 8-hour principle that is known. It is true an attempt is made to justify it in this way. I said if you will go into the wages and hours of these facilities you will find that few industries, if any, against whom the United States is aiming legislation, have as grossly violated the principles the present administration seeks to establish, as does the United States itself.

I have not had this up before with the Appropriations Committee. I brought it up with them for the first time this year. I am not complaining of them. However, personally I had taken the matter up with the head of the veterans' facility in my own district, and the answer was "We do not get enough appropriation." I do not know whether the gentleman from Virginia [Mr. WOODRUM], who has a veterans' facility, find these conditions in his hospital or not; but I have found that they exist in mine. I think they exist generally. If they do not, I wish the discrimination against my institution to cease. If they do exist generally, I desire the conditions remedied as to all.

Mr. Hiller, executive assistant to the Administrator, appeared before the committee. He said they have been trying to put into effect a schedule for an 8-hour day insofar as attendants and nurses were concerned. He states:

We have asked field stations for an estimate of the cost of establishing three shifts a day of 8 hours each, and they have submitted them. We are now analyzing those estimates and testing their accuracy, but they will, of course, call for additional funds.

The same old answer has been given for many, many years. The time has come when we need action. We should stop analyzing, reach a conclusion, submit estimates, and bring in appropriations.

I had a letter today from General Hines with reference to an inquiry submitted to him along this line, and he says:

Concerning the different statements with regard to hours of duty, as you know, the Veterans' Administration is in favor of a minimum straight 8-hour day for all employees of facilities. It

has not been possible, however, to put this into effect generally or at all stations and at the same time render proper care to the beneficiaries over a 24-hour period. In order to accomplish it fully additional funds will be necessary for the purpose of additional personnel, which have been requested in connection with the 1940 estimate.

As I understand it, these are the 1940 estimates we are considering now? I may be mistaken. I ask if they are?

Mr. WOODRUM of Virginia. Yes.

Mr. BLAND. And yet Mr. Hiller says they will not have enough money. The time has come for somebody to act. I do not wish to criticize the Veterans' Administration, but the time has come to stop talking and to do some acting. Probably this additional \$1,000,000 will help take care of some of these people that are working 12 hours and longer a day in these facilities.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. RANDOLPH. I have introduced legislation along the line the gentleman advocates. I hope the Civil Service Committee will approve it. Long hours and the type of work they are engaged in is certain to tax their mental power, weaken them physically, and tear down their nerves.

Mr. BLAND. Of course, it is; and it is not right. They should not be treated this way.

Mr. HINSHAW. Mr. Chairman, will the gentleman bring out the fact that many of these employees have deducted from their subsistence allowance things they do not use?

Mr. BLAND. Absolutely. I did not have time to go into that, but that ought to be mentioned. In other words, they ought not to be made to pay for a meal that they do not eat.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. SHAFER] for 5 minutes.

Mr. SHAFER of Michigan. Mr. Chairman, I ask unanimous consent to include in my remarks a report to the Veterans' Administration.

The CHAIRMAN. The gentleman will have to submit that request in the House.

Mr. SHAFER of Michigan. Mr. Chairman, I rise in support of this amendment merely because it affords me an opportunity to again protest the Veterans' Administration's practice of making compulsory deductions from salaries of low-paid hospital employees for quarters, subsistence, and laundry, regardless of whether these services and facilities are used.

I desire to call attention of this Congress to the fact that some 37,000 employees in veterans' hospitals and facilities are being subjected to these compulsory deductions and that in my district alone it is costing these employees nearly \$16,000 a year. I have in my possession a report of an investigation recently made by my colleague from Michigan [Mr. ENGEL] setting forth this fact. The report, which I will insert in the Appendix of today's CONGRESSIONAL RECORD, further shows that the Veterans' Administration, or Federal Government, has actually profited through these compulsory deductions.

Mr. ENGEL's findings should be studied by every Member of this House and I invite every Member's attention to my extension of remarks. I also take this opportunity to again call attention to a bill, H. R. 2402, now pending before the Committee on World War Veterans' Legislation, which would prevent the Veterans' Administration from continuing its practice of compulsory pay deductions and would also prevent the Administration from charging more than actual cost for quarters, subsistence, and laundry.

The present policy of the Veterans' Administration is manifestly unfair and Members of this Congress should insist that it be abolished. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, this is not a new matter that has come to the attention of Congress. For the last 2 or 3 years the matter has been considered by the Committee on Appropriations and by the Veterans' Administration, and a great deal of remedial action has been taken administratively. The universal rule over the United States in hospitals is for attendants and nurses to work 12 hours a day. There are very few private institutions that have found it possible to establish an 8-hour day for attendants and nurses. The Veterans' Administration is trying to do it, trying to see if it can be worked out administratively.

There is also the question of deductions from the attendants' pay. This committee is just as anxious as any Member of the House to remedy the situation. We called it to the attention of the Veterans' Administration. You will find it in the hearings and even as late as yesterday I talked personally with General Hines about it and was given assurance that administrative action would be taken as quickly as possible to remedy the situation.

It is necessary that some of these attendants live on the station. The Government in some instances has built quarters for them. It is necessary for the attention of the veterans to have nurses and attendants available at all times. An additional appropriation of a million dollars does not affect the situation at all. General Hines told me yesterday they did not need additional money; that they could find the funds in their appropriation. It is purely a question of administrative action. To add a million dollars to this item is purely an idle gesture. We have the word of the Veterans' Administration that it will correct this situation as fast as it can be done administratively. I hope the committee will not add on another million dollars for this purpose.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. This is a matter I have taken up with the Veterans' Administration for a number of years, and I fear it is necessary that the House take action in order to get the Veterans' Administration to do anything.

Mr. WOODRUM of Virginia. If you put \$10,000,000 in here, it will not make the Veterans' Administration issue an administrative order.

Mrs. ROGERS of Massachusetts. I think it would help.

Mr. WOODRUM of Virginia. The committee has accomplished a great deal in this connection, and if the gentlewoman from Massachusetts has informed herself, she will find they have accomplished a great deal in remedying this situation. More will be accomplished later. But just sticking money in here does not affect them at all. It requires administrative action, unless the Congress wants to pass an organic law to require the Veterans' Administration to do so.

Mrs. ROGERS of Massachusetts. It would be notice to the Veterans' Administration that that should be done.

Mr. DIRKSEN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Illinois.

Mr. DIRKSEN. It has been definitely inaugurated in a number of hospitals already, has it not?

Mr. WOODRUM of Virginia. Yes.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

The amendment was rejected.

The Clerk read as follows:

Total, Veterans' Administration, \$561,093,000: *Provided*, That no part of this appropriation shall be expended for the purchase of oleomargarine or butter substitutes except for cooking purposes.

Mr. ALEXANDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday the statement was made in the House in connection with the consideration of this bill that the veterans have the most liberal insurance privilege of any

American citizen. I take issue with that statement and I will try to prove that the veteran who is insured under the War Risk Insurance Act of 1917 and 1918 has anything but the most liberal insurance privilege of any American citizen.

At the department convention of the American Legion of Minnesota last August, that department adopted the following resolution, which I will read, in part:

That Congress investigate the insurance section of the Veterans' Bureau with a view to determining the equity of the present cost to the veteran; that the policies be changed to provide that the insurance will not lapse for nonpayment of premiums as long as the loan value is sufficient to pay such premiums; that the interest rate be reduced to not more than 3 percent, and that such reduction be made retroactive to the date the loans were made; that the nonassignable clause in the policy be removed and that the veteran be given full control over its disposition.

Mr. Chairman, in connection with the hearings held on this resolution at our department convention, facts were offered showing that the veterans are paying in many cases as much or more for Government insurance than they would if they had similar insurance in old-line insurance companies. I know from my own experience that is the case.

It will be remembered that at the time of the World War some 4,700,000 veterans were induced to take this insurance on the basis of the claim made at that time that it would be at cost; there would be no salesman's commissions, no doctor's fees, no office overhead, or expense of any kind, but notwithstanding those savings, so inefficiently, it is felt in many quarters, and although the Bureau is a paragon of efficiency in most respects, so inefficiently has the insurance division of the Veterans' Administration handled the insurance section for the World War veterans that the cost to them is now equal to or in excess of that being paid on ordinary insurance taken out in private concerns.

You can borrow money from the banks in my State for 5 percent. You cannot borrow money of the Government on your Government war-risk insurance at less than 6 percent. Why? It is because of one reason mainly. There is a non-assignable clause in these Government insurance policies, as pointed out in this resolution. Is there justice in that sort of treatment of these men and women who have carried this insurance throughout the long years since the World War, and especially since the Government's money cost is less than 3 percent?

May I ask further: If this insurance is such a wonderful thing, if it is such a great privilege and benefit, and if it is such a liberal proposition, then why have only 602,614 of the nearly 5,000,000 policies been retained? Why is there only \$2,569,240,190 worth of the approximately \$50,000,000,000 of potential insurance, which was or which might have been placed on the Government books in 1917 and 1918, to be found in force at this time?

Mr. VAN ZANDT. Will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true many veterans who hold their war-risk insurance today, converted of course, have borrowed the limit on their policy and are unable to repay the loans to the Federal Government, not only by reason of the rate of interest but also by reason of unemployment?

Mr. ALEXANDER. Yes. That is another point I wish to cover.

[Here the gavel fell.]

Mr. VAN ZANDT. Mr. Chairman, I ask unanimous consent that the gentleman from Minnesota may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ALEXANDER. You hear a great deal in this House about the economic royalists and about the unemployed, but you hear very little about the 75 or 80 percent of the people, the great middle class of this Nation, like these 602,614 veterans who are carrying this insurance. I say "like these veterans" because, to my mind, they represent, not the economic royalists and not the unemployed but the good, self-

respecting, hard-working people who are trying to set up a little estate for themselves to provide for their families and to protect themselves against Government dependency; yet, notwithstanding this highly laudable desire on their part, instead of being encouraged they are being discouraged; they have been forced to pay 6 percent on their Government insurance policies and to pay as much or more for this insurance as they would if they had taken the insurance in the beginning from private insurance corporations, because this highly inefficient Government insurance agency has taken advantage of their liberality and their trusting natures.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that the old-line companies are reducing their rate of interest to 5 percent?

Mr. ALEXANDER. I do not know as to that, I may say to the gentleman, but I do know that I could borrow money at 5 percent on my name in my bank in my city, and I could borrow money at that rate on my insurance policy if this nonassignable proviso were not included. Why should we be forced to pay 6 percent?

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Kansas.

Mr. HOUSTON. Have organized efforts ever been made by ex-service organizations to have the Veterans' Administration adopt such a plan?

Mr. ALEXANDER. There have been many attempts, but not of a systematic, well-organized nature.

Mr. HOUSTON. Is the 6-percent feature in the organic law?

Mr. ALEXANDER. The law was set up that way originally, as I understand.

Mr. VAN ZANDT. If the gentleman will yield so I may answer the question of the gentleman from Kansas, I may say the organized veterans at the present time have presented to the Committee on World War Veterans' Legislation a proposal that will reduce the rate of interest from 6 percent to as low as 3½ percent if my memory serves me correctly.

Mr. HOUSTON. I hope such a proposal is adopted.

Mr. ALEXANDER. A bill has already been introduced in this session of Congress with the aim of reducing the interest rate on Government loans on war-risk insurance policies to 3½ percent. When this measure comes before the House, as I hope it will in the near future, I trust you will give it very careful and conscientious consideration. [Applause.]

Mr. Chairman, I submit herewith for inclusion in the Record the insurance resolution of the Department of Minnesota, American Legion, above referred to, together with some of the evidence supporting that resolution:

1. That Congress investigate the insurance section of the Veterans' Bureau with a view to determining the equity of the present costs to the veteran.

2. That the policies be changed to provide that the insurance will not lapse for nonpayment of premiums as long as the loan value is sufficient to pay such premium.

3. That interest rates be reduced to not more than 3 percent, and that such reduction be made retroactive to the date the loans were made.

4. That the nonassignable clause in policy be removed, and that the veteran be given full control over its disposition.

5. That the insurance division of the Veterans' Bureau be requested to improve the service in general and place it on a plane more comparable to that rendered by commercial insurance companies.

The foregoing was adopted by the convention delegates as part of the rehabilitation program for 1938. The full text of the insurance resolution follows:

Whereas there has been a growing dissatisfaction among those World War veterans who are carrying converted Government insurance based on costs, types of policy, interest notes on loans, and service in general; and whereas some posts have made a study of the reasons underlying these dissatisfactions and find as follows:

1. Annual costs: That the net annual cost of the Government insurance is higher than seems reasonable when it is considered that there are no agents' fees to be paid, and that the Government is supposed to pay all operating costs. We find that for some classes of policies the costs are about the same or even a little higher than those of some of the larger insurance companies.

One individual case investigated reveals that the veteran took out a \$10,000 straight life policy at the age of 47 for which the

annual premium, based on quarterly payments, is \$31.60 per \$1,000. Inasmuch as the policy does not and has not for many years paid a dividend, this \$31.60 represents the net cost per thousand.

At the same age (47) the veteran took out a \$2,000 policy in one of the larger mutual companies on which he pays a quarterly premium of \$21.08, or \$42.16 per \$1,000 per year. However, this latter policy has consistently paid an annual dividend of about \$10.50 per \$1,000, making the net cost approximately \$31.66 per \$1,000, or the same as the Government.

Both policies have a permanent-disability clause and are very comparable. The premium of the old-line policy is sufficient to pay all agents' fees, overhead, etc., that are not required of the Government premiums.

2. Lapses: The policy contract is such that the insurance lapses if the premium is not paid before the end of the 31-day grace period, even though there may be a substantial loan value. The policy referred to under paragraph 1 and most all other policies issued today provide that the insurance will not lapse for nonpayment of premium as long as there is sufficient loan value to meet the premiums. In case of nonpayment the loan is made automatically.

We have knowledge of numerous cases where this feature has saved policies during the depression. The Government contract could and should incorporate this feature without adding to the cost.

3. Interest rates: The contract provides that loans shall be at a rate not to exceed 6 percent compounded annually. No minimum interest rate is specified. We fail to find any case where less than the maximum rate of 6 percent has been and is being charged.

The World War veteran being no different from the cross-section average of American citizenry, has suffered from the depression of the last decade and the collapse of values just as have the others. Many, yes most, with or without employment, have been forced to borrow money to keep off of relief rolls as long as possible and to protect investments.

Many policies are rapidly becoming valueless due to the accumulation of interest at this high rate. Many veterans' families, for whom the veteran has earnestly attempted to provide an estate, are going to be left destitute and to the mercies of charity.

The Government has adopted the policy of lending money to others in distress at substantially lower rates and on security that is frequently of a doubtful nature, and we see no reason why the rates to veterans on such gilt-edge security should not be retroactively reduced to around 2½ or 3 percent.

Inquiries made regarding high rates of interest now charged have been met with the argument that this rate increases the dividend, that the policyholder himself is the beneficiary; and that it is a good thing in that it discourages borrowing. In view of the very small dividend paid (on such policies as are paying anything and to the large number that are paying no dividend at all) we believe this argument to be without merit. Further assuming that it has some merit, we do not believe that any veteran wishes to be the recipient of dividends for which a comrade is penalized.

4. Nonassignable clause: The policy contains a provision that it cannot be assigned, which makes it useless as security for loans from banks or other institutions that would be glad to make loans at rates less than 6 percent, even as low as 4 percent.

We are told by representatives of the Veterans' Bureau that this is in the interest of the veteran in that it discourages borrowing, and that it protects the veteran's family by preventing the veteran from assigning his policy and losing it.

This paternal interest may have been proper 20 years ago, when many of us were young and inexperienced. But in our now mature years it would seem that the veteran should have fuller control over his own affairs.

We have knowledge of cases where, had the Government policies been assignable, loans made from the Government could have been negotiated at banks at a lower rate. Further, from such inquiries and observations as we have made, we find that loans made locally with a definite maturity date are more frequently finally paid than are those made from the Government or insurance companies.

5. Service in general: Investigation of complaints of poor service has revealed cases where it has taken months for veterans to secure insurance. There are cases where policies have lapsed because premiums were received by the Bureau a few days late and the veteran did not receive notice of such lapse until 30 or 60 days later.

We see no reason why such conditions should exist and why the veteran should not reasonably expect to receive the same prompt and efficient service from the Veterans' Bureau as he gets from other insurance companies.

Mr. IZAC. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, in connection with the matter just brought to your attention by the gentleman from Minnesota, I can tell you why and how it happens that the veterans who have converted their insurance are unable to borrow money on their policies at less than 6 percent.

In 1919, after the war, we were all privileged to convert our insurance. The commercial companies saw to it that the Government insurance policies were not too lenient with the veterans; in other words, they saw to it that the same type of insurance policy was offered to us that they could offer us in civil forms of insurance. Now, about one-third of

the 600,000 veterans who have converted their insurance have borrowed on their policies. The gentleman from New York [Mr. FISH] has introduced a bill to reduce the rate of interest on such loans from 6 percent to 3½ percent. I hope this bill comes before the Congress, because I believe if we cannot get 3½ percent, the rate of interest should be reduced to at least what the farmers have to pay, approximately 4 percent.

The Veterans' Administration has nothing to do with this situation at the present time. Under the law, the Veterans' Administration cannot change that rate of interest, so I believe it is up to the Congress to take the law in its hands and pass some measure that will provide better treatment for the veterans. It seems we are paying now a high enough rate of interest to reimburse the Treasury of the United States for considerably more than we are giving the veterans who are unable to convert their insurance in connection with the bill we passed last year continuing term insurance for another 5 years. There is no reason why the Treasury of the United States should profit by the payment of this exorbitant rate of interest by the veterans.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Let me say to the Members of the House that this question is now being considered by the Committee on World War Veterans' Legislation. The representative of the American Legion, testifying before the committee this morning, suggested a reduction of the rate of interest on these insurance loans from 6 percent to 5 percent. As chairman of the committee, and without attempting to commit any of the other members of the committee, I suggested to him that the rate might be lowered to 3 or 3½ percent.

I believe it was in connection with loans of the Rural Electrification Administration that we had some difficulty a year or two ago in fixing the interest rate. My recollection is that we finally agreed to base the rate on the rate of interest the Government had to pay for money the year before. As a result, we got the rate down to 3 or 3½ percent, as I recall. It might have been the Electric Home and Farm Authority that was involved instead of the Rural Electrification Administration, but it was one of those agencies.

If the Government can borrow money at 2½ percent or 3 percent, I see no reason why the Government should charge the veterans more than one-half of 1 percent, or certainly not more than 1 percent more than the Government has to pay for its money.

I am unwilling to let the old-line insurance companies set the pace. It has been argued that we ought to keep up with them and let them fix the interest rates. The trouble is now that we have let the money changers fix the interest rates of this country too long. It is time for the Congress of the United States, representing the American people, to take steps to bring interest rates down.

I do not know what kind of legislation we can bring out, and I do not know what kind of legislation we can get passed and approved, but I do wish to say that this matter will be carefully considered by the Committee on World War Veterans' Legislation and that we will do the very best we can. My opinion is that the Government should pay the administration expenses of the Veterans' Administration and not charge that expense up to the veterans who have to borrow on their insurance policies. If that is done, I feel confident that this interest rate can be reduced to at least 4 percent and probably to 3½, or maybe 3 percent.

[Here the gavel fell.]

The pro forma amendments were withdrawn.

The Clerk read as follows:

HOME OWNERS' LOAN CORPORATION

Not to exceed \$24,500,000 of the funds of the Home Owners' Loan Corporation, established by the Home Owners' Loan Act of 1933 (48 Stat. 128), shall be available during the fiscal year 1940 for administrative expenses of the Corporation, including personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821-833);

expenses (not to exceed \$5,000) of attendance at meetings concerned with the work of the Corporation when specifically authorized by the Board of Directors; printing and binding; lawbooks, books of reference, and not to exceed \$500 for periodicals and newspapers; procurement of supplies, equipment, and services; maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, to be used only for official purposes; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; rent in the District of Columbia and elsewhere; use of the services and facilities of the Federal Home Loan Bank Board, Federal home-loan banks, and Federal Reserve banks; and all other necessary administrative expenses: *Provided*, That all necessary expenses (including services performed on a force account, contract or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to the Corporation or in which it has an interest, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That except for the limitations in amounts hereinbefore specified, and the restrictions in respect to travel expenses, the administrative expenses and other obligations of the Corporation shall be incurred, allowed, and paid in accordance with the provisions of said Home Owners' Loan Act of 1933, as amended (12 U. S. C. 1461-1468).

Mr. SUTPHIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUTPHIN: Strike out lines 20 to 25, inclusive, on page 57, all of page 58, and lines 1 to 4, inclusive, on page 59.

Mr. SUTPHIN. Mr. Chairman, the Home Owners' Loan Corporation was organized for the finest purpose in the world: to save the home of the distressed home owner. They made more than 1,000,000 loans. They loaned more than \$3,000,000,000. At the present time they have had to take over approximately 114,000 properties. They bailed out the insurance companies, the banks, building and loan associations, and other lending agencies, but at the present time they are nothing more than a collection agency with a property management division. There are two different departments here in this city that have fully equipped collection agencies with property management divisions that are able to take over the functions of this Department at the present time.

We have heard a lot said about favoring economy. Here is an opportunity to save \$24,500,000 by not giving it to a bureau that is performing work than can be performed by other agencies already established. By supporting this amendment you will save the Government that much money. We have heard a great deal about reorganizing the Government. Here is an opportunity to reorganize by legislation, and I hope you will support the amendment.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 15 minutes, and I would like to have 2 minutes of the time myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, the gentleman from New Jersey [Mr. SUTPHIN] and I are seldom apart on questions, and it is rather difficult for me to take issue with him on this particular question, but I am forced to do so.

The Home Owners' Loan Corporation is something more than a collection agency. It supervises \$4,750,000,000 worth of bonds, fully guaranteed both as to principal and interest by the Federal Government. It supervises \$100,000,000 of capital which it has invested in the Federal Savings and Loan Insurance Corporation, and it supervises the \$300,000,000 which was set aside for purchasing the bonds and debentures and the notes of the Federal home-loan banks, shares of the Federal Savings and Loan Associations, and shares of the members of the Federal Home Loan Bank System.

Mr. SUTPHIN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I only have 3 minutes.

Mr. SUTPHIN. The gentleman is referring to the Home Owners' Bank Board?

Mr. WOLCOTT. I am referring to the Home Owners' Loan Corporation, the H. O. L. C.

There is no agency which is set up which can take over without a great deal of expense to the Federal Government the activities of the Home Owners' Loan Corporation. They have innumerable offices throughout the United States.

I think the Home Owners' Loan Corporation has done a very fine job in the face of almost insurmountable obstacles. We set up the system as an adjunct to certain credit facilities to save the homes of distressed people. It has done a splendid job. We laid out a plan for them, and they have followed it. We virtually wrote the policy under which they would operate. If there is any question about efficiency in the operation of Home Owners' Loan Corporation, we have got to share the responsibility for it. So far as the personnel of the Board is concerned, and I believe a large majority of the employees, it is probably one of the most efficient agencies of the Federal Government.

In my personal estimation, the Home Owners' Loan Corporation comes next, perhaps, to the Reconstruction Finance Corporation in the efficiency of its administrative functions and its desire to do the job as we laid the job out for it to do.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. O'CONNOR. Mr. Chairman, we all recall that the Home Owners' Loan Corporation was created in June 1933 for the purpose of extending a helping hand to those millions of home owners who were unable to obtain refinancing through private sources because of the conditions which then existed. Having quickly geared itself to cope with the millions of applications which flooded its offices, it emerged at the end of its refinancing period 3 years later, in June of 1936, with a total of over 1,000,000 mortgage loans. Since that time it has been engaged in the task of servicing and liquidating these million mortgage loans. Some idea of the vast responsibilities which are involved in such a gigantic operation will be apparent to you from reading the recent report covering the hearings before the subcommittee of the Committee on Appropriations of the House during its consideration of the bill now before us. The difficulties inherent in the necessity of adequately reservicing its outstanding loans in the economic management and resale of the properties it has been forced to acquire, and in carrying out the financial and administrative processes of its organization all require continuance of control in those hands which have become thoroughly familiar with these problems by actual contact.

Throughout its operation the Corporation has shown and is continuing to reveal a record of efficiency, economy, and competency unusual in the annals of public service.

Those charged with its control have evolved and are practicing policies which show every consideration to the distressed home owners with whom they are required to deal. Its million borrowers have become thoroughly familiar with these policies and know where they stand and on what they can rely in the difficult process of paying off the obligation in their hands.

A far-sighted plan for the disposition of those properties which it finds it necessary to acquire is now in operation. The financial affairs of the Corporation and the billions of dollars in bonds which are in the background are being ably controlled by those trained to the task.

Into this picture, it seems highly inadvisable to introduce the extensive new complications which necessarily must come with any change of control.

Any such move will add new uncertainties and disturbing factors to many phases of both the internal set-up of the corporation and the national picture. It will increase the anxieties of its million borrowers and leave them facing all the possibilities which are inherent in any change of control. It will produce an adverse effect upon the financial markets of the Nation. It will immediately interfere with the efficient discharge of the Corporation's functions by causing its loyal and hard-working employees to anticipate such changes in their jobs as may be brought about by the change in con-

trol. The legal complication and the additional involvements which such a change will bring about in the titles of a million parcels of real estate should be the cause of grave concern.

It seems to me that to advocate a step which necessarily involves all these undesirable consequences would seem to be justifiable only were there a present evil which required a drastic remedial step. But I can see none in the record. The closest scrutiny has revealed that the Corporation, both in its past and present operation, has conducted its affairs in a manner which would compare favorably with the record of any private corporation throughout the country. Its heads have demonstrated unusual ability to foresee and deal wisely with all its problems and have a record of efficiency that can meet comparison anywhere and a tendency toward economy that is unparalleled in an organization of its kind.

I want to stress the thought that we all bear foremost in mind the fact that although the Corporation is in liquidation it is still a vast and going business enterprise, and I wish to urge that no change, such as that proposed, be introduced into its future so as to unnecessarily imperil its course toward final liquidation. [Applause.]

Mr. McDOWELL. Mr. Chairman, on February 6, in the county of Allegheny, which includes the city of Pittsburgh, Pa., there were apparently a large number of foreclosures of homes by the Home Owners' Loan Corporation. The reason for the foreclosures was, of course, the inability of the former owners of these homes to meet either the interest or the principal on their loans.

Over the week end in Pittsburgh I was besieged by these unfortunate citizens to do something to save their homes. There is a gradually growing impression in the United States that the Government of the United States itself, through the Home Owners' Loan Corporation, has become the most vicious shylock in the Nation's history.

This H. O. L. C. was created by the Congress to save the distressed home owners of the Nation, the homes that many of them have spent their lifetime in acquiring. Agents and officials of the H. O. L. C. have since its creation given the impression to the home owners, many thousands of them unemployed or receiving such small pittances from private industries that they could not maintain their homes, that the kindly hand of Uncle Sam would be extended to assist them. Let it be known that this kindly hand has become a clutching hand; that the United States is now the largest owner of repossessed small homes in the Nation; that thousands of men, women, and children are being kicked out of their homes all over the Nation in a manner that would shame even the Irish landlords of infamous memory.

I have in my possession notices of foreclosures of those Pennsylvania homes signed by James M. Guffey, 2d, of Pittsburgh, foreclosure attorney for the H. O. L. C. We have been told countless times in Pennsylvania that the very name signed to these eviction notices stands for charity, understanding, and compassion for the poor and the oppressed. On the other hand, we know that the name stands for complete governmental generosity here in Washington.

Our small-home owners in Pennsylvania have been tricked into the belief that the H. O. L. C. would save their homes; now they know the bitter fact that the cold and calculating, steely eyes of Uncle Sam are just as relentless in their demands for his pound of flesh as any of the fabled bankers of Wall Street. If we could transfer this relentless capacity for collecting what is due the United States from thousands of small-home owners of the country to those European powers who owe us billions of dollars, and about which we send polite notes, the American people would be greatly benefited in both respects.

My colleagues, I am bringing you the emphatic protest of thousands of Pennsylvanians who want this vicious practice stopped and who want the H. O. L. C. investigated, reorganized, or abolished.

On March 4, 1933, on the steps of this very building, almost the first words uttered by the incoming administration were those denouncing the money changers in the temple. Mr.

Chairman, Members of the Congress, I invite you to look around among our Government bureaus and get a short-range view of the money changers. Despite all declarations to the contrary, they are still sitting right here with us in the temple. It is time we did a real job of kicking them out. [Applause.]

Mr. WOODRUM of Virginia. Mr. Chairman, the statement that the United States Government is a heartless Shylock is so ridiculous and fantastic when compared with the actual fact that it is hardly necessary to answer the insinuation. From the time when the Home Owners' Loan Corporation was established until it ceased functioning on June 12, 1936, it had made loans to 1,017,000 home owners who could not secure relief from the banking institutions in the United States aggregating the sum of \$3,000,000,000. Subsequent loans incurred increased that amount to \$3,146,000,000. The Home Owners' Loan Corporation has made marvelous collections on these loans, but has had to repossess 14 percent of its loans, which is substantially more than any other lending company in the United States. They have a record that cannot be met or challenged by any private lending concern in the United States, notwithstanding the fact that they were called upon to do business with a crowd of American citizens who were down and out because of economic disaster, and not in a single instance has that Corporation ever foreclosed upon any citizen where there was the slightest chance of his ever being able to pay up the funds. Gentlemen should bear in mind that Congress created this agency to make loans and not hand out gratuities, and if Congress wants to amend the law to give back the interest and wipe out the debt that is one proposition; but as the law stands today they are loans, and as the record stands today they have an unsurpassed record. I hope the amendment will not be agreed to.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. SUTPHIN) there were—ayes 11, noes 63.

So the amendment was rejected.

The Clerk read as follows:

FEDERAL HOUSING ADMINISTRATION

Not to exceed \$9,000,000 of the mutual mortgage insurance fund and \$3,500,000 of the funds advanced by the Reconstruction Finance Corporation to the Federal Housing Administration, created under authority of the National Housing Act of June 27, 1934 (48 Stat. 1246), in all \$12,500,000, shall be available during the fiscal year 1940 for administrative expenses of the Administration, including: Personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821-833), but there may be allowed in addition to mileage at a rate not to exceed 4 cents per mile for travel by motor vehicle reimbursement for the actual cost of ferry fares and bridge and tunnel tolls, and employees engaged in the inspection of property may be paid an allowance not to exceed 3 cents per mile for all travel performed in their personally owned automobiles within the limits of their official posts of duty when such travel is performed in connection with such inspection; printing and binding; law books, books of reference, and not to exceed \$1,500 for periodicals and newspapers; not to exceed \$1,500 for contract actuarial services; procurement of supplies, equipment, and services; purchase of one and maintenance, repair, and operation of three motor-propelled passenger-carrying vehicles, to be used only for official purposes; payment, when specifically authorized by the Administrator, of actual transportation expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses to persons serving, while away from their homes, without other compensation from the United States, in an advisory capacity to the Administration; not to exceed \$2,000 for expenses of attendance, when specifically authorized by the Administrator, at meetings concerned with the work of the Administration; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; rent in the District of Columbia and elsewhere; and all other necessary administrative expenses: *Provided*, That all necessary expenses (including services performed on a contract or fee basis, but not including other personal services) in connection with the operation, maintenance, improvement, or disposition of real or personal property of the Administration acquired under authority of title II of said National Housing Act, shall be considered as nonadministrative expenses for the purposes hereof, and shall be paid from the mutual mortgage insurance fund created by said act: *Provided further*, That,

except for the limitations in amounts herein before specified and the restrictions in respect to travel expenses, the administrative expenses and other obligations of the Administration shall be incurred, allowed, and paid in accordance with the provisions of said act of June 27, 1934, as amended (12 U. S. C. 1701-1723): *Provided further*, That not exceeding \$300,000 of the sum herein authorized shall be expended in the District of Columbia during the fiscal year 1940 for purposes of the Public Relations and Education Division.

Mr. WOODRUM of Virginia. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM of Virginia: Page 59, line 6, after the word "exceed", strike out "\$9,000,000" and insert in lieu thereof "\$11,500,000"; and on page 59, line 11, strike out "\$12,500,000" and insert in lieu thereof "\$15,000,000"; on line 11, after the figures "1940", insert the following: "*Provided*, That of such sum of \$15,000,000 the sum of \$2,500,000 shall be available for the remainder of the fiscal year 1939."

Mr. WOODRUM of Virginia. Mr. Chairman, in explanation I will say that, of course, we recall in the case of the Federal Housing Administration that they have their own funds and Congress authorizes an expenditure for administrative expenses. The administrative expenses are running into a deficit, and there is a Budget estimate of \$5,000,000 deficit for the remainder of the fiscal year for the Federal Housing Administration pending before the deficiency subcommittee, but under the present situation it looks as though we would not get another deficiency bill for some 6 to 7 weeks. They are badly in need of an authorization to use their own funds. This amendment would permit the use of half the amount the Budget committee has recommended for the remainder of the fiscal year, until the subcommittee on deficiencies can have a hearing upon the matter. I have shown the amendment to the gentleman from Massachusetts [Mr. WIGGLESWORTH] and the gentleman from Illinois [Mr. DIRKSEN], and I understand that they have no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 3. During the fiscal year ending June 30, 1940, the salaries of the members of the Authority and the Administrator, Civil Aeronautics Authority, of the Commissioners of the Interstate Commerce Commission, the Commissioners of the United States Maritime Commission, and the Commissioners of the United States Tariff Commission shall be at the rate of \$10,000 each per annum.

Mr. COCHRAN. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 66, beginning in line 18, strike out all of section 3.

Mr. COCHRAN. Mr. Chairman, this is the section to which I referred in my remarks on Monday and Tuesday that places a limitation on the amount of money appropriated in this bill that can be paid to the members of the Authority and Administrator, Civil Aeronautics Authority, the Commissioners of the Interstate Commerce Commission, the Commissioners of the United States Maritime Commission, and the Commissioners of the United States Tariff Commission.

The gentleman from Virginia, the chairman of this committee, yesterday told the House, in opposing an amendment that had to do with the Civil Aeronautics Authority, that the House, after deliberate consideration, passed the bill organizing the Civil Aeronautics Authority. The gentleman further stated:

I believe every member of the subcommittee was impressed with the ability and sincerity of the people who are operating this department.

Yes; the House did pass that bill; and the gentleman from Virginia [Mr. WOODRUM] voted for it and practically every member of this subcommittee voted for it, if not all. If I am in error, correct me. In that bill you provided a specific salary for the members of that Authority and the Administrator. That was only in the last session of the Congress. The bill,

of course, was brought to the floor by a legislative committee. Now, the Appropriations Committee, through the medium of the Holman rule, seeks to legislate on this appropriation bill by reducing the salaries they voted for last year. That is only one commission that is affected. I named the others a moment ago.

A few years ago Congress created the Maritime Commission. Everyone knows that men who understand ships and shipping laws must of necessity be members of the Maritime Commission. Without such men the Commission would be at the mercy of those having business with it. They are now handling a billion and a quarter dollars, but the big thing they are doing is rebuilding our merchant marine, an arm of our national defense. The Chairman of that Commission is one of the most outstanding naval architects and naval constructors in the United States. He spent many years of his life in the Navy, and after his retirement, instead of going into private industry, he responded to the appeals and accepted this position. At the time, and today, the law provides a specific salary, and now the Appropriations Committee, not the legislative committee, reduces the salary. While this amendment reduces his salary, it is only temporarily, and I will tell you why before I finish.

The gentleman from Minnesota said comparable commissions should all receive the same salary. By no means are they comparable. Anyone who knows anything about the work of the commissions know there is a vast difference. The fact is Mr. Chairman we have other commissions where the commissioners are underpaid. I might mention the Federal Trade and Water Power Commissions.

I cited in the RECORD on Monday six unanimous decisions of our courts, four by the Court of Claims and two by the United States Supreme Court, wherein they held that the fact that the Congress of the United States did not appropriate sufficient money to pay the salary of the official, when the salary was fixed by organic law, did not relieve the Government of the United States from its obligation to pay that salary. In every case the court permitted the official to recover, and they came back to Congress with the request for money to pay the claims, and the Committee on Appropriations appropriated the money; not only the salary, but also interest on the unpaid amount.

I am going to cite those decisions again.

The citations are:

Robert M. Danford against United States, Court of Claims Reports, 51, 61, page 286: Court held plaintiff was entitled to recover. As commandant of Military Academy, statute provided he was to receive pay of a lieutenant colonel. For 2 years pay was reduced due to failure of Congress to appropriate sufficient money.

Strong against United States, Court of Claims Reports, 1924-25, page 627: Statute provided that each professor at the Military Academy whose service exceeds 10 years shall have pay and allowance of colonel. Court held pay and allowance fixed by law and while Treasury could not pay until necessary appropriation was made, the liability of the United States to pay exists independently of the appropriation and may be enforced by proceedings in the Court.

United States against Laughton, United States Reports, October term, 1885-86, page 389: Court of Claims held Laughton, Minister to Haiti, was entitled to salary allowed by law. Government appealed to Supreme Court. Court held in part that, according to the settled rules of interpretation, a statute fixing the annual salary of a public officer at a named sum without limitation as to time, should not be deemed abrogated or suspended by subsequent enactments which merely appropriated a less amount.

James against United States, United States Reports, volume 202, October term, 1905: Charles P. James was an Associate Justice of the Supreme Court of the District of Columbia. After his death administratrix brought suit to recover \$6,688.90, holding judge was paid at rate of \$4,000 per annum while statute fixed salary at \$5,000. Judgment favorable to plaintiff.

In view of the decisions how can anyone say we have a legal right to reduce the salaries without changing the organic law. You might think you save a few dollars here, but in the end, the Congress will be required to not only pay the balance of the salary but interest besides.

Aside from that interest the Department of Justice will employ special attorneys at a high rate of pay to defend the cases for the Government. As each and every one of the officials affected by this provision can, and in time will, go into court and recover the salary the organic law provides they should receive, it is folly to pass this provision.

You know my record in this House in regard to economy, but I insist this is not economy.

This matter should be considered by the various legislative committees, and if, in their judgment, they feel the salaries now provided in existing law are too high, and bring in a bill and justify their recommendation for a reduction, I will support that bill, but I am not going to vote for a provision which the highest court in our land declined to approve on two occasions.

Mr. Chairman, I hope my amendment striking out the paragraph will be adopted. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this amendment be limited to 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope that this amendment will prevail. I listened with a great deal of interest and was almost moved to tears by the earnest, eloquent, and appealing address of the majority leader of this House today in which he urged the Members of the House to stand by the legislative committees and to uphold them in their work. That is what I am asking you to do now. The legislative Committee on Merchant Marine and Fisheries considered the question of salaries when it framed the bill creating the Maritime Commission. The other committees did the same thing as to the agencies created by them. The Interstate Commerce Commission is affected. I submit that their salaries should be restored. I believe that if you had fewer Interstate Commerce Commissioners and better-paid men, the railroads would not be in the jeopardy they are today. [Applause.]

I submit further that when these commissions were considered by the committees the question of salaries was gone into much more fully than could possibly be done by the Appropriations Committee. Whenever the Appropriations Committee wants to sustain its position it asks you to stand by the legislative committee of the House if that is agreeable with their desires. I am asking you to do that now. When we consider the work that has to be done by the Maritime Commission and the extent of its work, and how far-reaching it is, there should be no question about the salaries originally provided. The Maritime Commission is operating a world-wide business. It is in competition with the nations of the world. It must know the rules and regulations. The same is true of the Aeronautics Commission. The Interstate Commerce Commission is concerned with all the problems of the railroads, and they are very grave. Let us not be picayunish in reducing these salaries, but keep them at the figures the legislative committees said should be paid.

I appeal to the House to pass this amendment.

Mr. SCHAFER of Wisconsin. Does not the gentleman think that if we raise the salaries of the Interstate Commerce Commissioners we would be able to get better men than Amle, of Wisconsin, on the Commission?

Mr. BLAND. I have my own views. I would not vote to confirm Mr. Amle.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Chairman, the Merchant Marine Act of 1936 was reported to this body by the Committee on Merchant Marine and Fisheries, of which I am a member. Long and exhaustive hearings were held on this most important bill and a great deal of care and consideration was given to the section fixing the salaries of the members of the Commission.

The Maritime Commission has a great executive as well as financial responsibility. I have always been in favor of economy in Government, but I sincerely feel it is a mistake to reduce the salaries of members of this Commission.

It is estimated that it will cost \$1,250,000,000 to rehabilitate our merchant marine, one of the most important links in the chain of our naval national defense. The Maritime Commission, whose salaries you would reduce from \$12,000 to \$10,000, have absolute control over this enormous fund.

The Merchant Marine Act of 1936 fixed the maximum salary of \$25,000 a year for the presidents of all Government-subsidized shipping companies. In the pending bill there is a provision to reduce the salaries of the members of the Maritime Commission, which has charge of all Government-subsidized and Government-operated shipping companies from \$12,000 to \$10,000 a year. I submit, Mr. Chairman and members of the Committee, that this is poor economy. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, I agree with the position taken by the gentleman from Missouri [Mr. COCHRAN] and concur in his effort to strike out section 3 of this bill. In taking this position I think I am following the same course I followed this morning when I opposed the amendment offered by the gentleman from New York [Mr. TABER] attempting to strike out the appropriation for the National Labor Relations Board.

Last year we created the Civil Aeronautics Authority. After much discussion and a difference of opinion between the two legislative bodies in the Capitol the salaries were agreed upon at \$12,000 per year. The President offered these positions to the men now occupying them. They accepted them at that salary, and we are breaking faith if we come in now, less than a year after the organizations were created, and reduce their salaries. The same thing applies to the Merchant Marine situation, the Maritime Commission, and to the Interstate Commerce Commission. The legislative acts creating these positions designated a certain salary, and we ought not to break faith with them by simply refusing to appropriate the money which the substantive law calls for and directs the Congress to appropriate.

I cannot see how the Committee on Appropriations can sustain its position in this matter when they opposed the motion of the gentleman from New York [Mr. TABER] to legislate out of existence the National Labor Relations Board. The principle is exactly the same in this case. They are undertaking to change the act creating the agencies by lowering the salaries. The people holding these positions accepted them with the understanding that they were to get the salaries provided in the act creating the agencies, and Congress, in my judgment, ought not to act in this way. If anybody wants to change these salaries, let them introduce a bill to that effect and have it considered by the legislative committee having jurisdiction.

I hope the Committee will vote with the gentleman from Missouri [Mr. COCHRAN] and strike out this section, which ought not to be in an appropriation bill.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from West Virginia [Mr. RANDOLPH] is recognized.

Mr. RANDOLPH. Mr. Chairman, I rise in support of the position taken by the gentleman from Missouri [Mr. COCHRAN]. I also reiterate what has just been said by the gentleman from Georgia [Mr. RAMSPECK].

I should like to direct my remarks, and to invite your attention especially, to the salaries for the members of the Civil Aeronautics Authority. This happens to be the Au-

thority most recently created by the Congress of the United States. It was established in the last session. Many of the Members here present will recall that there was most painstaking consideration and most exhaustive debate upon the subject of the creation of the Civil Aeronautics Authority. The members of this new organization were drafted into most important positions in the Government of the United States. I cannot too strongly say here this evening that they are charged with one of the highest responsibilities that has ever been placed upon any board created by legislative act.

There is a moral agreement with the men who took those positions at the salaries set by Congress, and I am not certain but what beyond the moral agreement and contract there is also a legal agreement which is binding in cases of this type.

Mr. Chairman, I, in closing, say to the members of this committee that, regardless of whether we sit on one side of the aisle or the other, the vote upon this amendment, which is offered by a Democrat, certainly should not be considered in any wise on a partisan basis. Mr. WOODRUM and his committee, I understand, will oppose the contention we make. The members of the Civil Aeronautics Authority are charged with a very heavy responsibility in a specialized field and should receive from the Congress of the United States at this time support from those of us who are interested, as all of us are interested, in a real organization for the development of not alone civil aviation in this Government of yours and mine, but also a meshing of our civil aviation activities into the national-defense program. Aviation is a developing industry in the country. We should do nothing to retard the work of the Authority. We should lend every encouragement. I caution you, and I caution in the fairest spirit, that we make, in my opinion, a grievous error, and one that in the future will be a bad precedent, if today we allow the Appropriations Committee, in the consideration of funds for the various agencies of the Government, to bring here a legislative proposal in effect. I trust that the committee will support the very fair contention in the amendment offered by the gentleman from Missouri. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, the debate so far protesting against these salary cuts has been directed against two commissions that have been in existence but a couple of months. Nobody so far has shed any tears over the Tariff Commission that has had this cut applied to it by the House of Representatives, my beloved friends here, and myself year after year since the Economy Act went into effect. The Interstate Commerce Commission and the Tariff Commission members' basic salaries are \$12,000. We have cut their salaries back every year to \$10,000, and, as I stated, no one has shed any tears.

Mr. COCHRAN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Missouri.

Mr. COCHRAN. I want to say I was the first one to offer an amendment here to reduce the salaries of Government officials, but I found out I was wrong, and I have sense enough when I find out I am wrong to turn around and go the right way.

Mr. WOODRUM of Virginia. I hope the gentleman will turn around and vote against his own amendment, because he is making another mistake.

Mr. COCHRAN. No; because they will recover the money, anyway.

Mr. WOODRUM of Virginia. They will not recover the money.

Mr. COCHRAN. Why not?

Mr. WOODRUM of Virginia. I will show the gentleman in a minute.

Mr. Chairman, I do not want to become personal, and if Congress wants to pay these people \$12,000 a year I do not care, but there is no use getting emotional about it. Let us read the list of the gentlemen on these two commissions. I have before me the Maritime Commission, a splendid, fine aggregation of men.

Before Admiral Land, Chairman, was appointed a few months ago, he received the pay of an admiral in the Navy, \$9,700. Another member is a distinguished former Member of the House who was involuntarily left at home. Another member was an administrative official in another agency. Not one of them, so far as I know, ever received as much as \$10,000 a year, certainly not from the Government.

Let us turn to the Civil Aeronautics Authority. One of the distinguished members, a very able lawyer, was general counsel for another commission and received \$10,000. Another member was an administrator in a department of the Treasury receiving about \$9,000 a year, and so on.

Let us not get emotional about this matter, and conclude that some great injustice has been done. If we are going to put it on the basis of value rendered to the Nation, how are you going to evaluate in dollars and cents the services rendered to the people of the country by some of the men who serve in this body on both sides of the aisle? It is not very complimentary to these two Commissions, the Aeronautical Authority and the Maritime Commission, to say that the members would have taken those jobs only because they would receive \$12,000 a year.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Missouri [Mr. COCHRAN].

The question was taken; and on a division (demanded by Mr. RANDOLPH), there were—ayes 28, noes 65. So the amendment was rejected.

Mr. BLAND. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BLAND: Page 66, lines 21 and 22, strike out the words "Commissioners of the United States Maritime Commission."

Mr. BLAND. Mr. Chairman, I hold no brief for or against the other Commissioners mentioned in this section. They are all entitled to retain the salary of \$12,000 a year prescribed for them in the law creating the Commission. If the salaries are to be changed, the legislative committees ought to change them and not the Appropriations Committee.

I do want to call attention to the services rendered by the Maritime Commissioners. I do not know of any other commission or agency that is running a world-wide business, that must know world conditions, the costs, practices, rules, and regulations of ocean commerce of every maritime nation in the world. That is what the Maritime Commission must do. I do not know of any other body of men who in the very limited time they have occupied office have settled claims against the Government aggregating \$92,500,000 for the small sum of \$7,390,152.20. That is what the Maritime Commission has done.

Mr. OLIVER. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Maine.

Mr. OLIVER. I think a statement, made, perhaps, unconsciously, by the gentleman from Virginia [Mr. WOODRUM] should be corrected at this point. He said that one member of the Maritime Commission, a former Member of this House, was involuntarily left at home. As a matter of fact the man who was a former Member of the House and who is now a member of the Maritime Commission was not a candidate for reelection to the House.

Mr. BLAND. I am very glad to have that correction of Mr. WOODRUM's statement. That was former Member Mr. Moran.

At the time these salaries were adopted, it is my recollection there was before the committee the question of making the Commission a body of seven, with salaries ranging from \$10,000 to \$15,000 or more. It was the judgment of the committee that five men with a salary of \$12,000 a year would offer an inducement to secure better men for this work.

I referred to the work of the Maritime Commission. I resume. Not only does that Commission make settlements but it also must know conference rates and conference agreements affecting our commerce, oceangoing, coastwise, and intercoastal. The Commission keeps in touch almost daily

with the Department of State and with the Interstate Commerce Commission. I shall refer to these services later.

Mr. Chairman, I am afraid that the effort on the part of the Congress today to reduce the salaries of the members of the Maritime Commission will be construed by the other maritime nations of the world as a weakening in our position in support of our merchant marine. I would rather that they remain as they are even if I believed that the salaries were too large than to have it go out to the nations of the world that we are weakening in our determination to have a merchant marine. Our competition is keen today. These men are vested with a great responsibility. They must know the cost of shipbuilding in all other nations of the world. They must know operating differentials in the various services. They are charged with working out these differences in the interest of the American people.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The very sound contention which is made by the gentleman from Virginia in behalf of the members of the Maritime Commission applies with equal force to the specialized gentlemen who are serving on the Civil Aeronautics Authority. It was significant that the gentleman from Virginia failed to read down the list of members of that body.

Mr. THORKELOSON. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Montana.

Mr. THORKELOSON. The Maritime Commissioners are running ships that are owned by the United States Government?

Mr. BLAND. Some of the lines are owned by the United States Government and some are private lines.

Let me say further that we limited the salaries of the men who are to operate the lines to a specific sum, \$25,000 a year, I think, yet all the problems involved in the operation of these lines are to be worked out now by a Commission whose members are to be paid \$10,000 because gentlemen of the Committee on Appropriations, who, I respectfully submit, do not know anything in the world about it, have not fully considered the proposition. Before they try to usurp the functions of the legislative committees let them attend to the responsibilities and functions purely and properly belonging to the Committee on Appropriations. Let us not have these vetoes by the Committee on Appropriations.

Under leave to extend my remarks, I wish to call attention more in detail but by no means completely to the work these men have to do.

Members of the Maritime Commission are charged with responsibilities vital to our national welfare at home and abroad both in peace and war.

In peace: Twenty to thirty millions of our citizens depend directly or indirectly upon our foreign trade. This trade must be carried in ships. Congress has declared that a substantial portion must be carried in ships of United States registry. The Commission is responsible for providing these ships, both in cooperation with private operators and for its own account where necessary, in adequate numbers and proper proportion.

In war: The merchant marine provides the Navy with what is called the "service of supply." Fast, efficient merchant vessels are essential to the proper operation of fighting ships. They feed, fuel, and service them generally in emergencies. Without such an auxiliary, the Navy's usefulness is materially reduced and our "first line of defense" is perilously weakened.

Upon the judgment, experience, and ability of the Commission members depend the achievement of these two paramount purposes.

Shipping is our oldest and most complicated industry. To restore it to its former vigor and to return the United States to a position among the maritime nations commensurate with our importance as a world power involves what may fairly be called one of the major current activities of the Government. Members of the Commission are continually called upon to formulate opinions and judgments involving economic problems, both domestic and international, upon complicated financial questions of substantial magnitude, upon numerous

matters vital to our international trade, and upon legal problems requiring appearance in courts throughout the world. As an example of the latter, it can be said that within a few days the Commission lost one lawsuit in Venice and won another in Ireland, and is at present involved in litigation in Brazil and in Japan.

Upon its creation under the Merchant Marine Act, 1936, the Maritime Commission faced the task of rehabilitating the merchant marine, more than 90 percent of which will become obsolete by 1942. So great had been our decline as a maritime power that our foreign-trade fleet stood fourth in tonnage, sixth in speed, and seventh, or next to last, in age among the principal maritime nations of the world, while the country itself stood second only to Great Britain as a world trader.

The Commission started from scratch. No comprehensive study of the merchant marine had even been made. Therefore, before attempting to work out the complexities which confronted it and the maritime industry, the Commission undertook an exhaustive study.

The questions formulated by the Commission, and for which answers were sought and found, included:

- (1) Should the United States attempt to compete in the international carrying trade?
- (2) What are the requirements of the United States?
- (3) What is the present status of the subsidized merchant marine?
- (4) What should be the policy of the United States?
- (5) What does it cost to maintain an adequate merchant marine in the foreign trade?

Upon the completion of this study in November of 1937, the Commission after long and arduous discussions was ready to begin the major portion of the task delegated to it by the Congress.

It should be said, however, that while this study was going on, the Commission was also engaged in the extremely difficult and trying effort of settling claims approximating \$92,500,000 filed against the Government by reason of the termination of mail-pay contracts as of June 30, 1937. Within 60 days, actual settlement of a major portion of these claims, at something less than 10 cents on the dollar, had been effected, and without interruption of service on subsidized lines. The quality of judgment, of legal skill, and economic and financial knowledge involved in these settlements were of necessity of the highest order. Otherwise, the Government and the merchant marine would have been seriously handicapped and the taxpayers would have stood to lose many millions of dollars. These claims were settled for \$7,390,152.20.

To formulate a replacement program and to effect its systematic and orderly accomplishment, the Commissioners were called upon to acquire an intimate knowledge of both the foreign trade and national-defense aspects of the merchant marine. It was decided informally that the minimum requirements for this systematic and orderly replacement program must involve construction of 50 ships a year for 10 years.

Under the Merchant Marine Act, 1936, the Congress declared that the merchant marine should be "owned and operated under the United States flag by citizens of the United States insofar as may be practicable * * *", which has been interpreted to mean that the Commission must bend every legitimate effort to support and maintain private operation. The successful achievement of this goal alone requires the best brains and judgment in matters economic and legal, which can be brought to the Government service.

Even so, this has been a very small part of the responsibilities resting upon members of the Commission. Once the elements involved in this question in an individual case have been properly assembled, there then arise the intricacies involved in determining the proper construction-differential subsidy to offset the cheaper building costs abroad, and that in turn is followed by the necessity of determining an equitable operating-differential subsidy to bring the American-flag operation as close as possible to economic parity with

the operator's principal foreign-flag competitor. In this way alone, can American standards of living, based on American wages, be maintained among those employed in our merchant marine.

As an example of the far-reaching effects of shipbuilding alone, it can be said, in truth, that into the fabrication of a single substantial vessel go the products of the fields, mines, or factories of practically every State in the Union.

As a concrete example of what the Commission's program means in dollars and cents, it can be shown that between January 1, 1938, and the end of the next fiscal year the Commission's construction schedule will have put into the pay envelopes of shipyard workers approximately \$140,000,000. It will also have resulted in the purchase of material amounting approximately to \$175,000,000, and it will have been the means of paying overhead expenses and profits in the amount of some \$78,000,000.

The administrative ability alone involved in the prudent expenditure of such amounts of money requires business and technical judgment, skill, talent, character, and integrity which cannot be easily found for the Government service.

The records covering earlier administration of our shipping laws indicate somewhat tragically the handicaps, the expense, and the embarrassment which result from incapable management.

The Maritime Commission is subjected to pressures from individuals and groups to perhaps a greater degree from the point of view of their potential effect upon men's judgments than any other independent agency of the Government. For men capable of withstanding these pressures, \$12,000 per year is a modest price.

Aside from the construction and subsidy responsibilities placed upon Commission members, there are very extensive and complicated regulatory functions to be carried out. They have been compared with those exercised by the Interstate Commerce Commission. That comparison fundamentally would seem to end almost at the beginning. It would seem to stand only insofar as it can be said that both agencies derive their regulatory powers through Congress from the same constitutional authority, namely, the interstate- and foreign-commerce clause of the Constitution. While it is true that the mechanics of administering their respective regulatory functions are somewhat similar, the problems to which these mechanics apply are in many ways entirely dissimilar, and in the case of foreign commerce no comparison exists.

While the Interstate Commerce Commission is primarily a regulatory agency, the Maritime Commission exercises its regulatory powers over a considerably wider field and as only one of a series of interlocking responsibilities.

A simple illustration may be drawn concerning the regulatory problems of the two agencies by saying that trains run on rails to which their movement is restricted, and their operation, for purposes of comparison, is limited to the United States. Ships, on the other hand, in endless numbers, can navigate the breadths of the seven seas and under the flags of many nations. That alone inspires far keener and more acute competition among carriers by water than among those by land. Quite different regulatory problems are involved in the two operations.

The Maritime Commission, under the Merchant Marine Act, 1936, is directly charged with obtaining preference for American-flag ships, both as to passengers and cargo. It also must be alert to all discriminations against American-flag ships. These duties frequently involve delicate diplomatic questions upon which sound judgment must be exercised. For this reason a close liaison must, therefore, be maintained with the Department of State and other agencies of the Government involved in activities abroad. This in turn leads other Government agencies to consult the Maritime Commission to obtain its opinions and advice on matters pertaining to international trade and transportation.

An important and little-known Commission activity involves the direction of numerous studies of specialized mari-

time problems and the formulation of recommendations as to solutions for the information and assistance of Congress.

For example, the Commission is at present completing a comprehensive examination into the organization and services of coastwise and intercoastal shipping operators. This study covers their financial set-up, their management, the condition of their fleets, the requirements of their tonnage, particularly from the point of view of obsolescence, as well as their potentialities as naval auxiliaries.

The Commission has recently completed and submitted to Congress an exhaustive report on the training of personnel for our own merchant marine and a thorough examination of the training systems of our principal competitors.

A third study involves disposal of obsolete tonnage. This question, upon its face, would appear fairly simple to resolve. However, it includes aspects of international importance, especially where sale by private companies abroad is contemplated at times of international tension and insecurity.

The above examples, selected at random, appear in isolation to constitute a minor activity of the Commission, but, measured by their ramifications, the results of special studies frequently involve consequences of the utmost importance.

Taking the Commission's duties and responsibilities as a whole, we find that they include, among others, important quasi-judicial functions, very extensive mortgage, banking, insurance, shipbuilding, and purchasing activities, as well as ship operation and the management of terminal facilities.

For men of the character and ability required to assume and discharge such responsibilities as are involved in those activities, considerable financial sacrifice is required in the public interest. While the reward for public service well rendered should not be measured in dollars, this Government should be willing to maintain their compensation at a level as nearly commensurate with the dignity and responsibility of the office as possible.

In closing I wish to say that I am impelled to urge retention of the salaries provided in the act solely by my interest in the merchant marine and by my abiding conviction that the defense of our country in time of war and the promotion of our trade in time of peace are indissolubly associated with the existence of an adequate American merchant marine.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BLAND].

The question was taken; and on a division (demanded by Mr. RANDOLPH) there were—ayes 22, noes 68.

So the amendment was rejected.

The Clerk read as follows:

Sec. 6. No part of any appropriation contained in this or any other act for the fiscal year ending June 30, 1940, shall be available for the payment of enlistment allowance to enlisted men for reenlistment within a period of 3 months from date of discharge as to reenlistments made during the fiscal year ending June 30, 1940, notwithstanding the applicable provisions of sections 9 and 10 of the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922 (37 U. S. C. 13, 16).

Mr. IZAC. Mr. Chairman, I make a point of order against the inclusion of this section in the bill.

Mr. WOODRUM of Virginia. I concede the point of order, Mr. Chairman.

The CHAIRMAN. The point of order is well taken. The provision would come under the Holman rule as a limitation except for the fact that it contains legislation on an appropriation bill. The Chair sustains the point of order.

The Clerk concluded the reading of the bill.

Mr. WOODRUM of Virginia. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LANHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that

that Committee, having had under consideration the independent offices appropriation bill, 1940 (H. R. 3743), had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? The Chair hears none. The Chair will put the amendments en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am.

The SPEAKER. The Clerk will report the motion of the gentleman from New York to recommit the bill.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit the bill to the Committee on Appropriations.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. BENDER asked and was given permission to extend his own remarks in the RECORD.

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks by inserting in the RECORD a letter received from the Public Service Commission of West Virginia relative to the hearings on the independent offices appropriation bill, together with a reply by the Rural Electrification Administration.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter written by my colleague the gentleman from Michigan [Mr. ENGEL] to the Honorable JOHN RANKIN, chairman of the Committee on World War Veterans' Legislation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend in the RECORD my remarks made this afternoon and to include therein an article from the Minnesota Legionnaire.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. STARNES of Alabama. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the president of the American Farm Bureau.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Wednesday next after the disposition of the business on the Speaker's desk and following the legislative program of the day, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?
There was no objection.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 35 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, February 9, 1939, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Thursday, February 9, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building, Washington, D. C.

COMMITTEE ON FLOOD CONTROL

There will be a meeting of the Committee on Flood Control on Thursday, February 9, 1939, at 11 a. m., to consider pending resolutions.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, February 9, 1939. Business to be considered: Continuation of hearing on H. R. 2531, transportation bill. A representative of the American Trucking Association will be the witness.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m. Thursday, February 9, 1939.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Thursday, February 9, 1939, at 10:30 a. m., to hold hearings on the reports on Milwaukee Harbor, Wis., Mississippi River at Cochrane, Wis., and Tacoma Harbor, Wash.

The Committee on Rivers and Harbors will meet Friday, February 10, 1939, at 10:30 a. m., to hold hearings on the report on the New Jersey Intracoastal Waterway.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Tuesday, February 21, 1939, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

403. A letter from the Attorney General of the United States, transmitting a draft of a proposed bill to prohibit

reproductions of official badges, identification cards, and other insignia; to the Committee on the Judiciary.

404. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to provide for the reimbursement of certain personnel or former personnel of the United States Navy and United States Marine Corps for the value of personal effects destroyed as a result of a fire at the Marine Barracks, Quantico, Va., on October 27, 1938; to the Committee on Claims.

405. A letter from the Secretary of War, transmitting a draft of a joint resolution relating to the celebration of the twenty-fifth anniversary of the opening of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

406. A letter from the Acting Secretary of the Interior, transmitting a draft of a proposed bill to afford relief to certain employees and disbursing officers in the Indian Service; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 1807. A bill to amend section 798 of the Code of Law for the District of Columbia relating to murder in the first degree; without amendment (Rept. No. 28). Referred to the House Calendar.

Mr. JONES of Texas: Committee on Agriculture. S. 660. An act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for the reapportionment of cotton acreage allotments not planted by farmers entitled thereto; without amendment (Rept. No. 30). Referred to the House Calendar.

Mr. JONES of Texas: Committee on Agriculture. H. R. 3800. A bill to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended; without amendment (Rept. No. 31). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 3791. A bill to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress; without amendment (Rept. No. 32). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 2261. A bill to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department; without amendment (Rept. No. 29). Referred to the Private Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2241) granting a pension to Conrad F. Korthanke; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2275) granting a pension to Luther Skaggs; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2284) granting a pension to Richard J. Huss; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2285) granting a pension to Maud Patterson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3680) granting a pension to Roxie Francis Coffey and Barbara Coffey, minor children of John Coffey; Committee on Invalid Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 3771) granting an increase of pension to Robert Goodman; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H. R. 3934. A bill to provide for a more permanent tenure for persons carrying the mail on star routes; to the Committee on the Post Office and Post Roads.

By Mr. BLAND:

H. R. 3935. A bill to amend section 1 of the act of March 24, 1937, as amended, relating to discharge of seamen (U. S. C., 1934 edition, Supp. IV, title 46, secs. 643 and 643a); to the Committee on Merchant Marine and Fisheries.

By Mr. CRAWFORD:

H. R. 3936. A bill to amend section 247 of the Code of Law of the District of Columbia; to the Committee on the District of Columbia.

By Mr. FLANNERY:

H. R. 3937. A bill to recognize seniority of service in promotions and assignments of clerks in first- and second-class post offices; to the Committee on the Post Office and Post Roads.

H. R. 3938. A bill to create a United States Civil Service Board of Appeals; to the Committee on the Civil Service.

H. R. 3939. A bill to extend the provisions of the civil-service laws to certain positions in the Department of the Treasury; to the Committee on the Civil Service.

By Mr. GORE:

H. R. 3940. A bill to amend section 13 (a) of the act approved June 25, 1938 (52 Stat. 1069), entitled "Fair Labor Standards Act of 1938"; to the Committee on Labor.

By Mr. HAVENNER:

H. R. 3941. A bill to authorize the erection of additional facilities at the existing Veterans' Administration facility, Fort Miley, Calif.; to the Committee on World War Veterans' Legislation.

By Mr. LUTHER A. JOHNSON:

H. R. 3942. A bill to provide for the distribution to needy persons of articles manufactured from certain cotton owned by the United States; to the Committee on Agriculture.

By Mr. KNUTSON:

H. R. 3943. A bill to increase the tariff on turnips and rutabagas; to the Committee on Ways and Means.

By Mr. LEMKE:

H. R. 3944. A bill authorizing the county of Grand Forks, N. Dak., to construct, maintain, and operate a free highway bridge across the Red River near Crookston, Minn., and Thompson, N. Dak.; to the Committee on Interstate and Foreign Commerce.

By Mr. MARTIN of Colorado:

H. R. 3945. A bill to authorize the use of War Department equipment for the Confederate Veterans' 1939 reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939; to the Committee on Military Affairs.

H. R. 3946. A bill to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, and for other purposes; to the Committee on Naval Affairs.

By Mr. O'TOOLE:

H. R. 3947. A bill to amend the Federal Housing Act, and for other purposes; to the Committee on Banking and Currency.

By Mr. RANDOLPH:

H. R. 3948. A bill to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted; to the Committee on the District of Columbia.

H. R. 3949. A bill to amend section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes"; to the Committee on the District of Columbia.

H. R. 3950. A bill to amend paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, and for other purposes; to the Committee on the District of Columbia.

By Mr. SMITH of Ohio:

H. R. 3951. A bill to amend the act entitled "An act to prohibit the movement in interstate commerce of adulterated and misbranded food, drugs, devices, and cosmetics, and for other purposes, approved June 25, 1938"; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Washington:

H. R. 3952. A bill to provide for the construction of a post-office building at Elma, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. VAN ZANDT:

H. R. 3953. A bill granting pensions and increases of pensions to veterans of the Regular Establishment; to the Committee on Invalid Pensions.

By Mr. CANNON of Florida:

H. R. 3954. A bill to modify the project for improvement of Palm Beach Harbor, Fla.; to the Committee on Rivers and Harbors.

By Mr. FLANNAGAN:

H. R. 3955. A bill to amend section 335 (d) of the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. SPARKMAN:

H. R. 3956. A bill to provide flying pay to Air Corps Reserve officers for risks incurred in authorized training flights when not on active duty; to the Committee on Military Affairs.

H. R. 3957. A bill to provide for a more efficient and economical mileage table of distances and routes to apply for the payments of travel performed for the United States Government by the military personnel, Coast Guard, Coast and Geodetic Survey, and the Public Health Service; to the Committee on Military Affairs.

By Mr. O'TOOLE:

H. R. 3958. A bill to fix the salaries of certain judges of the United States; to the Committee on the Judiciary.

By Mr. ROBINSON of Utah:

H. R. 3959. A bill to authorize the Secretary of the Interior to dispose of recreational demonstration projects, and for other purposes; to the Committee on the Public Lands.

By Mr. ROBSION of Kentucky:

H. R. 3960. A bill to provide for the establishment of the Cumberland Gap National Historical Park and the Cumberland national recreational area in Tennessee, Kentucky, and Virginia; to the Committee on the Public Lands.

By Mr. McLEOD:

H. J. Res. 157. Joint resolution proposing an amendment to the Constitution of the United States, limiting the tenure of office of the President of the United States; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. PACE:

H. J. Res. 158. Joint resolution to provide for the erection of a monument to the memory of Gen. Edmund Clark Gaines; to the Committee on the Library.

By Mr. SABATH:

H. J. Res. 159. Joint resolution authorizing the selection of a site and the erection thereon of the Columbian Fountain in Washington, D. C.; to the Committee on the Library.

By Mr. SHANLEY:

H. J. Res. 160. Joint resolution requesting the President to invite the nations of the world to an international conference for the maintenance of peace; to the Committee on Foreign Affairs.

By Mr. O'CONNOR:

H. Res. 7. Concurrent resolution to create a joint committee to investigate conditions in metal mining; to the Committee on Rules.

By Mr. HORTON:

H. Res. 85. Resolution to express the sense of the House of Representatives that no authority exists for failing to enforce section 306 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. SCHULTE:

H. Res. 86. Resolution authorizing the Committee on Immigration and Naturalization to make a thorough study of need for revision and separate codifications of laws relating to immigration, deportation, naturalization, and expatriation; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 1, with reference to public lands; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H. R. 3961. A bill for the relief of Kenneth A. Bixler; to the Committee on Military Affairs.

H. R. 3962. A bill for the relief of Grace Campbell; to the Committee on Claims.

By Mr. BELL:

H. R. 3963. A bill for the relief of John H. Durnil; to the Committee on Claims.

H. R. 3964. A bill for the relief of H. S. Wayman; to the Committee on Claims.

By Mr. BROWN of Ohio:

H. R. 3965. A bill for the relief of Charles H. Parr; to the Committee on Claims.

By Mr. CHAPMAN:

H. R. 3966. A bill granting an increase of pension to Lottie Newton; to the Committee on Invalid Pensions.

By Mr. COFFEE of Washington:

H. R. 3967. A bill for the relief of Oscar C. Wollan, Fred F. Diel, Laura I. Martin, Jane E. Koppes, and Helen Olson; to the Committee on Claims.

By Mr. CONNERY:

H. R. 3968. A bill for the relief of William Cavanaugh; to the Committee on Naval Affairs.

By Mr. FLANNERY:

H. R. 3969. A bill for the relief of John Kumble; to the Committee on Military Affairs.

By Mr. GILCHRIST:

H. R. 3970. A bill for the relief of Charles Sidenstucker; to the Committee on Claims.

H. R. 3971. A bill for the relief of Pat Derrig; to the Committee on Claims.

By Mr. GOLDSBOROUGH:

H. R. 3972. A bill for the relief of Mary F. England, Margaret Fulton, and Tyler M. Fulton, children of Winston Cabell Fulton; to the Committee on Claims.

H. R. 3973. A bill granting a pension to Fred B. Tawes; to the Committee on Invalid Pensions.

By Mr. HAVENNER:

H. R. 3974. A bill for the relief of James William Cole; to the Committee on Military Affairs.

H. R. 3975. A bill for the relief of the New Amsterdam Casualty Co.; to the Committee on Claims.

By Mr. KNUTSON:

H. R. 3976. A bill for the relief of Cliff Knowlen; to the Committee on Claims.

By Mr. McCORMACK:

H. R. 3977. A bill for the relief of John Patrick Godfrey; to the Committee on Naval Affairs.

H. R. 3978. A bill for the relief of Herbert Winn Casey; to the Committee on Naval Affairs.

H. R. 3979. A bill for the relief of William J. Whall; to the Committee on Naval Affairs.

H. R. 3980. A bill for the relief of Clarence Herbert Peltier; to the Committee on the Judiciary.

H. R. 3981. A bill for the relief of Charles F. Hult; to the Committee on Naval Affairs.

By Mr. McKEOUGH:

H. R. 3982. A bill granting a pension to Johanna Mabry Gray; to the Committee on Invalid Pensions.

By Mr. MAHON:

H. R. 3983. A bill for the relief of Mr. and Mrs. J. E. Patterson, parents of Robert Lewis Patterson, deceased minor son; to the Committee on Claims.

By Mr. MILLS of Louisiana:

H. R. 3984. A bill to confer citizenship on Frank Palmos; to the Committee on Immigration and Naturalization.

By Mr. NICHOLS:

H. R. 3985. A bill for the relief of Roy Chandler; to the Committee on Military Affairs.

By Mr. PATRICK:

H. R. 3986. A bill granting an increase of pension to James L. Huston; to the Committee on Invalid Pensions.

By Mr. SACKS:

H. R. 3987. A bill for the relief of Angelo Costanza; to the Committee on Immigration and Naturalization.

By Mr. SHEPPARD:

H. R. 3988. A bill granting a pension to Walter C. Schultz; to the Committee on World War Veterans' Legislation.

H. R. 3989. A bill authorizing the President to present a Distinguished Service Medal to Walter C. Schultz; to the Committee on Military Affairs.

By Mr. SMITH of West Virginia:

H. R. 3990. A bill to provide for the appointment of James W. Grose as a sergeant, first-class (master sergeant), United States Army; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado:

H. R. 3991. A bill for the relief of the Colorado Tent & Awning Co.; to the Committee on Claims.

By Mr. TERRY:

H. R. 3992. A bill for the relief of Frank Spears; to the Committee on Claims.

By Mr. VAN ZANDT:

H. R. 3993. A bill granting a pension to Laura Alice Hamaker; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

980. By Mr. ANDREWS: Resolution adopted by Niagara County Pomona Grange, urging Congress to amend the National Labor Relations Act exempting agricultural enterprises; to the Committee on Labor.

981. Also, resolution adopted by the National Paint, Varnish, and Lacquer Association, Inc., urging extension by Congress of title I of the National Housing Act; to the Committee on Banking and Currency.

982. By Mr. ANGELL: Petition of sundry citizens of Seaside and Astoria, Oreg., urging the policy of neutrality be observed by the United States; to the Committee on Foreign Affairs.

983. By Mr. CARTER: Senate Joint Resolution No. 12 of the California Legislature, memorializing Congress to take necessary steps to name the lake to be created by the construction of the Shasta Dam at Kennett, Calif., McCall Lake; to the Committee on Irrigation and Reclamation.

984. Also, Senate Joint Resolution No. 1 of the California Legislature, opposing exemption from taxation of bonds issued by governmental agencies, and memorializing the Congress to take immediate steps for the termination of the exemption

of such securities from taxation; to the Committee on Ways and Means.

985. Also, Senate Joint Resolution No. 4 of the California Legislature, memorializing the Congress to refuse enactment of legislation which would becloud the sovereign rights of the State of California in its submerged lands; to the Committee on the Judiciary.

986. Also, Senate Joint Resolution No. 8 of the California Legislature, favoring amendment of the California Indian Jurisdictional Act of 1928; to the Committee on Indian Affairs.

987. Also, Senate Joint Resolution No. 2 of the California Legislature, memorializing the Congress relative to the protection, use, and development of the natural resources of the State of California; to the Committee on the Public Lands.

988. By Mr. KRAMER: Resolution of the Pacific Coast Asphalt Shingle and Roofing Institute, favoring the extension of title I of the National Housing Act; to the Committee on Banking and Currency.

989. Also, resolution of the California Oil and Gas Association, favoring the enactment of legislation which will amend the Federal Oil Land Leasing Act; to the Committee on the Public Lands.

990. Also, resolution of the Senate and Assembly of the State of California, opposing enactment of legislation which would becloud the sovereign rights of the State of California in its submerged lands; to the Committee on the Public Lands.

991. Also, resolution of the Assembly and Senate of the State of California, favoring Federal aid to State or Territorial veterans' homes; to the Committee on Appropriations.

992. Also, resolution of the Assembly and Senate of the State of California, favoring the continuation of the Works Progress Administration Federal Arts Project; to the Committee on Appropriations.

993. Also, resolution of the Assembly and Senate of the State of California, favoring legislation providing flood control for Kern River; to the Committee on Flood Control.

994. By Mr. KEAN: Resolution adopted by the Guild of Catholic Lawyers of the Archdiocese of Newark, recording its vehement opposition of any repeal by the Congress either of the act of August 31, 1935, or the extension thereof by the act of May 1, 1937; to the Committee on Foreign Affairs.

995. By Mr. LEAVY: Petition of Okanogan County Pomona Grange, urging the President and Congress of the United States to remain strictly neutral in all conflicts not involving an invasion of American soil, and to prohibit the shipment of war supplies to all warring nations; to the Committee on Foreign Affairs.

996. By Mr. MAHON: Petition of H. M. Zimmerman and 21 other railroad employees of Slaton, Tex., regarding the problem of unemployment of railroad employees and proposed legislation; to the Committee on Interstate and Foreign Commerce.

997. By Mr. ROMJUE: Petition of members of the Elizabeth Barrett Browning Club, of Edina, Mo., urging support of the Harrison-Fletcher-Thomas bill; to the Committee on Education.

998. By Mr. SCHIFFLER: Petition of Hume K. Nowlan, executive secretary, the West Virginia League of Municipalities, Charleston, W. Va., opposing proposed legislation to impose retroactive income taxes upon municipal employees, etc.; to the Committee on Ways and Means.

999. By Mr. TERRY: Memorial of the House of Representatives of the Fifty-second General Assembly of Arkansas (the Senate concurring), urging the Congress of the United States to adopt, and the President to approve, such amendatory legislation as will remove those features of the Neutrality Act and the Johnson Act which tend to aid said belligerent totalitarian nations, in order that the Government of the United States will be relieved of all restrictions in conflict with the interests of world peace; to the Committee on Foreign Affairs.

1000. Also, memorial of the House of Representatives of the State of Arkansas, Fifty-second General Assembly (the Senate concurring), requesting the Congress of the United

States to make a supplemental Public Works Administration appropriation to cover the Arkansas projects now on file in which bond elections were held at the November 8, 1938, general election and the projects and bond issues approved; to the Committee on Appropriations.

1001. By the SPEAKER: Petition of the National Section of Workers of the Administration of Public Instruction, Mexico City, Mexico, urging consideration of their resolution with reference to the Neutrality Act; to the Committee on Foreign Affairs.

1002. Also, petition of the Civitan Club of Birmingham, Birmingham, Ala., urging consideration of their resolution with reference to registration and fingerprinting of all aliens now in the United States, as well as those entering in the future; to the Committee on Immigration and Naturalization.

1003. Also, petition of Generosa Hernandez, Caguas, P. R., and others, urging consideration of their petitions with reference to neutrality; to the Committee on Foreign Affairs.

SENATE

THURSDAY, FEBRUARY 9, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Most merciful and compassionate Father, who knowest our nature and readest our thoughts, from whom nothing can be hidden: Help us at this moment of supplication to unburden ourselves of everything unreal and to find rest in being what we are and nothing more, that, without shame or pretence, we may live in the realm of freedom and sincerity.

Life, with her sharp-edged tools of joy and pain, has engraved upon our face a legend of her own, and life at times becomes almost too hard to bear; duty is too large, and feeble hands hang down; and so we come to Thee, with all our weakness, asking for Thy strength, for we cannot live without Thy blessing, nor adequately serve Thee and Thy people except the spirit of the Christ abide in us. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 6, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

THOMAS JEFFERSON MEMORIAL COMMISSION

The VICE PRESIDENT, under the terms of Public Resolution 49, Seventy-third Congress, appointed the Senator from Florida [Mr. ANDREWS] a member of the Thomas Jefferson Memorial Commission, vice Mr. Lonergan, former Senator from Connecticut.

SELECT COMMITTEE ON GOVERNMENT ORGANIZATION

The VICE PRESIDENT, under the terms of Senate Resolution 25, Seventy-sixth Congress, appointed the Senator from Illinois [Mr. LUCAS] a member of the Select Committee on Government Organization, vice Mr. Brown, former Senator from New Hampshire.

COLUMBIA HOSPITAL FOR WOMEN

The VICE PRESIDENT, under the terms of the act of June 10, 1872, appointed the Senator from Maryland [Mr. RADCLIFFE] a director of the Columbia Hospital for Women for the period of the Seventy-sixth Congress.

RELIEF OF DISBURSING AGENTS AND EMPLOYEES OF INDIAN SERVICE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation for the relief of certain disbursing agents and employees of the Indian Service, which, with the accompanying paper, was referred to the Committee on Claims.

DUTIES OF UNDER SECRETARY OF AGRICULTURE

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting a request for the enactment of legislation giving the Under Secretary of Agriculture authority to perform such duties as may be required by law or prescribed by the Secretary of Agriculture and involving discretion, which, with the accompanying paper, was referred to the Committee on the Judiciary.

REPORT OF FEDERAL PRISON INDUSTRIES, INC.

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Federal Prison Industries, Inc., transmitting, pursuant to law, the annual report of the Board of Directors of the Federal Prison Industries, Inc., for the fiscal year 1938, which, with the accompanying report, was referred to the Committee on the Judiciary.

OLIVER WENDELL HOLMES DEVISE

The VICE PRESIDENT laid before the Senate a letter from the Clerk of the Supreme Court of the United States, which, with the accompanying order, was ordered to lie on the table, as follows:

OFFICE OF THE CLERK,
SUPREME COURT OF THE UNITED STATES,
Washington, D. C., February 7, 1939.
The honorable the VICE PRESIDENT of the United States,
United States Senate, Washington, D. C.

SIR: By direction of the Chief Justice I have the honor to transmit to you herewith a copy of the order entered this day selecting three Associate Justices of the Supreme Court of the United States to serve as members of the committee constituted by the joint resolution of Congress of June 22, 1938 (52 Stat. 943, ch. 595), entitled "To authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes."

I am, sir,

Yours very respectfully,

CHARLES ELMORE CROPLEY,
Clerk of the Supreme Court of the United States.

ORDER

Pursuant to the joint resolution of Congress of June 22, 1938 (52 Stat. 943, ch. 595), entitled "To authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes," the Chief Justice announced the selection of the following Associate Justices of the Supreme Court to serve as members of the committee constituted by said joint resolution: Mr. Justice Stone, Mr. Justice Roberts, and Mr. Justice Frankfurter.

Per Mr. CHIEF JUSTICE HUGHES.

FEBRUARY 7, 1939.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Commerce:

Assembly joint resolution relative to memorializing the President and Congress to provide for Kern River flood control

Whereas floods on the Kern River from time to time constitute a serious menace, causing erosion, damage to homes and farms, destruction of farm crops, and the necessity of maintaining expensive constructions and levees to protect the city of Bakersfield; and

Whereas the construction of dams for storage and to control the waters of the river would create a supply of stored waters which could be used to irrigate a large acreage of very fertile land in Kern County; and

Whereas the present system of storage in the open valley results in a high percentage of evaporation of the waters so stored which are thereby lost for use for purposes of irrigation; and

Whereas construction of storage reservoirs and hydroelectric power plants in connection therewith would furnish power during the growing season, which power would lower the cost of pumping in those districts where pumping is done, and at the same time would eventually pay the entire cost of all the storage dams, reservoirs, and power plants in connection therewith; and

Whereas the construction of such storage reservoirs and hydroelectric power plants is of such an extensive and intricate nature as to require handling as a Federal project: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the President and Congress of the United States be memorialized to include the construction of dams and hydroelectric power plants in connection therewith on the Kern River as one of the Federal construction projects and that Federal moneys be appropriated in sums sufficient to complete the construction of the dams and other works in connection therewith at the earliest possible moment; and be it further

Resolved, That the chief clerk of the assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress of the United States, to each Senator or Member of the House of Representatives from California in the Congress of the United States, and that the Senators and Representatives from California are hereby respectfully requested to urge such action.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Education and Labor:

Assembly joint resolution relative to memorializing the President and the Congress of the United States to continue the Works Progress Administration Federal art project

Whereas the Works Progress Administration Federal art project has been in existence over a period of 3 years, providing employment for workers of all arts crafts; and

Whereas the number employed on the Federal art project has tended to relieve to a certain extent long periods of unemployment for a great number of artists of all the arts; and

Whereas the Federal art project has given to many workers in the fine arts and crafts a chance to rehabilitate themselves for future employment in this industrial world; and

Whereas private enterprise is now unable to absorb musicians, actors, painters, and workers of other art crafts because of technological development and mechanical devices which reproduce and supplant the necessity for their personal presence; and

Whereas art of all phases in itself is a necessity for upright, honest, sincere, wholesome, and enjoyable living: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California hereby respectfully urges, requests, and memorializes the President and the Congress of the United States to pass such legislation as will make it imperative that the Works Progress Administration Federal art project be continued in its present form; and be it further

Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Military Affairs:

Assembly joint resolution relative to Federal aid to State or Territorial veterans' homes

Whereas there exists in the State of California one of the outstanding State homes of the Nation for the care of disabled veterans who are disabled by age, disease, or otherwise, and by reason of such disability are incapable of earning a living; and

Whereas the per capita cost for maintaining such veterans has greatly increased due to advancing age and physical disabilities; and

Whereas the State of California is deluged with veterans who come from other States who become disabled, and by reason of their becoming legal residents must be cared for in California; and

Whereas the \$120 per year per capita Federal aid represents a very small part of the total cost of maintaining a veteran in the California State facility: Now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the President and the Congress of the United States are respectfully urged to enact legislation that will result in increasing the Federal aid: *Provided,* That any State shall not be paid a sum exceeding one-half of the per capita cost of maintaining a veteran; and be it further

Resolved, That the chief clerk of the Assembly of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House, and to the Senators and Representatives of the State of California in Congress.

The VICE PRESIDENT also laid before the Senate letters in the nature of memorials from the Industrial Union Council, C. I. O., of Eau Claire, Wis.; the Saginaw District Industrial Union Council, C. I. O., of Saginaw, Mich.; the Iron Range Industrial Union Council, C. I. O., of Pongilly, Minn.; and the Kansas City Industrial Union Council, C. I. O., of Kansas City, Mo., remonstrating against curtailment of the appropriation for the National Labor Relations Board contained in the independent offices appropriation bill, and also remonstrating against amendment of the National Labor Relations Act, which were referred to the Committee on Appropriations.

He also laid before the Senate petitions of Chrysler Local, No. 230, International Union of United Automobile Workers of America, C. I. O., of Maywood, Calif., and I. W. O. Ru-

manian Branch, No. 4521, of Ecorse, Mich., praying for the allotment of adequate funds to continue the work of the subcommittee of the Committee on Education and Labor investigating violation of civil liberties, etc., which were referred to the Committee on Education and Labor.

He also laid before the Senate a letter in the nature of a memorial from Local No. 166, United Rubber Workers of America, of Lancaster, Pa., remonstrating against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the executive board of the Ohio General Welfare Association, of Columbus, Ohio, favoring the enactment of the so-called Sheppard general welfare bill, providing old-age assistance, which was referred to the Committee on Finance.

He also presented petition of sundry citizens of Puerto Rico, praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law so as to include civil as well as international conflicts, which were referred to the Committee on Foreign Relations.

Mr. AUSTIN. Mr. President, I present for appropriate reference a petition from citizens of the State of Vermont, residents of the city of Burlington, relating to the Neutrality Acts of August 31, 1935, and May 1, 1937, as related to civil conflicts, and another petition from citizens of the State of Vermont, residents of the town of Waterbury, favoring adherence to the general policy of neutrality as enunciated in the act of August 31, 1935, and to retain on our statute books the further corollary principle enunciated in the act of May 1, 1937, extending the original act to civil as well as international conflicts.

The VICE PRESIDENT. The petitions will be received and referred to the Committee on Foreign Relations.

Mr. MALONEY presented petitions of Genevieve M. Tribble, of Farmington, and sundry other citizens, all in the State of Connecticut, praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law to include civil as well as international conflicts, which were referred to the Committee on Foreign Relations.

Mr. SHEPPARD presented a resolution of the Belton Branch of University Women, of Belton, Tex., favoring revision of the existing neutrality law, which was referred to the Committee on Foreign Relations.

He also presented petitions of the Women's Missionary Union and members of the men's prayer meeting, both of the First Baptist Church of Rosenberg, and sundry citizens of Austin, Goldthwaite, Houston, McLean, and San Antonio, all in the State of Texas, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented the petition of officers and members of the Negro Civic League of Girard, Kans., praying for the enactment of legislation to prevent and punish the crime of lynching, which was referred to the Committee on the Judiciary.

He also presented the petition of members of the Kansas Farmers' Liberty League and farmers of Washington County, Kans., praying for the repeal of the Agricultural Adjustment Act of 1938, which was referred to the Committee on Agriculture and Forestry.

Mr. REED presented a memorial of 94 citizens of Newton, Kans., remonstrating against the shipment of materials of war to belligerents, and praying that the destruction of innocent people may be ended, which was referred to the Committee on Foreign Relations.

He also presented a petition of 51 citizens of Topeka, Kans., praying that the embargo on the shipment of arms and munitions to Spain be lifted, which was referred to the Committee on Foreign Relations.

He also presented a petition of 22 citizens of Calvert, Kans., praying that the shipment of arms and munitions to Japan

for use in its Chinese operations may be stopped, which was referred to the Committee on Foreign Relations.

He also presented a petition of 176 citizens of Sumner County, Kans., praying for the enactment of legislation limiting the working hours of railroad employees to not more than 208 hours, or the equivalent thereof, in 1 month, etc., which was referred to the Committee on Interstate Commerce.

Mr. TYDINGS presented a resolution adopted by Local No. 4, American Communications Association, of Baltimore, Md., favoring an adequate appropriation to enable the subcommittee of the Committee on Education and Labor to continue the investigation of violations of civil liberties, etc., which was referred to the Committee on Education and Labor.

He also presented a resolution of the City Council of Baltimore, Md., favoring the construction of a United States Veterans' Bureau general medical and surgical hospital in the city of Baltimore or elsewhere in Maryland, which was referred to the Committee on Finance.

He also presented a letter in the nature of a petition from Mrs. Harry K. Zeller, of Hagerstown, Md., praying for the preservation of peace, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Marine Local No. 4, American Communications Association, of Baltimore, Md., favoring Government maintenance and operation of arms and munitions factories, which was referred to the Committee on Military Affairs.

He also presented a petition of sundry citizens of Arnold, Md., praying for the placing of an embargo on the shipment of war materials to Japan, which was referred to the Committee on Foreign Relations.

He also presented a resolution of Marine Local No. 4, American Communications Association, of Baltimore, Md., favoring the placing of an embargo on the shipment of scrap iron and other basic war materials to Japan, which was referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of Maryland, praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law to include civil as well as international conflicts, which were referred to the Committee on Foreign Relations.

Mr. HOLT presented petitions of Local Union No. 6715, of Valls Creek and Berwind, Local Union No. 6115, United Mine Workers of America, of Arista, and numerous other labor unions, federations, and union councils, all in the State of West Virginia, favoring an adequate appropriation for the work of the National Labor Relations Board, which were referred to the Committee on Appropriations.

He also presented a resolution of the executive committee of the American Legion, Department of West Virginia, relative to the hospitalization of veterans in veterans' facilities, which was referred to the Committee on Finance.

He also presented a resolution of the West Virginia Horticultural Society, protesting against the enactment of the so-called Patman bill, imposing taxes upon chain stores, which was referred to the Committee on Finance.

He also presented a resolution of Bluefield Post, No. 9, the American Legion, of Bluefield, W. Va., favoring the immediate deportation of Harry Bridges, the restriction of immigration, etc., which was referred to the Committee on Immigration.

Mr. JOHNSON of California presented letters, telegrams, and papers in the nature of memorials, from E. L. MacDonald, city clerk, Long Beach (transmitting copy of resolution adopted by the city council); the Long Beach Chamber of Commerce, of Long Beach; G. J. Daley, regional chairman, Central Valley Council, California State Chamber of Commerce, (Stockton); the city clerk of San Buenaventura (transmitting copy of resolution adopted by the city council); J. W. Brennan, port director of the port of San Diego; the Universal Consolidated Oil Co., of Los Angeles; United Landowners Association, Inc., of Los Angeles; the Commercial Board of Los Angeles; and Florence E. Turner, city clerk of Berkeley (transmitting copy of resolution adopted by city council), all in the State of California, remonstrating against the enactment of the joint resolution (S. J. Res. 24) relative to the

establishment of title of the United States to certain submerged lands containing petroleum deposits, which were referred to the Committee on Public Lands and Surveys.

Mr. MEAD presented a memorial of sundry citizens of Buffalo, N. Y., remonstrating against the imposition of a processing tax on wheat, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by Niagara County (N. Y.) Pomona Grange, favoring amendment of the National Labor Relations Act in the interest of the farming industry, which was referred to the Committee on Education and Labor.

He also presented a resolution of the Tri-City Newspaper Guild of Albany, Schenectady, and Troy, N. Y., favoring an adequate appropriation for the National Labor Relations Board, and protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also presented a resolution of the Central Trades and Labor Council of Greater New York and Vicinity, opposing the administration of all vocational-training programs organized under direct National Youth Administration supervision, and favoring the placing of such programs under a department of education, which was referred to the Committee on Education and Labor.

He also presented a resolution adopted by the national convention of the Workers' Alliance of America at Cleveland, Ohio, favoring the granting of pensions to World War veterans equal to the pensions paid to Spanish War veterans, which was referred to the Committee on Finance.

He also presented a resolution of the General Welfare Center of Jamestown, N. Y., praying for the enactment of House bill 11, a general-welfare bill providing old-age assistance, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Dutchess County (N. Y.) American Legion, favoring continuation of the Special Committee of the House of Representatives to Investigate Un-American Activities, which was ordered to lie on the table.

Mr. WHEELER presented the following resolution of the House of Representatives of the State of Montana, which was referred to the Committee on Agriculture and Forestry:

Resolution commending Members of the Congress of the United States for introducing a bill designed to guarantee to farmers the cost of production

Whereas 18 Senators and 6 Representatives have introduced in the Congress of the United States a bill designed to guarantee the cost of production to farmers; and

Whereas it is the sense of this house that such legislation is essential if the economic status of agriculture be raised to a parity with other industry: Now, therefore, be it

Resolved, That the House of Representatives of the Twenty-sixth Montana Legislative Assembly do hereby commend said Members of Congress for their action in introducing this legislation, and that the clerk of this house be and is hereby directed to convey to each of said national legislators this expression of commendation.

Mr. BYRNES presented the following resolution of the House of Representatives of the State of South Carolina, which was referred to the Committee on Finance:

House resolution memorializing Congress and the President of the United States to appropriate funds for the public-welfare assistance payments on the basis of 66½ percent by the Federal Government to 33½ percent by the State of South Carolina

Whereas the total estimated revenue for general purposes in the State of South Carolina amounts to \$10,576,533.10; and

Whereas for the year 1939-40 the appropriations recommended by the South Carolina State Budget Commission amount to \$10,534,970.29, exclusive of any appropriation whatever for the social-security program in South Carolina; and

Whereas if these appropriations recommended by the South Carolina State Budget Commission are enacted into law, there will be either no funds for the purpose of granting old-age assistance payments and other payments under the public-welfare program of South Carolina or there will be necessity for levying new or additional taxes on the overburdened taxpayers of South Carolina; and

Whereas the average per capita income for the State of South Carolina is among the lowest in the United States; and

Whereas it is a well-recognized fact throughout the Nation that the ability of South Carolina to care for its aged needy is far below that of most other States; and

Whereas the National Government has recognized through the enactment of social-security legislation the responsibility of the United States to its aged and needy: Now, therefore, be it

Resolved by the House of Representatives of the State of South Carolina, That the President and the Congress of the United States be, and they are hereby, memorialized to provide at this session of the Congress funds for public-welfare assistance payments on a basis of 66½ percent on the part of the Federal Government to 33½ percent to be appropriated for public-welfare assistance payments by the State of South Carolina; be it

Resolved further, That copies of this resolution be sent to the President of the United States, the two Senators, and to each Member of Congress from the State of South Carolina.

Mr. BYRNES also presented the following resolution of the General Assembly of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

Resolution relating to the cotton-control program

Be it resolved by the General Assembly of the State of South Carolina, That inasmuch as the cotton farmer of South Carolina lingers in despair regarding the low price of cotton, that this general assembly now gathered here in session go on record favoring a cotton-control program administered by our Federal Government. This seems paramount; and be it further

Resolved, That the huge surplus accumulated in the Federal warehouses be largely dissipated through the channels of the W. P. A. workers with credit of goods in clothing and house material distributed to the worker. This will afford relief for the textile worker, the manufacturer, and the merchant as they will prepare and distribute these cotton goods.

This body would commend that the Secretary of Agriculture follow such procedure as to make every effort to place the highest loan price of cotton at no less than 15 to 16 cents so that the cotton farmer can earn a living commensurate with the outside standard of living and sell his cotton at a price on even keel with other commodities that he has to buy. Let a copy of this resolution be sent to our Congress in Washington.

We realize that the past efforts made to raise and maintain a higher price level of cotton have been feeble, futile, and valueless; but we know that in the palm of that Federal hand lies the secret of control elevating the price of cotton which will challenge the cotton farmer to work and live and develop some financial strength worthy of his future which he can share in the hearts and eyes of this great Nation.

And furthermore, as the cotton farmers must receive immediate relief we implore the Department of Agriculture to set aside this whole surplus of cotton by allocating and utilizing major portions in building and constructing roads and highways in the United States, in such a manner as will provide immediate outlet, and we would even suggest forcing some of it, if need be, on the world market.

Mr. BYRNES also presented the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution requesting the United States Senators and Members of Congress from South Carolina to initiate and cooperate in supporting legislation to restore cotton to its former economic importance in world commerce

Whereas by reason of legislation creating trade barriers to the cotton trade, discriminating freight rates, the tariff, and other legislation, and by reason of world economic conditions and competition from cotton growers in foreign countries with living standards below that of this country, the cotton farmers in the Southern States have been reduced to a tragic financial condition, their export markets have been almost lost, they are subject to competition which they are handicapped in meeting, and the growing of cotton made economically impossible under existing conditions; and

Whereas unless concerted action is immediately taken by the Senators and Members of Congress from the cotton States looking to the relief of the cotton farmers from the handicaps under which such conditions have come about, the growing of cotton may soon become a thing of the past in this country, and the welfare and income of large sections of the United States seriously affected: Be it

Resolved by the House of Representatives of the State of South Carolina (the senate concurring), That the attention of the Congress of the United States is respectfully directed to the fact that cotton is the leading product in America's commerce and international trade, and that the cotton farmer represents the world's largest primary wealth-producing group, and that it is of paramount importance to the producers of this commodity, as well as to the continued life of world trade on the part of the United States, that this interest be adequately rehabilitated and fostered. To that end the Senators and Members of Congress from the State of South Carolina are respectfully urged to take immediate steps to meet with the Senators and Representatives from all other cotton States for the purpose of securing concerted action by the Congress for the relief of the cotton farmers and of the industry from the handicaps and barriers under which they and it now suffer in the marketing of cotton, domestic and foreign, and it is respectfully

suggested that among the things they are called to advocate are the following:

(1) Legislation for the removal of statutory trade barriers, as far as possible, against our cotton trade, such as the modification or repeal of the Johnson Act, the enactment of legislation bringing about the equalization of transportation rates, the revision of the tariff to relieve discrimination against the cotton farmers, and other legislation; (2) the sale to and use by the Government for the manufacture of equipment and munitions of war of 6,000,000 bales of surplus cotton; (3) allocation to producers of cotton from the cotton being carried under Government loans a sufficient number of bales to pay them the balance due on 3 cents per pound subsidy authorized by national legislation effective on 1937 cotton crop and on which only 1.8 cents per pound had been paid; (4) increase the subsidy payment to the cotton producers by the further distribution of Government loan surplus cotton to 65 percent of parity prices on cotton during the crop years 1937, 1938, and 1939; (5) allocation or reapportionment of 4,000,000 bales of cotton being carried by the Commodity Credit Corporation to the cotton growers in lieu of their making an additional reduction of one-third or less in their cotton-acreage allotment for 1939, each farmer so additionally reducing his allotted cotton acreage to be allotted the amount of cotton he would have produced on this acreage based upon his average yield as allowed by the Government, and farmers so reducing to be paid the same soil-building and other amounts they would have been paid had they planted the full cotton acreage allotted by the Government for 1939; (6) selling to the Post Office Department 1,000,000 bales of cotton now being carried by the Government under loans, this cotton to be used to be manufactured into twines and other materials for use of the United States mail service, the Post Office Department to place this cotton through bids to be manufactured for their use; (7) to allocate or reapportion from the cotton being carried by the Government under the loans, 1,000,000 bales, to be manufactured into cotton bagging to be distributed to cotton farmers as an additional subsidy without charge for baling their 1939 cotton and cotton of subsequent years; (8) the allocation of cotton in point of time to comply with the time now required under the law for the sale thereof; (9) the retention of soil-conservation payments as now made pending the working out of a definite permanent plan for the future of cotton; (10) the pledging of the Government to a definite support of cotton production profitable to the cotton growers; (11) the protection of cotton growers, through a subsidy payment increasing the selling price to 65 percent of the parity price of cotton, so that they may successfully compete with foreign growers and regain lost export markets; (12) the granting to cotton growers of the privilege of planting other money crops than cotton on surplus lands resulting from reduction of cotton acreage, and not needed for production of feed and food crops for home consumption, without imposing a penalty against compliance payments as now done; (13) the immediate payment to cotton farmers of all amounts due for 1938 compliance, as was promised; (14) there is no one in the United States Department of Agriculture whose primary interest is the promotion of the welfare of the cotton farmer. To remedy this condition create an office of cotton commissioner in the United States Department of Agriculture. It should be the Commissioner's duty to develop new uses and markets for cotton and to represent producers of cotton in developing farm programs; (15) in addition to finances otherwise available, that a sufficient fund be appropriated from the general funds of the Treasury and made available to the Secretary of Agriculture to carry into effect this program here recommended and that funds for agriculture be raised in the same manner that funds are raised for other Government expenditures; (16) the formation in each House of Congress of a bloc to advocate measures for the protection, encouragement, and support of the cotton farmer, both now and in the future; be it further

Resolved, That the legislative bodies of the cotton States be urged to take immediate action to request from their Senators and Members of Congress similar cooperation and support of such actions and measures; be it further

Resolved, That the clerk of the house do forthwith transmit copies of this resolution to the United States Senators and Members of Congress from this State, and to the legislative bodies of each of the following States, to wit: North Carolina, Georgia, Alabama, Florida, Louisiana, Mississippi, Arkansas, Oklahoma, Arizona, New Mexico, California, Missouri, Kansas, Texas, and Tennessee.

Mr. THOMAS of Oklahoma presented the following resolution of the House of Representatives of the State of Oklahoma, which was referred to the Committee on Education and Labor:

Resolution memorializing Congress to amend the National Housing Act amendments of 1938 to permit insuring of mortgages involving a principal obligation not to exceed \$3,000, without requiring that the owner and occupant of the property shall have, at the time of issuing the insurance, paid on account of the property 10 percent of the appraised value thereof in cash or its equivalent

Whereas there are thousands of people in Oklahoma and in other States of the United States who have started on the road to home ownership because of the National Housing Act program of the Federal Government; and

Whereas there are yet multiplied thousands of people in Oklahoma and other States of the United States in the lower income brackets who desire to become home owners but whose income

is required to meet everyday living expenses, and they are not, therefore, able to accumulate the necessary 10-percent down payment required under the present National Housing Act; and

Whereas if given an opportunity to start on the road to home ownership without being required to make the 10-percent down payment now required under the National Housing Act, these people would fulfill their obligations under a loan placing them in possession without a down payment and thereby be removed from the tenant and renting class to a substantial home-owning class; and

Whereas such would tend toward the establishment of a more stable citizenship among the lower income groups: Now, therefore, be it

Resolved by the House of Representatives of the State of Oklahoma, That we request the Congress of the United States to amend the National Housing Act amendments of 1938 to permit insuring of mortgages involving a principal loan obligation not to exceed \$3,000 without requiring that the owner and occupant of the property shall have at the time of issuing the insurance, paid on account of the property 10 percent of the appraised value thereof in cash or its equivalent; and be it further

Resolved, That the chief clerk of the house of representatives be instructed to furnish each Member of the Oklahoma delegation in Congress and the President of the United States with a copy of this resolution.

Mr. THOMAS of Oklahoma also presented the following resolution of the House of Representatives of the State of Oklahoma, which was referred to the Committee on Irrigation and Reclamation:

Resolution requesting and memorializing the Congress of the United States to authorize sufficient appropriations to carry on the development of the water resources, flood control, drainage, soil erosion within the State of Oklahoma, and commending the Oklahoma delegation in Congress for their activities in behalf of such projects in this State, and commending the attitude of the President of the United States in his efforts to bring about such improvements, and commending the Corps of Engineers of the United States Army in solving the water-resources problems of this State

Be it resolved by the House of Representatives of the Seventeenth Session of the Oklahoma Legislature, That it express the hope that all flood-control and water-resource development projects now approved by the Army engineers and adopted by the Congress of the United States as Federal projects, and which have been in the interest of the people of Oklahoma and have met widespread approval and are not controversial, be advanced to early completion and that sufficient appropriations be made therefor; be it further

Resolved, That we commend the efforts of the Oklahoma delegation in the United States Congress in their efforts to speed the development of our water resources program; be it further

Resolved, That we expressly commend the Members of the Oklahoma delegation in the United States Congress and the Corps of Engineers of the United States Army in solving the water-resources problems in this State in connection with the development of Grand River, Washita River, and their consideration of the development of Rush Creek, Kiamichi, Verdigris, Canadian, Cottonwood, and Poteau Rivers and their tributaries and all other rivers and tributaries thereto within this State, and urgently request that their efforts be directed toward the continuance of the necessary surveys and consideration of these problems within this State; be it further

Resolved, That we commend the attitude of the President of the United States in his efforts to bring about the aforesaid improvements of the water-resources problems of the various States of the Union; be it further

Resolved, That a copy of this resolution be immediately forwarded to the President of the United States, to the members of the Oklahoma delegation in the United States Congress, to the members of the Resources Committee of the Federal Government, and the proper officials of the engineering division of the United States Army; be it further

Resolved, That it is the express intent of the Legislature of the State of Oklahoma that all projects referred to herein, or which may be hereafter considered, be rushed to completion at an early date, and Congress is hereby memorialized to direct their efforts and urgently requested to grant every consideration to the State of Oklahoma in this respect.

Mr. NYE presented the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Education and Labor:

House Concurrent Resolution 114

Be it resolved by the House of Representatives of the State of North Dakota (the senate concurring therein):

Whereas the employment of women in paid work outside the home has increased materially in recent years; and

Whereas the home-keeping women going into commercial and industrial work was mentioned by the report of the Biggers Committee on National Unemployment as one of the causes of the unemployment problem; and

Whereas in 1940 the Federal Government will take a census of the United States; and

Whereas we all recognize the service rendered by the women of our homes in the building of character: Therefore be it

Resolved, That the House of Representatives of the State of North Dakota, the Senate concurring, hereby petition the Women's Bureau, under the Department of Labor, at Washington, to use its influence toward the securing of data on women employed outside the home as one of the objects of the 1940 census and thereupon to make a survey and a study of the problems of the home-keeping women, to find the reason for the tendency to leave home for commercial and industrial work and to make recommendations to reduce and, so far as possible, eliminate this tendency in modern living.

Mr. NYE also presented the following resolution of the House of Representatives of the State of North Dakota, which was referred to the Committee on Commerce:

House Resolution F

Resolution memorializing Congress to enact necessary legislation and make the required appropriation to complete the Missouri River diversion project in North Dakota

Whereas surveys have been made of the Missouri River, and completed, the same being favorable for the diversion of such river; and Whereas considerable money has been expended in the making of such surveys, the engineers having made their reports thereof; and

Whereas a great deal of time and money have been expended in water conservation and flood control; and

Whereas it appears that the diversion of the Missouri River would be most advisable and beneficial to the people in the State of North Dakota: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota, That we earnestly and emphatically recommend to the Congress of the United States, and request them, to enact necessary legislation and make the required appropriations to provide for the completion of the Missouri River diversion project in the State of North Dakota as soon as the same may possibly be done; be it further

Resolved, That we direct attention to the many benefits that will be generally provided for the people of the State of North Dakota, in addition to the water-conservation and flood-control benefits from such diversion; be it further

Resolved, That the chief clerk of this assembly transmit a copy of this resolution to each of our Congressmen in both houses of the United States Congress, with the request that the matter be brought up for immediate attention.

Mr. NYE also presented the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Appropriations:

House Concurrent Resolution 83

Whereas President Roosevelt has asked Congress for an extensive appropriation which, if passed, will result in the employment of many additional W. P. A. workers and the expenditure of additional Federal funds in the State of North Dakota; and

Whereas there is pending in Congress an act to curtail W. P. A. activities, which act, if enacted into law, will result in the discharge of 2,600 W. P. A. employees in the State of North Dakota, and will mean a reduction of \$150,000 per month of Federal money which would otherwise flow into North Dakota for relief workers; and

Whereas if the President's request for appropriation is denied and the act of Congress curtailing W. P. A. activities is passed, the people of North Dakota who are in desperate need of Federal assistance in maintaining their homes will suffer untold hardship: Now, therefore, be it

Resolved by the House of Representatives of the State of North Dakota (the senate concurring), That we memorialize Congress to make the full appropriation asked for by President Roosevelt for W. P. A. purposes, and that Congress do not enact into law any act curtailing W. P. A. activities; be it further

Resolved, That the chief clerk of the house of representatives be instructed to forward copies of this resolution to President Roosevelt, to our Senators and Representatives in Congress, to the Secretary of Agriculture, and to Col. F. C. Harrington, W. P. A. Administrator, Washington, D. C.

Mr. NYE also presented the following resolution of the House of Representatives of the State of North Dakota, which was referred to the Committee on Appropriations:

House Resolution G

Be it resolved by the House of Representatives of the State of North Dakota:

Whereas the Honorable Franklin D. Roosevelt, President of the United States, requested of Congress an appropriation in the amount of \$875,000,000 for relief for the needy and jobless through the Works Progress Administration; and

Whereas progressive-minded citizens and leaders in business, labor, and agriculture are supporting the President in this matter and have stated that it would be very unwise at this time to seriously curtail the work programs throughout the Nation; and

Whereas this legislative assembly does believe and has gone on record in the proper resolutions asking that our representatives in Washington do support the President in this matter; and

Whereas news reports indicate that the efforts of our President to aid the needy and jobless were frustrated when, in the United States Senate, by a majority of 1 vote, a slash of \$150,000,000 was made; and

Whereas Representative WILLIAM LEMKE, from North Dakota, did vote against the wishes of the majority of the people of the State of North Dakota in an endeavor to obstruct the passage of said measure by the House of Representatives in Congress; and

Whereas the junior Senator from North Dakota, GERALD P. NYE, did vote against the President and against the wishes of the majority of the people of North Dakota as expressed in our resolution, and by his vote did defeat the high purpose of the President: Now, therefore, be it

Resolved, That this House of Representatives of the State of North Dakota do hereby severely criticize and condemn the actions of Representative WILLIAM LEMKE and Senator GERALD P. NYE as being detrimental to the best interests of the people of North Dakota.

Mr. NYE also presented the following concurrent resolutions of the Legislature of the State of North Dakota, which were referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 12

A concurrent resolution relating to the research by the Northern Federal Laboratory on production of power alcohol

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring therein):

Whereas it is apparent that the investigation and production of power alcohol from agricultural products is in its infancy, and whereas this field holds tremendous possibilities for the future in stabilizing farm income and increasing the demand for agricultural products: Therefore be it

Resolved, That the President of the United States, the United States Congress, and the Secretary of the United States Department of Agriculture be, and are hereby, urged and requested to make the research and investigation of the conversion of agricultural culms, wastes, and surplus into power alcohol a project on extremely active basis at the Northern Regional Laboratory to be established at Peoria, Ill.; be it further

Resolved, That copies of this resolution be transmitted by the secretary of state to the President of the United States, the Secretary of Agriculture, and to each Member of Congress from North Dakota.

Senate Concurrent Resolution 24

Concurrent resolution urging the establishment of a Division of Cooperatives in the Department of Agriculture

Whereas the establishment and maintenance of cooperative organizations is of vital importance to the Nation, and affords a commendable solution of the serious problems involving the farmers, workers, and consumers; and

Whereas there is no Government agency dedicated to the principles of cooperation and pledged to the upbuilding of the cooperative movement, the present status being as follows:

In the Department of Agriculture the former Division of Cooperative Marketing has been shifted, first to the Federal Farm Board, and thence to the Farm Credit Administration, performing certain services for farmers' producing and marketing cooperatives; the Consumers' Counsel Division of the Agricultural Adjustment Administration rendering assistance to consumers' cooperatives by supplying them with information and reporting progress in The Consumers Guide; and

In the Department of Labor the Bureau of Labor Statistics conducts surveys of consumers' cooperatives and issues publications on the subject; and

Whereas it is highly desirable to coordinate the work in cooperative buying and selling done in the several Government agencies, and to strengthen it in such a way that it will provide the maximum of service to farmers, workers, and consumers: Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the house of representatives concurring), That we petition and urge the Congress of the United States to enact legislation and make the necessary appropriations to create and establish a Division of Cooperatives in the Department of Agriculture, having for its purpose the assembling, compiling, and maintaining of files of statistical data relating to the accomplishments of cooperative enterprises, the statutes of Congress, of the several States, and foreign countries affecting cooperatives, together with the coordinating of all duties and responsibilities toward cooperatives, now reposed in the various agencies of government; all to be used for the benefit and use of established cooperatives and new projects in process of organization, and further providing for the appointment of a Director, whose duty it shall be to render all personal and other assistance possible to such cooperatives, to make appropriations therefor; and be it further

Resolved, That the secretary of state is instructed and directed to transmit copies of this resolution to the President of the United States, the Secretary of Agriculture, the President of the Senate, the Speaker of the House of Representatives, and to each of the Members of Congress of this State.

Senate Concurrent Resolution 42

Concurrent resolution for reestablishing and rehabilitating the foundation herds of livestock for the farmers and ranchers of the State of North Dakota

Whereas by reason of extreme drought conditions existing throughout the State of North Dakota during the past several years,

the foundation herds of cattle and other livestock have been seriously depleted; and

Whereas the limited number of acres which can be planted to wheat under the Federal Crop Control Act, the land taken out of wheat production can, for the most part, only be planted to feed crops or used for grazing land; and

Whereas a return of the farmers of North Dakota to a condition of economic stability can only be accomplished by providing a source of such loans to farmers for the purpose of rehabilitating themselves by means of a restocking program; and

Whereas despite the many forms of loans now being made available to the distressed farmers of the United States through the various Federal loaning agencies no provision has been made by such agencies for loans to be used in reestablishing foundation herds of livestock; and

Whereas such loans must of necessity run over a considerable period of time and are in the nature of capital loans which the banks, State and national, are not permitted to make because of the length of time involved in the liquidation thereof: Now, therefore, be it

Resolved by the Legislative Assembly of the State of North Dakota, That the serious drought conditions be called to the attention of all Federal agencies set up and now operating for the purpose of extending loans to distressed farmers, and that said agencies be urged to immediately make available to such farmers residing in the State of North Dakota, such loans as may be deemed advisable considering the condition and circumstances of each and such farmer, for the purpose of reestablishing foundation herds of livestock; be it further

Resolved, That a copy of this resolution be immediately transmitted to each such Federal loaning agency, and to each of the Senators and Representatives in Congress from the State of North Dakota.

Senate Concurrent Resolution 44

Concurrent resolution memorializing Congress to make credit immediately available to finance wheat crop insurance

Whereas the act of Congress providing for wheat crop insurance is in force and effect, but a very large number of our farmers, by reason of crop failures and existing economic conditions, are unable to take advantage of such act: Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the house of representatives concurring):

(1) That Congress is hereby petitioned to pass such legislation as may be required to make the necessary credit immediately available to the wheat farmers of this country so that they will be able to take advantage of said act of Congress and to finance the wheat crop insurance provided for in such act.

(2) That copies of this resolution shall be sent to our United States Senators and Members of the House of Representatives and to the Secretary of Agriculture.

House Concurrent Resolution 135

Concurrent resolution petitioning the United States Secretary of Agriculture to favorably interpret, or the Congress of the United States to amend, the Soil Conservation and Domestic Allotment Act

Whereas the State of North Dakota, by means of Federal land grants and through foreclosure or liquidation of real-estate mortgage loans, has acquired title to and now owns 19,439 tracts of agricultural lands comprising approximately 3,879,269.03 acres; and

Whereas it has in past years been the policy of the officers supervising and administering said lands to have same farmed and placed in compliance with the Federal Agricultural Adjustment Act; and

Whereas, because of drought, grasshopper infestation, and other damage to agricultural pursuits during past years, tenants farming the said lands have received considerable benefit by reason of same having been placed in the compliance with said Agricultural Adjustment Act; and

Whereas the 1938 amendment to the Soil Conservation and Domestic Allotment Act provides that beginning with the calendar year of 1939 no total payment for any year, to any person, shall exceed \$10,000, except in the case of payments to any individual, partnership, or estate the said limitation shall apply to the total of the payments for each State, Territory, or possession, which limitation, under definitions formulated by the Department of Agriculture, has been interpreted to apply to a sovereign State, a political subdivision of a State, or any agency thereof; and

Whereas said definition of the term "person" by the Department of Agriculture seems unjustified by the language used in said act, and contrary to the usual and accepted meaning of said term when used in legislative enactments; and

Whereas the Federal Crop Insurance Act provides that insurance can be obtained only on lands which are farmed in compliance with the Agricultural Adjustment Act, and consequently, unless said act is defined and interpreted by the Department of Agriculture, or, if necessary, amended by the Congress, to permit all lands owned by a sovereign State, Territory, or possession to be placed in compliance and made eligible for benefit payments, the State of North Dakota and its tenants on 19,439 tracts of land will be denied an opportunity of taking advantage of said Federal crop-insurance benefits: Now, therefore, be it

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Resolved by the House of Representatives of the State of North Dakota (the senate concurring):

1. That the Secretary of Agriculture of the United States is hereby petitioned to interpret the said \$10,000 payment limitation provided for in said 1938 amendment to the Soil Conservation and Domestic Allotment Act as not applying to a sovereign State, any of its departments or agencies, or to a Territory or possession of the United States, and, if necessary, to accomplish said exemption of States, Territories, or possessions from said limitation, that the Congress of the United States is hereby petitioned to pass such legislation as may be required to provide for such exemption; and

2. That copies of this resolution shall be sent to the Secretary of the United States Department of Agriculture and to our United States Senators and Members of the House of Representatives in Washington.

TAXATION OF MUNICIPAL BONDS

Mr. BARBOUR. Mr. President, I present and ask permission to have printed in the Record and appropriately referred a resolution adopted by the Commissioners of the City of Passaic, N. J., with respect to taxation on municipal bonds or other evidences of municipal indebtedness.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the Record, as follows:

JANUARY 31, 1939.

Resolved, That the Board of Commissioners of the City of Passaic, N. J., does hereby express its opposition to any Federal legislation tending to remove or diminish the exemption from taxation now pertaining to municipal bonds or other evidence of indebtedness on the ground that to do so will add to the expense of municipal financing and so increase the burden of the already grievously overburdened taxpayers.

HENRY C. WHITEHEAD,
Director of Revenue and Finance.

Approved:

NICHOLAS MARTINI,
JOHN J. ROEGNER,
Z. A. VAN HOUTEN,
BENJ. F. TURNER,
Commissioners.

REPORTS OF COMMITTEES

Mr. WHEELER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 26) to empower the President of the United States to create new national-forest units and make additions to existing national forests in the State of Montana, reported it without amendment and submitted a report (No. 38) thereon.

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (S. 1012) for the relief of Joy Montgomery, reported it with amendments and submitted a report (No. 39) thereon.

Mr. BROWN, from the Committee on Claims, to which was referred the bill (S. 129) for the relief of Howard Arthur Beswick, reported it without amendment and submitted a report (No. 40) thereon.

He also, from the same committee, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 128. A bill for the relief of Fred H. Beauregard (Rept. No. 41); and

S. 1157. A bill for the relief of the legal guardian of Roy D. Cook, a minor (Rept. No. 42).

Mr. SCHWARTZ, from the Committee on Claims, to which was referred the bill (S. 545) for the relief of George H. Pierce and Evelyn Pierce, reported it with an amendment and submitted a report (No. 43) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 884) for the relief of disbursing officers and other officers and employees of the United States for disallowances and charges on account of airplane travel, reported it without amendment and submitted a report (No. 44) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 633) for the relief of Ray Wimmer, reported it with an amendment and submitted a report (No. 45) thereon.

He also, from the same committee, to which was referred the bill (S. 12) for the relief of Dica Perkins, reported it with amendments and submitted a report (No. 46) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (S. 1106) for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn., reported it with amendments and submitted a report (No. 47) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 142. A bill for the relief of Jack Lecel Haas (Rept. No. 52);

S. 513. A bill to provide for the promotion on the retired list of the Navy of Fred G. Leith (Rept. No. 51);

S. 588. A bill to provide for an additional midshipman at the United States Naval Academy, and for other purposes (Rept. No. 50);

S. 1117. A bill to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the Submarine Base, New London, Conn., on September 21, 1938 (Rept. No. 49); and

S. 1119. A bill to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212) (Rept. No. 48).

FLORIDA SHIP CANAL

Mr. VANDENBERG. From the Committee on Commerce I report back favorably without amendment Senate Resolution 63 and Senate Resolution 64, each of which seeks information regarding the Florida ship canal, one from the Department of the Interior and the other from the Department of Commerce. The committee recommends striking out the preambles.

The Senator from Florida [Mr. PEPPER] joins with me in asking for the immediate consideration of the resolutions, so that the inquiry may promptly get under way.

I first ask unanimous consent for the immediate consideration of Senate Resolution No. 64.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan for the immediate consideration of the resolution referred to by him?

Mr. PEPPER. Mr. President, if the Senator from Michigan will yield to me to make a statement, I should like to say that, while I had a little different opinion as to procedure only, namely, that the committee rather than the Senate should request this information, I am in hearty accord with the desire to obtain the information, and I am sure the Senator from Michigan is in accord with me in wanting it to be expedited as much as possible.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 64) submitted by Mr. VANDENBERG on January 19, 1939, was read, considered, and agreed to, as follows:

Resolved, That the Department of Commerce is requested to survey its previous findings respecting the Florida ship canal and bring them down to date and to report thereon to the Senate at its earliest convenience.

The preamble was rejected.

Mr. VANDENBERG. I now ask unanimous consent for the consideration of the other resolution reported by me. It is Senate Resolution No. 63.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 63), submitted by Mr. VANDENBERG on January 19, 1939, as follows:

Resolved, That the Secretary of the Interior be requested to report to the Senate at his earliest convenience the present opinion of the United States Geological Survey regarding the probable effect of the construction of the Florida canal, as reprojected, upon ground-water levels and ground-water supplies in any affected area.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. PEPPER. Mr. President, while the statement just made by me applies also to the resolution now pending, I should like to add, merely for the information of the Senate, that the Commerce Committee yesterday agreed that the full committee would conduct public hearings at a date to be fixed at the next meeting of the committee upon the authorization bill, Senate bill 1100, introduced by the Senator from Texas [Mr. SHEPPARD].

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was rejected.

COMMITTEE ON CIVIL AVIATION AND AERONAUTICS—REPORT OF COMMITTEE ON RULES

Mr. GILLETTE (for himself and Mr. MILLER), from the Committee on Rules, to which were referred the following resolutions:

S. Res. 6. Resolution to amend rule XXV so as to provide for the creation of a Committee on Civil Aeronautics (submitted by Mr. BYRD on January 4, 1939); and

S. Res. 9. Resolution amending rule XXV so as to provide for the creation of a Committee on Civil Aviation and Aeronautics (submitted by Mr. McCARRAN on January 4, 1939), submitted a report (No. 53) thereon, and also reported an original resolution (S. Res. 74), which was ordered to be placed on the calendar, as follows:

Resolved, That rule XXV of the Standing Rules of the Senate is hereby amended by inserting after the 17th line of paragraph 1 the following:

"Committee on Civil Aviation and Aeronautics, to consist of 13 Senators."

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY:

S. 1226. A bill to exempt from the Officers' Competency Certificate Convention, 1936, all American vessels under 200 tons; to the Committee on Commerce.

By Mr. BILBO:

S. 1227. A bill for the relief of Thomas J. Grayson; to the Committee on Claims.

S. 1228. A bill to provide for the use of net weights in interstate- or foreign-commerce transactions in cotton, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. McNARY:

S. 1229. A bill for the relief of Ernest Clinton and Frederick P. Deragisch; to the Committee on Claims.

S. 1230. A bill to amend the Tariff Act of 1930, as amended; to the Committee on Finance.

By Mr. GUFFEY:

S. 1231. A bill for the relief of Martha G. and Arnold E. Orner, Sally C. Guise, and the estate and minor children of Dale W. and Gladys M. Guise; to the Committee on Claims.

By Mr. NYE:

S. 1232. A bill providing for the naturalization of aliens adopted during their minority by citizens of the United States; to the Committee on Immigration.

By Mr. DANAHER:

S. 1233. A bill to place Edwin H. Brainard on the retired list of the Marine Corps; to the Committee on Naval Affairs.

By Mr. HERRING:

S. 1234. A bill to amend section 13 (a) of the Act approved June 25, 1938 (52 Stat. 1069), entitled "Fair Labor Standards Act of 1938;" to the Committee on Education and Labor.

By Mr. MEAD:

S. 1235. A bill relating to making the Government-owned Motor Vehicle Service a permanent branch of the Post Office Department; and

S. 1236. A bill granting postal employees credit for Saturday in annual and sick leave law, thereby conforming to the 40-hour workweek or 5-day-week law; to the Committee on Post Offices and Post Roads.

By Mr. NORRIS:

S. 1237. A bill for the relief of Frank R. E. Elstun; and
S. 1238. A bill for the relief of Maude Isabel Rathburn Miner; to the Committee on Military Affairs.

By Mr. SCHWELLENBACH:

S. 1239. A bill for the relief of Priscilla M. Noland; to the Committee on Claims.

S. 1240. A bill for the relief of Joseph Just; to the Committee on Immigration.

By Mr. WALSH:

S. 1241. A bill to authorize the Secretary of the Navy to proceed with the construction of a naval supply depot, Oakland, Calif., and for other purposes; and

S. 1242. A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. ADAMS and Mr. JOHNSON of Colorado:

S. 1243. A bill to authorize the use of War Department equipment for the Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939; to the Committee on Military Affairs.

S. 1244. A bill to authorize the attendance of the Marine Band at the United Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939; to the Committee on Naval Affairs.

By Mr. BARKLEY:

S. 1245. A bill for the relief of John Larison; to the Committee on Military Affairs.

S. 1246. A bill granting a pension to Bettie Dick;

S. 1247. A bill granting a pension to Mary Bolton;

S. 1248. A bill granting a pension to Mary Jones; and

S. 1249. A bill granting a pension to Daniel W. Perkins; to the Committee on Pensions.

By Mr. CLARK of Idaho:

S. 1250. A bill providing for a moratorium on mortgages held by the Farm Credit Administration, and for other purposes; to the Committee on Agriculture and Forestry.

S. 1251. A bill for the relief of certain settlers in the town site of Ketchum, Idaho; and

S. 1252. A bill directing the Secretary of the Interior to issue to Lester E. Joslin a patent to certain lands in the State of Idaho; to the Committee on Public Lands and Surveys.

By Mr. McKELLAR:

S. 1253. A bill for the relief of John B. Dow (with an accompanying paper); to the Committee on Claims.

S. 1254. A bill to extend certain provisions of the National Housing Act, as amended (with accompanying papers); to the Committee on Education and Labor.

(Mr. McKELLAR introduced Senate bill 1255, which was referred to the Committee on Naval Affairs, and appears under a separate heading.)

By Mr. McKELLAR:

S. 1256. A bill to afford an opportunity of selection and promotion to certain officers of the United States Naval Academy class of 1909; to the Committee on Naval Affairs.

S. 1257. A bill for the relief of Mrs. J. T. Simmons;

S. 1258. A bill for the relief of the Rent-A-Car Co. (with accompanying papers); and

S. 1259. A bill for the relief of Gordon W. Lovin (with accompanying papers); to the Committee on Claims.

By Mr. REYNOLDS:

S. 1260. A bill to amend the act entitled "An act to classify officers and members of the Fire Department of the District of Columbia, and for other purposes"; and

S. 1261. A bill to provide shorter hours of duty for members of the Fire Department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. JOHNSON of California:

S. 1262. A bill for forest protection against the white-pine blister rust, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. WALSH:

S. 1263. A bill for the relief of Barbara Healy; to the Committee on Claims.

By Mr. BURKE:

S. 1264. A bill to amend the National Labor Relations Act; to the Committee on Education and Labor.

By Mr. BYRNES:

S. 1265. A bill to establish a Department of Public Works, to amend certain sections of the Social Security Act, and for other purposes; to the Committee on Appropriations.

By Mr. WHEELER:

S. 1266. A bill for the relief of A. H. Franklin and Jack Kirkwood; to the Committee on Claims.

S. 1267. A bill granting a pension to certain Indians on the Fort Belknap Indian Reservation; to the Committee on Pensions.

S. 1268. A bill to amend the Communications Act of 1934, as amended, and for other purposes; to the Committee on Interstate Commerce.

By Mr. MALONEY:

S. 1269. A bill for the relief of Emil Friedrich Dischleit; to the Committee on Immigration.

S. 1270. A bill for the relief of Thomas F. Gibbons; and

S. 1271. A bill for the relief of John J. Connors; to the Committee on Military Affairs.

S. 1272. A bill granting a pension to Excelsior Lague-Leyo; and

S. 1273. A bill granting an increase of pension to Mary A. Prior; to the Committee on Pensions.

By Mr. TAFT:

S. 1274. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim or claims of the Recording and Computing Machines Co., of Dayton, Ohio; to the Committee on Claims.

S. 1275. A bill to amend the United States Housing Act of 1937, and for other purposes; to the Committee on Education and Labor.

By Mr. THOMAS of Utah:

S. 1276. A bill to require reports to the Department of Labor by contractors and subcontractors on public buildings and public works concerning employment, wages, and value of materials, and for other purposes; to the Committee on Education and Labor.

By Mr. LA FOLLETTE:

S. 1277. A bill granting an increase of pension to Lena Campbell; to the Committee on Pensions.

By Mr. GURNEY:

S. 1278. A bill to make crop, feed, and seed loans from the Farm Credit Administration refundable by 10-year installment contracts; to the Committee on Agriculture and Forestry.

S. 1279 (by request). A bill for the relief of Earl A. Ross, Frank P. Ross, and Lemuel T. Root, Jr.; to the Committee on Public Lands and Surveys.

By Mr. ASHURST:

S. 1280. A bill to establish a national cemetery at Prescott, Ariz.; to the Committee on Military Affairs.

S. 1281 (by request). A bill to prohibit reproductions of official badges, identification cards, and other insignia;

S. 1282 (by request). A bill to extend the privilege of retirement for disability to judges appointed to hold office during good behavior; and

S. 1283 (by request). A bill to give the Supreme Court of the United States authority to prescribe rules of pleading, practice, and procedure with respect to proceedings in criminal cases prior to and including verdict, or finding, or plea of guilty; to the Committee on the Judiciary.

By Mr. McCARRAN:

S. 1284. A bill to amend the act of March 4, 1923 entitled "An act to provide for the classification of civilian positions

within the District of Columbia and within the field services," and amendments thereto; to the Committee on Civil Service.

S. 1285. A bill for the relief of George Gerrick; to the Committee on Military Affairs.

S. 1286. A bill to provide automobile liability for postal employees; to the Committee on Post Offices and Post Roads.

By Mr. MURRAY:

S. 1287. A bill to authorize advance of the amounts due on delinquent homestead entries on certain Indian reservations; to the Committee on Indian Affairs.

S. 1288. A bill providing for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Mines and Mining.

By Mr. CAPPER:

S. 1289. A bill for the relief of the city of Leavenworth, Kans.; and

S. 1290. A bill for the relief of certain officers of the Army whose household and other effects were damaged or destroyed by the flooding of a warehouse at Fort Myer, Va.; to the Committee on Claims.

S. 1291. A bill for the relief of William Carl Laude; to the Committee on Immigration.

S. 1292. A bill granting a pension to Nancy Jane Ruffin; and
S. 1293. A bill granting an increase of pension to Susanne Katharina Reinhardt; to the Committee on Pensions.

By Mr. KING:

S. 1294. A bill to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted;

S. 1295. A bill to amend section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes";

S. 1296. A bill to amend paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, and for other purposes; and

S. 1297. A bill to amend the act entitled "An act to regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed bankers, trust companies, savings banks, building and loan associations, and real-estate brokers in the District of Columbia," approved February 4, 1913; to the Committee on the District of Columbia.

By Mr. THOMAS of Oklahoma:

S. 1298. A bill relating to the Osage Nation in Oklahoma; to the Committee on Indian Affairs.

By Mr. SHEPPARD:

S. 1299. A bill authorizing and directing the Interstate Commerce Commission to investigate in-bound and out-bound transportation rates in Texas; to the Committee on Interstate Commerce.

S. 1300. A bill for the relief of officers who failed to file application for benefits within the time limit fixed by the act of May 24, 1928; and

S. 1301. A bill to create the office of military secretary to the general of the armies of the United States of America, with the rank of colonel, and for other purposes; to the Committee on Military Affairs.

By Mr. THOMAS of Utah:

S. J. Res. 59. Joint resolution authorizing the Bureau of Labor Statistics to collect information as to amount and value of all goods produced in State and Federal prisons; to the Committee on Education and Labor.

By Mr. LA FOLLETTE:

S. J. Res. 60. Joint resolution to make available to the Federal Government the facilities of the Council of State Governments, and for other purposes; to the Committee on Education and Labor.

By Mr. WALSH:

S. J. Res. 61. Joint resolution establishing the Ladies of the Grand Army of the Republic National Shrine Commission to formulate plans for the construction of a permanent memo-

rial building to the memory of the veterans of the Civil War; to the Committee on the Library.

By Mr. McKELLAR:

S. J. Res. 62. Joint resolution to reinter the bodies of Mary McDonough Johnson Daughtery and Sarah Phillips McCardle Whitesides near the body of former President Andrew Johnson; to the Committee on Military Affairs.

(Mr. KING introduced Senate Joint Resolution 63, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

(Mr. WAGNER introduced Senate Joint Resolution 64, which was referred to the Committee on Immigration, and appears under a separate heading.)

AMENDMENT OF NAVY SELECTION LAW

Mr. McKELLAR. Mr. President, I introduce, for proper reference, a bill dealing with the present selection law governing promotions in the Navy, and ask unanimous consent that the bill may be printed in the RECORD, together with an explanation thereof.

The VICE PRESIDENT. Without objection, the bill introduced by the Senator from Tennessee will be received, properly referred, and, together with the explanatory statement, will be printed in the RECORD.

The bill (S. 1255) to correct injustices resulting from faulty application of the Navy Selection Act of June 23, 1938, was read twice by its title, referred to the Committee on Naval Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That so much of the provisions of the act entitled "An act to regulate the distribution, promotion, and retirement of officers of the line of the Navy, and for other purposes," as relates to the retirement or discharge of officers of the grade of lieutenant colonel, major, captain, and first lieutenant in the Marine Corps, as a result of having twice failed of selection under the provisions of that act, as affects those officers who will be retired or discharged on or before June 30, 1939, is hereby suspended.

SEC. 2. The Secretary of the Navy shall appoint a board of five officers, above the rank of commander in the Navy or lieutenant colonel in the Marine Corps, none of whom shall have sat as a member of a selection board for the 2 years prior to July 1, 1939, and shall furnish this board with the records, except health records, of all officers now in the grade of lieutenant colonel, major, captain, and first lieutenant in the Marine Corps, who would be retired or discharged on or before June 30, 1939, as the result of the aforementioned act of June 23, 1938.

SEC. 3. The board appointed under the provisions of the preceding section shall meet within 1 month from the passage of this act, and shall carefully examine the records of those officers with which it shall have been furnished by the Secretary of the Navy, in accordance with the provisions of the preceding section. Within 15 days from the date of its initial meeting, it shall submit to the Secretary of the Navy the names of those officers, from the foregoing list, which it considers best fitted for promotion from the grades in which they may be then serving, to the next higher grade, not to exceed promotions to the number of 4 colonels, 8 lieutenant colonels, 16 majors, and 32 captains, respectively: *Provided*, That the board shall be governed, in selecting the officers for promotion as aforesaid, by an examination of the records of the officers concerned in their present grades, and shall recommend for promotion only those officers whose records in their present grades contain no matter unfavorable to them, being governed by no other consideration: *And provided further*, That the board shall, in addition, submit to the Secretary of the Navy, at the same time as the list of the officers recommended for promotion, a list of those officers not so recommended, with the reasons therefor, which reason or reasons in each case shall be supported by an extract or extracts from the record of the officers concerned, which shall be certified by the president of the board to be a true extract of the record of that officer in his current grade.

SEC. 4. The report of officers not recommended for promotion having been submitted to the Secretary of the Navy, he shall, without delay, notify each officer named therein of this fact, quoting the reasons given in the aforementioned report of the board, and shall permit the officer concerned to present himself in person before the board, to be examined by the board on any matter or matters appearing in his record which may be of a nature unfavorable to him, to be represented by counsel, and to have the right to examine any member of the board, or any other witness, with regard to his record in his current grade, or any part thereof: *Provided*, That the meeting of the board for the hearing of any officer not named on its original list of recommendations for promotion to the next higher grade shall take place only after a reasonable time, sufficient to allow all the officers concerned to present themselves at the place of meeting of the board: *And provided further*, That an officer, not recommended for promotion, who, being duly notified by the Secretary of the Navy of his right to appear in person, must, within 5 days after

the receipt of such notification, notify the Secretary of the Navy in writing or by official dispatch of his desire to so appear, otherwise he will be assumed to have automatically forfeited his right to appear: *And provided further*, That no cost shall accrue to the United States, on account of travel of officers desiring to present themselves before the board, nor shall the time absent from their duties by such officers, on account of such appearance, be counted as other than leave of absence.

SEC. 5. The board shall proceed with a separate hearing of any officers who may have stated their desire to appear before it, under the provisions of the preceding section, and shall, within 5 days after the hearing of all such officers shall have been terminated, recommend to the Secretary of the Navy either that the list of recommendations as originally submitted be approved and forwarded to the President for nomination of the officers named therein to be promoted as set forth hereafter, or that the names of any or all officers whose cases the board has considered as a result of personal hearings be added thereto, and that the revised list be then submitted, as above, or that, in case addition of the number of officers recommended as a result of personal hearing to the original list will result in an excess over the number allowed by section 3, above, those officers who may be added as a result of hearing be retained in their current grades on the active list for a period of 1 year, or until such time as their eligibility for promotion shall have been again considered by a selection board, convened pursuant to the act approved June 23, 1938, above-mentioned: *Provided*, That no retirements or discharges under the provisions of the act of June 23, 1938, above-mentioned, shall be carried into effect until the President shall have approved the final action of the board appointed pursuant to section 2 of this act.

SEC. 6. Officers selected for promotion as a result of the action of the board appointed pursuant to section 2, above, shall be promoted as additional numbers in their respective grades. They shall take rank after the officer promoted as a result of the action of a selection board convened in obedience to the provisions of the act of June 23, 1938, whose name appears next above theirs on the lineal list established by publication of the Register of Commissioned and Warrant Officers of the United States Navy and Marine Corps, published by authority of the Navy Department under date of July 1, 1938: *Provided*, That the officers so selected shall be promoted subject to the laws governing physical and professional examination for promotion, and shall then be subject to all other laws governing officers on the active list of the Navy: *And provided further*, That no discrimination, as regards the character of duty to be assigned these officers, shall be made by reason of the fact that they are additional numbers in their respective grades.

SEC. 7. If the total number of officers selected and promoted as additional numbers, as above provided, shall be less than 60, the Secretary of the Navy is authorized to make recommendation to the President for the commissioning of such number of second lieutenants in the Marine Corps, as shall bring the total number of officers promoted as additional numbers, or retained as a result of the recommendation of the board appointed pursuant to the provisions of section 2, above, in accordance with the provisions of section 5, above, and officers newly appointed second lieutenants, to 60 officers: *Provided*, That the appointment of second lieutenants shall be in all respects in accordance with existing laws.

The statement presented by Mr. McKellar is as follows:

DISCUSSION, TOGETHER WITH CERTAIN REMARKS ON THE OPERATION OF THE PRESENT NAVY SELECTION LAW, AS APPLIED TO THE MARINE CORPS

The present Navy selection system is the result of a makeshift law, hurriedly thrown together by certain Members of last year's Congress, who realized that the operation of the selection law of May 29, 1934, was entirely unsatisfactory. The makers of the present law themselves realize, as well, that the present law has many defects, and have frequently so stated. While it may have partially fulfilled its purpose during the 2 years following its enactment, the law of 1934, and its successor, the present measure, have served to separate from the active list an overwhelming majority of officers of excellent attainments, good professional background, and considerable promise.

The officers so separated go to the retired list; they have an expectancy of life of from 15 to 30 years, during which time they will draw retired pay on which the United States gets no return. Their records of service have, for the most part, been above the average. It is believed that a comparison of the two lists of those officers who have been selected and of those who have been retired from having failed of selection will show that the records of one group are no better nor no worse than those of the other. This fact, once established, bears out the assumption that Marine Corps selection boards in the past 3 years have been actuated not by an impartial examination of officers' records, as they are required to do, but by prejudices formed by a casual knowledge of the officers under scrutiny, or by that insidious and entirely specious quality known as "service reputation", which may be composed of about one-tenth fact, the remainder being a sort of haphazard digest of rumors and opinions supplied alike by friends and enemies of the officer under consideration. It is, of course, well known that no person can go through a considerable period of his life without making some enemies, unless this person be of extremely negative character.

Moreover, selection boards in the Marine Corps have not been carrying out the wishes of Congress in another respect. Accord-

ing to the act of June 23, 1938, certain officers whose records would justify their promotion, but who, in the opinion of selection boards, did not possess the requisite personal characteristics for higher commands, were to be considered as "fitted," and promoted to the next higher grade, whence, after a given period of service, they were to be retired. Certain selection boards convened since the passage of this act have selected as fitted an extremely small proportion of those officers under consideration. This would indicate either—

That the records of these officers are much worse than would be generally believed;

That individual members of the board are bringing their personal prejudices into play;

That some directive, contrary to both the letter and spirit of the law, has been given selection boards by persons in authority in the headquarters of the corps or in the Navy Department; or

That a faulty interpretation of the law has emanated from the same source.

That the records of certain officers passed over are, in some cases, better than those of officers selected is definitely known. There is the case of one officer—his entire record is clear of any unfavorable matter; his reports of fitness have been either very good or excellent during his entire service; he has letters of commendation on his record almost continuously from the World War period until the present; he has occupied many positions of responsibility. An instance of this is furnished during the period of the withdrawal of the American forces from Haiti in 1934. At this time the colonel commanding the Second Marines, the only infantry regiment then in the island, and the second in command, were detached from duty in Haiti several weeks prior to the actual withdrawal, and the command of the regiment given to this officer, even though he was at that time only a captain. During the period in which he was serving as an instructor at the Marine Corps Schools he was allowed to take the advanced course at these schools, in addition to carrying on his duties as an instructor, and successfully completed this course, even though he was responsible for the preparation and presentation of more hours of instruction than any other officer in his particular group. He has been serving in his present detail for almost 3 years, although the normal tour of duty therein is only 2 years. A few days before the meeting of the last selection board which acted on his case an officer in headquarters informed him that the general officer having charge of his particular activity wished him to continue on his present duty through 1940.

This officer has recently been officially notified that, having failed of selection as best fitted for promotion, his separation from the active list will take place on July 1 next. In contrast to this there is the case of an officer recently selected who is known to have had at least two incidents in his history which do not reflect credit on him. While in command of a detached post in Santo Domingo certain members of his command got out of hand, got drunk, burned down several native houses, and beat a native so severely that he later died. Again, in 1935, while he was serving on duty with the Organized Reserves, he was relieved for unsatisfactory performance of duty and given a letter of reprimand and an unsatisfactory report of fitness. Both of these latter were later removed from his record, at the instance of one of his superiors, through invoking a technicality. It is, however, noteworthy that the duty from which this officer was relieved in 1935 is identically the same duty which the officer mentioned in the preceding paragraph—who has been passed over—is now performing, and in which his immediate superiors desire to have him continue. It is also noteworthy that the future of each of these two officers was decided by the same selection board.

There are other instances of officers with apparently excellent records being passed over. Their records, in detail, are not sufficiently well known, but it is significant to note that, among the officers passed over, one has a Navy Cross and a Distinguished Service Medal, two have Navy Crosses alone, and others have decorations or citations of different characters.

The proposed legislation to which this discussion is attached is not submitted with a view of correcting the evils of the selection system, as they have developed up to the present, but in order that the services of the officers who must leave the active list by July 1 will not be lost to the United States without first determining whether or not they have been dealt with arbitrarily and unjustly. There is little question of their worth to the service; that has been proven by the officers themselves, as shown in their records.

Under a scheme initiated during the session of the last Congress, the Major General Commandant of the Marine Corps, is asking, or will ask, Congress to appropriate for the commissioning of 60 second lieutenants, in addition to the present authorized strength of officers in the Marine Corps. The complete plan, made known to last year's Congress, contemplates taking in this number for this and the succeeding 3 years, so that a total of 240 officers, in addition to the present authorized strength, will have been taken into the corps at the end of the period. All of these second lieutenants will be untried and uneducated. Before they can be of the same value to the Government as the officers who are being forcibly retired, they must serve from 12 to 20 years, during which time they must be paid, hospitalized, transported from place to place, and specially educated; the cost to the Government for their services and education will be something in excess of \$100,000, as has been the cost of these officers who are now about to be retired. It is then apparent that, by retiring an officer of, say, the grade of major, whose services have been satisfactory, if not conspicuous, the Government is relinquishing its interest in an investment of this size, obligating itself to one equally large, and adding thereto a payment of from two thousand to twenty-five

hundred dollars a year for the next 20 years in retired pay for each of the trained and efficient officers which it is placing on the shelf. It is normal to expect the officers shelved to live not less than 20 years longer.

Examining the proposed legislation in detail, it will be seen that section 1 thereof provides for the suspension of the retirement provision of the act of June 23, 1938, as regards the officers who must retire at the end of the current fiscal year.

Section 2 provides for the appointment of a board of five officers, either of the Navy or Marine Corps, who shall be of the grade of captain in the Navy or colonel in the Marine Corps, or higher. None of these officers shall have served as a member of a selection board for the past 2 years, and can therefore be expected to approach the problem with entirely open minds. The section also provides that the records of the officers due to be separated from the active list shall be furnished the board so appointed. Health records are excepted, as the officers under consideration have all been examined physically for the current year and have been pronounced fit for the performance of their duties.

Section 3 provides that the board shall meet within 1 month from the enactment of the proposed measure, and that it shall carefully examine the records of the officers concerned, and as a result of the examination of these records shall recommend the promotion of those officers among the group whose records, in the grades in which they are now serving, are clear of any unfavorable matter. This phrase "unfavorable matter" has a definite meaning in the military or naval service. It embraces evidence of conviction of the individual concerned by a general court martial; record of proceedings of an investigation or court of inquiry, wherein the individual has been named as a defendant, or wherein evidence has been adduced to show improper conduct of any sort by the individual; a letter of official reprimand; a report of fitness wherein any of the markings are lower than satisfactory; or a report wherein the reporting senior has, by his remarks, indicated that the performance of duty by the individual has not been, in some respect, up to the minimum standards for officers of his grade; or a letter calling the attention of the individual to his negligence in discharging financial obligations, or inattention to other matters which may affect the good name of the service. Any item of unfavorable matter is clearly recognized by anyone examining an officer's record. This section also specifically provides that the only consideration by which the board shall be guided is the excellence of an officer's record; it contemplates that the board shall not exercise its discretion, nor shall it be guided by such nebulous factors as "service reputation," referred to previously. It further provides that, in the case of officers not recommended for promotion, the board shall substantiate its recommendations with certified extracts from the records of the officers concerned.

The number of officers to be recommended for promotion in the respective grades is the same proportion as to grades for officers in the Marine Corps at present. It will be noted that the total maximum number to be promoted is 60, which is the number of second lieutenants the Major General Commandant contemplates adding to the officer strength of the Marine Corps for the current year.

Section 4 provides for recourse by officers not recommended by the board, and provides final assurance that there shall be no taint of "star chamber" proceedings attached to the process of their selection or nonselection for promotion. This consists, briefly, in permitting the officer to be present at a second hearing of the board, to be personally examined, to be represented by counsel, and to have the privilege of questioning individual members of the board as to his fitness for promotion.

Section 5 continues the provisions for a hearing allowed officers not favorably reported on in the original meeting of the board, and provides that, on final approval by the President, those officers not recommended by the board for promotion or retention shall be retired or discharged pursuant to the provisions of the act of June 23, 1938.

Section 6 provides that the officers selected for promotion as a result of the action of the board mentioned in section 2 shall be promoted as additional numbers in grade. By this provision the officers who may have benefited by the action of previous selection boards will not be placed at a disadvantage, and the services of those worthy officers who have heretofore suffered by selection-board action will be saved to the United States.

Section 7 provides for the commissioning as second lieutenants of a sufficient number to bring the total number of officers promoted as extra numbers or otherwise retained under the provisions of the proposed legislation, plus newly commissioned second lieutenants, to 60 officers.

REDUCTION AND LIMITATION OF ARMAMENTS

Mr. KING. Mr. President, I introduce a joint resolution and ask the indulgence of the Senate to allow it to be read in full.

The VICE PRESIDENT. Is there objection?

There being no objection, the joint resolution (S. J. Res. 63) authorizing the President of the United States to call an international conference to formulate measures for the reduction and limitation of armaments was read the first time by its title and the second time at length, as follows:

Whereas the increase in world armaments is causing deep concern among the people of all nations, and is regarded by them as provocative of international conflicts; and

Whereas such increase imposes heavy burdens of taxation upon the people and every form of industry and interrupts trade and commerce among nations: Now, therefore, be it

Resolved, etc., That the President of the United States is authorized to invite the governments with which the United States has diplomatic relations to appoint representatives to a conference to be held in the city of Washington, which shall be charged with the consideration of the causes and purposes of present military and naval expenditures, and with the formulation of measures by which armaments of war, either upon land or sea or air, shall be effectually reduced and limited in the interest of world peace and the relief of all nations from the burdens of inordinate and unnecessary expenditures for armaments.

Sec. 2. Resolved, That it is the sense of the Congress, in case an understanding is reached at such conference, that it will conform its appropriations for military and naval purposes, including building plans, to the terms of such understanding.

Mr. KING. Mr. President, it had been my purpose upon the introduction of this joint resolution to submit some remarks, but, in view of the fact that the Temporary National Economic Committee, of which I am a member, is in session, I shall pretermit any observations at this time. I ask that the joint resolution be referred to the Committee on Foreign Relations, and give notice that at an early date I shall speak in support of it.

The VICE PRESIDENT. The joint resolution will be referred to the Committee on Foreign Relations.

ADMISSION OF GERMAN REFUGEE CHILDREN

Mr. WAGNER. I introduce a joint resolution and ask that it may be properly referred and printed in the RECORD, together with an explanatory statement and a statement by a number of distinguished clergymen.

The VICE PRESIDENT. Without objection, the joint resolution introduced by the Senator from New York will be received, properly referred, and, together with the statements referred to, printed in the RECORD.

The joint resolution (S. J. Res. 64) to authorize the admission into the United States of a limited number of German refugee children was read twice by its title, referred to the Committee on Immigration, and ordered to be printed in the RECORD, as follows:

Whereas there is now in progress a world-wide effort to facilitate the emigration from Germany of men, women, and children of every race and creed suffering from conditions which compel them to seek refuge in other lands; and

Whereas the most pitiful and helpless sufferers are children of tender years; and

Whereas the admission into the United States of a limited number of these children can be accomplished without any danger of their becoming public charges, or dislocating American industry or displacing American labor; and

Whereas such action by the United States would constitute the most immediate and practical contribution by our liberty-loving people to the cause of human freedom, to which we are inseparably bound by our institutions, our history, and our profoundest sentiments: Now, therefore, be it

Resolved, etc., That not more than 10,000 immigration visas may be issued during each of the calendar years 1939 and 1940, in addition to those authorized by existing law and notwithstanding any provisions of law regarding priorities or preferences, for the admission into the United States of children 14 years of age or under, who reside, or at any time since January 1, 1933, have resided, in any territory now incorporated in Germany, and who are otherwise eligible: *Provided*, That satisfactory assurances are given that such children will be supported and properly cared for through the voluntary action of responsible citizens or responsible private organizations of the United States, and consequently will not become public charges.

The statements presented by Mr. WAGNER are as follows:

The joint resolution I have just introduced authorizes the admission into the United States of 10,000 German refugee children of every race and creed, during each of the calendar years 1939 and 1940.

Millions of innocent and defenseless men, women, and children in Germany today, of every race and creed, are suffering from conditions which compel them to seek refuge in other lands. Our hearts go out especially to the children of tender years, who are the most pitiful and helpless sufferers. The admission of a limited number of these children into the United States would release them from the prospect of a life without hope and without recourse, and enable them to grow up in an environment where the human spirit may survive and prosper.

This resolution does not suspend existing quota restrictions on the immigration of adults. It merely authorizes the admission during a limited period of a limited number of refugee children, 14 years of age or under. This could readily be accomplished without their becoming public charges and without any danger of dislocating American industry or displacing American labor.

Their admission would be predicated on satisfactory and voluntary undertakings by responsible American citizens or private organizations that adequate provision would be made for their maintenance and care in homes of their own faiths.

Thousands of American families have already expressed their willingness to take refugee children into their homes. Recently 49 of the outstanding Catholic and Protestant prelates of the United States, including His Eminence Cardinal Mundelein, joined in a statement urging our people to join together without regard to race, religion or creed in offering refuge to children as a token of our sympathy and as a symbol of our faith in the ideals of human brotherhood. Both branches of the labor movement have now joined in expressing sympathy for this objective.

Such action by the United States would follow the precedent of England and Holland, which have given sanctuary to many of these unfortunate victims of persecution. It would constitute our most immediate and practical contribution to the cause of human freedom, to which we are inseparably bound by our institutions, our history, and our profoundest sentiments. I have every confidence that there will be prompt and wholehearted response throughout the country to this noble cause, whereby the American people will give expression to their innermost cravings for liberty, justice, and international peace.

A STATEMENT BY PROTESTANT AND CATHOLIC CLERGYMEN OF AMERICA JANUARY 10, 1939.

The American people have made clear their reaction to the oppression of all minority groups, religious and racial, throughout Germany. They have been especially moved by the plight of the children. Every heart has been touched, and the nation has spoken out its sorrow and dismay through the voices of its statesmen, teachers, and religious leaders. Americans have felt that protest, however vigorous, and sympathy, however deep, are not enough, and that these must translate themselves into such action as shall justify faith.

We have been stirred by the knowledge that Holland and England have opened their doors and homes to many of these children. We conceive it to be our duty, in the name of the American tradition and the religious spirit common to our Nation, to urge the people, by its Congress and Executive, to express sympathy through special treatment of the young robbed of country, homes, and parents. A heartening token of the mood of America is to be found in the fact that thousands of Americans of all faiths have made known their eagerness to take these young children into their homes without burden or obligation to the State.

Working within and under the laws of Congress, through special enactment if necessary, the Nation can offer sanctuary to a part of these children by united expression of its will to help.

To us it seems that the duty of Americans in dealing with the youthful victims of a regime which punishes innocent and tender children as if they were offenders is to remember the monition of Him who said, "Suffer little children to come unto me." And in that spirit we call on all Americans to join together, without regard to race, religion, or creed, in offering refuge to children as a token of our sympathy and as a symbol of our faith in the ideals of human brotherhood.

Dr. Martin Anderson, Central Presbyterian Church, Denver, Colo.

Dr. Albert William Beaven, president of Colgate Rochester Divinity School, Rochester, N. Y.

Dr. Oscar F. Blackwelder, Lutheran Church of the Reformation, Washington, D. C.

Dr. Walter Russell Bowie, Grace Church, New York City.

Most Reverend John T. Cantwell, Archbishop of Los Angeles.

Dr. Samuel Cavert, executive secretary, Federal Council of Churches of Christ in America, New York City.

Dr. Allen Knight Chalmers, Broadway Tabernacle, 211 West Fifty-sixth Street, New York City.

Dr. Henry Sloane Coffin, Union Theological Seminary, New York City.

Dr. Henry Crane, Central Methodist Church, Detroit, Mich.

Bishop Ralph Cushman, Methodist Church, Denver, Colo.

Dr. Harry Emerson Fosdick, Riverside Church, New York City.

Rev. Graham Frank, First Christian Church, Dallas, Tex.

Rt. Rev. James Edward Freeman, Bishop of Washington, Washington, D. C.

Dr. Robert Freeman, Presbyterian Church, Pasadena, Calif.

Dr. Lewis W. Gobel, president, General Synod of Evangelical and Reformed Church, Chicago, Ill.

Dr. Louis Hartman, editor, Zion's Herald, Boston, Mass.

Dr. Ivan Lee Holt, St. Louis, Mo.

Rt. Rev. Edwin H. Hughes, Bishop of Washington area, Methodist Episcopal Church, Washington, D. C.

Dr. Robert Scott Inglis, pastor emeritus of Third Presbyterian Church, Newark, N. J.

Dr. Edgar DeWitt Jones, Central Woodward Church, Detroit, Mich.

Dr. Meredith Ashby Jones, Atlanta, Ga.

Bishop Paul Bentley Kern, Methodist Episcopal Church South, Durham, N. C.

Rev. McIllyar H. Lichliter, First Congregational Church, Columbus, Ohio.

Dr. Mark Allison Matthews, First Presbyterian Church, Seattle, Wash.

Most Rev. Charles Hubert Le Blond, Bishop of St. Joseph, St. Joseph, Mo.

Rev. Oscar E. Maurer, moderator, National Council of Congregational-Christian Churches, New Haven, Conn.

Bishop Charles Mead, Methodist Episcopal Church, Kansas City, Mo.

Dr. Julius Valdemar Moldenhawer, First Presbyterian Church, New York City.

His Eminence George Cardinal Mundelein, Archbishop of Chicago, Chicago, Ill.

Rev. Roger T. Nooe, president, International Conventino of Disciples of Christ, Nashville, Tenn.

Rt. Rev. John O'Grady, secretary, National Conference of Catholic Charities.

Very Rev. Arthur A. O'Leary, S. J., president, Georgetown University, Washington, D. C.

Rev. Joseph D. Ostermann, executive director, Committee for the Catholic Refugees from Germany.

Bishop G. Bromley Oxnam, Methodist Church, Omaha, Nebr.

Dr. Albert Wentworth Palmer, Chicago Theological Seminary, president, Chicago, Ill.

Rev. Daniel Alfred Poling, editor, Christian Herald and Christian Endeavor World, Baptist Temple, Philadelphia, Pa.

Dr. George W. Richards, president, Theological Seminary of the Reformed Church, Lancaster, Pa.

Most Rev. Joseph Francis Rummell, S. T. D., Archbishop of New Orleans, New Orleans, La.

Most Rev. James H. Ryan, S. T. D., Bishop of Omaha, Omaha, Nebr.

Rt. Rev. John Augustine Ryan, director, social action department, National Catholic Welfare Conference, Washington, D. C.

Rt. Rev. William Scarlett, Bishop of Missouri, Protestant Episcopal Church, St. Louis, Mo.

Dr. Avery A. Shaw, president, Denison University, Granville, Ohio.

Rev. Maurice S. Sheehy, head, department of religious education, Catholic University of America, Washington, D. C.

Most Rev. Bernard James Sheil, Auxiliary Bishop of Chicago, Ill.

Rt. Rev. Henry K. Sherrill, Bishop of Massachusetts, Protestant Episcopal Church, Boston, Mass.

Dr. Joseph Richard Sizoo, St. Nicholas Church, New York City.

Dr. Ralph W. Sockman, Christ's Methodist Episcopal Church, New York City.

Dr. Robert Elliott Speer, president of the board of trustees, Princeton Seminary, Princeton, N. J.

Dr. Anson Phelps Stokes, canon of Washington Cathedral, Washington, D. C.

Dr. John Timothy Stone, president, Presbyterian Theological Seminary, Chicago, Ill.

Dr. Howard Thurman, dean of chapel, Howard University, Washington, D. C.

Dr. Ezra Allen Van Nuys, Calvary Presbyterian Church, San Francisco, Calif.

Dr. John Anderson Vance, First Presbyterian Church, Detroit, Mich.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calhoun, one of its reading clerks, announced that the House had passed without amendment the joint resolution (S. J. Res. 38) providing additional funds for the expenses of the special joint congressional committee investigating the Tennessee Valley Authority, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR of Colorado, Mr. WOODRUM of Virginia, Mr. CANNON of Missouri, Mr. LUDLOW, Mr. THOMAS S. McMILLAN, Mr. SNYDER, Mr. O'NEAL, Mr. JOHNSON of West Virginia, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. DITTER were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1940, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that pursuant to the provisions of Public Resolution 124, Seventy-fifth Congress, the Speaker had appointed Mr. KELLER, Mr. McCORMACK, and Mr. WIGGLESWORTH members, on the part of the House, of the Joint Special Committee on the Oliver Wendell Holmes Devise.

The message further announced that pursuant to the provisions of House Concurrent Resolution 4, Seventy-sixth

Congress, the Speaker had appointed Mr. RAYBURN, Mr. SABATH, Mr. BLOOM, Mr. EATON of New Jersey, and Miss SUMNER of Illinois members, on the part of the House, of the joint committee to make suitable arrangements for the commemoration of the one hundred and fiftieth anniversary of the First Congress of the United States under the Constitution.

HOUSE BILL REFERRED

The bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1940, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

CHANGE OF REFERENCE

Mr. KING. Mr. President, on January 4, 1939, the Senator from Arizona [Mr. ASHURST] introduced a bill dealing with the crime of homicide within the District of Columbia. I think, inadvertently, the bill was referred to the Committee on the Judiciary. It ought to have gone to the Committee on the District of Columbia. I therefore move that the Committee on the Judiciary be discharged from the further consideration of the bill (S. 186) to amend section 798 of the Code of Law of the District of Columbia and that it be referred to the Committee on the District of Columbia.

The motion was agreed to.

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. MURRAY submitted an amendment intended to be proposed by him to the second deficiency appropriation bill, 1939, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place to insert the following:

"WATER-CONSERVATION AND UTILITY PROJECTS

"For construction, in addition to labor and materials to be supplied by the Works Progress Administration, of water-conservation and utilization projects, including acquisition of water rights, rights-of-way, and other interests in land, in the Great Plains and arid and semiarid areas of the United States, fiscal year 1940, to be immediately available, \$5,000,000, to be allocated by the President in such amounts as he deems necessary, to such Federal departments, establishments, and other agencies as he may designate, and to be reimbursed to the United States by the water users on such projects in not to exceed 40 annual installments: *Provided*, That expenditures from Works Progress Administration funds shall be subject to such provisions with respect to reimbursability as the President may determine."

CONTINUATION OF INVESTIGATION RELATING TO ORGANIZATION OF THE COURTS, ETC.

Mr. ASHURST submitted the following resolution (S. Res. 75), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution No. 164, agreed to August 6, 1937, authorizing a special committee of the Committee on the Judiciary, during the Seventy-fifth Congress, to make an investigation of all matters relating to the reorganization of the courts of the United States, the appointment of additional judges, and the reform of judicial procedure, hereby is continued in full force and effect for the same purposes during the Seventy-sixth Congress.

INVESTIGATION OF FRAUDULENT TIMBER LAND PATENTS IN WASHINGTON

Mr. GURNEY (by request) submitted the following resolution (S. Res. 76), which was referred to the Committee on Public Lands and Surveys:

Resolved, That the Committee on Public Lands and Surveys, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete investigation of the fraudulent issuance of patents to timber lands in the western part of the State of Washington and the legality of the Hyde-Benson lien land scrip issued in connection therewith. The committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-sixth and succeeding Congresses, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which

shall not exceed \$——, shall be paid from the contingent fund of the Senate, upon vouchers approved by the chairman.

CONNECTICUT RIVER AS EAST HARTFORD, CONN. (S. DOC. NO. 32)

Mr. SHEPPARD. Mr. President, I ask unanimous consent that a letter from the Secretary of War, transmitting a report dated January 11, 1939, from the Chief of Engineers of the Army, on a reexamination of the Connecticut River at East Hartford, Conn., together with the accompanying papers and illustrations, may be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF PHILIPPINE INDEPENDENCE ACT

Mr. GIBSON. Mr. President, a few days ago the able Senator from Maryland [Mr. TYDINGS] introduced, by request, Senate bill 1028 to amend the Philippine Independence Act of March 24, 1934, and various other acts of Congress.

The avowed purposes of the amendments are:

(a) To correct the "imperfections or inequalities" in the Independence Act; and

(b) To formulate a program of economic relations between the United States and the Philippines to function from 1946 through to the end of 1960.

In fact, I fear, if passed, it may multiply and aggravate the imperfections and the inequalities of the Independence Act, thus leaving Congress to grapple in the future with greater problems and more complexities.

Therefore I am proposing for consideration a substitute program which is much simpler and more equitable to all concerned. This program is: Repeal in this Congress the export-tax provision of the independence act, which, if not repealed, will go into effect next year, and let the rest of the act stand as it is.

The proponents of the bill, especially those whose knowledge of its contents is based mostly on abbreviated press reports, will allege in its defense that it generously gives the Philippines a period of about 14 years from 1946, the year of political independence, to prepare for the transitional adjustment of the Philippine national economy from the tariff-protected status to the position independent of trade preferences in the United States.

My criticism—and I want to make it as clear and emphatic as possible—is that the bill does not legally commit the United States to conclude an agreement but only sets forth a plan of economic relations for the period 1946–60. Under the wording of the provision it cannot bind the President or the Government of the United States to put the plan actually into execution.

I desire to focus attention upon that provision, for it is the very heart of the new Philippine program. It gives the President of the United States only permissive, not mandatory, authority to enter into an "executive agreement" with the President of the Philippines, incorporating that program therein, and such agreement if entered into, is revocable on only 6 months' notice.

It is obvious, therefore, that under the bill there is no certainty that an agreement will be negotiated at all in 1946. Everything would depend on who at that time might be President, and on his policies, the policies of his political party and the conditions then prevailing. Thus the provision would give the Philippines no stability whatsoever. It would defeat the avowed purposes of the amendments.

A treaty, as the Joint Preparatory Committee on Insular Affairs has so wisely recommended, though the recommendation has not been adopted by the person who drafted the bill, would be reassuring and binding if the negotiation of such treaty were legally possible.

I consider the point concerning the instability and unreliability of the executive agreement so far-reaching in significance and so fundamentally harmful to the Philippines as to constitute full justification for those who favor the bill before knowing of that provision to reverse themselves and be opponents of the measure.

Whatever may be the action of Congress on the pending bill—S. 1028—I wish to express my appreciation of the able report which the Joint Preparatory Committee has rendered.

This report and the able and comprehensive study of the United States Tariff Commission a year before constitute the best source today of Philippine information. I urge every Member of Congress to read these valuable documents at their earliest opportunity. They are models of clarity, completeness, and attractive exposition.

I must stress the fact that, if I differ with the committee, it is due to the firm opinion that its treatment of the Philippines is not sufficiently liberal.

Having dealt with the Philippine question for over 25 years, I am pleased to note that our Government is now better acquainted factually with Philippine conditions and the treatment of that question is now less inconsistent, less emotional, and less partisan.

I am also pleased to observe that our international position in the western Pacific is being strengthened and better defined. We are a Pacific power with pacific intentions.

President Roosevelt is displaying a sustained and sympathetic interest in the Philippines and a broad-minded appreciation of our international position in the Far East. Our High Commissioner at Manila, Mr. McNutt, is a great force for good in Philippine-American affairs. President Quezon is showing a cooperative spirit with our Government and is tackling his job with ability and high-mindedness. And Vice President Sergio Osmena and Resident Commissioner JOAQUIN M. ELIZALDE are working hard for their country in Washington.

There is no country on earth today that has a better reason to be happy and contented than the Philippines. Let us make haste slowly in legislating for them lest we disturb their peace and curtail their prosperity.

My sole purpose in these explanatory remarks is to be helpful to both the American and the Filipino people. I will support any measure that gives the Filipinos a square deal and which has their approval, as well as the approval of our people.

SILVER PROGRAM

Mr. TOWNSEND. Mr. President, I would like to have inserted in the CONGRESSIONAL RECORD at this point, and appropriately referred, some information bearing on my position with regard to my Senate Joint Resolution 1, which calls for a public investigation by Congress of the silver program as well as in connection with my bill (S. 785) to repeal the Silver Purchase Act. On February 7, at a meeting of the Senate Special Silver Committee, which, unavoidably, I was unable to attend, the chairman of that committee very graciously undertook to interrogate the Secretary of the Treasury on my behalf. To make my position perfectly clear, however, I desire the CONGRESSIONAL RECORD to carry the text of my letter of February 7 to the chairman of the committee just mentioned.

There being no objection, the matter was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., February 7, 1939.

Hon. KEY PITTMAN,
Chairman, Senate Special Silver Committee,
United States Senate, Washington, D. C.

DEAR SENATOR: Unfortunately, important business prevented my attending this morning's meeting of the Senate Special Silver Committee, at which the Secretary of the Treasury testified.

I understand that in that meeting you made reference to my silver resolution—Senate Joint Resolution 1—and stated that you thought that when I introduced the resolution last month I was not aware of the existence of the Senate Special Silver Committee. It happens that I was aware of that committee's existence at the time I introduced the resolution, and I would very much appreciate your inserting as an appendix to the record of this morning's hearing the text of Senate Joint Resolution 1, a copy of which is enclosed herewith, as well as the text of this letter.

I have also been informed that in this morning's hearing you made reference to a release of mine dated January 20, 1939, and made public for use in the newspapers of January 23, 1939. The title of this release, as I understand was this morning correctly stated by you, was "Reply to Inquiries of Correspondents Regarding Silver Purchase Repeal (S. 785)." I am told that when you interrogated the Secretary of the Treasury today you read to him various questions which appear in the release just mentioned, but that you did not read to him my answers to those questions, which answers were given in the same release. For the fuller information of those who may read the record of this morning's hearing I would appreciate

that your making sure there is included in that record the full text of my January 23 release, and for that purpose I enclose a copy with this letter.

At the same time I would like to have inserted in the published hearings for the information of your committee and any other interested parties the following items, a copy of each of which is herewith enclosed:

1. A press release dated January 4, 1939, and entitled "Investigation of Silver Program."
2. A press release dated January 17, 1939, and entitled "Bill for Sale of Silver."
3. An extension of my remarks on the floor of the Senate January 19, 1939, and entitled "Investigation of the Silver Program, Excerpts From Letters."
4. An extension of my remarks on the floor of the Senate January 23, 1939, entitled "Silver Purchases, Excerpts From Additional Letters Concerning Senate Joint Resolution 1, for Suspension of Silver Purchases Pending Inquiry by Congress."
5. An extension of my remarks on the floor of the Senate February 1, 1939, and entitled "Silver Purchases, Statement by Hon. JOHN G. TOWNSEND, Jr., of Delaware."
6. An extension of my remarks on the floor of the Senate February 2, 1939, entitled "Editorial Opinion on Silver."
7. A release published by me today entitled "Analysis of Arguments for Silver Subsidy Is Made by Senator TOWNSEND."

Very truly yours,

JOHN G. TOWNSEND, JR.

ANALYSIS OF ARGUMENTS FOR SILVER SUBSIDY IS MADE BY SENATOR TOWNSEND

FEBRUARY 7, 1939.

Senator JOHN G. TOWNSEND, Jr., of Delaware, today released the text of a letter on silver which was written to him by a Nevada mine superintendent, and his reply thereto. In his reply the Senator again calls attention to his Senate Joint Resolution 1, introduced to secure a public congressional investigation of silver, and his bill (S. 785) for repeal of silver-purchase legislation and authority.

In his letter to the Nevada mining superintendent, Senator TOWNSEND states that he is opposed to all Government silver purchases so long as the Treasury holds stocks of unused and unneeded metal. He defends his proposal to vest in the Treasury the discretionary power to sell silver as opportunity presents, and adverts to the highly fictitious value placed by law and Treasury policy on the present vast silver holdings of the Government.

Both the Senator and his Nevada correspondent agree that the purchase of any foreign silver by the Treasury is indefensible.

The Senator points out in his letter that a subsidy to the Delaware rayon industry to supply a substitute for the silk threads which now distinguish American paper currency would be just as logical as continuing the subsidy to the domestic-mining industry, both on monetary and on nonmonetary work-relief grounds. But, Senator TOWNSEND adds, he makes no demand for any such subsidy.

The text of the correspondence follows:

UNITED STATES SENATE,
Washington, D. C., January 6, 1939.

Mr. JOHN L. DYNAN,
Superintendent, Tonopah Belmont Development Co.,
Tonopah, Nev.

DEAR Mr. DYNAN: I thank you sincerely for your thoughtful letter of February 2, setting forth your ideas as to what our future national policy toward silver should be. Your letter was especially interesting to me because of its factual nature and temperate tone. So many public discussions of silver are on an emotional rather than a rational basis. I shall discuss the various points in your letter in the order in which you state them.

(1) I am gratified that you and I are in agreement as to the waste involved to this Nation in the purchase of foreign silver.

(2) With reference to the sale of some of our surplus silver by the Treasury, as opportunity presents, this feature of my bill (S. 785) vests complete discretion with the Treasury to so conduct its sales as not to wreck any American industry.

(3) You think that Treasury sales of silver bullion would "practically destroy the value of the silver stock which it is sought to get rid of." While I will agree that reversal of our silver policy will be reflected in a decline in the open-market price of silver, I think you and I differ in our concept of the "value" of our present silver stock.

Our present monetary stock of silver consists of portions differently valued, as follows:

(a) A portion in use as backing for silver certificates or circulating in the form of standard silver dollars. This portion is officially valued at the statutory monetary value of silver, approximately \$1.29 per ounce. I am sure you will admit that the true economic value of said portion of our silver stocks is very much less than its monetary value of \$1.29 per ounce.

(b) A portion in use as subsidiary coin, or held in the form of worn subsidiary silver coin. This silver has a monetary value of about \$1.38 per ounce, and is so carried on the Treasury books. This silver, like portion (a), is greatly overvalued.

(c) A portion described in the daily statement of the Treasury as "silver bullion at cost value." Some of this portion is valued at considerably above the present world market price of silver bullion, and some at the existing world market price of approximately 43 cents per ounce. As to the former, it is clearly overvalued on the

Treasury books. As to the latter, that subportion valued at 43 cents per ounce, I know that, as the fair-minded person your letter reveals you to be, you will admit that it is worth less than 43 cents.

I think you would also admit, what many persons familiar with silver have admitted, that even mere cessation of United States Government purchases of silver would be followed by a decline in the open-market price of the metal to considerably below 43 cents per ounce. See, for example, the article of a well-known mining engineer, Mr. Percy E. Barbour, in the New York Sun of January 7, 1939.

It follows that our silver stock has a real value of only a fraction of its commonly supposed value.

But, quite apart from its market value now or in the future, this silver—now owned by all the people of the United States—is for the most part entirely unneeded and much of it is also actually sterile and unused. From this particular standpoint, that silver has no value to the American people, and will not have until it is sold by the Government. To the extent that some of it can be sold by the Government, gradually, for industrial use or for exportation, the proceeds of the sales can be applied to reduce the public debt and thus be of some specific service to the American people. You are of course aware that no less than 40 percent of our national stock of silver bullion, by weight, has been resting idle in the Treasury and has not been employed by it as backing for silver certificates. Over 1,000,000,000 ounces of silver is held thus sterile, because it is not needed for monetary use, and is unwanted for public circulation.

(4) You state that "silver miners are not numerous . . . so their voices may not be heard." While I have no doubt at all that some silver miners really believe that to be the situation, it seems to me incredible that any intelligent person could hold that view after examining the facts. The number of pages of the CONGRESSIONAL RECORD of recent years filled by representatives in Congress of the silver-producing States certainly is clear proof that silver miners can and do make their voices heard among their Senators and Congressmen. Seven States produce more than nine-tenths of this country's mine output of silver. These 7 States are represented in Washington by 14 Senators, or about one-seventh of the membership of that body. Among these Senators, many of whom are exceedingly able and experienced in making themselves heard in national affairs, are some who occupy high positions in the Senate and its various influential committees. If the silver miners were really weak of voice, would this country ever have enacted the present silver program? And if the relatively few persons interested in silver mining in 1932 and 1933 were able to make their voices heard so clearly in that period, how much more so must that be true today, when the payment to the domestic industry of a bonus of 50 percent above the already artificial world price of silver has swelled the number of American miners profiting from silver?

(5) Your point about tariffs is valid only on the assumption that the silver subsidy, like import duties on goods, is needed to protect a necessary home industry. On this point in your letter I cannot go with you. I do not think of silver as a commodity the production of which, in view of our colossal national hoard of it, is necessary. Silver was a worth-while American product in the days when we could export it to China and receive more useful products in exchange. But our present silver program has killed off the Chinese demand, and hence the exportation of silver is practically impossible for us. But if there be any export possibility for the metal, surely the present publicly owned surplus stocks should have precedence over silver still in underground ore.

(6) You make the point that silver is produced with other non-ferrous metals and that the silver subsidy often means the difference between operating a mine or shutting it down. While admitting this, I would also point out two things:

(a) Often, also, the condition you describe is not the case.

(b) A subsidy to silver does not seem to be a desirable way for the Nation to determine its output of copper, lead, zinc, gold, etc. The argument you make would be equally efficacious if applied to lead or zinc. Moreover, when business is bad and demand for lead, copper, or zinc is reduced, the prices of such metals tend to decline. If at such times a silver subsidy makes it possible to keep in operation mines producing lead, copper, or zinc, the market for those metals will tend to be only still further depressed, due to the silver subsidy. Such an argument as you present for a continued silver subsidy, therefore, seems to me unscientific and unconvincing.

(7) You state that the benefits of a silver subsidy are not "very local," but, through the purchases of machinery and supplies, are spread over the land. Not only have I admitted publicly that the silver subsidy to the American domestic mining industry is not local in its benefits; I have made a point of it. This argument which you advance for a domestic silver subsidy would be just as logical applied to any other American commodity. For example, a product in which my State is interested is rayon. If the Government bought rayon and so subsidized the chemical industry, the benefits would not be confined to Delaware, but, through purchases of the industries and the people of Delaware, they would be spread over the whole country. The Government might then store its stocks of rayon, not depress the market by selling them, and put some of it to monetary use in place of the real silk threads which now characterize our paper currency. This sort of subsidy would be just as logical as a subsidy to the production of more silver, but I do not advocate it.

For these reasons I do not concede this point and therefore do not agree that "the question then is how far the Government is justified in going to hold up the price of silver."

(8) Your next point is that hundreds of millions of dollars of American wealth are not being spent solely as a subsidy to a few

silver miners. Since I have not so stated, I am sure your point has no reference to me. Since we are both agreed as to the wisdom of not buying any more foreign silver, our only point of disagreement on this seems to be on the matter of the portion of the subsidy now going to American miners and mine owners, and on this point I have just given you my views above.

(9) You state that in the West people like to hear the jingle of silver dollars. I agree with you, but your point seems to me really inconsequential for two reasons:

(a) The number of standard silver dollars outstanding has been declining in recent years and paper money increasing, even in the West. In 1913 there were 72,000,000 standard silver dollars in circulation. In 1929 there were about 44,000,000, and in 1938, only 39,000,000 in circulation or lost.

(b) Only an inconsequential portion of our national silver hoard is so used by people who like the heavy coins. The 39,000,000 standard silver dollars represent only about 30,000,000 ounces of silver. Our national stock of silver, including inactive bullion and metal in use, totals about 2,500,000,000 ounces. If all the standard silver dollars in circulation wore out within a year, our silver hoard is now sufficient to replace them in equal amount every year until the year 2022 A. D.

(10) I am glad to note that you favor an embargo on imports of foreign silver. This is another provision of my bill S. 785.

(11) You state there is no alternative to the destruction of a large part of the mining industry, except for the Government to continue taking the output of the American mines at a price not below the present figure of 64.64 cents per ounce. You offer no evidence at all to support your phrase, "a large part of the mining industry." I can supply you with very impressive evidence to the contrary.

In view of what I have stated above, you will realize that I disagree not only with your premise, but also with your conclusion. Why do you make this statement contingent upon a price of just 64.64 cents? Why not 50 cents, \$1.29, or any other subsidy level? And why 5 years, not 10 or 25? This point in your letter is quite unsupported by any facts you have supplied or any facts which my own study of silver has uncovered.

(12) Your suggested program contains three features. From what has been stated above I have made clear that I am in complete accord with the provision which you have numbered "1", in complete disaccord with that numbered "2", and in agreement with the principle of Treasury sales of silver now held by it, but without the restriction on the price thereof which you would make in your provision "3."

(13) I share with you the "hope that Congress will give serious study to this matter," and to this end I have introduced my Senate Joint Resolution 1, a copy of which I enclose.

Very truly yours,

JOHN G. TOWNSEND, JR.

TONOPAH BELMONT DEVELOPMENT CO.,
Tonopah, Nev., February 2, 1939.

HON. JOHN G. TOWNSEND, JR.,

United States Senate, Washington, D. C.

DEAR SENATOR: I notice that you have introduced a bill directing the Treasury to sell silver stocks, and regulating other phases of the silver problem.

I am writing to give you some of the viewpoints of a silver producer. I know of no American silver producer who is an advocate of the huge expenditures which have been made to purchase silver from foreign countries. I am in complete agreement with you that this has been a waste of public money. I cannot imagine any American producer of anything viewing with favor the building up by purchases from foreign countries of a huge stock of his product to be used perhaps some day to utterly destroy his market. This is what will now happen to American silver producers if the Treasury starts selling silver. It seems to me this policy will not only ruin an American industry but will also practically destroy the value of the silver stock which it is sought to get rid of. Silver miners are not numerous by comparison with many other occupations, so their voices may not be heard, but you can imagine the howl that would go up if the Government were to start throwing its cotton stocks on the market.

We are not monetary experts out here, but can see nothing wrong in the principle of the American silver producer getting a better price than the world price, which is determined by production in foreign countries employing peon labor. The same principle has been in effect for years, through tariff protection, on most of the products of the East and the Middle West. We cheerfully pay more for tariff-protected machinery, steel rails and pipe, drill steel, mine timbers, chemicals, explosives, foodstuffs, and living necessities for the mine workers, and many other things used in the mining districts. We believe we are likewise entitled to a price for our product better than that for which it can be bought in foreign cheap-labor countries.

The relatively small number of silver mines is often used as an argument against any Government aid to silver. It is true there are not many mines which are strictly silver mines producing that metal alone. Most mines producing gold, lead, copper, zinc, and other metals have a small silver content in their ores. The price received for this silver often means the difference between operating a mine or shutting it down and throwing its employees out of work. This is especially true since other metal prices have been reduced by importations from abroad under reciprocal-trade treaties. Modern-day mining is usually conducted on a very small per-ton margin of profit and requires large capital investment. The days

of rich bonanzas easily found and worked by a few individuals, are over.

It is often argued also that the benefits from silver purchases are very local. This will not hold up under analysis. The mines are almost always in desert or mountain country. They and their workers produce nothing that they consume. All foodstuffs and living necessities are brought in, providing work for producers of those commodities. Ores, concentrates, and bullion are shipped to distant smelters and refineries. The mines use large quantities of supplies, such as lumber from Oregon, steel rails, pipe, drill steel, and hardware from Pennsylvania, cyanide and carbide from Niagara Falls, chemicals and explosives, fuel and lubricating oils and gasoline, rubber hoses and belts, all brought in from distant points. The machinery used in mining is nearly all of eastern make. There are motors and electrical goods, compressors and rock drills, hoists, crushing and grinding machinery and their steel wearing parts, and many others. The moving of all these articles makes business for railroads, truck lines, and steamship companies.

I have tried to present facts showing that the benefits of a fair price for silver are not merely local and confined to a few mine owners, but are widespread and extend to almost all parts of this country. If you are willing to concede this then the question is how far the Government is justified in going to hold up the price of silver.

There has been much loose talk about hundreds of millions of taxpayers' dollars being spent as a subsidy to a few silver miners. It is true that an enormous sum has been spent for foreign silver. I do not see how any of this is properly chargeable as a subsidy to the American miner. Much of it came out of hoards in the Orient, from sources that normally buy American silver, rather than throw their own hoarded silver into competition with it. According to the Bureau of Mines, the United States produced in 1937 about 70,000,000 ounces of silver. The price then was 77.57 cents per ounce. For 1938 the United States production is estimated at 61,000,000 ounces, at the price of 64.64 cents per ounce. During the same period, more than 6 ounces of foreign silver were bought by the Treasury for each ounce bought from American mines.

It is also argued that people do not like to use and will not have silver dollars. I know that this is true in the East. In the West the reverse is true, as people dislike dollar bills as much as easterners do the silver dollars. We like to hear the jingle of the dollars, as we used to like that of 10- and 20-dollar gold pieces before it was a crime to have one.

I do not wish to have all this construed as an argument for the present silver situation. As I said before, no American silver producers that I know of favor the huge purchases from foreign sources. However, the deed has been done, and our former best customers for silver, India and China, have been changed to sellers. The United States Government has become practically the only purchaser. I do not think it is fair now to ruin an American industry because of this situation that has been created by buying foreign silver and destroying what was our best market.

The question now is what to do about it. For one thing, I think purchases from foreign sources should stop at once, and an embargo be placed on further imports. To start selling the huge stock on hand would, I think, be futile. There is no purchaser for it, and such attempted selling would destroy the value of the Treasury's stock, as well as ruin a large part of the mining industry. I am not an inflationist, and do not favor schemes for declaring this huge stock of silver as money at a value far above the price paid for it. However, in view of the situation that has already been created there is no alternative to the destruction of a large part of the mining industry, except for the Government to continue taking the output of the American mines, at a price not below the present figure of 64.64 cents per ounce. I would suggest that some such price be stabilized for a period of not less than 5 years. No industry can continue when it is faced every year or every 6 months with the threat of total destruction of its market.

I suggest for your consideration therefore the following program:

1. Complete stoppage of all silver purchases from foreign countries and an embargo on silver imports.
2. Purchase by the Treasury for the next 5 years of all newly-mined silver from American mines, at a price not less than 64.64 cents per ounce. The silver so purchased to be coined into dollars and subsidiary coins and put in circulation. It is admitted this is mildly inflationary, but is strictly limited since production will probably not much exceed 60,000,000 ounces per year. It surely compares favorably with the present method of inflation by creating bank deposits against Government bonds, with no metallic or tangible reserve of any sort behind them.
3. Use of the present silver stocks of the Treasury to supply silver required in the arts. This use is mostly for luxury purposes. The Treasury could set a price on this silver high enough to give it a good profit over the purchase price. I see no other way for the Treasury to realize anything on this silver. Ultimately when China and India see they can no longer unload their silver on this country they may return to their ages-old custom of using it for money and for hoarding. This might reverse the present flow and finally enable our Treasury to profitably dispose of its enormous stock.

A great many people in all the western mining States are dependent for their living, directly or indirectly, on the price of silver, mined either from ores that are valuable chiefly for their silver content, or from ores in which the silver is a byproduct.

One who does not see the situation at first hand cannot realize the conditions of chaos and distress that will exist if legislation on the silver problem is not enacted before June 30 next, when the present price of 64.64 cents per ounce will expire if not renewed by congressional action. I hope that Congress will give serious study to this matter and enact silver legislation that will benefit the American miner rather than foreign hoarders and speculators.

Yours very truly,

JOHN L. DYNAN,
Superintendent, Tonopah Belmont Development Co.

ADDRESS BY THE PRESIDENT BEFORE NATIONAL EDUCATION ASSOCIATION

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address delivered by the President of the United States before the National Education Association on June 30, 1938, at New York City, which appears in the Appendix.]

GOVERNMENT CONTROL OF BUSINESS—ADDRESS BY SENATOR TYDINGS

[Mr. KING asked and obtained leave to have printed in the RECORD an address on the subject, How Far Should Government Control Business, delivered by Senator TYDINGS before the Economic Club, of New York, on February 2, 1939, which appears in the Appendix.]

INTERSTATE OPERATION OF MOTOR VEHICLES—ADDRESS BY SENATOR TRUMAN

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a radio address delivered by Senator TRUMAN on February 7, 1939, relative to Senate bill 25, prohibiting the operation of motor vehicles in interstate commerce by unlicensed operators, which appears in the Appendix.]

COST OF THE WORLD WAR—STATEMENT BY SENATOR HOLT

[Mr. HOLT asked and obtained leave to have printed in the RECORD a statement prepared by him on the subject of the cost of the World War to the United States, which appears in the Appendix.]

RELIEF APPROPRIATIONS—RADIO DISCUSSION BY SENATOR MURRAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD a discussion of relief appropriations by himself and David Lasser over the radio on Sunday, January 29, 1939, which appears in the Appendix.]

PUBLIC CONTRACTS IN PENNSYLVANIA—ADDRESS BY SECRETARY ICKES

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD an address by Hon. Harold L. Ickes, Secretary of the Interior, in Philadelphia, Pa., November 4, 1938; which appears in the Appendix.]

HUMANITARIANISM—ADDRESS BY ROLLAND BRADLEY

[Mr. SHEPPARD asked and obtained leave to have printed in the RECORD an address on the subject Humanitarianism Under New Methods and Purposes delivered by Hon. Rolland Bradley, honorary vice president, American Humane Association and president of the Texas Humane Federation, before the sixty-second national convention of the American Humane Association at St. Louis, Mo., October 19, 1938, which appears in the Appendix.]

FINDINGS OF NATIONAL TEMPERANCE AND PROHIBITION COUNCIL

[Mr. SHEPPARD asked and obtained leave to have printed in the RECORD the findings of the National Temperance and Prohibition Council in annual session, Washington, D. C., January 18-19, 1939, which appear in the Appendix.]

RESULTS UNDER RECIPROCAL TRADE AGREEMENTS PROGRAM

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a statement prepared by the Department of Commerce on the 1938 results under the reciprocal trade agreements program, which appears in the Appendix.]

FISCAL POLICY—ARTICLE BY GEN. HUGH S. JOHNSON

[Mr. BAILEY asked and obtained leave to have printed in the RECORD an article by Gen. Hugh S. Johnson on the subject of the spending program and the fiscal policy, which appears in the Appendix.]

ORDER OF BUSINESS

The VICE PRESIDENT. Routine morning business having been concluded, the calendar, under rule VIII, is in order.

Mr. BARKLEY. Mr. President, there is virtually nothing on the calendar. I ask unanimous consent that the call of the Calendar be dispensed with.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none.

AUTHORITY FOR COMMITTEES TO SUBMIT REPORTS, ETC.

Mr. BARKLEY. I ask unanimous consent that during the adjournment or recess of the Senate all committees be authorized to submit reports on bills and nominations; that the Vice President be authorized to sign any bills or resolutions ready for his signature; and that the Secretary of the Senate be authorized to receive messages from the House of Representatives.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky? The Chair hears none.

PREROGATIVES OF THE APPOINTING POWER

Mr. THOMAS of Utah. Mr. President, there are times when real harm may be done to our constitutional scheme by thoughtless personal or loose reactions to a given constitutional practice.

When, for example, a Member of this great body during an impeachment debate implied that the phrase "during good behavior" referred only to a judge's life tenure, and not his acts, basing his argument upon a legal definition, it seemed unwise to allow that opinion to remain in our records without being questioned.

When, as another example, the President of the United States vetoed the same bill a second time after it had been reviewed and repassed by unanimous vote of both Houses of Congress, he marred the spirit of the veto theory. This I protested, because if it became a practice the right of review would be denied Congress.

When executive departments recommended general legislation to modify our extraterritorial rights in certain countries in order to accomplish a special objective and bring back to our land for trial a man who had assumed the position of a fugitive, I knew that action was wrong, and that it should not have been completed. My protest availed little; but it was at least uttered.

When the Supreme Court of the United States encroached on the jurisdiction of the other branches of government by laying down a rule of law contrary to economic fact, history, and social truth, it was proper to speak out in order that our constitutional scheme might not be marred by untrue deduction.

The President of the United States has written a letter to Judge Roberts which contains this paragraph:

To this I replied on March 13, explaining to the Senator the difference between the appointive power, which is in the President, and the power of confirmation, which is in the Senate. I pointed out to the Senator that time-hallowed courtesy permits Senators and others to make recommendations for nomination, and at the same time that every President has sought information from any other source deemed advisable.

There is much confusion of thought, such poor description of constitutional practice, and such a mixture of the official with the unofficial, that these words ought not to be left without comment.

The constitutional point turns on the words "by and with the advice and consent of the Senate." The President says the appointive power is in the President and the power of confirmation is in the Senate.

In appointments that require confirmation by the Senate there can be no appointment without Senate action. Therefore, the appointive power cannot be in the President.

I know "advice and consent" had a simple legal definition for many years before our Constitution came into being. It was used in England as a simple "affirmative vote," and this practice had been brought over to the Colonies and followed for many years here. But since its use in our Constitution, our American practice has been different, some text writers' and some executives' opinions to the contrary notwithstanding.

The constitutional "advice" has little to do with recommendation, and has nothing to do with "a time-hallowed

courtesy" which "permits Senators and others to make recommendations for nomination." Recommendation is related to the right of petition, which is open to all, and distinct from the senatorial right of advice and consent.

Senatorial courtesy, like all things related to any courtesy, will remain indefinable. Since Woodrow Wilson's time the extra-constitutional aspects of the Presidency have been emphasized. Wilson considered himself the leader of his political party, and most Presidents since his time have affirmed that privilege. Such, of course, is an extra-constitutional assumption. Senatorial courtesy is a necessary development in the perfecting of an extra-constitutional party practice in our Federal system. It is as essential to the proper functioning of party government under our Federal plan as any other extra-constitutional function, such as, for example, our national-convention system.

No one cares how a President of the United States interprets his courtesy rights. No one cares whether or not he seats a Governor ahead of a Senator at a banquet, whether when he goes into one of the States he invites only the Governor to come and call on him and completely ignores all the national officers of government. No one cares very much if the Executive has a kitchen cabinet, a cuff-link club, medicine-ball advisers. A President has a right to talk with whom he wishes, in the way he wishes, and to run his job in a manner in keeping with his own individual interpretation of his job, just so long as he does not mar the constitutional scheme by definitely interfering with a right or a privilege of another in the Government whose rights, if not equal in power, yet are rights equal in dignity in their proper sphere.

The fathers built something more important than they foresaw when they created the Senate of the United States. It came into being as a result of compromise. It has been, and will probably ever remain, a chronic irritant to most Executives. Few have been able to get along with it. None have been able to get along without it. Those Executives who know how to work with it most advantageously will find it the greatest support for the accomplishment of Executive processes, for the Senate does have executive and judicial characteristics in addition to legislative.

Since the establishment of our Government under the Constitution, the Senate of the United States is the only creature of government which has remained continuously in existence. It has been and it will remain, therefore, the body around which government will revolve. Presidents will continue to be made and unmade in the actions of the Senate of the United States. To attempt to coerce is fatal; to attempt to outwit is disastrous; to attempt to stand upon a right which is not based upon fact or history results only in introducing into government the confusion of an otherwise harmonious relationship especially essential to a democracy, wherein the rights of all must of necessity be recognized, even if they are only in the sphere of courtesy.

"By and with the advice and consent" expression appears in our Constitution both in relation to appointments and in relation to the treaty-making power. We are told by the text writers that its execution is a single action. It has been interpreted, especially in regard to our foreign relations and in our treaty ratifications, as being a single action. This is a strictly legalistic interpretation. In regard to appointments, it has generally been interpreted as a dual action, and the Executive has taken advice. He, of course, cannot take the advice of 96 Senators about appointments to office in 48 States; therefore, he must of necessity take the advice of those who are close to the problem. It is as much a constitutional right that this advice be sought and where possible followed, if the aims of the fathers are to be carried out, as it is a duty for the President to name on his own responsibility a person when agreement cannot be reached, and leave action to the judgment of that body which under our government has the right to pass the final judgment. If our Presidents had followed this rule both in regard to treaties and in regard to appointments, our constitutional development would not have suffered many of the set-backs it has suffered as a result of misunderstanding.

We know the origin of the words "advice and consent" so far as our Constitution is concerned. We know from the practice of our Executive in the very first administration that Washington assumed that advice meant advice, both in regard to appointments and in regard to the ratification of treaties. Since his time so much has it been assumed that this is correct that in some appointments the action of the Executive is merely a perfunctory one. But never has the action of the Senate, while it becomes perfunctory in executive sessions during confirmations, been assumed to be a perfunctory one; for even when a resignation takes place in the Army the vacancy is never filled without Senate action, and Army promotion is probably as routine a matter as any in our Government. The right of appointment is both senatorial and Presidential.

Washington came and actually met with the Senate in regard to treaties. The old general was not used to the equality necessary in open deliberation, took offense at some of the questions asked by Senators, and, on a personal basis, refused to come before the Senate again; but in the matter of appointments he never assumed that the appointive power vested solely in him. I have read at least one message of President George Washington to the Senate wherein he presented a second name even before the Senate had taken action on the first, and wherein he stated that in case the advice and consent be not given to the first, he offered the second. Where alternate names were presented the presenter could never have assumed a sole appointive power. The meaning of "by and with the advice and consent" has better authority in the practice of our first President than in the legal definition brought from England or taken from the colonists.

It would be dangerous, as it has been dangerous, both to the constitutional and the extra-constitutional position of the Presidency, for the President to act without the advice of Senators. This, I know, has been done; and great offense has been given. It has always brought party dissension, and it will always destroy party unity. A Senator of the United States has as much right to expect respect for his position as a representative of a sovereign State as has a President to expect respect for his.

Finally, American democracy rests upon the thin thread of common consent. Our country is great not because the majority or the powerful rule. It is great because the minority is protected and the less influential respected.

The question decided by the action of the Senate on Monday was not decided on a personal basis. It was not a contest between our Executive and the Senators concerned. The Virginia Senators know that if it were such a contest I would be on the side of our President. It was decided not on the basis of an interpretation of senatorial courtesy, whatever that may mean, but on the basis of a constitutional right and a constitutional duty.

How else can the Federal system be preserved if it is not respected in all its aspects? America's only contribution to the theory of political science is our Federal system; making that Federal system work is America's greatest contribution to the art of government. In the light of history, American democracy is important to the people of the whole world. That it has been able to function for 150 years may be deemed a miracle; that it should continue to function is a necessity. By a proper interpretation of "by and with the advice and consent" we may have a key to its continuance on the basis of free association, exchange of opinion, deliberation, and action only after a meeting of minds at the end of free discussion. I repeat, this holds both as to appointments and as to foreign relations. It is an exaggerated flight of the imagination to assume that the authority of our Chief Executive acting alone in treaty negotiations is regarded as plenary, when the whole world knows the last word about treaties vests in the Senate. The President's letter to Judge Roberts should not become the text writers' key to the interpretation of "by and with the advice and consent." It suggests a spirit that is contrary to much that is good in our American constitutional theory and practice.

FIRST DEFICIENCY APPROPRIATIONS

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. ADAMS. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. ADAMS, Mr. GLASS, Mr. MCKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND conferees on the part of the Senate.

ADDITIONAL APPROPRIATION FOR THE W. P. A. (H. DOC. NO. 152)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and referred to the Committee on Appropriations:

To the Congress of the United States:

On Saturday, February 4, I approved House Joint Resolution No. 83, which appropriates \$725,000,000 to continue the operations of the Works Progress Administration for the remaining 5 months of the current fiscal year.

I would have withheld my approval of this legislation on the ground of its inadequacy to meet human need and I would have immediately asked for a larger sum if it had not been for the provision that there shall not be a reduction of more than 5 percent of the number of employees on Works Progress projects prior to April 1, 1939.

This proviso leads to the conclusion that the Congress stands ready during the balance of February and the month of March to reconsider actual needs in time to increase before April 1 the appropriation for the last 3 months of the fiscal year.

In my message to the Congress on January 5, 1939, I recommended a supplementary appropriation of \$875,000,000. This was based on a program to give employment to 3,000,000 workers during February and March and to reduce this employment to an average of 2,700,000 workers in June. This estimated reduction of 300,000 workers by June took full cognizance of the economic recovery which might reasonably be anticipated.

Because it has been necessary during the first week of February to utilize all working capital and pay-roll reserves normally maintained to protect the funds of the United States against overobligation, it will also be necessary immediately to reestablish these reserves from the supplementary appropriation.

The net amount available to finance the Works Progress Administration from February 1 to June 30 is therefore \$725,000,000.

In discussing the employment that can be provided for 5 months with \$725,000,000 first consideration is given to the winter months of February and March. The joint resolution requires that reduction in employment in those months shall not exceed 5 percent, which reduction, if carried out, would mean the discharge of 150,000 employees.

However, I call your attention to the fact that the rolls have already been reduced by 350,000 since the last week of last October. As no new assignments have been made during this period, there has been a large accumulation of able-bodied people certified to us as in need of relief—people, however, who have not been able to secure places on the work program.

The need of these people is so apparent and so deserving that the rolls, in human decency, ought not to be reduced during February and March by even 5 percent. After conferences with the Works Progress Administration it has been determined for the above reason to hold the rolls at the present figure of 3,000,000 persons during these 2 months.

To employ these 3,000,000 people at the prevailing average monthly cost of \$61 will require an expenditure of \$366,000,000.

This will leave \$359,000,000 for the months of April, May, and June.

Under the terms of the joint resolution this sum must be apportioned over the entire period to June 30. The Administrator will have at his disposal an average of approximately \$120,000,000 per month for these 3 months—providing an average employment of slightly less than 2,000,000 persons.

Two alternatives under the joint resolution are open to the Administrator. The first is to reduce the rolls abruptly by 1,000,000 persons on the first of April and provide an average employment of 2,000,000 persons during the ensuing 3 months. This would result in throwing this very large number of persons out of employment suddenly. Such a number cannot possibly be absorbed by private industry in time to prevent extreme distress.

And I call your attention to the fact that on the average every person discharged from the rolls has dependent on him or her three other persons. In other words, the greater part of 4,000,000 Americans will be stranded.

The second alternative is to commence a week-by-week reduction on April 1 and to carry this reduction through to June 30. Even on the assumption that all reserves which under proper governmental procedure should be maintained, were completely expended by June 30, such reduction would require that employment by the end of June will be reduced to a figure well below 1,500,000 persons.

In other words, the program of present employment would be slashed considerably more than one-half within a period of 3 months.

If, however, proper reserves were maintained at the end of the fiscal year, employment at the end of June would drop still further—to a figure of only slightly more than 1,000,000 persons.

Therefore, on a program of gradual reduction from 1,500,000 to 2,000,000 persons would be thrown out of Works Progress Administration employment—or, with the addition of those dependent on them, from 6,000,000 to 8,000,000 Americans would no longer receive Federal Government aid.

I ask that the Congress commence immediate consideration of these simple and alarming facts. The operations of the Works Progress Administration are of such magnitude that if a reduction such as I have above described has to be carried out, orderly and efficient planning requires that this be known definitely by the first week in March. It is equally important that the executive branch of the Government be informed at the earliest possible moment what additional funds, if any, will be available on and after April 1.

I invite the attention of the Congress to the fact that my recommendation for the larger amount was made to the Congress on January 5 and the joint resolution providing for a much-reduced appropriation was presented for my consideration more than 4 weeks later.

In view of the foregoing considerations, I report to the Congress that in my opinion an emergency now exists, and that the facts constituting such emergency are as follows:

(a) That the rolls of the Works Progress Administration should be held at the present figure of 3,000,000 through the winter months of February and March to prevent undue suffering and to care in part for those persons who have been certified as in need, but have not been given employment.

(b) That the funds which have been provided by the Congress, if not supplemented, will require a very drastic reduction in the Works Progress Administration rolls commencing April 1, 1939, which would result in removing people from the work program in numbers far beyond those that could be absorbed by industry with any conceivable degree of recovery. Widespread want or distress would inevitably follow.

(c) That the need for orderly planning of the Works Progress Administration program requires that the Administrator should know by the early part of March what funds will be at his disposal after April 1, and that, due to the

time required for congressional action, this can be brought about only by my reporting to the Congress on the situation at this time.

I therefore recommend to the Congress immediate consideration of legislation providing an additional sum of \$150,000,000 for the Works Progress Administration to be available in the balance of the current fiscal year.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 7, 1939.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and a protocol, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of several general officers in the Marine Corps.

Mr. CLARK of Missouri, from the Committee on Commerce, reported favorably the nominations of several officers in the Coast Guard.

He also, from the same committee, reported favorably the nominations of several officers in the Coast and Geodetic Survey.

He also, from the same committee, reported favorably the nomination of Col. Roger G. Powell, Corps of Engineers, United States Army, for appointment as a member of the Mississippi River Commission, pursuant to law, vice Col. Francis B. Wilby, Corps of Engineers, relieved.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

DISTRICT JUDGE—MICHAEL L. IGOE

The Chief Clerk read the nomination of Michael L. Igoe, of Illinois, to be United States district judge for the northern district of Illinois.

Mr. LEWIS. Mr. President, I ask that the nomination of Mr. Igoe be confirmed.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DISTRICT JUDGE—JAMES V. ALLRED

The Chief Clerk read the nomination of James V. Allred, of Texas, to be United States district judge for the southern district of Texas.

Mr. KING. Mr. President, I ask that that nomination be passed over.

The PRESIDENT pro tempore. The nomination will be passed over.

UNITED STATES DISTRICT ATTORNEY

The Chief Clerk read the nomination of William J. Campbell, of Illinois, to be United States district attorney for the northern district of Illinois.

Mr. LEWIS. Mr. President, I ask that the nomination of Mr. Campbell be confirmed.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

UNITED STATES HOUSING AUTHORITY

The Chief Clerk read the nomination of Jacob Crane, of Illinois, to be Assistant Administrator and Director of Project Planning, United States Housing Authority.

The **PRESIDENT** pro tempore. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read nominations of sundry postmasters.

Mr. **BARKLEY**. I ask that the nominations of postmasters on the calendar be confirmed en bloc.

The **PRESIDENT** pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

ADJOURNMENT TO MONDAY

Mr. **BARKLEY**. As in legislative session, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 12 o'clock and 40 minutes p. m.) the Senate adjourned until Monday, February 13, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 9, 1939

INTERSTATE COMMERCE COMMISSION

William E. Lee, of Idaho, to be an Interstate Commerce Commissioner for a term expiring December 31, 1945. (Reappointment.)

J. Haden Alldredge, of Alabama, to be an Interstate Commerce Commissioner for a term expiring December 31, 1944, vice Frank McManamy.

CIVIL AERONAUTICS AUTHORITY

C. B. Allen, of West Virginia, to be a member of the Air Safety Board within the Civil Aeronautics Authority, for the term expiring December 31, 1940. (Original appointment.)

UNITED STATES CIRCUIT COURT OF APPEALS

Hon. Robert P. Patterson, of New York, to be a judge of the United States Circuit Court of Appeals for the Second Circuit, vice Martin T. Manton, resigned.

Francis Biddle, of Pennsylvania, to be a judge of the United States Circuit Court of Appeals for the Third Circuit to fill an existing vacancy.

Herschel W. Arant, of Ohio, to be judge of the United States Circuit Court of Appeals for the Sixth Circuit to fill a position created by the act of Congress of May 31, 1938.

UNITED STATES DISTRICT JUDGE

Frank A. Picard, of Michigan, to be United States district judge for the eastern district of Michigan, to fill a position created by the act of Congress of May 31, 1938.

UNITED STATES ATTORNEYS

Edmund J. Brandon, of Massachusetts, to be United States attorney for the district of Massachusetts, vice Francis J. W. Ford.

John T. Cahill, of New York, to be United States attorney for the southern district of New York, vice Lamar Hardy, resigned.

Horace Frierson, Jr., of Tennessee, to be United States attorney for the middle district of Tennessee. (Mr. Frierson is now serving in this office under an appointment which expired February 16, 1938.)

UNITED STATES MARSHAL

Alex Smith, of Alabama, to be United States marshal for the northern district of Alabama. (Mr. Smith is now serving in this office under an appointment which expired January 31, 1939.)

COLLECTOR OF CUSTOMS

Harry M. Brennan, of Louisville, Ky., to be collector of customs for customs collection district No. 42, with headquarters at Louisville, Ky. (Reappointment.)

PUBLIC HEALTH SERVICE

Acting Asst. Surg. John D. Lane, Jr., to be passed assistant surgeon in the United States Public Health Service, to take effect from date of oath.

COAST GUARD OF THE UNITED STATES

The following-named officers in the Coast Guard of the United States, to rank as such from February 1, 1939:

TO BE CHIEF BOATSWAINS

Boatswain Willie Skipper.
Boatswain Vladimir Nikolsky.
Boatswain William H. Jackson.

TO BE A CHIEF GUNNER

Gunner Harold W. Parker.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. William Edwin Barott, Cavalry, with rank from December 1, 1933.

Maj. Frank Leslie Carr, Cavalry, with rank from June 26, 1936.

Second Lt. Wilmer Charles Landry, Infantry, with rank from June 12, 1936.

TO AIR CORPS

Second Lt. Andrew Olaf Lerche, Corps of Engineers, with rank from July 1, 1938.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Charles McHenry Steese, Ordnance Department, from February 1, 1939.

Lt. Col. Richard Ferguson Cox, Coast Artillery Corps, from February 1, 1939.

Lt. Col. James Luke Frink, Quartermaster Corps, from February 1, 1939.

Lt. Col. Creswell Garlington, Corps of Engineers, from February 1, 1939.

Lt. Col. Beverly Charles Dunn, Corps of Engineers, from February 1, 1939.

TO BE LIEUTENANT COLONELS

Maj. Roscius Harlow Back, Infantry, from February 1, 1939.

Maj. Edward Fondren Shafer, Cavalry, from February 1, 1939.

Maj. George Morris Peabody, Jr., Adjutant General's Department, from February 1, 1939.

Maj. Richard Gentry Tindall, Infantry, from February 1, 1939.

Maj. Graham Wallace Lester, Infantry, from February 1, 1939.

TO BE MAJORS

Capt. Warren Hayford, 3d, Field Artillery, from February 1, 1939.

Capt. Charles Weess Hanna, Infantry, from February 1, 1939.

Capt. William Lawrence Kay, Jr., Field Artillery, from February 1, 1939.

Capt. Harry Marten Schwarze, Field Artillery, from February 1, 1939.

Capt. Philip Wallace Ricamore, Infantry, from February 1, 1939.

Capt. Benjamin Kenney Erdman, Infantry, from February 1, 1939.

TO BE CHAPLAIN WITH THE RANK OF CAPTAIN

Chaplain John Kenneth Connelly (first lieutenant), United States Army, from December 29, 1938.

APPOINTMENTS IN THE REGULAR ARMY

TO BE MAJOR GENERAL

Brig. Gen. Walter Krueger, United States Army, from February 1, 1939, vice Maj. Gen. Lucius R. Holbrook, United States Army, retired January 31, 1939.

TO BE BRIGADIER GENERALS

Col. James Lawton Collins, Field Artillery, from February 1, 1939, vice Brig. Gen. Guy V. Henry, United States Army, retired January 31, 1939.

Col. Sanderford Jarman, Coast Artillery Corps, vice Brig. Gen. Walter Krueger, United States Army, nominated for appointment as major general.

TO BE ASSISTANT TO THE CHIEF OF THE AIR CORPS, WITH THE RANK OF BRIGADIER GENERAL, FOR A PERIOD OF 4 YEARS FROM DATE OF ACCEPTANCE, WITH RANK FROM JANUARY 31, 1939

Col. George Howard Brett, Air Corps, vice Brig. Gen. Augustine W. Robins, Assistant to the Chief of the Air Corps, whose term of office expired January 30, 1939.

APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS IN THE REGULAR ARMY

TO BE COMMANDING GENERAL, GENERAL HEADQUARTERS AIR FORCE, WITH THE RANK OF MAJOR GENERAL, WITH RANK FROM MARCH 1, 1939

Brig. Gen. Delos Carleton Emmons, wing commander (colonel), Air Corps, vice Maj. Gen. Frank M. Andrews, commanding general, General Headquarters Air Force, whose term of office expires February 28, 1939.

TO BE MAJOR

Capt. Donald Reuben Goodrich, Air Corps, from February 1, 1939.

PROMOTIONS IN THE NAVY

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

Homer B. Hudson, October 1, 1938.

David L. Nutter, January 1, 1939.

Harry A. Dunn, Jr., January 1, 1939.

John H. Brady, January 12, 1939.

Henry F. Agnew, January 20, 1939.

John K. B. Ginder, February 1, 1939.

Rodger W. Simpson, February 1, 1939.

Lt. (Jr. Gr.) Henry Mullins, Jr., to be a lieutenant in the Navy, to rank from the 1st day of February, 1939.

The following-named ensigns to be lieutenants (junior grade) in the Navy, to rank from the date stated opposite their names:

Francis D. Walker, Jr., June 6, 1938.

Clark A. Hood, Jr., June 6, 1938.

Russell Kefauver, August 29, 1938.

Medical Director Charles M. Oman to be a medical director in the Navy, with the rank of rear admiral, to rank from the 1st day of July, 1936.

The following-named surgeons to be medical inspectors in the Navy, with the rank of commander, to rank from the 23d day of June, 1938:

Franklyn C. Hill

Cyrus C. Brown

Victor B. Riden

Edward J. Goodbody

Passed Assistant Paymaster Ralph J. Arnold to be a paymaster in the Navy, with the rank of lieutenant commander, to rank from the 23d day of June, 1938.

The following-named chaplains to be chaplains in the Navy, with the rank of commander, to rank from the 23d day of June, 1938.

Clinton A. Neyman

William P. Williams

Pharmacist Archie B. Brown to be a chief pharmacist in the Navy, to rank with but after ensign, from the 25th day of November, 1938.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 9, 1939

UNITED STATES HOUSING AUTHORITY

Jacob Crane to be Assistant Administrator and Director of Project Planning, United States Housing Authority.

UNITED STATES DISTRICT JUDGE

Michael L. Igoe to be United States district judge for the northern district of Illinois.

UNITED STATES ATTORNEY

William J. Campbell to be United States attorney for the northern district of Illinois.

POSTMASTERS

OHIO

Starling N. Caron, Hamersville.

Charles E. Morris, Philo.

PUERTO RICO

Ricardo Pagan, Barranquitas.

Felix P. Hernandez, Quebradillas.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 9, 1939

The House met at 11 o'clock a. m.

Rev. Edwin Holt Hughes, D. D., LL. D., senior bishop of the Methodist Episcopal Church, Washington, D. C., offered the following prayer:

Almighty God, our Father: When long ago Thou didst reveal Thy will to Thy people through the greatest of human lawgivers, we were told of "the land which the Lord, our God," gave to us. We are glad to believe that this ancient word is true for our country. We would more and more treat it as Thy divine gift. Thou didst lift its mountains. Thou didst extend its prairies. Its surrounding seas are Thine, for Thou hast made them; "and Thy hands formed the dry land." When we think of the wonder of the territory which Thou hast made for us and given to us, we are disposed to praise Thee and to cry out, "For ourselves, and our country, O gracious God, we thank Thee."

In due season of Thy providence Thou didst give us a separate place among the nations. Thou dost now command us to give back to Thee the land of Thine own giving, consecrated to Thine own holy purposes. Grant Thy mercy and grace to all our citizens. Give Thy benediction and guidance to all our lawmakers that they may fulfill Thy law. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

KATHRYN T. MAIER

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 87

Resolved, That there shall be paid out of the contingent fund of the House to Kathryn T. Maier, widow of John G. Maier, late an employee of the House, an amount equal to 6 months' salary compensation, and an additional amount not to exceed \$250, to defray funeral expenses of the said John G. Maier.

The resolution was agreed to, and a motion to reconsider was laid on the table.

INVESTIGATION OF UN-AMERICAN PROPAGANDA IN THE UNITED STATES

Mr. WARREN. Mr. Speaker, I offer a further privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 81

"Resolved, That the expenses of conducting the investigation authorized by House Resolution 26, incurred by the special committee appointed to investigate un-American propaganda in the United States and related questions, acting as a whole or by subcommittee, not to exceed \$150,000, including expenditures for the employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on Accounts; that the official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged."

The Committee on Accounts having given consideration to the above resolution recommends that the original do not pass, but that the substitute, as follows, do pass:

"Resolved, That the expenses of conducting the investigation authorized by House Resolution 26, incurred by the special committee appointed to investigate un-American propaganda in the United States and related questions, acting as a whole or by subcommittee, not to exceed \$100,000, including expenditures for the employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on Accounts, and the amount herein appropriated is to cover all expenditures of said committee of every nature in completion of its investigation and filing its report not later than January 3, 1940.

"Sec. 2. That the official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

"Sec. 3. The head of each executive department is hereby requested to detail to said special committee such number of legal and expert assistants and investigators as said committee may from time to time deem necessary."

Mr. WARREN. Mr. Speaker, after I conclude my brief statement about this matter I propose to yield 2 or 3 minutes to the minority leader, the gentleman from Massachusetts [Mr. MARTIN]. After this I propose to move the previous question.

We have a very important bill, the consideration of which must be completed today, brought out by the Ways and Means Committee, and in order to aid the minority in their out-of-town engagements over the week end, this bill has been brought in today. For this reason we are greatly pressed for time.

Mr. Speaker, now that we are in a calmer moment, it is not amiss for me to discuss some phases of this special committee, both pro and con. The resolution carries the largest single amount that has ever been brought out by me during the last 8 years to be paid from the contingent fund of the House. Frankness compels me to say that had not the original resolution been amended to terminate this investigation within the period of a year I would not have supported it, and I believe this view is concurred in by many others in this body. I have always opposed, and consistently so, the setting up of these perpetual investigations by the House of Representatives. We report out here today a substitute which has the unanimous approval of every member of the Committee on Accounts, all members being present at the meeting except one. It also has the approval of the three members of the special committee who appeared before the Accounts Committee, to wit, Mr. DIES, Mr. STARNES of Alabama, and Mr. DEMPSEY.

We have reiterated in section 1 of the resolution what the House has already expressed by a very large vote, and that is that the amount herein appropriated is to cover all expenditures of said committee of every nature in completion of its investigation and filing its report not later than January 3, 1940.

The Committee on Accounts has seen fit to add another section which was contained in the resolution passed last year, and that is we again call upon the head of each executive department to detail to the special committee such number of legal and expert assistants and investigators as said committee may from time to time deem necessary.

There is no use for us to quibble over this. The chairman of this select committee respectfully and in accordance with the terms of the former resolution requested aid from department heads. For some reason that aid was declined and was not given, although it is a well-known fact that various departments of the Government have assigned from time to time such assistance and one instance of it is on record in the hearings on the independent offices bill, the consideration of which was just completed last night. The departments have assigned special counsel or special investigators to various select committees set up by either body.

Now, I have some pride in the authority and the greatness of the House of Representatives, and I want to serve notice, and I believe this is in accord with the feeling of the House of Representatives, that when we pass a resolution, although it does not have the binding effect of law, when we call upon a department to lend aid to any committee that we set up, we expect the request to be observed and obeyed as far as possible or good reason to be ascribed why it is not obeyed. [Applause.]

This is the third investigation of this nature that has been authorized by the House of Representatives during my service here. Shortly after I came here we had the committee headed by the gentleman from New York [Mr. FISH]. What was accomplished? Absolutely nothing. Then followed the committee headed by my distinguished friend from Massachusetts [Mr. McCORMACK]. That committee almost got somewhere. They did what the House instructed them to do. They made a final report and recommended legislation.

They recommended the passage of five bills to cure the evils that they had investigated. Those bills were duly considered by the appropriate committees of the House and were reported favorably to the House. One of those bills was enacted into law, and the other four measures, by obstruction, by dilatory tactics, and by refusal to have them considered, are now embalmed in the archives of useless papers. How surprised we would be, how astounded we would be, if somehow, somewhere, sometime, some of these investigating committees that are set up would come back here with a report and have their recommendations enacted into the law of the land. That just does not happen. In only the most isolated cases has it ever happened.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WARREN. Yes.

Mr. McCORMACK. I might also say that the bill the gentleman refers to is the Registration Act, that became a law last year, compelling all persons in the employ, directly or indirectly, of any foreign government, any foreign political body, any foreign agency of any kind, corporate, partnership, individual, set up for propaganda purposes in the United States, to register with the Secretary of State. It is the first bill that any Congress has enacted, which enables the Department of Justice to make any investigation, and as a result of the passage of that law, the Department of Justice is now investigating the important evidence referred to by the Dies committee, and it took 4 years for that bill to pass.

Mr. WARREN. And the gentleman will, of course, admit that he was blocked in getting up the other four bills.

Mr. McCORMACK. The fact is that the other four bills are not still up. I shall not use the word "blocked." The fact is those bills are not here; they have not passed. One of them was a bill making it a crime for anyone knowingly or willfully to advocate the overthrow of our Government by force and violence, and I can never see why anyone could oppose the passage of that bill.

Mr. WARREN. Nor could I. This committee is in a little more fortunate position. The chairman of this special committee is a member of the Committee on Rules. Another member, my friend the gentleman from New Mexico [Mr. DEMPSEY], is likewise a member of the Committee on Rules, and I beg this special committee now not to let a whole year go by. They have the power. Certainly they have found something from their investigations of 7 months to bring in here to this House. But I beg them not to let a year go by without the House at least having an opportunity to consider some corrective legislation that they might suggest.

I know that perhaps any advice from me to this committee might be considered gratuitous and not wanted. I entertain for the membership of the special committee both high regard and personal friendship. I quote from a letter written by the chairman of the committee:

Of course, some of the testimony must be discounted, due to bias, the natural tendency to exaggerate when dealing with this subject, and other factors; but after making due allowance for all these factors, the fact remains that the situation is sufficiently serious to justify a thorough and fearless investigation which will accord to all sides a full opportunity to be heard, to the end that the truth with regard to all un-American activities and propaganda may be ascertained once and for all.

The special committee has an opportunity to render a distinct and outstanding public service. If it will hew to the line; if it will march straight ahead; if it will turn neither to the right nor to the left; if it will not listen to the blandishments of any group or succumb to the itch of publicity, and will go forward and ferret out the facts and recommend legislation that will be effective, then they will receive the thanks and plaudits of the American people.

But, on the other hand, if this committee is to ride over the land looking under every pillar and post for those with whose views they might not agree, if constitutional rights of citizens are to be trampled or invaded, if they have any idea of conducting an inquisition, then they will probably be condemned and their works and labors will prove ineffectual. [Applause.]

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. WARREN. For a question.

Mr. SABATH. Will the gentleman yield me 3 minutes? I am not opposed to the resolution. All I desire is 3 minutes, in view of the fact that the action of the committee has been called to the attention of the House. As chairman of the Committee on Rules, I desire to make a brief statement, and also due to the fact that I supported the resolution.

Mr. WARREN. How much time does the gentleman from Massachusetts desire?

Mr. MARTIN of Massachusetts. Not much. First, I wish to ask a question before I take the floor.

Mr. WARREN. Certainly.

Mr. MARTIN of Massachusetts. I notice in the first paragraph that the amount to be given to the committee is \$100,000. Does the gentleman consider that adequate for a real investigation?

Mr. WARREN. I certainly do. Frankly, it is a somewhat higher amount than I personally favored. I want to say that Mr. DIES, Mr. STARNES of Alabama, and Mr. DEMPSEY stated that in their opinion it would be adequate. Therefore we have given them that amount so that there will be no future alibis. That is the reason I am supporting an amount that large.

Mr. MARTIN of Massachusetts. As to section 3, it was in the last resolution which was passed last year; but, as I understand it, the departments did not comply, as the gentleman from North Carolina has well stated and did not provide any assistance to the committee.

Mr. WARREN. That is correct.

Mr. MARTIN of Massachusetts. The chairman of the committee in introducing this resolution this year left out that proviso, and the Committee on Accounts have seen fit to reinsert it. Can that be taken to mean that that is any effort to sabotage this committee in its work? As I understand the evidence that has been presented before the committee, it is to the effect that there is more or less communism in some of the departments of Government. If that be true, should those departments of Government be asked to provide assistants for an investigation which might go into their own department?

Mr. WARREN. I do not think the gentleman from Massachusetts even thinks there is any attempt to sabotage this committee.

Mr. MARTIN of Massachusetts. I do not think so, but I want to give the gentleman from North Carolina an opportunity to explain it.

Mr. WARREN. I will tell the gentleman. I suggested that that be put in there. I assure the gentleman I have not been in communication with nor consulted any department. It is simply permissive for the special committee to call upon them. But I say this, and I know the gentleman will agree with this, as I have just said, that if this committee does call on them, that department ought to respond, because the request comes from the House of Representatives.

Mr. MARTIN of Massachusetts. I agree thoroughly with the statement of the gentleman from North Carolina. I also appreciate that if there had been more cooperation in the past it would have saved a great deal of money for the people of the country. But, as it now reads, the chairman is not compelled to ask for assistance from a department that he may want to investigate.

Mr. WARREN. Not at all.

Now, Mr. Speaker, I shall yield 5 minutes to the gentleman from Massachusetts [Mr. MARTIN] and then I shall yield 3 minutes to the gentleman from Illinois [Mr. SABATH]. After that I shall move the previous question. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, first I must remind the House if no legislation has emanated from previous committees, certainly it cannot be charged to the Republican membership of either branch of the Congress. For the last 5 years, the Congress has been overwhelmingly Democratic, and if proper legislation has not been brought to the floor, that responsibility, of course, rests upon those who control the House or the Senate.

The Republican membership of the House is 100 percent back of this resolution to provide adequate funds for the Dies investigation. We showed that in our vote the other day when we expressed ourselves unanimously that this investigation should go on. We may say no legislation has emanated from past committees, but I honestly believe every one of those committees has accomplished some good. It is not always necessary to have legislation for a committee to justify itself. If we can arouse the conscience of the American people to the abuses that are going on in the country, then that money is well spent. [Applause.] We are spending billions of dollars in this country for defense against any foreign government which might attack America. If we can spend billions for armament it is not unwise to give \$100,000 to protect the American people from forces that are trying to undermine America at home. America, if it is ever destroyed will be from forces undermining it at home rather than from an attack from abroad. [Applause.]

The Republican membership of this House is for this investigation. Our hope is the committee will continue, as I believe it has in the past, for a fearless, honest, and impartial investigation. If there is communism in any of the departments, that fact should be revealed. If there are groups of people trying to destroy the America of today they should be exposed. The American people are demanding the real facts and the gentleman from Texas and his committee have been given an opportunity, rare indeed, to render great service to this country. I sincerely hope they will not fail.

I am glad to here record the support of the Republican membership of the House and I trust this resolution will be unanimously adopted. [Applause.]

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Lest there be any misunderstanding, let me make it clear that I supported and voted for resolutions creating the McCormack committee and the original resolution setting up the Dies committee. However, thousands of individuals, organizations, patriotic and other groups feel, and I concur in that feeling, that the Dies committee has permitted itself to become an instrument of those who fight the administration, and of Fascist and Nazi groups which seek to divert attention from their own subversive activities.

Mr. DIES has admitted that mistakes were made in the past and now assures the Rules Committee, the Accounts Committee, and the House that he will avoid such mistakes in the future. Therefore I support this resolution authorizing \$100,000 to renew the committee's work. In fact, I would gladly say that \$500,000, if need be, should be given a committee to really inquire into subversive activities.

I know that it costs money to carry on Nation-wide investigations, and I know that support cannot be had from governmental agencies. To correct a mistaken impression given the general public that the departments refused to help the Dies committee, I want it known that the House during the last Congress passed an amendment prohibiting the departments from loaning employees to congressional committees. Older members, some of whom now criticize the departments for not giving assistance, should remember that I was one of the very few who fought in the Well of this House to defeat the amendment prohibiting departments from giving help to our select committee.

Let the House be sure of one thing, Mr. Speaker, and that is that there will be no delay by the Rules Committee in reporting out any proposed legislation to deal with un-American activities. I have been personally disposed toward legislation proposed by Mr. McCormack and regret that no favorable action has been taken to date. Unfortunately, the other side objected to consideration of these bills.

I hope that the Dies committee, with the renewed life and additional funds granted it, will go out and do a real job in exposing un-American activities. And by un-American activities I mean the acts of the Nazis, the Fascists, the Silver Shirts, and all the other subversive groups, and not only the Communists. I despise them all with equal intensity.

Another thing I hope is that the committee will not permit irresponsible and designing individuals to brand all liberals and progressives as Communists. There are those who for political or other reasons have assailed members of the Cabinet and even the President of the United States and by implication branded them as un-American. I resent this and will fight such tactics with every resource at my command.

With the naming of the capable and conscientious gentleman from California as the new member of the committee I know that the committee is strengthened materially, and I trust that the criticism voiced by thousands of Americans during the past year will have no reason to be heard in the future. [Applause.]

Mr. WARREN. Mr. Speaker, I move the previous question on the resolution and the substitute amendment to final passage.

The previous question was ordered.

The substitute amendment was agreed to.

The resolution as amended was agreed to, and a motion to reconsider was laid on the table.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, we have a very important bill coming up today. I do not know how much time is going to be allotted for its consideration.

Mr. RAYBURN. We have already agreed on 3 hours' general debate, I may say to the gentleman, by unanimous consent.

Mr. WOLCOTT. Although I will not object to adjourning over until Monday, I call attention to the fact that as discussion on this bill proceeds today I am not so sure that this Congress will not be subjected to severe criticism in not taking up not only all of today, but all of tomorrow and all of Saturday in the consideration of this very fundamental question, one which has been before the country for 150 years.

Mr. RAYBURN. I may say to the gentleman that I very reluctantly agreed to the suggestion of the gentleman from Massachusetts [Mr. MARTIN] and many Members on that side of the aisle, not to have a session tomorrow and Saturday. But because I wanted to accommodate Members on that side of the House, about 35 of whom said they desire to get away for the celebration of Lincoln's Birthday, I have, at the instance of the gentleman from Massachusetts, submitted the request.

Mr. WOLCOTT. It is my opinion that we can better revere the memory of the second greatest American by staying on this floor and discussing this fundamental question of States' rights than we can by making speeches elsewhere in his memory.

Mr. RAYBURN. It is a foregone conclusion that Members cannot stay on the floor and at the same time make Lincoln Day speeches elsewhere.

Mr. WOLCOTT. I believe the gentlemen should stay here and make Lincoln Day speeches in defense of our dual democracy.

Mr. RAYBURN. We have plenty of time, and it is our intention to take plenty of time for debate today, to stay in session until this bill is passed.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I want to say in behalf of the majority leader that having the bill called up and passed today, was at the request of a good many Members of the minority side of the House. The committee had thought that 3 hours' debate would be ample; and I believe before we get through it will be seen that 3 hours is sufficient for everybody who so wishes to express himself.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. Certainly.

Mr. WOLCOTT. I may say to the gentleman from Massachusetts that if debate is limited to 3 hours, the opponents of this measure will not have more than an hour and a half. I happen to know that there are at least two of us who ex-

pect to speak in opposition to this bill. In studying this question I can see where I, with my limited knowledge of these matters, might easily take 40 or 45 minutes to clarify the position which I take. I do not see how Members such as the gentleman from New York [Mr. REED] and others who want to talk on this matter can begin to discuss the subject in the limited time which will be allotted to them.

I shall not be averse to adjourning over until Monday, because I do not think anything would be accomplished by it. If I objected to the request of the gentleman from Texas, I know that probably I would be a very unpopular Member of Congress for the next 48 hours, and that a rule, a resolution, or a motion would be made to adjourn over; so nothing would be accomplished by it and I would be charged with demagoguery in this respect. I do not want to demagogue in this respect, because it is a question which must be devoid of demagoguery. I do want, however, to call attention to the fact that it is impossible even to read the pertinent paragraphs from the three leading decisions of the Supreme Court in an hour and a half of time, to say nothing of discussing it.

Mr. CELLER. Mr. Speaker, reserving the right to object, will the chairman, or the acting chairman, of the Ways and Means Committee be liberal with time when it comes to amendments, or will they invoke the cloture rule? Our Committee on the Judiciary has considered this matter for 15 years. It is a matter of the greatest importance, and we should have sufficient time in which to discuss it. I do not object to the request, but I do hope that when it comes time to offer amendments that there will be no invoking of the cloture rule so as to stop debate on the subject.

Mr. RAYBURN. Certainly there is no desire on the part of the majority members of the Ways and Means Committee to do anything like that; and, frankly, I think much light will be shed on the subject between now and 3:30.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

Mr. WOLCOTT. Mr. Speaker, further reserving the right to object, may I say to the majority leader and to the minority members of the Ways and Means Committee that there is no immediate necessity for the passage of this bill. Why can we not let this matter go over until the fore part of next week? Surely this is much more important than any appropriation bill which we may have up for consideration at that time.

Mr. RAYBURN. Mr. Speaker, I may say to the gentleman that I very much desired a session tomorrow and Saturday to consider the May bill and get it out of the way this week. As the gentleman from Massachusetts has just stated, I agreed to take this bill up and dispose of it today in order that the Members could get away until Monday. We must consider the May bill on Monday. We have an appropriation bill ready for consideration, and if we get through with that, the gentleman from Georgia [Mr. VINSON] will probably bring in a bill for consideration. So next week will be a rather heavy week.

So far as having a session tomorrow and next day is concerned, if objection is made to my request, I would simply announce that everyone could go home or wherever they pleased, I would be here tomorrow and the Speaker would be here, and I would move to adjourn on the reading of the Journal tomorrow, so that the House would be back here Saturday. If there was nothing to do on that day, I would move to adjourn until Monday.

Mr. WOLCOTT. That is why I am not objecting. It is utterly futile and I am not going to object, but I may say that I have turned down urgent requests to speak in honor of Abraham Lincoln, but I believe we should stay here and honor him more by being on the floor to consider this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

THE EVIL THAT MEN DO—THE UTILITY FASCISTI—KENTUCKY, ILLINOIS, PENNSYLVANIA, MISSOURI—THE OKLAHOMA CONTROVERSY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. RANKIN. Mr. Speaker, owing to a misunderstanding that seems to have arisen, especially in the State of Oklahoma, relative to the application of the Flood Control Act passed during the last session of Congress, particularly with reference to the construction of the Dennison Dam, I desire to discuss that measure briefly, to answer some of the criticisms, and to point out the benefits this project would bring to the people of Oklahoma.

I have no quarrel, personally, with the Governor of Oklahoma; but I do not propose to sit idly by and see him, or any other man, or set of men, wreck this great program of flood control, navigation improvements, and power development on our navigable streams and their tributaries, or allow them to prevent the use of the power generated for the benefit of the masses of the American people, if I can help it.

I realize that the Power Trust lobbyists are swarming around the Capitol of Oklahoma just as they do around all State legislatures and just as they have been swarming around this Capitol lining up opposition to the T. V. A., and lately fighting the appropriation for the Gilbertsville Dam.

No doubt they are bringing every possible pressure to bear on the Legislature of Oklahoma, as well as on the Governor of that State, to try to sabotage the Flood Control Act of 1938—the greatest measure of its kind ever passed by the American Congress. I say it is the greatest measure of its kind, because of the fact that it contains provisions, to which I shall refer later, that really enable us to control the floods, improve navigation, and develop power on these streams for the benefit of the people in the surrounding area.

As I explained to the House the other day, I was largely responsible for these provisions, to save the waterpower of this country for the American people, being inserted in the Flood Control Act of 1938. Wherever one of these projects is developed, we hope to establish the yardstick for the proper measurement of electric lights and power. In my opinion, this is our only chance to bring justice to the electric consumers of this Nation, who are now bearing an annual overcharge of more than \$1,000,000,000 a year for electric lights and power.

We must wrest all the American people from the bondage of the Power Trust. This Nation cannot remain "half slave and half free."

The power business in America, as now conducted by the Power Trust, is the greatest racket of modern times. No other civilized, self-respecting nation on earth would have stood for it as long as we have.

Let me give you a typical example: On page 60 of this week's issue of Time magazine it is stated that one of these holding utility magnates "left a bicycle shop" 35 years ago and went into the power business, not as a producer, but as a stock manipulator. He got control of a holding company whose total assets, according to this magazine, today amount to \$900,000,000. By 1924 this man owned 96 percent of its stock, and by 1929 its shares had been split 60 to 1, and, listen to this: "The value of a single share had risen from \$10.50 to \$5,600." And this man owned 7,500,000 shares of this watered stock worth \$612,000,000, and this magazine goes on to say that "His yacht was the largest in the world."

The helpless consumers of electric energy supplied by the small companies controlled by this gigantic, blood-sucking holding company, were compelled to pay rates that would insure dividends on shares of stock valued at \$5,600 which, in truth, had cost only \$10.50.

I repeat it is the greatest racket of modern times, and 25,000,000 electric consumers throughout the Nation are its victims.

What we members of the public power bloc are trying to do is to rescue the power consumers from the clutches of this gigantic octopus, and to see that they are supplied with electric energy at the T. V. A. yardstick rates—or at rates based upon the cost of generation, transmission, and distribution.

THE EVIL THAT MEN DO

On yesterday we witnessed a pathetic spectacle in this House, when the gentleman from Missouri [Mr. SHORT], the gentleman from Illinois [Mr. DIRKSEN], the gentleman from Pennsylvania [Mr. FADDIS], and the gentleman from Kentucky [Mr. MAY] joined forces in their efforts to destroy the Gilbertsville Dam and to paralyze and wreck the administration's flood control, navigation improvement, and power program.

Shakespeare said—

The evil that men do lives after them;
The good is oft interred with their bones.

KENTUCKY

Unless we are able to get the appropriation for the Gilbertsville Dam restored in the Senate and held in by the House, the gentleman from Kentucky [Mr. MAY] will have helped to render an injury to the people of his State that will live long after he has passed away, and will forever overshadow any good he could ever hope to accomplish throughout his future public career, when he helped to destroy the greatest development ever undertaken in the State of Kentucky.

In addition to being harrassed with disastrous floods, in addition to the need for the development of navigation on the Tennessee River, the people of Kentucky are suffering under the additional burden of being overcharged more than \$9,000,000 a year for electric lights and power—although we have reduced light and power rates to the people of that State more than \$6,800,000 a year since the T. V. A. was created and its yardstick rates put into effect.

We have forced down rates in every community in America, and the people of Kentucky are now enjoying savings amounting to \$6,800,000 every year that rolls around. They are still overcharged, however, more than \$9,000,000 a year; and if the gentleman from Kentucky [Mr. MAY], the Power Trust, and the coal barons, who seem to be backing him in this fight, have their way, the people of that great State will continue to struggle under this burden for all time to come. They would even sabotage and destroy the T. V. A. and take away from the people of that State the \$6,800,000 of annual savings they now enjoy as a result of the creation of the T. V. A. and the promulgation of its yardstick rates and pile that burden back on to the light and power consumers of Kentucky.

PENNSYLVANIA

The gentleman from Pennsylvania [Mr. FADDIS] may think that he is helping the coal miners by fighting the T. V. A. In truth he is only helping the coal barons and the Power Trust which is interlocked with the National Coal Association—that aggregation of coal operators who reap the benefits from coal legislation while the poor miner who does the work is denied the use of cheap electricity and therefore denied the very comforts and conveniences which the products of his toil would produce.

I pointed out on this floor some days ago that one of the leading expert witnesses, representing the power interests, in the T. V. A. investigation, stated that power could be produced with coal—with \$3 per ton coal—at 4.18 mills a kilowatt-hour. That is cheaper than any municipality buys power from the T. V. A. They could generate power with Pennsylvania coal and distribute it to every consumer in the State of Pennsylvania at the T. V. A. yardstick rates. That would increase the consumption of coal, and the employment of coal miners, and at the same time it would benefit every human being who turns an electric switch in Pennsylvania, and add immeasurably to the comforts and conveniences of every home.

The same thing could be done in Ohio, Illinois, West Virginia, Oklahoma, Kentucky, and every other coal-producing State. But they won't do that; they won't even produce cheap power for the miners with the coal they dig from the ground, but invariably overcharge them for their electric lights, and what little power they use, on an average of more than 100 percent; while the Pennsylvania Railroad that runs through the coal mining districts of that State, and reaps

the profits for hauling this coal, is now running some of its trains with hydroelectric power produced at Conowingo Dam.

The people of Pennsylvania are today overcharged for electric light and power from \$85,000,000 a year, according to the T. V. A. rates, to \$104,000,000 a year, according to the Ontario rates—although we have forced reductions of \$70,600,000 a year in electric light and power rates in the State of Pennsylvania since the creation of the T. V. A.

They can produce electricity from coal mined in Pennsylvania and distribute it to the ultimate consumers throughout the entire State at the T. V. A. yardstick rates without loss. That would put more miners to work, stimulate industry in Pennsylvania, reduce the light and power rates to the people of that State \$85,000,000 a year, add to the comforts and conveniences of their homes by enabling them to employ more electrical appliances, and at the same time supply electricity to every farm home in the State.

ILLINOIS

The gentleman from Illinois [Mr. DIRKSEN] did everything he could to cripple the Tennessee Valley Authority. Probably he would like to call back the days of Samuel Insull, the power king, who reigned supreme in Illinois, only a few years ago. About the time Insull fell the T. V. A. was created. What a glorious exchange!

Since the T. V. A. was created, and its yardstick rates promulgated, we have forced light and power reductions to the people of Illinois amounting to \$65,600,000 a year. Every human being who turns an electric switch gets the benefit of these reductions every month. Yet the gentleman from Illinois would wipe them out, destroy the T. V. A. and its yardstick, and go back to the glorious days of the Insull empire.

We have just started to reduce rates in Illinois. The people of that State are still overcharged from \$66,000,000 a year according to the T. V. A. rates, to \$81,000,000 a year according to the Ontario rates.

How much greater injury could the gentleman from Illinois bring to the people of that State than to destroy the T. V. A., that great symbol of justice for light and power consumers, and turn them back to Insullism, depriving them of further reductions of light and power rates, and piling back upon their shoulders this extra burden of \$66,000,000 a year!

Illinois is another great coal-producing State. Yet the people of that proud Commonwealth, even in the coal producing area—even the very miners who dig the coal—are charged such exorbitant rates for electric lights and power that it is almost like paying rent to the power companies to live in their own homes or to do business in their own establishments.

As I said with reference to the State of Pennsylvania, they can produce electricity from coal mined in Illinois and distribute it to the ultimate consumers throughout the entire State at the T. V. A. yardstick rates without loss. That would put more miners to work, stimulate industry in Illinois, reduce light and power rates to the people of that State \$66,000,000 a year, add to the comforts and conveniences of their homes by enabling them to employ more electric appliances, and at the same time supply electricity to every farm home in Illinois at the T. V. A. yardstick rates.

MISSOURI

But "The most unkindest cut of all" came from the gentleman from Missouri [Mr. SHORT]. His clowning speech on yesterday, together with his repetition, of the stereotyped propaganda of the Power Trust helped to line up the Republican Members of the House to defeat the Gilbertsville appropriation; which defeat was the greatest blow that could have been delivered against our attempts to develop the White River in Arkansas and Missouri, including Table Rock and the James River projects, to control floods, improve navigation and generate enough electricity to supply the States of Missouri and Arkansas and a large portion of Oklahoma.

The coal barons, the Power Trust, and other enemies of the Tennessee Valley Authority with which he has aligned himself in this fight are against any development of the White River and will be found lined up solidly against the Table Rock

and James River projects, through the development of which we hope to control floods, improve navigation, and bring justice to the power consumers of that section of the Southwest.

How much greater injury could he have done to the people he represents? The people of the State of Missouri are now overcharged for electric light and power from \$23,000,000 a year according to the T. V. A. rates, to \$28,000,000 a year according to the Ontario rates—although, as I pointed out yesterday, we have forced reductions of light and power rates in the State of Missouri by more than \$12,000,000 a year since the T. V. A. was created and its yardstick rates established.

In addition to these overcharges in Missouri, the people of Arkansas are overcharged more than \$5,000,000 a year and the people of Oklahoma are overcharged more than \$11,000,000 a year for electric lights and power—making a total of approximately \$40,000,000 a year the people of those three States are overcharged for electric energy; and more than half of them are denied the use of any electricity at all.

I have searched the record of power rates in Missouri and I find that in every town and in every community in the district represented by the gentleman from Missouri [Mr. SHORT], the average residential and commercial consumer of electric energy is overcharged more than 100 percent on his light and power bill every month—and that considerably more than half the people in the district are denied the use of any electricity at all—especially in the rural sections.

Of all men who should support the Tennessee Valley Authority as well as our efforts to develop the White River and its tributaries—including Table Rock and the James River project, the gentleman from Missouri [Mr. SHORT] should be among the most enthusiastic.

In his speech on yesterday he repeated almost verbatim the old stock arguments of the Power Trust to the effect that 4,000,000 people own stock in private power companies and that their investments amounts to \$12,000,000,000.

As a matter of fact, this legislation will not affect legitimate investments. If the gentleman from Missouri will turn to the RECORD of January 12 and read my statement before the T. V. A. Investigating Committee he will see that I showed by the RECORD that of this \$12,000,000,000 investment claimed by the Power Trust, and its friends in the House, at least \$5,000,000,000 is water, or inflated values. I showed that under the Ontario system the investments for the generation, transmission, and distribution of the 90,000,000,000 kilowatt-hours of electricity produced and distributed in the United States last year, it would, at the very outside have required an investment of only \$4,778,680,000 instead of the \$12,000,000,000 quoted by the gentleman from Missouri [Mr. SHORT] on yesterday.

But I will go into the Missouri rates more fully at another time. I want to go into a thorough analysis of the light and power rates in his district and show how this unholy combination of the coal barons and the Power Trust is grinding the people of Missouri into the dust.

This is a national policy with me, and the gentleman's deflection will not cause me to cease my efforts to develop the White River and its tributaries, including Table Rock and the James River project, for the benefit of the people of that section of the country now and for generations to come.

In addition to controlling the floods and improving navigation on those streams, I want to give the people of that area an effective yardstick for the measurement of electric light and power rates. The rates they are now paying for electricity in every county, every city, every town, and every community represented by the gentleman from Missouri [Mr. SHORT] are so high, so exorbitant, and so unreasonable that, as I said, it is like paying rent to the Power Trust to live in their own homes or to do business in their own establishments.

THE OKLAHOMA SITUATION

Whenever the spokesmen for the Power Trust make a protest against legislation they invariably give a different reason for their objections from the one by which they are motivated.

Probably that is the reason they have misled the gentleman from Missouri [Mr. SHORT].

The Oklahoma controversy is merely an echo of the same fight now going on in New England, in which the Utilities are trying to prevent the development of any hydroelectric power to be distributed for the benefit of the people in the surrounding area. They would prefer to see us seal up those streams by building solid dams that would deprive the people of New England of the use of their hydroelectric power for at least another hundred years than to see these dams built, and penstocks installed for the generation of electric power, as the law provides—unless they could "reach an agreement" to have this power turned over to them so that they could rob the people with exorbitant rates on the power generated from their own natural resources. New England has no coal mines or oil fields. Therefore this is their only hope to secure cheap electricity.

They are giving "States' rights" as their reasons for protesting. States' rights!—which no utility has ever respected and which they have spent hundreds of millions of dollars to destroy whenever it suited their convenience in their grasping drive for wealth and power.

Under the proposed act, as it stood before these amendments were inserted, the Federal Government was to put up 70 percent of the funds for the construction of these dams and reservoirs, and the States and local communities 30 percent; and there was to be a divided responsibility. That would have been "duck soup" for the Power Trust. If the utilities could have influenced the Governor of a State involved, or even one branch of the legislature of any State involved, they could have prevented any development on any navigable stream from Maine to Mexico until the Government came to an "agreement" with them, or with the Governor who spoke their language. In that way they could have prevented the people from getting any benefits from the power generated.

Before the bill finally became a law we succeeded in having that provision eliminated, and the following provision substituted:

That in case of any dam and reservoir project, or channel improvement or channel rectification project for flood control, herein authorized or heretofore authorized by the act of June 22, 1936 (Public, No. 736, 74th Cong.), as amended, and by the act of May 15, 1928 (Public, No. 391, 70th Cong.), as amended by the act of June 15, 1936 (Public, No. 678, 74th Cong.), as amended, title to all lands, easements, and rights-of-way for such project shall be acquired by the United States or by States, political subdivisions thereof or other responsible local agencies and conveyed to the United States, and provisions (a), (b), and (c) of section 3 of said act of June 22, 1936, shall not apply thereto. Notwithstanding any restrictions, limitations, or requirement of prior consent provided by any other act, the Secretary of War is hereby authorized and directed to acquire in the name of the United States title to all lands, easements, and rights-of-way necessary for any dam and reservoir project or channel improvement or channel rectification project for flood control, with funds heretofore or hereafter appropriated or made available for such projects, and States, political subdivisions thereof, or other responsible local agencies, shall be granted and reimbursed from such funds, sums equivalent to actual expenditures deemed reasonable by the Secretary of War and the Chief of Engineers and made by them in acquiring lands, easements, and rights-of-way for any dam and reservoir project, or any channel improvement or channel rectification project for flood control heretofore or herein authorized: *Provided*, That no reimbursement shall be made for any indirect or speculative damages: *Provided further*, That lands, easements, and rights-of-way shall include lands on which dams, reservoirs, channel improvements, and channel rectifications are located; lands or flowage rights in reservoirs and highway, railway, and utility relocation.

SEC. 3. That in any case where the construction cost of levees or flood walls included in any authorized project can be substantially reduced by the evacuation of a portion or all of the area proposed to be protected and by the elimination of that portion or all of the area from the protection to be afforded by the project, the Chief of Engineers may modify the plan of said project so as to eliminate said portion or all of the area: *Provided*, That a sum not substantially exceeding the amount thus saved in construction cost may be expended by the Chief of Engineers, or in his discretion may be transferred to any other appropriate Federal agency for expenditure, toward the evacuation of the locality eliminated from protection and the rehabilitation of the persons so evacuated: *And provided further*, That the Chief of Engineers may, if he so desires, enter into agreement with States, local agencies, or the individuals concerned for the accomplishment by them, of such evacuation and rehabilitation and for their reimbursement from said sum for expenditures actually incurred by them for this purpose.

SEC. 4. That the following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of War and supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated: *Provided*, That penstocks or other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam herein authorized when approved by the Secretary of War upon the recommendation of the Chief of Engineers and of the Federal Power Commission.

You will note that under the provisions of section 4 it is provided that penstocks, to be used for the generation of hydroelectric power, may be installed in these dams when approved by the Secretary of War upon the recommendation of the Chief of Army Engineers and the Federal Power Commission.

The purpose of that is to generate the power in these streams that is now going to waste, and distribute it to the people in the surrounding territory at reasonable rates. That is what is causing the protest. The utilities do not want this power developed unless it is turned over to them to be resold to the ultimate consumers at exorbitant rates.

They do not want any yardstick for the proper measurement of light and power rates in the various areas affected if they can help it. We are determined to have these penstocks inserted, generators installed where necessary, and the power distributed at the yardstick rates.

Having failed in their attempts in New England to force the Federal Government to compromise with them, the power interests seem to have transferred the fight to Oklahoma. They want to prevent the generation and distribution of hydroelectric power at yardstick rates to the people of that State.

Oklahoma is intrinsically one of the richest States in this Union. She has a gentle climate, a fertile soil, and an abundant rainfall. She has mountains stored with coal and iron, and her plains and valleys are underlaid with gas and oil. The State is traversed by streams that contain enough hydroelectric power to supply the needs of all her people. Yet special interests are draining off her gas and oil, slowly and gradually exhausting her supply of coal, and preventing the development of her hydroelectric power—permitting it to run waste and wanton to the sea—while the people of Oklahoma are overcharged more than \$11,000,000 a year for electric lights and power, and a large percentage of the people of the State are denied the use of any electricity at all.

While the domestic consumers in my home town of Tupelo, Miss., where the T. V. A. rates are in effect, now use on an average of 180 kilowatt-hours a month, the average domestic consumption in Oklahoma is less than 60 kilowatt-hours a month—because of the exorbitant rates the people of that State have to pay.

If this Denison Dam, which has been so strenuously advocated by the gentleman from Oklahoma [Mr. CARTWRIGHT], is constructed, and the power generated and distributed to the people of Oklahoma at the yardstick rates, it will result in the reduction of light and power rates throughout the State, probably amounting to the present entire overcharge of \$11,000,000 a year. The consumption of electricity will grow by leaps and bounds, the number of electric appliances employed will multiply as if by magic, and electricity will be distributed to the farm homes of the State to relieve the farmer of many of the burdens he now has to bear, add to the comforts and conveniences of his home, and lift from the shoulders of the housewife the burdens of drudgery under which she has struggled throughout the centuries. It is the greatest opportunity ever offered to the people of Oklahoma.

In order that every one who reads this record may make his own comparisons and realize the enormous overcharges for electric lights and power the people of Oklahoma have to pay, I am inserting at this point a schedule showing the residential rates in the Province of Ontario, Canada, and in Tacoma, Wash., in the far West, as well as the T. V. A. rates in the South. I am following that with a statement showing the residential rates in every city and town in Oklahoma of more than 250 population. Since the average consumption in the State of Oklahoma is only about 50 kilowatt-hours a

month, I will not run this table above 100 kilowatt-hours in order to save space in the RECORD.

Table of comparative monthly rates—Residential service
MONTHLY CONSUMPTION

Rates	Kilowatt-hours		
	25	40	100
Ontario.....	\$0.75	\$1.02	\$1.74
Tacoma.....	1.13	1.52	2.12
T. V. A.....	.75	1.20	2.50

Now compare the above rates with the rates charged in the State of Oklahoma as shown by the following table, and you will see what enormous overcharges the domestic consumers of electricity in Oklahoma have to pay:

TABLE 1.—Typical net monthly bills, Jan. 1, 1938
[Communities of 250 population or more]

Community	Popula- tion	Lighting and small appliances		Lighting, small ap- pliances, and re- frigera- tion, 100 kilowatt- hours	Average charge in cents per kilowatt- hour for 25-kilo- watt- hour bill (prin- cipally lighting)
		25 kilo- watt- hours	40 kilo- watt- hours		
Achille.....	383	\$2.36	\$3.11	\$4.91	9.4
Ada.....	11,261	1.81	2.74	4.54	7.2
Adair.....	290	2.50	3.55	5.75	10.0
Addington.....	818	2.75	3.80	6.00	11.0
Afton.....	1,219	2.50	3.55	5.75	10.0
Agra.....	258	2.36	3.11	4.91	9.4
Albion.....	256	2.50	3.55	5.75	10.0
Alderson.....	421	2.25	3.80	5.50	9.0
Alex.....	598	2.75	3.80	6.00	11.0
Aline.....	429	2.50	3.80	7.70	10.0
Allen.....	1,438	2.75	4.30	6.90	11.0
Altus.....	8,439	2.12	3.00	5.28	8.5
Alva.....	5,121	1.81	2.74	4.54	7.2
Amber.....	8,319	2.75	3.80	6.00	11.0
Ames.....	290	2.36	3.11	4.91	9.4
Anadarko.....	5,036	2.35	3.40	7.10	9.4
Antlers.....	2,246	2.50	3.55	5.75	10.0
Apache.....	1,302	2.75	3.80	6.00	11.0
Arapahoe.....	414	2.75	3.80	6.00	11.0
Ardmore.....	15,741	1.81	2.74	4.54	7.2
Arnett.....	426	2.60	3.35	5.15	10.4
Asher.....	653	2.36	3.11	4.91	9.4
Atoka.....	1,856	2.50	3.55	5.75	10.0
Avant.....	696	2.50	3.70	6.30	10.0
Barnsdall.....	2,001	2.25	3.40	6.00	9.0
Bartlesville.....	14,763	1.91	2.81	4.91	7.6
Beaver City.....	1,028	2.50	3.40	5.80	10.0
Beggs.....	1,531	2.12	2.87	4.67	8.5
Bennington.....	402	2.36	3.11	4.91	9.4
Berwyn.....	300	2.36	3.11	4.91	9.4
Bessie.....	415	2.75	3.80	6.00	11.0
Bethany.....	2,032	1.60	2.43	4.23	6.4
Big Cabin.....	271	2.50	3.55	5.75	10.0
Billings.....	658	2.12	2.87	4.67	8.5
Binger.....	849	2.75	3.80	6.00	11.0
Bixby.....	1,251	2.12	2.87	4.67	8.5
Blackwell.....	9,521	2.00	2.75	5.75	8.0
Blair.....	585	2.75	3.80	6.00	11.0
Blanchard.....	1,040	2.75	3.80	6.00	11.0
Bluejacket.....	271	2.09	2.84	4.84	8.4
Boise City.....	1,256	3.50	4.25	6.25	14.0
Bokchito.....	466	2.36	3.11	4.91	9.4
Bokoshe.....	715	2.36	3.11	4.91	9.4
Boley.....	874	2.50	3.55	5.75	10.0
Boswell.....	934	2.50	3.55	5.75	10.0
Boynton.....	1,204	2.36	3.11	4.91	9.4
Briggs.....	400	4.00	4.00	6.00	16.0
Braman.....	507	3.00	4.50	9.25	12.0
Bridgeport.....	432	2.75	3.80	6.00	11.0
Brinkman.....	252	2.75	3.80	6.00	11.0
Bristow.....	6,619	1.81	2.74	4.54	7.2
Britton.....	2,214	1.60	2.43	4.23	6.4
Broken Arrow.....	1,964	2.00	3.12	5.91	8.0
Broken Bow.....	2,291	2.26	3.31	5.51	9.0
Bromide.....	352	2.50	3.55	5.75	10.0
Buffalo.....	990	2.90	4.00	7.60	11.6
Burbank.....	372	2.63	4.20	6.00	10.5
Butler.....	473	2.75	3.80	6.00	11.0
Byars.....	502	2.36	3.11	4.91	9.4
Cache.....	425	3.45	5.30	9.60	13.8
Caddo.....	933	2.12	2.87	4.67	8.5
Calera.....	503	2.36	3.11	4.91	9.4
Calumet.....	481	2.36	3.11	4.91	9.4
Calvin.....	626	2.75	4.30	6.90	11.0
Camargo.....	291	2.60	3.35	5.15	10.4
Canadian.....	295	2.50	3.55	5.75	10.0
Caney.....	274	2.50	3.55	5.75	10.0
Canton.....	797	2.12	2.87	4.67	8.5
Canute.....	366	2.75	3.80	6.00	11.0
Cardin.....	437	2.09	2.84	4.84	8.4

TABLE 1.—Typical net monthly bills, Jan. 1, 1938—Continued

Community	Popula- tion	Lighting and small appliances		Lighting, small ap- pliances, and re- frigera- tion, 100 kilowatt- hours	Average charge in cents per kilowatt- hour for 25-kilo- watt- hour bill (prin- cipally lighting)
		25 kilo- watt- hours	40 kilo- watt- hours		
Carmen.....	904	\$2.50	\$3.80	\$6.80	10.0
Carnegie.....	2,063	2.50	3.55	5.75	10.0
Carney.....	328	2.36	3.11	4.91	9.4
Carter.....	642	2.75	3.80	6.00	11.0
Cashion.....	291	2.48	2.52	6.30	9.9
Castle.....	283	2.50	3.55	5.75	10.0
Catoosa.....	264	2.50	3.55	5.75	10.0
Cement.....	1,117	2.75	3.80	6.00	11.0
Chandler.....	2,717	2.12	2.87	4.67	8.5
Chattanooga.....	362	3.00	4.50	9.00	12.0
Checotah.....	2,110	2.12	2.87	4.67	8.5
Chelsea.....	1,527	2.25	3.60	7.20	9.0
Cherokee.....	2,236	1.95	3.00	4.95	7.8
Chessee.....	826	2.75	3.80	6.00	11.0
Cheyenne.....	14,099	1.91	2.81	4.91	7.6
Chickasha.....	430	2.50	3.55	5.75	10.0
Choteau.....	3,720	1.80	2.61	5.63	7.2
Claremore.....	420	2.50	3.55	5.75	10.0
Clearwater.....	356	2.36	3.11	4.91	9.4
Cleo Springs (Cleo).....	2,959	1.50	2.40	5.00	6.0
Cleveland.....	7,512	2.25	3.30	5.50	9.0
Clinton.....	2,064	2.50	3.55	5.75	10.0
Coalgate.....	510	2.36	3.11	4.91	9.4
Colbert.....	2,249	2.50	4.00	7.00	10.0
Collinsville.....	415	2.75	3.80	6.00	11.0
Comanche.....	1,704	2.78	3.90	5.70	11.1
Commerce.....	2,608	2.09	2.84	4.84	8.4
Copan.....	521	2.09	3.23	7.79	8.4
Cordell.....	2,936	2.50	3.60	5.50	10.0
Corn.....	420	2.75	3.80	6.00	11.0
Covington.....	927	2.12	2.87	4.67	8.5
Coweta.....	1,274	2.25	3.55	5.75	9.0
Cowlington.....	265				
Coyle.....	421	2.36	3.11	4.91	9.4
Crescent.....	1,190	2.70	4.05	6.32	10.8
Crowder.....	340	2.50	3.55	5.75	10.0
Cushing.....	9,301	1.25	2.00	4.50	5.0
Custer City.....	698	2.75	3.80	6.00	11.0
Cyril.....	922	2.75	3.80	6.00	11.0
Dascoma.....	332	2.42	3.47	6.67	9.7
Davenport.....	1,072	2.12	2.87	4.67	8.5
Davidson.....	572	2.75	3.80	6.00	11.0
Davis.....	1,705	2.12	2.87	4.67	8.5
Dawson.....	842	2.28	3.18	5.28	9.1
Deer Creek.....	312	2.36	3.11	4.91	9.4
Delaware.....	526	1.90	2.80	5.80	7.6
Depew.....	1,126	2.36	3.11	4.91	9.4
Devol.....	328	2.75	3.80	6.00	11.0
Dewar.....	994	2.25	3.30	6.00	9.0
Dewey.....	2,095	2.00	3.05	5.25	8.0
Dill City (Dill).....	499	2.75	3.80	6.00	11.0
Dougherty.....	371	2.36	3.11	4.91	9.4
Douthead.....	500	2.09	2.84	4.84	8.4
Dover.....	409	2.36	3.11	4.91	9.4
Dow.....	550	2.25	3.30	5.50	9.0
Drummond.....	254	2.36	3.11	4.91	9.4
Drumright.....	4,972	1.81	2.74	4.54	7.2
Duncan.....	8,363	1.90	2.80	5.20	7.6
Duncan.....	8,363	1.90	2.80	5.20	7.6
Durant.....	7,463	1.81	2.74	4.54	7.2
Dustin.....	537	2.50	3.55	5.75	10.0
Earlsboro.....	1,950	2.36	3.11	4.91	9.4
East Duke (Duke).....	543	2.75	3.80	6.00	11.0
Edmond.....	3,576	1.85	2.90	6.05	7.4
El Reno.....	9,384	1.81	2.74	4.54	7.2
Eldorado.....	1,183	2.75	3.80	7.00	11.0
Elgin.....	335	2.75	3.80	6.00	11.0
Elk City.....	5,666	2.25	3.30	5.50	9.0
Elmer.....	288	2.75	3.80	6.00	11.0
Elmore.....	395	2.36	3.11	4.91	9.4
Enid.....	26,399	1.70	2.67	4.37	6.8
Erick.....	2,231	2.50	3.55	5.75	10.0
Eufaula.....	2,073	2.12	2.87	4.67	8.5
Fairfax.....	2,134	2.13	3.40	5.00	8.5
Fairland.....	2,679	2.09	2.84	4.84	8.4
Fairview.....	1,887	2.20	3.10	6.70	8.8
Fargo.....	325	2.60	3.35	5.15	10.4
Fletcher.....	739	2.75	3.80	6.00	11.0
Foraker.....	310	2.50	3.70	6.30	10.0
Forgant.....	605	2.50	3.40	5.80	10.0
Fort Cobb.....	827	2.75	3.80	6.00	11.0
Fort Gibson.....	1,159	2.36	3.11	4.91	9.4
Fort Towson.....	486	2.50	3.55	5.75	10.0
Foss.....	524	2.75	3.80	6.00	11.0
Francis.....	607	2.36	3.11	4.91	9.4
Frederick.....	4,568	2.25	3.30	5.50	9.0
Freedom.....	354	3.43	4.61	6.96	13.7
Gage.....	856	2.60	3.35	5.15	10.4
Garber City.....	1,356	2.12	2.87	4.67	8.5
Garden City.....	300	2.50	3.55	5.75	10.0
Garvin.....	263	2.50	3.55	5.75	10.0
Gate.....	307	3.39	4.40	8.00	13.2
Geary.....	1,892	3.25	4.90	10.00	13.0
Glencoe.....	297	2.36	3.11	4.91	9.4
Glenpool.....	310	2.36	3.11	4.91	9.4
Goltry.....	346	2.48	3.96	4.86	9.9
Goodwell.....	501	2.80	3.70	6.10	11.2

TABLE 1.—Typical net monthly bills, Jan. 1, 1938—Continued

Community	Popula- tion	Lighting and small appliances		Lighting, small ap- pliances, and re- frigera- tion, 100 kilowatt- hours	Average charge in cents per kilowatt- hour for 25 kilo- watt- hour bill (princi- pally lighting)
		25 kilo- watt- hours	40 kilo- watt- hours		
Gore	297	\$2.36	\$3.11	\$4.91	9.4
Gotebo	827	2.75	3.80	6.00	11.0
Gould	367	2.75	3.80	6.00	11.0
Gracemont	394	2.75	3.80	6.00	11.0
Granfield	1,416	2.50	3.55	5.75	10.0
Granite	1,341	2.52	3.60	7.92	10.1
Grant	296	2.50	3.55	5.75	10.0
Greenfield	369	2.36	3.11	4.91	9.4
Grove	804	2.50	3.55	5.75	10.0
Guthrie	9,682	1.81	2.74	4.54	7.2
Guymon	2,181	2.50	3.40	5.80	10.0
Haileyville	1,801	2.12	3.17	5.37	8.5
Hammon	736	2.75	3.80	6.00	11.0
Hanna	360	2.50	3.55	5.75	10.0
Harrah	693	2.12	2.87	4.67	8.5
Hartshorne	3,587	2.12	3.17	5.37	8.5
Haskell	1,682	2.12	2.87	4.67	8.5
Hastings	379	2.75	3.80	6.00	11.0
Haworth	276				
Healdton	2,017	2.12	2.87	4.67	8.5
Heavener	2,269	2.12	2.87	4.67	8.5
Helena	735	2.36	3.11	4.91	9.4
Hennessey	1,271	2.12	2.87	4.67	8.5
Henryetta	7,694	2.00	3.05	5.75	8.0
Hinton	1,009	2.75	3.80	6.00	11.0
Hobart	4,982	2.25	3.30	5.50	9.0
Hockerville	550	2.09	2.84	4.84	8.4
Hoffman	375	2.50	3.55	5.75	10.0
Holdenville	7,268	1.81	2.74	4.54	7.2
Hollis	2,914	2.50	3.55	5.75	10.0
Hominy	3,485	1.50	2.40	5.00	6.0
Hooker	1,628	3.00	4.00	5.50	12.0
Howe	692	2.36	3.11	4.91	9.4
Hugo	5,272	2.12	3.17	5.37	8.5
Hulbert	350	2.50	3.55	5.75	10.0
Hunter	336	2.36	3.11	4.91	9.4
Hydro	948	2.75	3.80	6.00	11.0
Idabel	2,581	2.12	3.17	5.37	8.5
Indianoma	288	3.00	4.50	9.00	12.0
Indianola	378	2.50	3.55	5.75	10.0
Inola	398	2.50	3.55	5.75	10.0
Jay	300	2.50	3.55	5.75	10.0
Jefferson	269	2.36	3.11	4.91	9.4
Jenks	1,110	2.12	2.87	4.67	8.5
Jennings	653	2.36	3.11	4.91	9.4
Jet	389	2.36	3.11	4.91	9.4
Jones	288	2.36	3.11	4.91	9.4
Kaw City	1,001	2.50	4.00	9.00	10.0
Kellyville	548	2.36	3.11	4.91	9.4
Kendrick	270	2.36	3.11	4.91	9.4
Kenefick	284				
Keota	470	2.50	3.55	5.75	10.0
Ketchum	265	2.50	3.55	5.75	10.0
Keyes	350	3.50	4.25	6.25	14.0
Keystone	482	2.50	3.70	6.30	10.0
Kiefer	606	2.36	3.11	4.91	9.4
Kingfisher	2,726	2.36	3.11	4.91	9.4
Kingston	552	2.36	3.11	4.91	9.4
Kinta	259	2.50	3.55	5.75	10.0
Kiowa	689	2.50	3.55	5.75	10.0
Konawa	2,070	2.12	2.87	4.67	8.5
Krers	1,375	2.12	3.17	5.37	8.5
Kusa	266	2.50	3.55	5.75	10.0
Lamar	250				
Lamont	554	2.12	2.87	4.67	8.5
Langston	351	2.36	3.11	4.91	9.4
Laverne	903	2.40	3.60	7.50	9.6
Lawton	12,121	1.91	2.81	4.91	7.6
Leedey	646	2.75	3.80	6.00	11.0
Lehigh	497	2.50	3.55	5.75	10.0
Lenapah	336	1.90	2.80	5.80	7.6
Lexington	836	2.50	3.40	7.00	10.0
Lindsay	1,713	2.75	3.40	7.00	11.0
Loco	333				
Locust Grove	510	2.50	3.55	5.75	10.0
Lone Wolf	1,023	2.75	3.80	6.00	11.0
Longdale	284	2.36	3.11	4.91	9.4
Lookeba	312	2.75	3.80	6.00	11.0
Luther	613	2.36	3.11	4.91	9.4
Madill	2,203	2.12	2.87	4.67	8.5
Manchester	281	2.75	4.25	8.00	11.0
Manngum	4,806	2.25	3.15	5.40	9.0
Manitow	323	3.00	4.80	7.50	12.0
Mannford	421	2.50	3.70	6.30	10.0
Mannsville	372	2.36	3.11	4.91	9.4
Maramec	376	2.36	3.11	4.91	9.4
Marietta	1,505	2.12	2.87	4.67	8.5
Marland	361	2.36	3.11	4.91	9.4
Marlow	3,084	2.00	2.85	5.35	8.0
Marshall (New Marshall)	695	2.12	2.87	4.67	8.5
Martha	327	2.75	3.80	6.00	11.0
Maud	4,326	2.12	2.87	4.67	8.5
May	258	3.10	4.60	8.05	12.4
Maysville	875	2.12	2.87	4.67	8.5
McAlester	11,804	1.91	2.81	4.91	7.6
McCurtain	934	2.50	3.55	5.75	10.0
McLoud	812	2.36	3.11	4.91	9.4
Medford	1,084	2.12	2.87	4.67	8.5

TABLE 1.—Typical net monthly bills, Jan. 1, 1938—Continued

Community	Popula- tion	Lighting and small appliances		Lighting, small ap- pliances, and re- frigera- tion, 100 kilowatt- hours	Average charge in cents per kilowatt- hour for 25 kilo- watt- hour bill (princi- pally lighting)
		25 kilo- watt- hours	40 kilo- watt- hours		
Medicine Park	485	\$3.00	\$4.50	\$9.00	12.0
Meeker	562	2.36	3.11	4.91	9.4
Miami	8,064	2.04	3.06	6.02	8.2
Milburn	429	2.36	3.11	4.91	9.4
Mill Creek	422	2.36	3.11	4.91	9.4
Minco	962	2.75	3.80	6.00	11.0
Moffett	340	2.36	3.11	4.91	9.4
Moore	538	2.36	3.11	4.91	9.4
Mooreland	706	2.25	3.30	5.50	9.0
Morris	1,706	2.05	2.95	5.05	8.2
Morrison	284	2.36	3.11	4.91	9.4
Mounds	740	2.36	3.11	4.91	9.4
Mountain Park	459	2.75	3.80	6.00	11.0
Mountain View	1,025	2.75	3.80	6.00	11.0
Muldrow	557	2.36	3.11	4.91	9.4
Mulhall	374	2.36	3.11	4.91	9.4
Muskogee	32,025	1.70	2.57	4.37	6.8
Nashville	412	2.36	3.11	4.91	9.4
Newkirk	2,135	2.00	2.90	5.50	8.0
Nichols Hills	450	1.60	2.43	4.23	6.4
Nicomia Park	565	2.36	3.11	4.91	9.4
Nimnekah	410	2.75	3.80	6.00	11.0
Noble	463	2.36	3.11	4.91	9.4
Norman	9,603	1.81	2.74	4.54	7.2
North Miami	503	2.09	2.84	4.84	8.4
Nowata	3,531	1.91	2.81	4.91	7.6
Oakwood	266	2.36	3.11	4.91	9.4
Ochelata	335	2.50	3.70	6.30	10.0
Oilton	1,518	2.12	2.87	4.67	8.5
Okarche	482	2.36	3.11	4.91	9.4
Okeene	1,035	2.02	3.24	5.04	8.1
Okemah	4,092	2.00	3.05	6.00	8.0
Oklahoma City	185,389	1.60	2.43	4.23	6.4
Oklmulgee	17,097	1.91	2.81	4.91	7.6
Oktaha	292	4.00	4.00	6.00	16.0
Olustee	651	2.75	3.80	7.50	11.0
Oologah	263	2.50	3.55	5.75	10.0
Osage City	627	2.50	3.70	6.30	10.0
Owasso	416	2.50	3.55	5.75	10.0
Paden	595	2.36	3.11	4.91	9.4
Panama	754	2.36	3.11	4.91	9.4
Paoli	394	2.36	3.11	4.91	9.4
Pauls Valley	4,235	1.81	2.74	4.54	7.2
Pawhuska	5,931	1.75	2.65	5.25	7.0
Pawnee	2,562	1.90	2.80	5.20	7.6
Perkins	606	2.36	3.11	4.91	9.4
Perry	4,206	1.25	2.00	5.00	5.0
Picher	7,773	2.09	2.84	4.84	8.4
Pine Valley	650	2.50	3.55	5.75	10.0
Pittsburg	873	3.00	4.65	10.75	12.0
Pleasant Valley	437	2.50	3.55	5.75	10.0
Pocasset	432	2.75	3.80	6.00	11.0
Ponca City	10,136	1.95	3.00	5.40	7.8
Pond Creek	857	2.50	3.70	7.90	10.0
Porter	525	2.50	3.55	5.75	10.0
Porum	471	2.36	3.11	4.91	9.4
Poteau	3,169	2.12	2.87	4.67	8.5
Prague	1,299	2.25	3.60	4.92	9.0
Preston	307	2.50	3.55	5.75	10.0
Pryor (Pryor Creek)	1,828	2.05	2.95	5.30	8.2
Purecell	2,817	2.10	3.20	6.20	8.4
Quapaw	1,340	2.09	2.84	4.84	8.4
Quinton	1,804	2.50	3.55	5.75	10.0
Ralston	725	2.63	4.20	6.00	10.5
Ramona	617	2.50	3.70	6.30	10.0
Randlett	257	3.00	4.50	9.00	12.0
Ravia	345	2.56	3.11	4.91	9.4
Red Oak	460	2.50	3.55	5.75	10.0
Red Rock	375	2.36	3.11	4.91	9.4
Ringling	1,002	2.12	2.87	4.67	8.5
Ringwood	265	2.36	3.11	4.91	9.4
Ripley	487	2.36	3.11	4.91	9.4
Rocky	518	2.75	3.80	6.00	11.0
Roff	772	2.36	3.11	4.91	9.4
Roosevelt	721	2.75	3.80	6.00	11.0
Rosedale	268	2.36	3.11	4.91	9.4
Rush Springs	1,340	2.75	3.80	6.00	11.0
Ryan	1,258	2.70	3.90	8.20	10.8
St. Louis	493	2.36	3.11	4.91	9.4
St. Louis	250	2.09	2.84	4.84	8.4
Salina	582	2.50	3.55	5.75	10.0
Sallisaw	1,785	1.84	2.52	5.22	7.4
Sand Springs	6,074	2.00	2.95	5.25	8.0
Sapulpa	10,533	1.81	2.74	4.54	7.2
Sasakwa	781	2.36	3.11	4.91	9.4
Sayre	3,157	2.25	3.30	5.50	9.0
Schulter	300	2.50	3.55	5.75	10.0
Selling	568	2.60	3.35	5.15	10.4
Seminole	11,459	1.81	2.74	4.54	7.2
Sentinel	1,269	2.50	3.55	5.75	10.0
Shamrock	777	2.36	3.11	4.91	9.4
Shattuck	1,490	2.36	3.11	4.91	9.4
Shawnee	23,283	1.70	2.57	4.37	6.8
Shidler	1,177	2.50	3.70	6.30	10.0
Skedee	272	2.63	3.20	6.00	10.5
Skiatook	1,789	2.25	3.40	6.00	9.0
Slick	422	2.36	3.11	4.91	9.4
Smithville	319				

TABLE 1.—Typical net monthly bills, Jan. 1, 1938—Continued

Community	Popula- tion	Lighting and small appliances		Lighting, small appli- cances, and refrigera- tion, 100 kilowatt- hours	Average charge in cents per kilowatt- hour for 25 kilo- watt- hour bill (princi- pally lighting)
		25 kilo- watt- hours	40 kilo- watt- hours		
Snyder	1,195	\$2.50	\$3.55	\$5.75	10.0
Soper	417	2.50	3.55	5.75	10.0
South Coffeyville	271	1.50	2.40	5.50	6.0
Sparks	470	2.36	3.11	4.91	9.4
Spavina	500	2.50	3.55	5.75	10.0
Spelter City	500	2.00	3.05	5.75	8.0
Sperry	563	2.50	3.60	6.00	10.0
Spiro	999	2.30	3.20	5.60	9.2
Sterling	361	2.75	3.80	6.00	11.0
Stigler	1,517	2.50	3.55	5.75	10.0
Stillwater	7,016	1.75	2.70	5.90	7.0
Stillwell	1,366	3.12	5.00	6.87	12.5
Stonewall	478	2.75	4.30	6.90	11.0
Strang	286	2.50	3.55	5.75	10.0
Stratford	950	2.12	2.87	4.67	8.5
Stringtown	558	2.50	3.55	5.75	10.0
Strong City	353	2.75	3.80	6.00	11.0
Stroud	1,894	2.25	3.30	5.75	9.0
Stuart	535	2.50	3.55	5.75	10.0
Sulphur	4,242	2.12	2.87	4.67	8.5
Taft	690				
Tahlequah	2,495	1.75	2.50	4.80	7.0
Talihina	1,032	2.50	3.55	5.75	10.0
Taloga	436	2.60	3.35	5.15	10.4
Tecumseh	2,419	2.25	3.30	6.50	9.0
Temple	1,182	2.50	3.55	5.75	10.0
Terral	593	3.00	3.72	6.12	12.0
Texhoma	819	3.50	4.25	6.25	14.0
Texola	581	2.75	3.80	6.00	11.0
Thomas	1,256	2.75	3.80	6.00	11.0
Tipton	1,459	2.50	3.55	5.75	10.0
Tishomingo	1,281	2.12	2.87	4.67	8.5
Tonkawa	3,311	2.03	3.11	5.03	8.1
Tryon	299	2.36	3.11	4.91	9.4
Tulsa	141,258	1.50	2.35	4.65	6.0
Do	141,258	1.50	2.35	4.65	6.0
Turpin	280	2.80	3.70	6.10	11.2
Tuttle	766	2.75	3.80	6.00	11.0
Tuxedo	462	2.38	3.43	6.13	9.5
Tyrone	482	2.80	3.70	6.10	11.2
Union City	300	2.75	3.80	6.00	11.0
Valliant	608	2.50	3.55	5.75	10.0
Verden	587	2.75	3.80	6.00	11.0
Vian	900	2.36	3.11	4.91	9.4
Vici	593	2.60	3.35	5.15	10.4
Vinita	4,263	2.00	2.90	5.25	8.0
Wagoner	2,994	2.00	3.05	5.75	8.0
Wakita	317	2.36	3.11	4.91	9.4
Walters	2,262	2.70	4.20	6.60	10.8
Wanette	758	2.36	3.11	4.91	9.4
Wapanucka	553	2.50	3.55	5.75	10.0
Warner	316	2.36	3.11	4.91	9.4
Washington	400	2.36	3.11	4.91	9.4
Watonga	2,228	2.25	3.30	5.75	9.0
Watts	353	2.50	3.55	5.75	10.0
Waukomis City	445	2.36	3.11	4.91	9.4
Waurika	2,368	2.50	3.55	5.75	10.0
Wayne	427	2.36	3.11	4.91	9.4
Waynoka	1,840	2.18	3.12	5.51	8.7
Weatherford	2,417	2.50	3.55	5.75	10.0
Webb City	493	2.50	3.70	6.30	10.0
Webbers Falls	415	2.36	3.11	4.91	9.4
Welch	448	2.09	2.84	4.84	8.4
Weleetka	2,042	2.25	3.60	8.10	9.0
Wellston	632	2.36	3.11	4.91	9.4
Westville	691	2.50	3.55	5.75	10.0
Wetumka	2,153	2.70	3.70	6.10	10.8
Wewoka	10,401	1.81	2.74	4.54	7.2
Wilburton	1,524	2.12	3.17	5.37	8.5
Willow	347	2.75	3.80	6.00	11.0
Wilson	2,517	2.50	3.85	5.00	10.0
Wirt	650	2.36	3.11	4.91	9.4
Wister	761	2.50	3.55	5.75	10.0
Woodville	353				
Woodward	5,056	2.12	2.87	4.67	8.5
Wright City	919	2.50	3.55	5.75	10.0
Wyandotte	271	2.09	2.84	4.84	8.4
Wynnewood	1,820	2.50	3.70	7.00	10.0
Wynona	1,171	2.50	3.70	6.30	10.0
Yale	1,734	2.50	3.70	6.00	10.0
Yeager	300				
Yukon	1,455	1.96	2.48	4.58	7.8

comparison. Remember that the commercial consumers in the smaller towns are all paying at least as much as are the consumers in these towns of 2,500 or more.

Table of comparative monthly rates—Commercial service—Monthly consumption

Rates	Kilowatt-hours				
	50	150	375	750	1,500
Ontario	\$1.35	\$4.05	\$7.43	\$14.85	\$29.03
Tacoma	1.75	4.75	10.38	17.25	28.50
T. V. A.	1.50	4.50	10.00	17.50	27.50

TABLE 3.—Typical net monthly bills, Jan. 1, 1938—Commercial light service
[Communities of 2,500 population or more]

Community	Popula- tion	Kilowatt-hours				
		50	150	375	750	1,500
Ada	11,261	\$3.36	\$9.21	\$19.83	\$35.46	\$62.96
Altus	8,439	4.50	13.05	29.03	49.95	76.73
Alva	5,121	3.36	9.21	19.83	35.46	64.00
Anadarko	5,035	5.00	11.50	23.25	39.50	62.96
Ardmore	15,741	3.36	9.21	19.83	35.46	64.00
Bartlesville	14,763	4.00	11.25	23.85	43.20	62.96
Blackwell	9,521	3.25	8.25	19.50	38.25	64.00
Bristow	6,619	3.36	9.21	19.83	35.46	62.96
Chandler	2,717	4.12	10.87	21.50	37.12	64.00
Chickasha	14,009	4.00	9.60	18.60	32.10	64.00
Claremore	3,720	3.15	7.65	15.75	29.25	51.75
Cleveland	2,959	4.25	12.75	31.88	63.75	127.50
Clinton	7,512	5.00	10.50	19.50	32.00	54.50
Commerce	2,608	3.34	7.44	16.77	33.54	67.08
Cordell	2,936	4.50	10.50	22.50	35.00	90.00
Cushing	9,301	2.50	7.00	16.00	28.50	51.00
Drumright	4,972	3.36	9.21	19.83	35.46	64.00
Duncan	8,363	4.50	10.50	21.75	35.50	58.00
Durant	7,463	3.36	9.21	19.83	35.46	64.00
Edmond	3,576	3.20	7.70	17.82	34.70	68.45
El Reno	9,384	3.36	9.21	19.83	35.46	64.00
Elk City	5,666	5.00	10.50	19.50	32.00	54.50
Enid	26,399	3.15	8.80	19.42	35.05	62.55
Frederick	4,568	4.50	9.50	18.50	31.00	53.50
Guthrie	9,582	3.36	9.21	19.83	35.46	64.00
Hartshorne	3,587	4.50	10.00	18.25	29.50	52.00
Henryetta	7,694	4.00	11.25	24.80	46.10	88.70
Hobart	4,982	5.00	10.50	19.50	32.00	54.50
Holdenville	7,268	3.36	9.21	19.83	35.46	64.00
Hollis	2,914	5.00	10.50	19.50	33.00	55.50
Hominy	3,485	3.00	9.00	20.00	32.50	52.50
Hugo	5,272	4.12	9.12	18.12	30.62	53.12
Idabel	2,581	4.12	9.12	18.12	30.62	53.12
Kingfisher	2,726	5.00	13.50	29.00	51.50	98.50
Lawton	12,121	4.00	9.60	18.60	32.10	54.50
Mangum	4,806	4.50	13.05	30.60	55.35	98.10
Marlow	3,084	3.80	10.30	22.05	40.80	78.30
Maud	4,326	4.12	10.87	21.50	37.12	64.00
McAlester	11,804	3.66	9.16	18.41	30.91	53.41
Miami	8,064	3.56	8.66	19.81	38.58	72.06
Muskogee	32,026	3.15	8.80	19.42	35.05	62.55
Norman	9,603	3.36	9.21	19.83	35.46	64.00
Nowata	3,531	3.93	8.93	15.68	42.50	64.00
Okemah	4,002	4.00	10.00	19.00	34.00	64.00
Oklahoma City	185,389	2.98	8.48	19.11	34.73	62.23
Okmulgee	17,097	4.50	13.00	26.75	45.50	83.00
Pauls Valley	4,235	3.36	9.21	19.83	35.46	62.96
Pawhuska	5,931	4.00	10.50	22.25	37.50	67.50
Pawnee	2,562	4.00	10.50	20.50	32.50	55.00
Perry	4,206	2.50	7.00	16.00	28.50	51.00
Picher	7,773	3.34	7.44	16.77	33.54	67.08
Ponca City	16,136	3.25	9.75	23.50	45.50	80.00
Poteau	3,169	4.12	10.87	21.50	37.12	64.00
Purcell	2,817	3.90	10.90	26.65	52.90	105.40
Sand Springs	6,674	4.00	8.75	17.75	32.75	57.75
Sapulpa	10,533	3.36	9.21	19.83	35.46	62.96
Sayre	3,157	5.00	10.50	19.50	32.00	54.50
Seminole	11,459	3.36	9.21	19.83	35.46	62.96
Shawnee	23,283	3.15	8.80	19.42	35.05	62.55
Stillwater	7,016	3.30	7.90	15.03	23.15	38.15
Sulphur	4,242	4.12	10.87	21.50	37.12	64.00
Tonkawa	3,311	3.83	10.58	24.08	42.98	76.73
Tulsa	141,258	3.50	9.75	21.75	43.50	87.00
Tulsa	141,258	4.00	11.00	23.38	40.25	70.25
Vinita	4,263	4.00	9.00	15.75	27.00	49.50
Wagoner	2,994	4.00	11.00	22.75	39.00	64.00
Wewoka	10,401	3.36	9.21	19.83	35.46	62.96
Wilson	2,517	4.75	11.50	23.25	42.00	79.50
Woodward	5,056	4.12	10.87	21.50	37.12	64.00

Now let us examine the rates the commercial consumers of electricity in Oklahoma have to pay—that is the merchants, hotel, restaurant, and filling-station operators, and all others who have to pay commercial rates.

I am inserting, first, a table of rates for commercial consumers in Ontario, Canada; Tacoma, Wash.; and the Tennessee Valley; and following it with a table showing the commercial rates paid in every town in Oklahoma of over 250 population. I do this in order that you may make your own

You will see from these tables that commercial consumers in Oklahoma are practically paying rent to the power companies to get to do business in their own houses.

How can any one who is in the remotest degree interested in the welfare of the people of Oklahoma read these rates and make these comparisons, and oppose the construction of the projects on these streams that would not only control floods and improve navigation, but would furnish hydro-electric power to be distributed to the ultimate consumers in such a way as to force these rates down to reasonable levels, relieve the consumers of that State of an overcharge of \$11,000,000 a year, and bring about the electrification of every farm home in Oklahoma!

THE UTILITY FASCIST

But we might as well face the real issue. This is the battle of the century. This country is now in the grip of a utility Fascist that sprawls like a huge octopus over the entire Nation, usurping the powers of government by controlling governors, intimidating courts, browbeating commissions, and corrupting legislatures.

It has about destroyed what free press we had through the great financial influences it controls, and its venal voice is now heard, in a thousand radio broadcasts, skillfully camouflaged to deceive the public.

Already I think I can begin to read the signs of its campaign contributions in the last congressional election. Whenever a selfish interest primes a political pump it always expects what it pours in to be the first to come out—and that doubled many times.

Let me warn the Republicans in the House, as well as the recalcitrant Democrats, that if they become subservient to the utilities, and especially to the Power Trust, and let this octopus wrap its tentacles around their necks, it will be as fatal to them as was the dead albatross that was swung to the neck of the Ancient Mariner.

There are 25,000,000 power consumers throughout the United States who are now paying overcharges for electric lights and power of more than \$1,000,000,000 a year. To them the T. V. A. is a symbol of protection and its yardstick is a golden wand, the sesame of their liberation from the bondage of the Power Trust.

This is a fight to the finish! There will be no compromise! He that is not with us is against us! Men who believe in common justice for the masses of the American people will not fail them in this cause!

EXTENSION OF REMARKS

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the subject of the migration of the Negro from the farms of the South, the cause and the remedy, and to include a letter which I received from Dr. Kelly Miller, former dean of Howard University, together with my answer to that letter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. MITCHELL]?

There was no objection.

THE NATIONAL DEFENSE

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (Rept. No. 35), which was referred to the House Calendar and ordered to be printed:

House Resolution 88

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3791, a bill to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress. That after general debate, which shall be confined to the bill and shall continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Crockett, its Chief Clerk, announced that the Senate insists upon its amendments to the bill (H. R. 2868) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. McKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

THE PUBLIC SALARY TAX ACT OF 1939

Mr. McCORMACK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3790, with Mr. COFFEE of Nebraska in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 1½ hours.

Mr. McCORMACK. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there are two titles to this bill. The first title follows out one of the recommendations recently made by the President when he recommended to the Congress that legislation be enacted which would subject all public employees, Federal, State, county, and municipal, to the income-tax laws of the Federal Government in the case of State employees, and the employees of political subdivisions of States, and to the State income-tax laws in the case of Federal employees.

Title II relates to the application of title I, providing that with the exception of certain employees of State and local functions which have always been subjected to the income-tax law, such as employees of a State liquor-store system, for example, or of a municipally owned street railway or a municipally owned gas or electric company, that all other employees shall not be subject retroactively to 1939 to a Federal income-tax law or, on the other hand, Federal employees shall not be subject to a State income-tax law for the year 1938 and prior thereto.

It is not my purpose to discuss title I of this bill at any length. Outside of a legal question involved, it seems to me that the objective of this bill is meritorious. I noticed in the press only a day or two ago the Gallup poll on this question showed, as I remember, either 83 or 87 percent of those contacted felt that public employees, like all other taxpayers, should be subjected to the income-tax laws of the several States and of the Federal Government.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Tennessee.

Mr. COOPER. The Gallup polls shows 87 percent for and 13 percent against.

Mr. McCORMACK. I thank the gentleman. I was not sure whether it was 83 or 87 percent.

Mr. COOPER. If the gentleman will yield further, I may also say I have had the opportunity recently to examine a pretty large number of clippings and editorials from newspapers throughout the entire Nation, and I believe it is fair to say that the comment of these editorials and newspaper clippings runs about 80 percent in favor of this proposed legislation and only about 20 percent against it.

Mr. McCORMACK. I thank the gentleman.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. I should like to know if the committee gave consideration to the question of whether or not legislation of this character could be enacted without amendment of the Constitution.

Mr. McCORMACK. I was going to discuss that point. The gentleman will note I said that it seemed to me that, outside of the legal question involved, public employees should be subject to the income-tax laws of the Federal Government and of the several States the same as any other taxpayers.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from New York.

Mr. CELLER. Will the gentleman also indicate whether or not he believes the law as now written by virtue of the Revenue Act of 1938 does not now tax those very salaries?

Mr. McCORMACK. I shall have that point in mind.

I am particularly concerned with title II, which prevents taxes being applied retroactively to the years prior to 1939 with the exception, as I have pointed out, of that class of State or city or county employees, whoever they may be, who have been engaged in activities such as the liquor business or a municipally owned street railway, and who have always been subject to the Federal income-tax laws. There has never been any dispute about that or any question, as far as I know. All other State and municipal employees are protected against the retroactive application of the Federal income-tax laws, and naturally when we waive the immunity of the Federal Government as far as its employees are concerned we also provide that there shall be no retroactive taxes applied prior to the current year.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Briefly.

Mr. MOTT. Is the gentleman aware that if title II alone were involved here there would be no objection to the bill from anyone on either side of the House? There is no objection to title II. The objection is to the first part of the bill.

Mr. McCORMACK. Title II came about as a result of the Gerhardt decision, and I believe there was a decision by the Supreme Court made just prior to that one—I make this statement with reservations—in which the Supreme Court stated that State employees of an insurance department concerned with the receivership of insurance companies, but whose salaries were paid out of the funds of the companies in receivership, were subject to the Federal income-tax laws. Until that decision it was generally felt that such employees were not subject to the Federal income-tax laws.

Then along came the Gerhardt decision, wherein the Supreme Court held that employees of the Port of New York Authority were subject to the Federal income-tax laws. Of course, this decision affected employees of other States of the Union and of their political subdivisions who were engaged in similar activities. For example, in my own city, the employees of the Boston Transit Commission would undoubtedly be affected and covered by the Gerhardt decision.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Certainly; I am always pleased to yield to the gentleman from New York.

Mr. WADSWORTH. The gentleman from Massachusetts has referred to the Gerhardt decision. Does not that decision contain an observation to the effect that the employees of the Port of New York Authority are not employees of the State of New York?

Mr. McCORMACK. I believe the Supreme Court, as I recall it, proceeded upon the reasoning that those employees were not engaged in an essential governmental function and, therefore, that was the main question in that case. The Court determined that the employees were not engaged in an essential governmental function and, therefore, were subject to the Federal income-tax laws.

I know of no one who is opposed to title II. Title II protects all State and municipal employees from the retroactive application of the Federal income-tax laws, with the exception of the limited group to which I have referred on

two occasions—employees of a State-owned liquor system and employees of a municipally owned street railway.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I yield myself 3 additional minutes.

Coming to title I, it is my opinion, for whatever it may be worth, that if it can be done, such employees should be subject to the income-tax laws of the Nation and of the State. Certainly I can see no reason why I as a Congressman should not pay an income tax in the Commonwealth of Massachusetts on the compensation I receive from the Federal Government, the same as a businessman or a professional man or any other person in Massachusetts with an income is subject to the income-tax laws of my Commonwealth.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Just briefly; I do not want to take too much time.

Mr. WOLCOTT. If the gentleman as a Member of Congress, having taken an oath without mental reservation to support the Constitution, believes reasonably and logically, according to his own deductions, that there is a constitutional question involved and that the Congress of the United States does not have the constitutional authority to do what we seek to do under title I, does the gentleman believe he would still be justified in voting for title I?

Mr. McCORMACK. Yes; and I will give my reasons. I thoroughly respect the views of any gentleman who disagrees with me and respect his right of disagreement.

We are living, fortunately, under a government which is a constitutional democracy. Under the Constitution there are three separate and coordinate branches of government—the legislative, the executive, and the judicial. Legislation is not complete under our form of government simply with the passage of a bill by the legislative branch and its approval by the executive.

Every individual has the right to raise the question of the constitutionality of any act passed by the Congress or any legislative body, and then it goes before the courts for interpretation as to whether or not Congress or a State legislature has exceeded its constitutional authority; and I believe, if there is a reasonable doubt or if there is a fair doubt in my mind as to the constitutionality of legislation, in whole or in part, and I also feel the legislation should become law, then I believe it is my duty as a Member of this body to vote for such legislation, because the courts could not pass upon it unless the Congress had first acted.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I yield myself 2 additional minutes.

Mark you, I respect the views of any man who may entertain a contrary opinion, but we are not living under a parliamentary government like in England, where an act of Parliament is final and supreme and where the courts cannot pass upon it, and the only controlling influence is public opinion. Under our form of government legislation is never complete until it has been finally acted upon by the Supreme Court. I recall a bill where a distinguished President vetoed it because of his opinion that it was unconstitutional, and honestly so, but the Congress passed it over his veto, and the Supreme Court upheld the constitutionality of that act.

Mr. DUNCAN and Mr. CELLER rose.

Mr. McCORMACK. I yield to the gentleman from Missouri, a member of the committee.

Mr. DUNCAN. Is it not a fact that there is no specific provision of the Constitution prohibiting the Federal taxing of State employees or the reverse, and that the Supreme Court decisions are based upon an inference of sovereignty?

Mr. McCORMACK. Exactly; the gentleman's understanding and mine are the same.

Mr. MOTT rose.

Mr. McCORMACK. I am extremely anxious to answer all questions but I want to at least briefly give my views to the membership.

On title I, one might honestly entertain some question about whether Congress can tax employees of a State or city engaged in essentially governmental functions, but we

can never have the question passed upon unless we pass this law.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I yield myself 1 more minute.

The Constitution uses the expression "income derived from any source," but there is no Supreme Court decision saying that any particular group of employees of a State or city are not subject to Federal income-tax laws, except inferentially. This bill, in a sense, is nothing but a reiteration of a law that has existed since 1926.

If you believe that all employees should be subject to an income-tax law, then title I should be voted for. The question of constitutionality you and I can never determine in our own minds unless we first pass a bill and then let the Supreme Court pass upon the question of whether or not the Congress had the power to enact such legislation into law. [Applause.]

[Here the gavel fell.]

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. BOEHNE].

Mr. BOEHNE. Mr. Chairman, I shall decline to yield until I have concluded my statement.

Mr. MOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Indiana yield for a parliamentary inquiry?

Mr. BOEHNE. Yes.

Mr. MOTT. I want to inquire if the gentleman is declining to yield just for the moment or whether he declined to yield at any time?

Mr. BOEHNE. I think I shall use up my entire 15 minutes, I may say to the gentleman.

Mr. Chairman, on April 25 of last year, and again on January 19 of this year, the President of the United States urged the Congress to correct what he termed were obvious injustices in personal income taxation. His last message included the possibility of enacting legislation, which had for its purpose three things:

First, to remove the exemption either from Federal or State income tax, such income as interest from Federal, State, or municipal obligations;

Second, to remove similarly the exemption of income, whether it is received as compensation for services rendered to the Federal, State, or municipal Governments; and

Third, to prevent recent judicial decisions "from operating in such a retroactive fashion as to impose tax liabilities on innocent employees and investors for salaries heretofore earned, or on income derived from securities heretofore issued."

The Committee on Ways and Means, after due deliberation, recommended to the House that the second and third of these three propositions be taken up immediately, and that the other, namely, the removal of the exemption from income tax of interest from Federal, State, and municipal obligations be afforded a more detailed study. It is quite possible that this latter study and enactment will evoke considerable objection from many fronts, and it was felt that it was important enough to be treated separately.

I shall address myself only to title I of the bill under consideration, which deals with reciprocal taxation between the United States Government and the several States as regards the salaries of the employees of these governments. I shall not discuss title II, but will leave that to those members of the committee and others who may be better equipped to explain the questions involved, as well as the legal questions involved in both titles.

In plain, ordinary language, title I simply says that the Government of the United States proposes to exercise its constitutional power as given to it under the sixteenth amendment "to tax income from whatever source derived," which means that the income-tax laws of the Federal Government will, after the effective date stated in the bill under consideration, be applicable to all employees of States, counties, and municipalities. In exchange, the Federal Government under

section 3 of title I gives its consent to the taxation by the various States who have income-tax laws for personal services as an officer or employee of the United States. To put it very specifically and even more bluntly, title I will levy an income tax on all employees of the State of Indiana, and all of its governmental subdivisions, and then gives to the State of Indiana the right to levy a gross income tax on all employees of the Federal Government, whose residence is in the State of Indiana.

I doubt if there is a Member of Congress who has not received some time or other letters from constituents bemoaning the fact that we are rather lavish with the funds of the taxpayers of the United States and at the same time have exempted ourselves from the payment of any income tax whatsoever. I hope that every Member who speaks on this legislation today, either in support of it or in opposition to it, will stress the fact that not a single Member of either branch of Congress has ever or is now exempted from the payment of income taxes. It is surprising that many well-informed editors of the daily press often deride Members of Congress on this score. They would be doing a great service if they would sublimate their own intelligence to the degree of getting correct information about what they write in connection with income taxes. If they would do this, then we, as Members of Congress, would not be required to correct them either through our own correspondence or here on the floor of Congress.

It is true that Federal employees now do not and are not required to pay income taxes to the States in which they reside, and it is likewise true that State, county, and city employees, which include every person from the Governor to the lowest-paid appointive officer in a city, do not and are not required to pay a Federal income tax. It is this inequality that title I proposes to correct. It is an inequality because every other citizen of States where a State income tax is in effect is required to pay both Federal and State income taxes.

Thirty-one of the forty-eight States of the Union impose State income taxes on their citizens, which leaves 17 States imposing no income tax on wages and salaries. As the Under Secretary of the Treasury, Mr. Haines, testified before the committee, any State or local employee chancing to live in any one of the 17 States is entirely tax free as far as their salaries are concerned.

We will no doubt be advised that this additional tax burden will work hardships on the small-salaried groups within States. Already letters have been received from minor employees that to subject them to additional tax would be a burden which they had neither anticipated nor as a matter of fact could afford to pay. To these and to the country at large I would like to give some figures which are very interesting, indeed.

It may not be entirely germane to this discussion to give to you the number of all employees of all governmental units in the United States. These figures are not only interesting but they also show the tremendous increase during the past few years. Naturally, the thought comes to many of us that this appalling figure should begin to show a gradual reduction. For example, in 1929, the total number of employees of all governmental units was 3,123,000; in 1930 it increased to 3,229,000; in 1931 it increased to 3,265,000; in 1934 the number was 3,337,000; and in 1937 it was 3,764,000. Thus, in this 9-year period the number has increased 641,000, or almost 21 percent. During the same period the total compensation increased from \$5,386,000,000 to \$5,669,000,000, or an increase of approximately 5 percent. The next interesting figure shows that the average wage has decreased during the same period from \$1,725 to \$1,503, or approximately 13 percent.

To break down the average wage, permit me to give you the figures for the year 1936, compiled by the National Income Section of the Bureau of Foreign and Domestic Commerce, by citing to you the number of employees in State and local governments. Take only the largest item, namely, that of public education. In the year 1936, under public education, there were 1,187,576 employees whose average wage was \$1,244 per year. With an exemption of \$1,000 for unmar-

ried persons and with an exemption of \$2,500 for married persons, it does not take a certified public accountant to recognize that the imposition of a Federal income tax on those salaries will amount to very much.

It is my understanding that by the passage of this bill only about 6 percent of all State and local employees will fall into the category of Federal income-tax payers. The committee was also advised that the best estimate that the Federal Treasury could give as to the probable revenue to be derived in this manner would not exceed \$16,000,000 per year.

Therefore, you can readily see that this bill is not one to radically increase the revenues of the United States, nor that it is increasing the tax burden of those who are now paying into the Federal Treasury. Rather it is taking away the preferred status which governmental employees outside of the Federal Government have enjoyed ever since the adoption of the sixteenth amendment. Because a person has been appointed or elected to a public office is no reason why he should be placed in a preferred class. It may not be too much to hope that when all public employees will be obliged to pay their just share of the cost of government, that they then will also see the justice in the argument of the great majority of American people that the cost of government is entirely too high and that a curtailment is necessary now.

I think it can be generally agreed that even though governments have a distinct responsibility to the people, whom they serve, they cannot long endure when outgo exceeds income year after year. If we can bring every public officeholder to realize this by taxing his own salary to the limit of the law, such employees will insist that a proper balance between income and expenditure be maintained at all costs.

Of course, there will be opposition to this legislation, and it will be based upon constitutional grounds. There will be further opposition from those, who will fear the wrath of the few people who will be added as taxpayers of the Federal Government. In spite of this, however, it seems to me that no reasonable objection can be raised against any legislation that is designed to correct an inequity. Certainly the inequity is present today, and this legislation will correct it. [Applause.]

Mr. TREADWAY. Mr. Chairman, I realize that there is marked opposition to this measure on the Republican side. I have advocated the principles of this bill for a long time, and while the form in which it comes before the House does not please me, because I believe a constitutional amendment is the proper manner in which to deal with this subject, nevertheless I expect to support the bill. However, in view of my associates requiring more time than can be allotted them, I feel that I should yield to them rather than consume any time in favor of the measure myself. Therefore I ask unanimous consent to extend my remarks in the Record at this point, and I shall yield my time to various Members.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TREADWAY. Mr. Chairman, my views upon the matter before the House are of long standing. I am not a recent convert to the proposition of eliminating tax-exempt bonds and tax-exempt salaries.

For many years I have had pending in Congress a constitutional amendment for this purpose, but, unfortunately, I have not been able to secure consideration of the subject matter. Now it is proposed to deal with the matter of eliminating tax-exempt salaries by direct legislation, without resorting to the amendment method.

On December 18, 1937, some months before the President's first message on the subject before us was sent up here, I stated:

The time has arrived when some action should be taken to remedy the situation not only with respect to tax-exempt securities but also with respect to tax-exempt salaries.

At that time the indication was that the amendment method was the only means by which this could be done.

Since that time the Supreme Court has decided the Gerhardt case, involving the employees of the New York Port Authority.

In that decision the Court adopted certain reasoning in holding the port authorities taxable that could be applied generally to all public employees, namely, that the effect of subjecting them to nondiscriminatory taxation did not impose a burden on the State itself.

Inasmuch as the immunity of public employees from taxation does not rest upon any express constitutional provision, but from an implied immunity supplied by the Court, it is quite probable that if the question is squarely presented to the Court it would reexamine the whole immunity doctrine and reverse its previous decisions in the matter, at least insofar as they relate to taxation of a nondiscriminatory character.

I have never felt that by subjecting State employees to the same taxes that other citizens of the United States must bear there is any danger to the continued existence of the sovereign States. Likewise, the taxation of Federal employees by the States, at the same rates paid by other citizens, in no way threatens the existence of the Federal Government. This is substantially the view now taken by the Supreme Court in the Gerhardt case.

So far as the effect of the bill on State and municipal employees themselves is concerned, I may say that, because of the existing exemptions under Federal income tax laws, only about 6 percent of the total number will have to pay Federal income tax, and the total amount of revenue involved is only \$16,000,000.

Last year, after the President submitted his first message on the question of tax-exempt bonds and salaries, I stated to the House that if the problem of tax exemption could be dealt with by legislation alone I would be glad to support the President's proposal. I further stated that I nevertheless believed that the best and most certain way to handle it would be by the submission of a constitutional amendment to the States. While, as I have said, I shall support the pending bill, I still feel that the amendment method is the better of the two methods of dealing with the question.

It has been held out that there is an emergency requiring the early passage of the pending bill, and that has been the excuse for haste. However, the only real emergency is with respect to title II, relating to the possibility of retroactive taxation of certain State and municipal employees under the Gerhardt decision. It is necessary to have the situation clarified before March 15 as to just what State and municipal employees are affected by the Gerhardt decision. It is also necessary to take steps to prevent the retroactive collection of taxes from any State employees who heretofore have been considered exempt from Federal income tax, but who might come within the purview of the Gerhardt decision.

I would strongly favor the separation of the two titles, with a view to passing the retroactive feature at this time and deferring consideration of title I until further study has been given to the matter.

I shall vote for an amendment to strike title I from the bill, but if it is retained I nevertheless expect to support the bill on final passage.

Mr. Chairman, I yield 7 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. McLEAN. Mr. Chairman, in the limited time at my disposal I shall address myself to only one reason why this measure should not pass. In the consideration of this bill we are considering principles we will be called upon to apply very soon to other legislation which will come before us. Emphasis will be laid upon the fact that this is only to tax employees of the States and the Federal Government, but the principle involved extends much further than that. When the income-tax amendment was proposed in 1910, there existed the immunity rule governing taxation of the States by the Federal Government, and of the Federal Government by the States. It may be found in the report of the case of *Collector v. Day* (11 Wall. 113). It is this:

It is admitted that there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the State from taxing the means and instrumentalities

of that Government. In both cases the exemption rests upon necessary implication, and is upheld by the great law of self-preservation, as any government, whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government.

That, gentlemen, is what is known as the immunity rule. It prevents a State government from taxing the instrumentalities of the Federal Government and prevents the Federal Government from taxing the instrumentalities of a State government. And it has been the law of this land and it has been a part of our constitutional system ever since the decision of the great Chief Justice Marshall in the case of *McCulloch against Maryland*, one of the classics in American constitutional law. It was in that case that Daniel Webster, as one of counsel, created the phrase that "An unlimited power to tax involves necessarily a power to destroy." That language was adopted by Chief Justice Marshall in the case of *McCulloch against Maryland*, and that case illustrates how the power to tax can be used by any government to destroy the instrumentalities of another.

The enactment of this measure will violate a compact between the Government of the United States and many of the States. You will not find such a compact in any written instrument. You will not find any convention that created it, but you will find it in the correspondence between Elihu Root and the president of the Senate of the State of New York, published in volume 45, part 3, of the CONGRESSIONAL RECORD, at page 2539, and you will find it in the CONGRESSIONAL RECORD, volume 45, part 2, page 1694, in the observations of the great Senator from Idaho, WILLIAM E. BORAH. Both were United States Senators at the time and were urging the adoption of the income-tax amendment.

Senator BORAH addressed the Senate for an hour or more for the purpose of assuring the Governors of the States that the sixteenth amendment would not change the immunity which essential State agencies had from Federal taxation. At that time it was proposed by the Congress, in order to provide additional revenue, that the machinery of taxation should be facilitated by the removal of the limitation that taxes should be apportioned among the States. In other words, the income-tax amendment was proposed to facilitate the collection of taxes by the Federal Government. The Governor of New York, now the Chief Justice of the Supreme Court of the United States, expressed the opinion that the use of the words "from whatever source derived" might give the Federal Government the right to trespass upon the immunity law and that under it instrumentalities of the States might be taxed by the Federal Government and their existence threatened. Mr. Root explained that the immunity law had always been the law of the land, and always would be, and would not be affected by the proposed amendment, and on the assurances given at that time by these two great Senators, the State of New York, and perhaps other States, adopted the amendment giving the Federal Government the power to tax incomes. And we have lived under that understanding and agreement ever since. Today, if we pass this law, we violate that assurance and that understanding. I am not saying that I do not favor the taxing of State employees in the manner proposed, but what I do say is that when the Congress of the United States obtains the approval of a constitutional amendment by a sovereign State with an understanding such as existed when the sixteenth amendment to the Constitution was adopted, then the only way to change the resulting situation is by the same solemn method, and what the Congress of the United States should do, if it keeps faith with its sisterhood of States, is to present this proposition through a constitutional amendment, and allow the States to determine if that situation should be altered. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. Wolcott].

Mr. WOLCOTT. Mr. Chairman, we are asked today to discuss in 3 hours a matter on which days and weeks and months have been consumed throughout the history of this Nation. At least one of the two major political parties of this

Nation was founded upon the doctrine of State sovereignty and State independence. That question is immediately before us in this particular bill. I presume, because of my defense of the sovereignty and independence of the States of this Union, I may be known as a State rights Republican; but to my knowledge the Republican Party has never advocated the destruction of the sovereignty of the States by force of the Federal power to tax, or otherwise.

This bill, according to the gentleman from Massachusetts [Mr. McCormack], presents solely a legal question. I think that Members on both sides probably sense that there are certain inequities and that they can be removed. Government functions are becoming more complex every day, and there should be some general rule laid down for reciprocal taxation if it can be done within the Constitution; but it is not the province of this Congress to violate its collective oath of office, taken on the first day of the convening of this Congress, to do that. The courts have already laid down certain rules and applied them. I am firm in my conviction that in none of the decisions which has been handed down—and I refer especially to the case of *Helvering against Gerhardt*—do I find any recent change in the long line of opinions by the Supreme Court that where an officer or employee of a State is engaged in a function which is indispensable to the maintenance of the sovereignty and independence of that State, the Federal Government has no constitutional right to tax that individual. [Applause.]

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. No; I cannot.

If the Congress of the United States, under those decisions, *McCulloch*, *Day*, *Gerhardt*, and as late as the *Stillwell* case handed down by the Seventh Circuit Court of Appeals, in which it says that the *Gerhardt* case does not change or amend or modify in any respect these earlier decisions, should pass this bill, it would violate its oath of office.

The only point I can make in these 7 minutes allotted to me is this: That if there is a constitutional prohibition against the levying of taxes against a State official it can only be changed by a constitutional amendment. I will take as an outstanding example a secretary of state. There should be no question but that he is involved in an indispensable State function. We by this act seek to tax the salary of a secretary of state. The United States Supreme Court in all the decisions say that we cannot do it under the Constitution. Therefore, you ask us to do something in this bill in direct violation of the oath of office which we took on the first day of this session, without any mental reservation whatsoever to uphold that Constitution. We have an obligation. We have responsibilities when questions like these come up, and it is our duty to submit those questions to the people for amendment to that Constitution.

When there is reasonable doubt as to the constitutionality of any bill which we may pass here, it is our constitutional duty to uphold the Constitution and to vote against that bill. I refer to a very recent occasion when we were asked to pass a certain bill, regardless of the reasonableness on any doubt as to its constitutionality. Immediately there was a surge of popular resentment against the action of Congress in passing an act which it reasonably concluded to be unconstitutional. You gentlemen today who denounced that action in respect to the Guffey coal bill are putting yourselves in a very incongruous position by voting for this bill. [Applause.] How can you denounce the one and justify the other? You just cannot do it, and if there is any question about whether the Supreme Court stands today where it always has stood with respect to taxation by the Federal Government of the salaries of State officers and employees, I want you to read those cases as I have read them, and as others who have read them who are interested in this fundamental question. There is a fundamental question involved in this bill. It is a question as to whether the dual system of democratic government under which we have lived for 150 years will be preserved. I for one will not vote to let the camel, who in this case is the Federal Government, get his head under the tent, which in this case is the State government. Once you let him get his head under there he may destroy the whole system. Now,

I do not say there is any danger of the destruction of this dual system of democratic government by this act standing alone; but we do know that we will be establishing a precedent whereby, because the power to tax involves the power to destroy, regulate, or coerce, future Congresses may think they have a constitutional prerogative to pass bills which may be destructive.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I must decline to yield.

Mr. Chairman, I am not here to express doubt as to the constitutionality of this measure; I am here to express the views of those in my district who believe that this measure is so important, so fundamental, that it should be placed before the people by constitutional amendment. I am not here to express myself provincially, but there is in the legislature of my fair State a member of French-Canadian descent who on numerous occasions rises on the floor and says in loud tones, his arms far-spread out to the side: "There is too golden many lawyers in this assembly; there should be more of the common people."

I am one of the common people, and I highly respect the views of the lawyers in this gathering here, especially those who have studied the subject, as has my predecessor in this Well.

The committee report states that this bill provides in a clear and unequivocal manner for such taxation. I am speaking of title I. If there are any possible doubts as to the validity of this taxation, the bill thus enables the issue to be squarely presented to the Supreme Court. In this connection I shall read to you a portion of a resolution adopted by the city council, known as the city board of directors of the city of Pasadena, Calif., my home town. Remember as you hear this that these gentlemen are paid the munificent salary of \$50 per month. They are not themselves, therefore, involved in this legislation to any considerable extent. They speak on behalf of the people and of the city employees. They say in these resolutions:

Now, therefore, be it

Resolved by the Board of Directors of the City of Pasadena:

(1) Condemn as unfair, oppressive, and un-American the imposition of retroactive taxes upon the income from municipal bonds and municipal salaries;

(2) Condemn the unwarranted extension of Federal power and the weakening of local government through the taxation of income from municipal bonds to be issued in the future;

(3) Urge that if equitable and nonretroactive taxation of the income from municipal salaries hereafter be contemplated, such taxation be authorized only on the condition that the State be afforded the reciprocal right to tax income from the Federal salaries and from Federal securities;

(4) Are convinced that the radical change in relationship between local and Federal Government that is inherent in current efforts to tax municipal securities and salaries should be accomplished only by sanction of the people as a whole, expressed through well-considered amendment of the Constitution and not by judicial lawmaking.

Mr. Chairman, I hold in my hands a sheaf of resolutions substantially the same in purport and intent as that which I have just read. Among these are resolutions of the City Council of Glendale, Calif., City Council of the City of Los Angeles, a resolution of the Municipal Fiscal Officers of Southern California, a resolution of the League of California Municipalities, Los Angeles Fire and Police Protective League, the Civil Service Protective League, Los Angeles Water and Power Employees Association of the City of Los Angeles, and I also have letters and resolutions of similar import from many other individuals and associations, including associations and groups of school teachers and municipal employees in my district.

To the best of my knowledge none of these oppose the proposition of reciprocal taxation of salaries by Federal and State Governments, but almost without exception these resolutions and letters oppose such taxation by judicial legislation and favor the orderly process of submission of the question to the States through a suitable amendment to the Constitution of the United States.

It may be that this bill shall pass. If it does not, there have been introduced in this House many bills to prevent the retroactive application of any Federal tax upon the salaries of employees of the States and their instrumentalities. There have been introduced joint resolutions for submission of a suitable amendment to the Constitution, giving full authority to accomplish in a constitutional manner the present purposes of title I of this act—H. R. 3790.

I shall vote to defeat this bill, not because I am opposed to the reciprocal taxation of governmental employees by Federal and State Governments. On the contrary, I am in favor of the proposition, but I will so vote because I believe that this bill goes about the matter in the wrong way, and because, if it is defeated, there can then come upon the floor H. R. 1791, or another suitable resolution, to prevent the retroactive-taxation feature, and a resolution proposing a constitutional amendment, such as House Joint Resolution 106, which, upon being suitably prepared, should, in my judgment, be submitted to the States. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, when the distinguished gentleman from Massachusetts [Mr. McCORMACK] made the opening argument, the gentleman from Tennessee [Mr. COOPER] interpolated the statement that most of the editorial opinion and comment was in favor of this bill. There may be small comfort for those who read the Gallup poll in that it shows that 80 percent of the people interviewed stated they were in favor of this tax. If the Gallup poll question had been fairly phrased as to whether or not this tax should be imposed by methods that are of doubtful constitutionality, the answer would have been an overwhelming "no." [Applause.] That is what it would have been. The reason the Republican side of the House is filled up in the Seventy-sixth Congress in large part is because the people of this country are still mindful of the Constitution and the constitutional responsibilities of Members of Congress. You whose hearts are filled with a species of political trepidation today just bear that in mind and you can make your people understand it. There is probably no Member of this House who does not believe that there should be absolute equity and impartiality of taxation as between those in public office and those in private pursuits, but in this case, the question is whether it shall be done in conformity with the Constitution or by doubtful methods.

There are three reasons why I am against this bill in its present form. The first reason is that I do not believe the Congress has the power, and I am not going to vote for a bill to prohibit the Treasury from imposing a retroactive tax when I have not even admitted in the first place that they had that authority. [Applause.] That is what you are going to do. It seems quite elementary to me that one is not constrained to deny that which he does not admit. On the basis of present decisions, I do not believe the Treasury has authority to tax State salaries. Why should one vote to prohibit it from so doing?

They predicate this action on the case of *Helvering against Gerhardt*. I am not going into it at great length, but will just make this observation on the feature of constitutionality. That observation springs from the very recent case of Commissioner of Internal Revenue against *Stillwell*, decided by the Federal Circuit Court of Appeals for the Seventh Circuit, sitting in the city of Chicago. That decision was handed down in the January 1939 session. It deals directly with the authority of the Federal Government to tax a statutory State officer. In that case, the court carefully analyzed all Supreme Court decisions bearing on this matter and carefully pointed out in what respect such cases as *Helvering against Gerhardt* and *Helvering against Threll* were decided.

The justice who wrote that opinion was a respected Member of this Congress and sat on the Democratic side of the aisle. He was a very devoted servant of the administration when he was here, and you will remember him as J. Earl Major, of Illinois. Notwithstanding the *Helvering against Gerhardt* and other decisions, I shall content myself by

reading just a portion of this decision handed down in the seventh Federal circuit dealing with the effort of the Treasury to tax the fees of a master in chancery who was a statutory State officer who got his fees not from the State but from the litigants. There was not even a burden upon the State, let alone a substantial burden on which to determine the case. In commenting upon the decision in *Helvering against Gerhardt*, the court said:

We are unable to find any language in this (*Helvering v. Gerhardt*) opinion which appears to us as persuasive, and certainly there is none which is conclusive that a court officer, such as a master in chancery, should be denied immunity, and we think the source of the official compensation is immaterial. * * * It is worthy of notice that the court referred to and commented upon the case of *Collector v. Day* in as many as four instances. It would seem that if the court intended to place any limitation upon the doctrine as promulgated in that case it had every opportunity to so do. In place of doing so, we think it is a fair inference, even if not expressly stated, that the doctrine was reaffirmed.

That decision was rendered in the January term, 1939, by the Federal Circuit Court of Appeals for the Seventh Circuit, sitting in Chicago, Ill. That decision is a reaffirmation of the doctrine laid down in *Collector against Day* in 1870, and I cannot ignore that opinion, because it is well reasoned and logical.

Mr. Chairman, that is enough for me, coming from my own State, to vote against this bill. To ignore such a recent and forceful decision from my own State would be to ignore the whole question of constitutionality, and I would be derelict to my oath of office and remiss in my duty if I did so.

Secondly, so far as my State is concerned, and the other 17 that have no personal income-tax laws, there is nothing reciprocal about this measure. Within the State of Illinois, according to Treasury figures for 1937, there are 143,517 State, county, and municipal officers. Within the State of Illinois are 47,345 Federal employees who get their pay checks from the Federal Government. These Federal pay checks will aggregate about \$93,000,000 per year. Now, then, the latter will not have to pay a State income tax in Illinois because we do not have a State income-tax law and we cannot get one, due to the fact that, according to the best tax opinion, our constitution does not permit a classified income tax. However, the 143,000 State, county, and municipal employees will be taxed under the pending bill if they are within the taxable brackets, so that there is a unilateral rather than a reciprocal tax, with all the benefits accruing to the Federal Government and none to the State government. Certainly there is nothing reciprocal about that.

Mr. Chairman, I am not in favor of making one of the nurses in a State hospital pay a tax to the Federal Government and allowing a nurse in the veterans' hospital in Illinois to escape State taxation. I am not in favor of making a district attorney pay a tax to Uncle Sam and letting the Federal district attorney escape a State tax because we cannot put it on the books. I am opposed to making a chemist in the State water board pay a tax to Uncle Sam when we cannot tax a chemist who will be working in the United States research laboratory when it is built.

I am opposed to having Uncle Sam tax an employee of the State forestry service without a reciprocal right of the State to tax an employee of the Federal Forestry Service. A sheriff would pay a Federal tax under this bill but a G-man would pay no State tax. A doctor in the State health department would pay a tax under this bill, but a doctor in the United States Health Service would pay no tax to the State on his salary. Manifestly, that would be unfair and inequitable, and, for the moment, we are powerless to alter that situation by virtue of a constitutional inhibition.

Finally, and the third reason, I am not going to put myself on the spot when the sister bill comes in to tax State and local securities. Vote for this and you will have no logical reason not to vote for a bill to tax the revenue received from State and municipal securities. The long term bonded indebtedness in Illinois, State, local, and municipal, is about \$1,045,000,000 today. I have figured, and I think Professor Lutz, who is professor of public finances, of Princeton, has figured that ultimately if we seek to carry

an equivalent debt, which is taxable, it will cost the taxpayers of the State of Illinois \$11,000,000 a year more than it does at the present time. I am not going to saddle that kind of a burden upon the cities, counties, the State, school districts, sanitary districts, and the other taxing bodies of Illinois, because it is going to come out of the jeans of the taxpayer. Make no mistake about that. If you approve this bill today, how are you going to justify voting against a bill to put that kind of a burden upon State securities when that bill ultimately comes before this Congress? I believe the pending measure is just a forerunner to that bill. There is only \$16,000,000 involved in this one, but there is in it the principle, and forget not that the people of the country are still conscious of their Constitution. [Applause.]

Let me reaffirm that no Member of this House is averse to having county clerks, policemen, firemen, school teachers, mail carriers, Congressmen, and all other elective and appointive officials bear their same proportionate burden of taxation as every other citizen in the land. In fact, therein lies the appeal for the pending measure.

But until the separate States have assented to the imposition of taxes by the Federal Government through the medium of a constitutional amendment, it should not be done. The bill before us today carries in it a precedent which if followed to its logical conclusion may not destroy the States but may cripple and restrict them in the exercise of State and local functions to the point where the name of a State will be little more than a convenient way of designating a geographical area of this country. If you are ready for such an extreme departure in government, then support this bill. I shall oppose it.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. Buck].

Mr. BUCK. Mr. Chairman, the opponents of this measure have apparently forgotten that the purpose of the proposed legislation is to clear up confusion as to the liability of State, Federal, and local employees with reference to taxation reciprocally by the States and the Federal Government. The gentleman from Illinois, who just preceded me, read at some length from a decision of the Circuit Court of Appeals for the Seventh Circuit. I call his attention and the attention of the minority and all of you, in fact, to a decision on exactly the same subject rendered last year in the case of *Saxe v. Shea* by the Circuit Court of Appeals for the Second Circuit (98 F. (2d) 83). One case dealt with the fees of a master in chancery; the other with similar fees paid to a referee or special guardian. Appointments were made by the court in each instance, and appellants were paid by court order out of the estate or fund under the court's control. Each case referred to both *Collector against Day* and *Helvering against Gerhardt* and the conclusions reached were directly opposite.

Justice Swan, speaking for the court in the second circuit case—*Saxe against Shea*—stated that:

In that opinion (*Helvering v. Gerhardt*) Mr. Justice Stone noted particularly that the immunity is narrowly restricted in cases where the burden of a tax, collected not from a State treasury but from individual taxpayers, is said to be passed on to the State. His language is as follows:

"In these cases the function has been either held or assumed to be of such a character that its performance by the State is immune from direct Federal interference; yet the individuals who personally derived profit or compensation from their employment in carrying out the function were deemed to be subject to Federal income tax."

He then proceeds to discuss two guiding principles of limitation for holding the tax immunity of State instrumentalities to its proper function, the second of which, exemplified by those cases where the tax laid upon individuals affects the State only as the burden is passed on to it by the taxpayer, "forbids recognition of the immunity when the burden on the State is so speculative and uncertain that if allowed it would restrict the Federal taxing power without affording any corresponding tangible protection to the State government."

Justice Swan further stated:

This limiting principle we believe to be controlling of the case at bar. None of the appellant's compensation came from the State treasury; it was paid by the parties litigant or out of an estate under the court's control. By no possibility can the imposition of the tax increase to the State the cost of administer-

ing justice; conceivably an income tax upon the salary of a judge paid from the State treasury may require the official's salary to be correspondingly raised in order to obtain his consent to serve and thereby increase the cost to the State of its judicial department. But this cannot happen in the case of a referee or special guardian whose compensation is paid by the litigants.

Mr. Chairman, when we have two decisions as conflicting as these are with reference to special officers appointed by a court, it seems to me it is clearly within the province of this body to lay down what it considers should be the rule. This is only one example of conflict in our jurisprudence and I cite it solely to answer the argument of the gentleman from Illinois. But it does indicate that we should pass legislation to permit the Supreme Court to definitively rule on the general subject.

Mr. MICHENER. Will the gentleman yield?

Mr. BUCK. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman realizes that the decisions of a particular circuit court of appeals control the courts within that circuit. If there is a decision in the second district and another decision in the seventh district, the Government has the right to appeal either one of those decisions and bring the matter to the Supreme Court to be settled, just exactly as it is claimed the Government is doing in the Bridges case. The gentleman's statement is on all fours, so far as procedure is concerned, with the Bridges and the Strecker case.

Mr. BUCK. Just a minute. I yielded for a question. The gentleman can get time of his own.

Mr. MICHENER. It seems to me that is very important. The gentleman takes the position that Congress should act rather than let the Court act on the facts.

Mr. BUCK. The gentleman realizes and knows as well as I do that if either of these decisions goes up to the Supreme Court a decision will be rendered only on the particular facts involved.

Mr. MICHENER. The gentleman said the cases were on all fours.

Mr. BUCK. They are. The cases involved fees of court appointees in litigation before the respective courts. If either of the cases goes up to the Supreme Court, that is all that will be decided. Those of us who have presented this bill believe it is important that a decision be reached on the general, fundamental, underlying principle. Those who have opposed this bill, as the gentleman from Michigan may, quite conscientiously, no doubt—

Mr. MICHENER. No; I am very much in favor of the purpose of the bill. The only thing that stands in the way at all is the constitutional part. I do not know yet just how I am going to vote.

Mr. BUCK. I am sure I should like to illuminate the gentleman's mind on that.

Mr. MICHENER. That is what I am trying to find out.

Mr. BUCK. The value of an affirmative decision by Congress on the question of Federal taxation of officers of States and their subdivisions lies in the fact that the tax would be supported by the presumption of constitutionality attaching to a law passed by Congress and passed by its deliberate judgment after debate. Passing this bill will remove any argument that Congress intended the revenue act as it now exists to be construed in the light of past judicial precedents or Treasury regulations of the past.

The decision on which those who argued against this bill in committee rested most conclusively was the old case of Collector against Day, decided in 1870. Since that time we not only have ratified the sixteenth amendment, which provides that Congress may levy taxes on incomes from whatever source derived but in the income-tax law of 1926 we forgave all past assessments against State, city, and municipal employees, thereby implying that they should have been levied against them—they had been so levied against some. Congress put broad language into that act under which, undoubtedly, except for the Treasury regulations which have been adopted since and the judicial precedents heretofore created, the Bureau of Internal Revenue could go out and

levy, assess, and collect Federal income taxes against these State employees.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BUCK. I yield to the gentleman from New York.

Mr. CELLER. I sympathize with the gentleman's point of view, but does the gentleman believe it is fair just to lift out of the text of the sixteenth amendment the words "from whatever source derived" and say the sixteenth amendment means you can tax any kind of income or any kind of instrumentality? Does not the gentleman believe it is fair to take into consideration all the circumstances out of which the sixteenth amendment sprang? Was not the primary purpose of the sixteenth amendment to take out the so-called apportionment, which was unworkable? Was not the Governor of the State of New York, Governor Hughes, assured that it did not mean what the Governor is saying now? The Governor was so assured solemnly by Senator BORAH and by Senator ROOT, of my State.

Mr. BUCK. The gentleman has asked about six questions there, and I know he will have time of his own later to discuss them. I have not time enough now to cover them.

Mr. CELLER. I am going to vote for the bill. I sympathize with the gentleman.

Mr. BUCK. Whatever was the interpretation of the sixteenth amendment and whatever were the circumstances under which it was adopted, the language is there, "from whatever source derived," and as to this particular situation taxation of State employees engaged in essential governmental functions; it has never received a final judicial interpretation. In other words, a case arising under this bill, if it becomes law, will go to the Supreme Court under entirely different circumstances, and I know the gentleman will agree with me on that—

Mr. CELLER. The gentleman is correct.

Mr. BUCK. It will go to the Supreme Court under different conditions than any other case that has been before the Court for an interpretation of the meaning of the sixteenth amendment.

May I say that beyond that, the retroactive features we have put in the bill avoid any appeal based upon the due-process clause, and when we add the provision found in section 3 waiving immunity of Federal employees from State income taxation we have eliminated any question of a discriminatory tax being placed upon State and municipal employees.

Mr. CELLER. If the gentleman will yield further, does the gentleman believe that Collector against Day is still the law or has it been reversed in any particular? I am curious about this because so much depends on it.

Mr. BUCK. Collector against Day has never been expressly overruled. It must be remembered it arose under a Civil War tax law, however, not the sixteenth amendment, and was decided in 1870. There are intimations in the Helvering against Gerhardt decision and the decision immediately preceding it, that the Court would be glad to reexamine under new circumstances the principles laid down in Collector against Day.

Mr. CELLER. As I recall the Gerhardt case, Judge Stone seemed to imply beyond peradventure of a doubt that Collector against Day was still the law of the land, and that he would not depart from it. In many instances they mention in that very case the case of Collector against Day, and under no circumstances do they seek to whittle away the import of Collector against Day. This is what troubles me, and I should like to get some enlightenment on the point.

Mr. BUCK. In the Gerhardt case the Court went to great lengths to distinguish between an officer and an employee. Was not this due to a desire to refrain at that time from examining Collector against Day? Every reason advanced by the Court in that case to refuse immunity to the State employees may well apply to a State officer.

Since the Court obviously refrained from approving Collector against Day, it is at least reasonable to believe that the Court may well consider that the Federal taxing power

can reach officers as well as employees of a State. It is begging the question to ask if Collector against Day has been overruled. There has been no opportunity to overrule it, or reconsider it so far, and there will be none unless this legislation is passed. We should allow the Supreme Court to review the case and refresh its consideration of the fundamental principles involved by enacting this law.

Mr. TREADWAY. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I am not competent to discuss and to analyze the judicial opinions relating to the constitutionality of this proposal or similar proposals, and therefore I shall not attempt to do so. I wish to approach the question more from the standpoint of the soundness of the governmental structure. I believe laymen can understand a question of that kind, and that it should be made clear.

The gentleman from Indiana has stated, as I recollect, that if the Federal Government were to impose income taxes upon the employees of States and their subordinate divisions only about 6 percent of those State and municipal employees would be actually affected and a total of only \$16,000,000 of revenue would accrue to the Federal Government as a result of this.

So, Mr. Chairman, for an objective which is pitifully trivial, we are asked to change our form of government. A pitifully trivial objective is to tempt us to accomplish, in effect, a revolution in the relationship which has existed between the Federal Government upon one side and the States upon the other for over 150 years. [Applause.]

Now, let us look into this for a moment. Our Federal Union of States, I think, is the only one of its kind in the world. We have been careful during all these generations to preserve this system of dual sovereignty. The Federal Government possesses sovereignty granted to it originally by the sovereign States, and in the exercise of that sovereignty, which is high and important, it performs its functions and its services. Each State in the Union possesses sovereignty, and in the exercise of it performs functions and services which the Federal Government cannot perform and which each State by right performs.

The Governor of the State of New York, an officer of the State, performs certain services imposed upon him by the constitution of the State and by the laws of the State. When he does so he is not acting and living as an individual, he is acting and living as an officer of a sovereign State and every act of his is the act of the agent of the sovereign. You propose, under title I of this bill, to tax the agent of the sovereignty of New York. You propose to tax the governorship of New York and in the same breath, you propose in this bill to permit the State of New York to tax the Presidency of the United States, for you provide that the State of New York shall have permission to turn around and tax any Federal employee residing in her borders. It so happens, and I merely use this as illustrative, that the present occupant of the White House resides in the State of New York.

Have we reached the point in our governmental evolution, if I can use that phrase, where the Congress of the United States declare the doctrine that the State of New York, as such, can tax the Presidency of the United States? If so, we have accomplished a revolution in the relationship between two sovereignties.

Mr. CELLER. Mr. Chairman, will the gentleman yield? How does that attack the sovereignty of either the State of New York or the United States? The tax would have to be equally apportioned and would have to be equal under all similar circumstances. If the President of the United States gets \$75,000 a year, everybody else getting that same amount would be taxed in the same way.

Mr. WADSWORTH. It makes no difference what the rate of the tax is. It may be only a penny out of a thousand dollars; it is the principle involved.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I cannot yield; I only have a few moments.

You will have set up an amazing state of affairs, and you are doing it to achieve an objective of trifling proportions.

Now, the thing does not stop here with salaries, as other men have said upon this floor. If the House of Representatives is to give its support to this measure, as a matter of consistency and logic, the House of Representatives must give its support to the measure still to follow which would impose a Federal tax upon the income from State and municipal bonds. [Applause.]

[Here the gavel fell.]

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, I welcome an opportunity to support this legislation. The gentleman from New York [Mr. CELLER] said a few moments ago that the Judiciary Committee of this House has had this matter under consideration for approximately 15 years. I did not know it was that long, but I do know that I introduced what I thought was the first resolution 8 or 9 years ago to bring about what this bill seeks to accomplish. I never was able to get the action from the Judiciary Committee that I desired.

This bill results from recent decisions of the Supreme Court which indicate that the Congress has the right under the sixteenth amendment to do what the Court had said in the past it could not do. Now, there is more involved in this resolution than simply State and Federal employees, and I am going to cite two outstanding examples.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. In just a second.

In my own State we had an insurance case which involved millions and millions of dollars. The insurance commissioner employed several attorneys and assigned them as his legal representatives in connection with the case. None was employed by the State. I do not know the exact amount, but I do know that fees involving almost \$500,000 were paid to four or five men as the result of this employment and only 2 weeks ago they were here in Washington before the Board of Tax Appeals contending that as they were employed by an instrumentality of the State of Missouri they were, in effect, State employees and the fees they received in connection with that case were not subject to the Federal income tax law. Now another matter. I do not know whether anyone has discussed what happened in reference to the decision with respect to an engineer, I think it was, who had received fees from the Port of New York Authority. The Supreme Court rendered a decision in this case and immediately following the decision the legal adviser of a great banking association sent a letter to the officials of the banks, members of the association, in which he told them that in his opinion, after thoroughly analyzing the decision of the Supreme Court, all the officials and employees of those banks that were members of the Federal Reserve System were not subject to the State income tax, because he held that the Federal Reserve System, of which their banks were members, was an instrumentality of the Federal Government.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I regret I only have a few minutes. Mr. Chairman, I was never interested in a piece of legislation since I have been a Member of this House that has been more universally praised throughout the country in the news columns, and the editorials of our great metropolitan papers, than the effort to equalize the tax burdens by requiring State employees to pay a Federal income tax and the Federal employees to pay State income tax. The only complaint I ever received was an anonymous communication, and it evidently came from one who would undoubtedly be required to pay a State income tax.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I always enjoy following the gentleman from Missouri [Mr. COCHRAN]. I understand they have an income tax in Missouri of only 1 percent. He would get by easily, would he not? One hundred dollars and the deductions might make it even less. In Massachusetts the rate is 6 percent—a tax of \$600, but I do not personally

worry about that, because under the New Deal treatment my losses and deductions are so heavy that I would not have to pay enough to give me concern. But we pay plenty of other kinds of taxes. What a vast difference there will be in the treatment accorded in your various States. Some of you will hear later from your several States, because this bill will prove to be anything but reciprocal. Varieties of classes of incomes may be possible, and we find that municipalities often tax salaries as well as the States themselves. I once served on a tax committee to revalue real estate, and to tax salaries on income over \$2,000. Our difficulty was to find out how much the salary or the income might be when no compulsory returns were required. There is no trouble about finding about the salary of public officials. In one instance, although the town was a rather large one, we found only one Federal official of a taxable status, and guessed that a couple of doctors might be assessed, because they appeared to enjoy lucrative practices. We dared not guess further. Federal salaries will be a good thing to have in some local municipalities in States that have no income tax. I invite you new Members to read the debate of January in 1923, when we were placed on record regarding a constitutional amendment for reciprocal taxes after long debate; it will be very illuminating.

Read that record and note that only 13 Democrats voted for it. It will present a very different picture. You would not recognize the Democratic Party of today. They suggest that reciprocal taxation of tax exempts may follow, but if we read that debate we suspect that they might fall in line and follow their former leaders, like Garrett of Tennessee and others who strenuously opposed the idea. There is much in this debate today that might be regarded as demagoguery. The proposition is now before us because of the feeling that the Supreme Court is now so constituted that former decisions may be overruled. Apparently it was not presented before because of the belief that it would certainly be declared unconstitutional. Let me close by repeating that I do not worry about my own tax, for so long as the New Deal is in power I shall be unable to prevent losses and shall not be subject myself to any great amount of tax. [Laughter and applause.]

MR. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont [Mr. PLUMLEY].

MR. PLUMLEY. Mr. Chairman, I am opposed to the enactment of this legislation. In my judgment it is just as futile for Congress to enact this type of revenue-producing legislation prior to the adoption of a permissive constitutional amendment as it was for Congress to enact the original Federal income-tax law, prior to the adoption of the sixteenth amendment.

I am convinced that the Federal Government can neither impose nor collect such a tax as is proposed, lawfully, without a constitutional amendment.

I recall, as do some of you, the historic debates incident to the adoption of the sixteenth amendment, in which the distinguished Senators Root and Borah and Brown and Bailey and others were participants. What was said then with respect to that amendment is applicable to the present situation, and it may well be repeated that such legislation as is presented to us for consideration does "violence to the rules laid down by the Supreme Court for a hundred years," and if enacted would "wrench the whole Constitution from its harmonious proportions and destroy the object and purpose for which the whole instrument was formed."

In a long line of judicial decisions it has been held over and over again, either specifically or impliedly, that Congress possesses no constitutional power or authority to levy such taxes as are contemplated by this act.

The first 10 amendments to the Constitution, commonly known as the Bill of Rights, were adopted in order to quiet the apprehension that, without some such declaration, the Government would assume, and might be held to possess, the power to trespass upon those rights of persons and property, which by the Declaration of Independence were affirmed to

be unalienable rights (*Monongahela Nav. Co. v. U. S.*, 148 U. S. 312, 324 (1893)).

They were not intended to lay down any novel principles of government, but simply to embody certain guaranties and immunities which we had inherited from our English ancestors, and which had from time immemorial been subject to certain well-recognized exceptions arising from the necessities of the case. In incorporating these principles into the fundamental law there was no intention of disregarding the exceptions, which continued to be recognized as if they had been formally expressed (*Robertson v. Baldwin*, 165 U. S. 275, 281 (1897)).

The tenth amendment to the Constitution states:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

The scope and purpose of this tenth amendment is cogently set forth by the Supreme Court when it says:

The reservation to the States, respectively, can only mean the reservation of the rights of sovereignty which they respectively possessed before the adoption of the Constitution of the United States, and which they had not parted from by that instrument (*Gordon v. U. S.*, 117 U. S. 697, 705 (1884); see also *United States ex rel. Turner v. Williams*, 194 U. S. 279, 295 (1904); *United States v. Butler*, 297 U. S. 1 (1936)).

The men who drew and adopted this amendment had experienced the embarrassments resulting from the insertion of the word "expressly" in the Articles of Confederation, and probably omitted it to avoid those embarrassments. (See *McCulloch v. Maryland*, 4 Wheat. 316, 404 (1819).)

This amendment * * * disclosed the widespread fear that the National Government might, under the pressure of a supposed general welfare, attempt to exercise powers which had not been granted. With equal determination the framers intended that no such assumption should ever find justification in the organic act, and that if in the future further powers seemed necessary they should be granted by the people in the manner they had provided for amending that act. * * * Its principle purpose was not the distribution of power between the United States and the States, but a reservation to the people of all powers not granted (*Kansas v. Colorado*, 206 U. S. 46, 90 (1907)).

And, while it is confessedly difficult to mark the precise boundaries of that power, or to indicate, by any general rule the exact limitations which the States must observe in its exercise, the existence of such a power in the States has been uniformly recognized by the Supreme Court. (See *Keller v. United States*, 213 U. S. 138 (1909), citing *Patterson v. Kentucky*, 97 U. S. 501 (1879); *Gibbons v. Ogden*, 9 Wheat. 1 (1824); *Thurlow v. Massachusetts* (license cases), 5 Howard, 504 (1847); *Gilman v. Philadelphia*, 3 Wall. 713 (1866); *Henderson v. New York*, 92 U. S. 259 (1876); *Hannibal & St. J. R. Co. v. Husen*, 95 U. S. 465 (1878); *Boston Beer Co. v. Massachusetts*, 97 U. S. 25 (1878).)

It is a familiar rule of construction of the Constitution of the United States that the sovereign powers vested in the State governments by their respective constitutions remained unaltered and unimpaired, except so far as they were granted to the Government of the United States. That the intention of the framers of the Constitution in this respect might not be misunderstood this rule of interpretation is expressly declared in the tenth article of the amendments (*Buffington (Collector) v. Day*, 11 Wall. 113, 114 (1871)).

And such article added nothing to the instrument as originally ratified and has no limited and special operation upon the people's delegation by article V of certain functions to the Congress (*United States v. Sprague*, 282 U. S. 716, 733 (1931)).

A State has the same undeniable and unlimited jurisdiction over all persons and things, within its territorial limits, as any foreign nation; where that jurisdiction is not surrendered or restrained by the Constitution of the United States. That, by virtue of this, it is not only the right but the bounden and solemn duty of a State to advance the safety, happiness, and prosperity of its people, and to provide for its general welfare by any and every act of legislation which it may deem to be conducive to these ends; where the power over the particular subject or the manner of its exercise is not surrendered or restrained in the manner just stated. That all those powers which relate to merely municipal legislation, or what may, perhaps, more properly be called internal police, are not thus surrendered or restrained; and that consequently, in relation to these, the authority of a State is complete, unqualified, and exclusive (*New York v. Miln*, 11 Pct. 102, 138 (1837)).

The tenth amendment may be effective either to condemn a particular exercise of Federal authority, as without constitutional basis, or to uphold an exercise of State authority as

against the challenge of conflict with the Federal Constitution. The primary question in either case is the constitutional existence or scope of the Federal power exercised or challenged.

The Supreme Court in *Buffington (Collector) v. Day* (11 Wall. 113 (1871)) specifically held that a Federal law imposing an "income tax" on the salary of a State judge was invalid as in effect an invasion of the State reserved powers.

In this *Buffington* case the Court cited the case of *Veazie Bank v. Fenno* (8 Wall. 533) with approval insofar as the Court therein had stated that—

The reserved rights of the States, such as the right to pass laws; to give effect to laws through executive action; to administer justice through the courts, and to employ all necessary agencies for legitimate purposes of State government, are not proper subjects of the taxing power of Congress.

One quotation from the opinion of the Court in the *Buffington* case is particularly applicable to the question under discussion today, it being the following:

It is admitted that there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation; as any government, whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government. Of what avail are these means if another power may tax them at discretion?

I repeat what I have said in days gone by with respect to the undeniable fact that never were those in favor of centralization of power in the Federal Government more active than in these very days. The lifeblood of the States is being insidiously sapped by leechlike governmental agencies whose number is legion. The eventual disintegration of the body politic and the loss of the identity of the several States is most seriously threatened. But the States will not submit if they be but aroused to a realizing sense of what confronts them. They cannot be bought for sixteen millions. They can see the forests, despite the trees.

The sixteenth amendment, which states that—

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Has been held by the Supreme Court not to extend the power of Congress to tax income which, prior to 1913, it had no power to tax (*Brushaber v. Union P. R. Co.*, 240 U. S. 1 (1916); *Stanton v. Baltic Min. Co.*, 240 U. S. 103 (1916); *Tyee Realty Co. v. Anderson*, 240 U. S. 115 (1916); *Peck (Wm. E.) & Co. v. Lowe*, 247 U. S. 165 (1918); *Evans v. Gore*, 253 U. S. 245 (1920); *Edwards v. Cuba R. Co.*, 268 U. S. 628 (1925); *Bowers v. Kerbaugh-Empire Co.*, 271 U. S. 170 (1926)).

Confidence in the Constitution requires that it should be submitted to the people for change whenever changes in the form of our government are proposed. Other countries may, if they choose, repose their faith in individuals. In a democracy we prefer to put our faith in laws.

So radical a change in our constitutional system as is contemplated and proposed by this act can and should only be made after and by the submission and adoption of a constitutional amendment, which will so extend the power of the Federal Government as to permit it to impose such a tax. So, Mr. Chairman, it is not a question of justice or injustice, of reciprocity in taxation or revenue to be derived, of equity or inequity as between groups, or concerning retroactive legislation or tax exemptions which confronts us today; the question which I have to decide is, Am I for or against the continuance of our Government under the Constitution, such as is therein prescribed, circumscribed, and established thereby, or do I propose to go outside the Constitution and vote for the enactment of legislation of a similar character and almost identical with that which has since the beginning of our Government been held by the greatest tribunal in the world, and so held repeatedly, to be contrary to the spirit and intent of the Constitution itself?

I am going to answer that question in the exercise of my own judgment, and as my conscience dictates, by continuing

to support and defend the Constitution of the United States, and by voting against this bill. [Applause.]

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. Celler].

Mr. CELLER. Mr. Chairman, in answer to the gentleman from New York [Mr. Wadsworth], I state this: If this particular tax in this instant bill is objectionable because, in his opinion, it seeks to infringe upon the sovereignty of the States, what about the inheritance taxes? They can be made as high or as low as the State or the Federal Government wishes. What about State income taxes and Federal income taxes? The President of the United States, for example, pays New York State income taxes, not on his salary but he pays taxes on his income derived from sources other than his salary as President of the United States. I pay an income tax to the State of New York on income derived from other source than my salary as a Member of the House. What about real-estate taxes and sales taxes and a host of other taxes? All such taxes could be made so high and confiscatory by any State as to ruin and destroy. If his argument were sound with reference to the tax involved in this instant bill, it would be just as sound with reference to these other taxes.

I am going to vote for this bill, but I do so somewhat with my tongue in my cheek. I am worried about this Gerhardt decision. My own dean of Columbia University, Judge Stone, for whom I have an affectionate regard, wrote the prevailing opinion. It is a splendid opinion, well conceived and well written. Neither he nor his colleagues of the Court in any degree overruled the old case of *Collector against Day*. It is still the law of the land. It is still, as that case stated, not competent for Congress to impose a tax upon any State judicial officer.

It is highly important to keep that in mind. It is also important to know that Judge Stone was most careful to delimit the decision to the immediate facts in the Gerhardt case. Among other things, Judge Stone said:

In tacit recognition of the limitation which the very nature of our Federal system imposes on State immunity from taxation in order to avoid an ever-expanding encroachment upon the Federal taxing power, this Court has refused to enlarge the immunity substantially beyond those limits marked out in *Collector v. Day*.

PRESIDENT'S VIEWPOINT

The President urges us to "exercise our constitutional powers to tax incomes from whatever source derived," but refers particularly to the taxing of compensation or salary for services rendered to Federal, State, and municipal governments and to the interest derived from Federal, State, or municipal obligations. He apparently is encouraged by the so-called decision of the Supreme Court, *Helvering v. Gerhardt* (304 U. S. 405), already adverted to, decided last year. The President expressed the pious hope that a decision will soon come from the Supreme Court permitting the elimination of these so-called immunities.

CHANGES IN INCOME-TAX LAWS HAVE BEEN WROUGHT WITHOUT CONSTITUTIONAL AMENDMENT

For many years it was ruled that the Treasury could not tax stock dividends. The termination was by virtue of the Supreme Court case of *Eisner against Macomber*. Twenty years after that decision it was discovered that the Court's ruling had been misinterpreted. The law was amended to provide that such stock distribution—

Shall not be treated as a dividend to the extent that it does not constitute income to the shareholder within the meaning of the sixteenth amendment of the Constitution. Thus without a constitutional amendment such stock dividends as were income under the constitutional amendment became taxable by statute.

In other words, now stock dividends may be taxed by the Federal Government. The Supreme Court may change its opinion as to taxing salaries. But I doubt it.

TAXATION OF SALARY AND INTEREST ON STATE BONDS

The rule of immunity from taxation of State agencies by the United States, or vice versa, goes back to John Marshall's time. That immunity is not expressed in any language in the Constitution. It is, I think, amplified by reason of the separation by spheres of sovereignty of the Federal and State

Governments. There have been numerous cases where the Supreme Court held that taxing by the Federal Government of compensation from instrumentalities of the State has been upheld, and the President relies specifically on the case of *Helvering v. Gerhardt* (304 U. S. 405), decided May 23, 1938.

In the Port Authority case, a construction engineer and two assistant managers employed by the Port of New York Authority asked for relief from Federal taxation. The authority was created by the joint legislative enactment of the States of New York and New Jersey with the approval of Congress. The Supreme Court held that their salaries were taxable and thereby reversed the circuit court and the Board of Tax Appeals. The authority is engaged in the operation of transportation facilities. It operates bridges, tunnels, busses, freight yards, terminals, and charges tolls for all services. The positions held by its employees were not statutory positions. No oaths were required of them. Their duties were not defined. Judge Stone, in writing the opinion, stressed the fact that the activities of said authority are gradually extending into new fields. They have practically entered business and manage enterprises formerly exclusively operated by private individuals who are subject to the national taxing power.

There is a hint in Judge Stone's opinion that the line must be drawn somewhere. The State cannot encroach upon all private business operations and thus lessen the taxing power over individuals and instrumentalities thus employed by the State.

In the *Helvering v. Gerhardt* case (304 U. S. 405) only four judges joined in the majority opinion—Stone, Roberts, Hughes, and Brandeis. Two judges dissented—McReynolds and Butler. One judge wrote a concurring opinion—Black. It is highly dangerous to place reliance on a majority opinion under such circumstances.

In the case of *Commissioner v. Stilwell* (394 C. C. A. 9542), decided by the United States Circuit Court of Appeals for the Seventh Circuit only a few weeks ago, the court, after careful study of the Gerhardt Port of New York Authority case, held in its majority opinion that the compensation received by a master in chancery in Chicago was immune from income tax. This case was decided January 12, 1939, and falls within the rule set up by Collector against Day. Thus an important circuit court disagrees with what we may do today in passing this bill.

The Circuit Court of Appeals for the Seventh Circuit, after reviewing the Port Authority case, says:

Unable to find any language in this opinion which appears to us as persuasive, and certainly there is none which is conclusive that a court officer, such as a master in chancery, should be denied immunity, and we think the source of the official's compensation is immaterial. Certainly there is nothing in the opinion which holds to the contrary, and we find nothing which indicates to the contrary.

In the case of *Collector v. Day* (78 U. S. (Wall.) 113), the court held that it is not competent for Congress under the Constitution of the United States to impose a tax upon the salary of a judicial officer of a State. This principle has stood for decades and has repeatedly been referred to with approval by the Supreme Court. The instant bill flies in the face of this case, which, in part, states as follows:

* * * If the means and instrumentalities employed by that government to carry into operation the powers granted to it are, necessarily, and, for the sake of self-preservation, exempt from taxation by the States, why are not those of the States depending upon their reserved powers, for like reasons, equally exempt from Federal taxation? Their unimpaired existence in the one case is as essential as in the other. It is admitted that there is no express provision in the Constitution that prohibits the General Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation, as any government whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government. Of what avail are these means if another power may tax them at discretion?

It seems to be the contention of the Government that the case of *Helvering* against *Gerhardt* overruled *Collector* against *Day* as far as employees of the State and municipalities are concerned. This view has not been accepted by

the Board of Tax Appeals. In the first case that has come to the Board of Tax Appeals since the Government made that contention, *Sydney R. Wrightington* (38 B. T. A. 1, 2), decided in January of this year, the Board refused to accept that contention. On the contrary, the doctrine of *Collector* against *Day* is reaffirmed, because the Board said:

It is said, however, that the petitioner has not met the second test of immunity, in that he has not shown that the imposition of the Federal tax upon him operates to burden the State. If this means that he has not introduced primary evidence of an actual burden during the particular years in question, the statement is correct. It is difficult to believe, however, that the Gerhardt opinion must be read as requiring such a showing to support every claim of immunity which is made under the established doctrine that the Federal Government may not by taxation interfere with the free operation of the governmental functions of the States (*Collector v. Day*, 78 U. S. 113). To read it as meaning this would logically lead to the conclusion that even the statutory compensation of the Governor of the State may be taxed by the Federal Government unless evidence is introduced the preponderance of which shows that such tax operates in fact as an interference with the carrying on of the State's essential governmental functions or those which are indispensable to its existence as a State. Such a burden of proof would practically nullify the constitutional doctrine itself, for it is hard to conceive how the burden could be discharged by any individual officer or employee of a State. We are unable to conclude that the decision in the Gerhardt case may be carried so far.

In *Commissioner* against *Stilwell*, decided by the United States Circuit Court of Appeals for the Seventh Circuit, January 12, 1939, the circuit court of appeals refused to accept the contentions made here by the Government and definitely held that *Collector* against *Day* had not been reversed by the Gerhardt case, but that, on the contrary, "the doctrine was reaffirmed," saying:

It is worthy of notice that the Court (United States Supreme Court) referred to and commented upon the case of *Collector v. Day* in as many as four instances (pp. 414-417 and 424). It would seem that if the Court intended to place any limitation upon the doctrine as promulgated in that case it had every opportunity to do so. In place of doing so, we think it is fair inference, even if not expressly stated, that the doctrine was reaffirmed (p. 9545).

Again:

A study of the cases, however, convinces us that the rule as announced in *Collector v. Day*, supra, has neither been modified nor changed and is yet the law (p. 9543).

The circuit court of appeals, construing the Gerhardt case, held in that case:

We are unable to find any language in this opinion which appears to us as persuasive, and certainly there is none which is conclusive that a court officer, such as a master in chancery, should be denied immunity, and we think the source of the official's compensation is immaterial. Certainly there is nothing in the opinion which holds to the contrary, and we find nothing which indicates to the contrary (p. 9544).

In short, Congress is now asked to accept in toto the pure, argumentative prophecy of the study as to what the Court will do and to assume that if Congress accepts and acts upon this argument, the Court will sustain it. This surely furnishes no basis for the assumption of a constitutional power.

THE SIXTEENTH AMENDMENT

The sixteenth amendment cannot help us. When the sixteenth amendment was before my State for ratification the present Chief Justice, Charles Evans Hughes, was New York's Governor. He hesitated to recommend ratification because the wording "from whatever source derived," would, in his opinion, allow the Federal Government to tax the income on New York State bonds. This was overcome by the assurances of the then Senators Root, Borah, and others to the effect that that was not the case. That contention was never questioned or contravened on the floor of the House or the Senate at that time or anytime since.

The sixteenth amendment was intended only to overcome the unworkable rule that a tax on certain incomes had to be apportioned. The phrase "from whatever source derived" found its way into the joint resolution without any explanation and is consistent only with the fact that it was not intended to change so vital a doctrine as the

one that the sovereign States are immune from Federal tax.

THE PASSAGE OF THIS BILL WILL PROVIDE A BETTER TEST CASE TO THE UNITED STATES SUPREME COURT

You might ask me why, under such circumstances, I vote for the bill. I do so because I believe it well to put the question again squarely before the Supreme Court. If the Supreme Court says the bill is unconstitutional, the question will be dumped right back in our lap and we will then have to make a decision as to whether a constitutional amendment is or is not necessary. No great harm can result from the passage of this bill. Certainly title II of the bill ought to be passed without question. Title II prevents the payment of retroactive taxes. It would be cruel not to pass title II. Let us also pass title I and take our chances.

Furthermore, I like the point of view of James W. Morris, Assistant Attorney General, as presented by him before the Ways and Means Committee of the House. He was questioned by our colleague the gentleman from Massachusetts [Mr. McCORMACK]. Incidentally Mr. Morris is a very painstaking, efficient, and erudite Assistant Attorney General.

Mr. McCORMACK. Mr. Morris, the 1926 act provided that income taxes could not be levied on State employees for 1925, the prior year?

Mr. MORRIS. I assume you are correct, sir, about the provision as to its retroactivity. I haven't before me the language of that statute.

Mr. McCORMACK. I have it here. It provides: "Gross income" includes gains, profits, and income derived from salaries, wages, or compensation for personal services, of whatever kind and in whatever form paid, or from possessions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever."

Mr. MORRIS. Yes, sir.

Mr. McCORMACK. The prohibition against the retroactive taxing of salaries of State or municipal employees that existed in the prior act was not included in that act and is not the law now.

Mr. MORRIS. You mean an express exemption?

Mr. McCORMACK. Yes.

Mr. MORRIS. Exactly.

Mr. McCORMACK. Why couldn't you go ahead and test the case out without legislation?

Mr. MORRIS. I don't think there is any doubt about it that *Collector v. Day* until and unless expressly rejected by the Court, stands in the way of that being done. The question could, it seems most likely, be considered afresh with more force if there was an express intention on the part of Congress to tax those salaries.

Mr. McCORMACK. Section 1211 states:

"Any taxes imposed by the Revenue Act of 1924 or prior revenue act upon any individual in respect of amounts received by him as compensation for personal services as an officer or employee of any State or political subdivision thereof (except to the extent that such compensation is paid by the United States Government directly or indirectly) shall, subject to the statutory period of limitations properly applicable thereto, be abated, credited, or refunded."

Doesn't that give the Federal Government the authority?

Mr. MORRIS. I think it does, Mr. McCORMACK, but I repeat that I think if the matter is to be considered afresh by the Supreme Court that it stands on stronger footing if Congress has explicitly dealt with that proposition and at the same time eliminated from it whatever of unfairness there might be by having it to operate prospectively, and at the same time emphasizing the nondiscriminatory character of it by extending to the States the right to tax incomes derived from similar Federal sources.

Mr. McCORMACK. I agree with the latter statement—that there is action necessary to give the States the right to reciprocal power, but so far as the State and political subdivision employees are concerned the power has existed since 1926.

Mr. MORRIS. I shall not dispute the Congressman on that point, and I may even go one step further and say this: That in the Sax case, from the second circuit, which was decided, by the way, in exactly the opposite way to the case in the seventh circuit that was referred to here earlier, the tax on a court functionary was upheld, and the Government had intended to make the argument that has been made here, and to assert before the Supreme Court the various contentions that should be considered in that light even though there be no such statute such as has been proposed. It so happens that the taxpayer in that case who had secured a writ of certiorari from the Supreme Court, dismissed the case, so that these arguments were not made.

If certiorari is applied for and granted in the case that has been alluded to, which arose from the seventh circuit, I certainly do not want to be understood as saying that the Government could not make these arguments there.

I do say that if we pitch our argument on the ground of non-discrimination, which I think is the heart of the justification for it, if it be sustained, then that has a stronger appeal and a more convincing approach if all discrimination be eliminated by giving

to the States the right to tax this kind of income from Federal sources. It negatives the idea of discrimination.

Mr. McCORMACK. What you are saying is that if Congress would act affirmatively, it would reinforce your argument.

Mr. MORRIS. I don't think there is any doubt about that.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, to be given 5 minutes to discuss so complicated and so comprehensive a matter as the bill before this Congress today is just ridiculous. I need at least 2 months to prepare a 5-minute speech upon a question so involved as this; whereas I would need very little time to prepare a 1-hour speech upon this subject.

The gentleman from New York [Mr. CELLER] has stated he is going to vote for this measure with his tongue in his cheek, because he is worried. Well, I am worried. [Laughter.] I am going to vote against this bill because I am worried, and my tongue will not be in my cheek when I vote "no" on this bill.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. MASON. I do not have time.

I am voting "no" on this bill for the four reasons that were cited so eloquently, so logically, and so convincingly by my colleague from Illinois [Mr. DIRKSEN]. In brief, those reasons which he advanced were these: First, the constitutional doubt that goes with this measure, and there is grave constitutional doubt. Because of the doubt as to its constitutionality we should be very careful when we vote.

The second reason that I am opposed to the passage of this bill is because there is a better way to accomplish the desired end. That, of course, is by a constitutional amendment. We have no excuse for approaching this question in this manner. No Member of this House, I feel sure, will question the equity, the desirability, the fairness of taxing the salaries of all Government employees, both Federal and State employees. But that is not the important question involved in this bill. The important question involved is the method we adopt to accomplish a desired objective.

The third reason which the gentleman advanced was the reciprocal principle involved. I am more inclined to call it a horse trade, with the advantages all in the Federal Government, particularly in the 17 States that have no income-tax law. They get nothing, and the Federal Government gets the privilege of taxing all State and municipal salaries in those 17 States.

I want you to understand that insofar as taxing salaries is concerned, there is one Federal employee to every three State and municipal employees. That is the ratio of the employees between Federal and State Governments. That is a horse trade with the advantages all upon one side, as I see it. But the main reason I am opposing this bill and the reason I am going to vote "no" upon the bill is the principle that is involved in the bill and the far-reaching ramifications of that principle. These have been indicated by previous speakers. If we approve the principle contained in this bill of mutual taxation of salaries between the Federal Government and the State governments, we cannot logically refuse to approve another bill that is now in committee and that will be brought in here soon that is based upon this same mutual taxation basis, and that is the bill that gives the Federal Government the power to tax State and municipal obligations and gives the States the privilege to tax Federal obligations. This is the serious part of this whole tax picture.

I say there is a better way to do it. I say if the Gallup poll were applied to the Members of Congress on the equity and the fairness of taxing Government employees on their salaries it would show a higher percentage than 87 percent. But that is not the question we are facing today. It is not the equity and fairness of taxing salaries. It is the principle that is involved, as one gentleman has stated, "which permits the camel's head to enter the tent." That is the grave danger in this whole matter.

I can oppose this bill because I come from one of those States that has no income-tax law, and therefore no one can accuse me of saving my salary from State income tax. I led the battle in the State Senate of Illinois for a State income tax 6 years ago and we put it on the books, but our supreme court said it was unconstitutional. That State income tax would have taxed my salary which at that time was not taxable. In my humble opinion, the members of our Illinois Supreme Court went out of their way to find a basis for their decision in that case. They ignored the decisions of the supreme courts of eight States, North Carolina, Maryland, New Hampshire, Idaho, Missouri, Mississippi, Arkansas, and Georgia, that have identically the same constitutional provisions requiring uniform taxation that the constitution of Illinois has; they passed by recent decisions of the United States Supreme Court; and they based their decisions upon an out-moded, antiquated decision of the United States Supreme Court that has since been repudiated or nullified by later decisions. Every Member of Congress pays a Federal income tax upon his salary, and he should do so.

This measure before us would make every Member of Congress who lives in 1 of the 31 States that have a State income-tax law, pay a State income tax upon his Federal salary. And he should do so, I believe. It would, however, if passed, have no effect upon those of us who live in any 1 of the 17 States that have no income-tax law. We cannot be accused of selfish motives, personal motives, if we oppose this bill. I consider the four reasons heretofore given as justification for my opposition. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. COLE.]

Mr. COLE of New York. Mr. Chairman, the arguments that have been already advanced by those in opposition to this measure seem to me to offer ample grounds on which to base a negative vote. Having sworn to uphold, protect, and defend the Constitution, I cannot bring myself to support a measure which is of such questionable constitutionality as this, irrespective of how meritorious the legislation may be. It may well be that the incomes of salaries of State and municipal officers and employees should be taxable the same as salaries of persons, but we should not lose sight of the fact that this is more than a tax on an individual officer or employee—it is a tax upon the sovereignty of the State and its subdivisions without their consent. If we are to do this at all, it should be done in the regular and legal way, by submission of a constitutional amendment by which the people of the States can express their willingness that their sovereignty should be made taxable by another sovereignty.

There is, however, a further reason which, although it is far more superficial than those already advanced, is sufficiently persuasive to justify a negative vote. During the short time that I have been a Member of this body I have never witnessed a more inconsistent and illogical proposal than the one which now confronts us. The bill is divided into two titles. Under title I we seek to impose a tax upon the salaries of all State and municipal employees. By inference this title implies that the salaries of these persons are not now taxable but will henceforth be taxable. On the other hand, title II would relieve from liability the payment of taxes on salaries of this same group of persons for the past 3 years. By inference title II implies that the salaries of these persons are already taxable and have been taxable for years past.

Obviously, if title I is necessary—if, in order to make the salaries of State employees subject to the income-tax laws, it is necessary to pass new legislation—then title II is not necessary, because if there is no such law now on the statute books, then there is no liability to be waived. Conversely, if title II is necessary and it is essential that we should waive the liability that this class of persons now have for taxes under existing laws, then title I is not necessary.

For this reason, superficial though it is, I feel justified in casting my negative vote, because, Mr. Chairman, my egotism

has not yet brought me to the point where I have thought that I could blow both hot and cold in the same breath. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. TREADWAY. Mr. Chairman, I yield 6 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies, and gentlemen, the measure before us (H. R. 3790) provides for a Federal income tax on the salaries and wages of all State, district, county, city, and town officials and employees. It also includes public health officials and nurses, the officers and teachers of all the State universities and colleges, all superintendents and principals, teachers and employees of public schools and public educational institutions of the State, county, and cities, and includes police and fire department officials and employees. In fact, it includes every person employed either as an official or employee of every State, county, and city government whose salary or wages are paid by State, county, or city taxes.

It is estimated that there are about 2,600,000 of these officers and employees. On the other hand, it gives the States the right to levy and collect taxes on all Federal officials and employees. It is estimated that there are 1,200,000 of these. Contrary to public belief, Members of the House and Senate and other Federal officials have for years and do now pay a Federal income tax, but they do not pay a State income tax on their salaries and wages. In 31 States, State officials and employees now under the laws of those 31 States pay a State income tax but they do not pay a Federal income tax. In other words, if this measure goes through, every Federal official and employee and every State official and employee except the 17 States that do not have a State income tax may be required to pay two income taxes—one to the Federal Government and one to the State.

I AM OPPOSED

For what I consider several good and sufficient reasons I am opposed to this bill. In the first place I believe it is clearly unconstitutional. Congress has no right to impose an income tax on the salaries and wages of State, district, county, and city officials and employees, and the States have no right to impose an income tax on Federal officials and employees. The uniform decisions of the Supreme Court, beginning with the famous case of McCulloch against Maryland, decided in 1819 by the greatest of all American jurists, Chief Justice John Marshall, held that Congress had no such power. That decision was reaffirmed in the case of Collector against Day, decided in 1868. There has been numerous cases since that time before the Supreme Court and they have uniformly upheld the decision of the Supreme Court in McCulloch against Maryland and Collector against Day. This same question was brought directly before the United States Circuit Court of Appeals at Chicago when the case of United States Commissioner of Internal Revenue against Stillwell was decided there in January 1939. This decision reaffirms the uniform holdings of the Supreme Court for 120 years on this same question.

In order for the bill before us to be held constitutional the Supreme Court must overturn this long line of decisions of the Supreme Court and of the United States circuit courts of appeals during a period of 120 years. These decisions are bottomed on solid ground.

POWER TO TAX IS POWER TO DESTROY

The Supreme Court has held that the power to tax carries the power to destroy. If it should be allowed for the Federal Government to tax State, district, county, and city officials and employees and the officials and employees of the agencies of the State government and its branches, it would place in the hands of the Federal Government the power to oppress and destroy the State and the governmental agencies. In other words, it could by threats and oppression take away the freedom of action of the States, their officials, and employees, and destroy the liberty and independence of the States. There has never been any measure introduced in Congress that offered a greater threat

to States' rights than the bill now before us. Believing it to be unconstitutional, I am constrained to vote against it.

The Republican Members of the House in 1923 proposed a constitutional amendment to submit this question to the people of the States themselves and let them decide whether or not they desired to so amend the Constitution as to give the Federal Government this power. Strange to say, the Democrats in the House at that time all but a very few voted against that proposed constitutional amendment. They then were urging State rights.

May I urge another objection? If this should become a law it would create, no doubt, a lot of discord and bitterness as between the States and the Federal Government. Congress might undertake to impose a heavier income tax on State officials and employees than they would think just, and in order to retaliate the State legislatures might impose a heavy income tax on the President, members of the Cabinet, and all other Federal officials and employees. For the proper carrying on of the Federal and State Governments there should exist a friendly cooperation between the Federal and State Governments. The Federal Government must not be in the attitude of fighting the States, neither must the States carry on a warfare against the Federal Government, and the power should not be given to the sovereignty of the State nor to the sovereignty of the Federal Government to antagonize, harass, or oppress the other. The present plan has worked splendidly for 150 years, and why should we now fly into the teeth of the highest court of the land and pass this measure of doubtful constitutional authority in order to collect some more tax money to be squandered and wasted by the present administration. [Applause.]

CUT OUT WASTE AND REDUCE TAXES

It is urged that many of these officials and employees of the State, district, county, and city governments would not be required to pay an income tax after allowing exemptions. If this policy should be once adopted, then the policy that has been urged for some time would be brought into action; that is, to greatly reduce the exemptions, so that all of our State, district, county, and city employees, including teachers, nurses, and others, might be required to pay an income tax to the Federal Government.

This administration has brought in a new tax bill at each and every session to increase old taxes and add new taxes. They must stay awake at night seeking new sources to impose new and heavier taxes on the already overburdened taxpayers of the Nation. I have consistently spoken and voted against each and every one of these tax measures. I realize that we need taxes, but I am opposed to giving this administration an increase of taxes or any taxes so long as they squander and waste the taxpayers' money and add deficit upon deficit and increase the national debt. [Applause.]

The President frankly admits it is not his purpose to limit the expenditures of the Government to its income. He proposes to continue making new and greater deficits and add to our national debt. One of these days we will need taxes to save the credit of this Nation. I am unwilling to take the last penny out of the pockets of the taxpayers and squander it before that time comes.

The President, in his campaign speech of 1932, denounced the Republican administration because he charged that the administration was taking too much of the earnings of the people for taxes. He said that it was causing unemployment and the stagnation of industry and agriculture. He promised to stop the increase of taxes and reduce the national debt. The last fiscal year of the Hoover administration the Government collected a little over \$1,800,000,000 in revenue from the American people. The last few years under Roosevelt we collected \$6,000,000,000, an increase of over 200 percent.

If the Congress makes the appropriations he has demanded for the year 1940, Mr. Roosevelt, notwithstanding these heavy taxes, will have added nearly \$25,000,000,000 to the national debt and pushed the national debt beyond the debt limit of \$45,000,000,000. The more we tax the people and the more money we give to this administration, the more

they waste and squander, and this is one of the chief causes for the 13,000,000 unemployed people, the 40,000,000 needing some form of public relief, the falling prices in agriculture, and the stagnation of industry and commerce. The American people are insisting that instead of finding new taxes and increasing present taxes that the Congress and the administration find ways to cut out waste and extravagance, reduce expenses, and then we should be able to cut out many burdensome taxes and reduce other taxes. [Applause.]

The membership on the Republican side of the House increased nearly 100 percent at this Congress over the last Congress. One of the main reasons for that is the many unconstitutional bills this administration has forced through Congress, the increase of taxes, and the policy of squandering and wasting the tax money of the people of the Nation. Let our New Deal friends continue this policy and instead of having 169 Republicans in the House as we now have, after the national election in 1940 there will be well over 300 Republicans in the House and we will have a Republican in the White House.

May I urge our Republican friends to vote against this unconstitutional and oppressive tax measure. In so doing I think you will render a real service to the people and to our country. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. GWYNNE].

Mr. GWYNNE. Mr. Chairman, I believe the procedure outlined in this bill to be constitutionally sound.

The doctrine of the immunity of governmental agencies from taxation was first announced by Chief Justice Marshall in the celebrated case of *McCulloch v. Maryland* (4 Wheat. 316). In all the years that have followed it, no one has seriously criticized the actual decision in that case. The tax levied by the State of Maryland was clearly discriminatory and would have impeded, if not destroyed, the functioning of the Federal Government through the bank which it had created. The Chief Justice did not lay down a general principle that a State could never tax an officer or instrumentality of the Federal Government. He simply decided that if the tax were designed to, and in fact did, seriously impede or prevent the operation of the Federal Government, the tax must give way to the superior power of the Federal Government. It was not the tax which Marshall condemned, but rather the attempt to destroy by means of the tax.

Unfortunately, the decision contained the famous phrase, "The power to tax involves the power to destroy." In a limited sense, this statement is of course correct. All powers of Government, in the same sense, involve the power to destroy. However, the Court has long been committed to the doctrine that the existence of a power will not be denied simply because it may at some time be abused. The Constitution has ample safeguards against the abuse of any power granted in it.

Since the decision in *McCulloch* against Maryland, many cases have discussed this general principle of immunity from taxation. It would serve no useful purpose to discuss them here in detail. If they can all be reconciled, it is beyond my power to do so. However, I believe they establish two general exceptions to the principle of immunity of State officers and instrumentalities from Federal taxation.

First. They exclude those activities of the State which for all practical purposes are not essential to the preservation of the sovereign State. This is the case of *Helvering v. Gerhardt* (304 U. S. 405), for example.

Second. They exclude those cases where the tax laid upon the individual State official only remotely affects the State, by theoretically requiring the taxpayers thereof to pay the amount of the tax levied on its official or instrumentality.

I believe the real question which must be answered in all these cases is, Does the imposition of the tax, in a practical sense, impede the functioning of that Government whose officer or instrumentality is taxed?

It must be remembered that the State or municipal official is, of necessity, both a citizen of the State and of the United States. He owes both sovereigns a duty of support. If the

Federal Government simply calls upon him to pay the same tax as any other citizen receiving a similar income, how can such action be construed as an attack upon the sovereignty of the State?

No one believes more firmly in the maintenance of our dual system of government than I do. The preservation of the line between their powers is the primary duty of the President, the Congress, and the courts. At one time this line, in taxation matters, may be put in one place; at another time and under changing conditions it may be put in another place. The fundamental mandate of the Constitution is not "There shall be no tax," but rather "There shall be no tax that destroys." [Applause.]

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. DISNEY].

Mr. DISNEY. Mr. Chairman, it appears to me that this is rather a legislative attempt to straighten out a tangle created by the courts.

Answering the gentleman from New York [Mr. COLE] with reference to this being an illogical bill, I may say that there is a very practical reason why title II should pass. I anticipate that he is not apprised of the fact that under these recent decisions it is mandatory on the collectors to collect taxes upon all of those persons who are drawing salaries operating under nonessential State governmental operations, such as the Port of New York Authority; people who did not expect to be taxed heretofore, and had no idea that such court decisions would be forthcoming. It requires the utmost good faith that this Congress take care of the situation created, not by the Congress, but by the courts in their struggle with this problem that has constantly arisen.

My esteemed friend, the distinguished gentleman from New York [Mr. WADSWORTH] suggests that we are struggling at a gnat and may be swallowing a camel, that for a mere bagatelle, a pitiful performance to tax 6½ percent of the State salaried people and collecting possibly \$16,000,000, we are sacrificing a principle. It seems to me that the principle involved, at least one principle involved, is the equalization of taxes, so that all shall pay alike, on their ability to pay.

Let us consider the salary of the mayor of one of our towns. He escapes a Federal income tax and pays a State income tax. His neighbor, the businessman or other salaried man in business, pays both a State and Federal tax. I think there is a moral issue involved here.

Mr. GREEN. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Florida.

Mr. GREEN. As I understand from the provisions of this bill, a State employee will pay a Federal tax and a Federal employee will pay a State tax, and these taxes will be uniform?

Mr. DISNEY. That is the attempt.

Mr. GREEN. One further question.

Mr. DISNEY. Let me answer the question. The bill provides for a direct tax upon the State employee and gives consent to the State to tax Federal employees; but it must be said in all fairness in this connection that any Congress which comes along may, of course, repeal that consent. It does not approach the dignity of a compact with the States.

Mr. GREEN. In this connection, does not the State farmer or businessman now pay a State and a Federal tax on his net income?

Mr. DISNEY. Yes.

Mr. GREEN. It looks to me like it would be fair for the State and Federal officeholder to do the same thing.

Mr. DISNEY. The attempt is to equalize the taxes, which seems to me very highly important, and that there is an important principle involved there. There is a principle involved in the matter of the dual nature of the State and Federal Governments, of course. My distinguished friend the gentleman from New York [Mr. WADSWORTH] suggests that we are going to start a revolution here and now with this bill. The revolution happened when the States ratified the sixteenth amendment. We are now attempting to approach the sixteenth amendment with this bill. One school of thought believes that the States lost sight of States' rights

when they gave the Federal Government, under the sixteenth amendment, the unlimited right to tax incomes without reserving any rights to the States.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Montana.

Mr. O'CONNOR. Do I understand from the operation of this measure that we are going to tax the teachers of our schools throughout the United States?

Mr. DISNEY. Yes, if taking into consideration their exemptions, their net income is sufficient to require taxation. Most of their salaries are not that high.

Mr. O'CONNOR. Does not the gentleman realize they are the most underpaid class of people we have?

Mr. DISNEY. That is true. So few of them will be in the taxpaying class. They are not in danger, except the very high-salaried ones.

Mr. O'CONNOR. Does not the gentleman think they should be exempted?

Mr. DISNEY. Yes. In fairness, of course, I may say the teachers have the same right to claim exemption as any others. Only about 6½ percent of the vast army of State employees will be affected by this bill, and they have the right to claim their exemption.

Mr. O'CONNOR. They have the general exemptions under the law we now have?

Mr. DISNEY. Yes. We Congressmen pay a Federal income tax, too, on our net incomes.

Mr. O'CONNOR. But they have no greater exemption than what we have now?

Mr. DISNEY. No.

Mr. O'CONNOR. As I said before, they are the most underpaid class of people we have.

Mr. DISNEY. The gentleman would not contend for anything under the law except that every man be treated alike, whether he is a school teacher, farmer, mayor, Congressman, or a Federal judge. Of course, we are foreclosed on the Federal judges by the courts' decisions.

Mr. O'CONNOR. My point is the school teachers are the most underpaid class of people we have and I do not think we should tax those people.

Mr. DISNEY. The low-salaried folks will not get caught for taxes under this.

Mr. SIROVICH. Will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from New York.

Mr. SIROVICH. I would like to ask the distinguished gentleman from Oklahoma a question. In Great Britain they have an income tax which provides that everyone that earns more than \$500 a year shall pay an income tax, without exemption. Why should not this country have the same kind of law, with no exemptions?

Mr. DISNEY. I respect the gentleman's views and reiterate that I stand for equality under the law for all taxpayers—including officeholders.

Mr. EATON of New Jersey. Will the gentleman yield?

Mr. DISNEY. For a question, speech, or observation?

Mr. EATON of New Jersey. For a question, with an observation tied to it.

Mr. DISNEY. I yield to the gentleman.

Mr. EATON of New Jersey. I understand the object of this bill is to raise revenue.

Mr. DISNEY. No. The prime object of the bill is not to raise revenue but to equalize taxes.

Mr. EATON of New Jersey. I see. It will bring in \$16,000,000 in new money, is that correct?

Mr. DISNEY. Yes.

Mr. EATON of New Jersey. We now spend \$25,000,000 a day; so why not cut down our expenses for a half day and let these people alone?

Mr. DISNEY. I will leave that for the gentleman to answer.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. Will the gentleman tell us how he would tax Federal salaries in Oklahoma?

Mr. DISNEY. By this bill.

Mr. GIFFORD. Do you have an income tax there, or how would you reach such salaries?

Mr. DISNEY. We have a State income tax.

Mr. FERGUSON. If the gentleman will yield, I may say that the Oklahoma income tax runs up to 10 percent. It is one of the highest in the Nation.

Mr. GIFFORD. How would it apply to Federal salaries?

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Kansas.

Mr. HOUSTON. May I ask if the salaries of the President and the Federal court judges are subject to taxation?

Mr. DISNEY. The salary of the President, like that of Congressmen, is taxable under the Federal tax laws. Under Federal court decisions, which involve not the sixteenth amendment but another clause of the Constitution that relates to the increase or diminishment of a judge's salary during his term of office, the Federal courts hold that a Federal judge's salary is not taxable by either Federal or State Governments.

Mr. HOUSTON. Would the States have the right to tax the salaries of Federal judges?

Mr. DISNEY. No; I do not believe so under this bill, because, as I said, the courts construe their situation under another section of the Constitution and hold them not liable for taxes.

Mr. DUNCAN. Mr. Chairman, will the gentleman yield?

Mr. DISNEY. I yield to the gentleman from Missouri.

Mr. DUNCAN. Does not this provision apply to judges appointed prior to 1932? Judges appointed since that time are subject to the tax.

Mr. HOUSTON. I understand that, but does this bill apply to judges appointed before 1932 because of the act of Congress that year on the subject?

Mr. DISNEY. I do not believe judges appointed since 1932 are held to be exempt, but that they are all paying income taxes. I may be in error about this.

Mr. HOUSTON. Those appointed since 1932 are paying the tax now; yes.

Mr. DISNEY. The law, as I understand it, has been stated here this afternoon. The doctrine of McCulloch against Maryland does not spring from direct constitutional authority. According to Justice Marshall, it is implied from the plan of the General Government and its relation to the States. This decision has not been overruled. The Gerhardt case does not overrule Collector against Day, where an attempt was made by the Federal Government to tax the salary of a State probate judge. This is the first direct attempt by the Congress to apply by statutory action the rule in those cases to the sixteenth amendment. As far as salaries are concerned, if the language in the sixteenth amendment—"from whatever source derived"—had been construed literally, out would have gone McCulloch against Maryland, Evans against Gore, Collector against Day, and the other decisions we are trying now to clarify in order to reflect by this bill the attitude of Congress and, if you please, re-present the question to the Supreme Court, not only on the theory that this bill would raise money but on the broader theory that there is a moral obligation to equalize the taxes of all citizens in the country and let the public officer be on the same basis of tax equality as the private citizen. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. LELAND M. FORD].

Mr. LELAND M. FORD. Mr. Chairman, I want to speak on a bill, H. R. 3590, relating to taxation of public officers and employees.

It appears to me that this bill is somewhat unfairly drawn, and that for the purpose of full consideration and real freedom in voting should be properly split into two bills.

I say this for the reason that a vote for the bill makes certain the protection in exemption of public officers and employees on the so-called retroactive tax features on salaries paid in past years. This same vote for the bill as a whole ultimately taxes governmental employees in the future.

A vote against this bill will protect governmental officers and employees in the future against taxation, but leaves them in a questionable position as to the past.

Many of us—and I am one of them—would like to see this bill so placed before Congress as to give us that freedom of choice that we are eminently entitled to, namely, to vote on both these questions separately. Personally I would like to vote for that part of the bill that would protect the employees against the retroactive feature and the collection of back taxes and still be against taxation of future salaries of officers and employees.

I think that certainly by present example and the practice followed it has been clearly shown that it never was originally intended to collect the tax of officers and employees in the past years. Now to come at this late date and collect taxes on those past years is, in my opinion, not only extremely unfair, but is unconstitutional in that it is retroactive. It would financially wreck many good governmental employees. Many simply could not pay, especially those in the low-salary brackets. They have just been getting by in many instances in the past, and their money has been spent. Where could they now get the money to pay these back taxes and still have enough left upon which to live? There has been much talk of unemployment, decent standards of living, and so forth. What would be the condition of these thousands of people if this retroactive tax would be placed against them and an attempt made to collect it?

Let those who talk of unemployment and decent standards of living now square their actions by their words, not only with reference to the past but in consideration of the future.

I am against taxation of governmental securities, bonds, and so forth, and that tax on officers' and employees' salaries in the future.

This is equivalent to the Government collecting taxes and placing them in one pocket and then paying it out of the other. For, after all, some governmental unit must pay these salaries that it is now proposing to tax. This will eventually result in higher governmental costs, and this country cannot much longer stand this continued increase of governmental cost.

The wage and salary levels are either too high, proper, or too low. If it is found that the average salaries and wages are on proper levels, then in all probability this tax item will be absorbed by governmental units and thereby increase governmental cost.

Taxation of governmental securities, salaries, and wages of officers and employees is not the answer to this question. The answer is, first, the determination by each of the respective governmental bodies whether its salaries are or are not too high. After this has been determined, these same governmental units should fearlessly and fairly make the proper corrections where called for.

I have had much experience along this line, not only with salaries, salary increases, and so forth, but with the problem of the ability of the Government to pay and, most important, the ability of the taxpayer in turn to pay taxes to sustain government. In 1931-32, when the county of Los Angeles was in bad financial condition—and still is—the 14,000 employees of that county came forward voluntarily before our board to take salary and wage cuts from 10 to 25 percent, with the understanding that such cuts would be restored the next year if the county was able. The county was not able, and these cuts were not restored until 1936-37.

During these same years, and continuing until the present, the group advancements under civil service and the charters of that county were not, and are not now, operating for the reason that the county cannot pay. These employees have willingly and cheerfully under their sound leadership accepted these things. Now, to come in under these new conditions and tax them, which is equivalent to cutting their salaries and wages, appears not only to be unfair but highly impracticable, for if these salaries and wages are at the present time, let us say, proper, and this cut occurred, the same salaries and wages will finally be raised—and the

burden of this raise will fall on whom? The governments first, then the taxpayer last.

Practically the same argument holds for governmental bonds and securities. As soon as you tax these, the interest rates will go up, and government in the long run will pay the bill and hold the sack.

The only final result accomplished will be that our people will be throwing more money into that bottomless abyss of expenditure, fed by the tax collector.

Again the answer is not the continual seeking of new sources of taxation but, rather, the cessation of this tremendous spending program and the lessening of the tax burden on all our people.

I am not going to vote, and hope this House will not vote, any more taxation upon any of our people; but hope they will vote to balance our Budget by the cessation of those tremendous expenditures on the debit side, and quit putting the Federal money in places and upon things that are not real functions of government and where the Federal Government has no business.

Mr. TREADWAY. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, the measure we have for consideration this afternoon deals with two propositions—the first title providing that all persons employed by an instrumentality of the Government shall pay Federal income taxes the same as anyone else—provided their income warrants it.

As the situation now stands, anyone employed by the Federal Government does not pay State income taxes on his salary; and anyone who is paid by the State, county, or other municipality—no matter what salary he gets—is exempt from paying Federal income taxes.

The second title of this bill simply states that the Federal Government cannot go back of January 1, 1939, to collect income taxes from persons who received their income from municipalities. This comes about because the Treasury Department has ruled, on the basis of a recent court decision, that it has a right to go back for a period of 12 years and collect income taxes for those years from people who received their income from the various subdivisions of our Government. To do this, of course, would be unfair—because they have always believed they were exempt from such taxes.

During the few minutes allotted to me, I shall discuss the first title of the bill. Most of the objection to this title is on the ground of its constitutionality—the question involved being whether or not the Federal Government has a right to tax the State or other municipality. I do not claim to be a constitutional lawyer. The question has been well presented on both sides. In view of the sixteenth amendment to the Constitution, adopted by the people of this country, the Federal Government has a right to collect taxes on income from whatever sources derived. This measure is not a tax on a State or subdivision of the State. It is a tax on incomes of a group of people who have heretofore been exempted.

I believe it would be better if the question could be submitted as a constitutional amendment and let the people pass on it. Congress has had a chance for many years to do this thing and has failed to do it. It seems to me that this is only a problem of straightening out an inequity which has heretofore existed.

This measure provides that persons who are employed by the State, the county, or by any institution of the State, including your governor, your attorney general, and your State university and other State institutions, if you please, shall pay the same Federal income taxes as the farmer or the merchant or the carpenter or anyone else would pay, subject, of course, to the right of the same exemptions.

It also means that the great army of Federal employees, numbering in the hundreds of thousands, including the Members of Congress, will pay, in addition to their Federal income taxes, whatever income taxes are levied by their various States.

Certainly, in my judgment, there is nothing wrong with that principle. There can be no reason why the salary or

income paid to an individual by a State should be exempted from taxation any more than the income of the railroad man or the oil-field worker or the farmer. And, as I said before, everyone is entitled to exactly the same exemptions. It is only fair that everyone should pay according to his ability to pay, and every American citizen should want to contribute to the support of the Government which protects him.

A number of Members on the floor this afternoon have used the famous quotation that "the power to tax is the power to destroy." I believe, in the light of our recent experiences, that the greater danger right now, so far as our country is concerned, and so far as this Congress is concerned, is that the power to spend is the power to destroy.

The great trouble with this Congress during the past few years, is not so much the power to tax, but the power it has used in spending the taxpayers' money. I know, as well as you do, that it has been necessary to spend vast sums of money, and we are going to continue to spend millions—even billions—before the close of this Congress, according to the program that has been set before us. Some of it, of course, will be necessary, but I wish I had time to call your attention to the millions of dollars of the peoples' money which we are about to spend for so-called objectives, that are unnecessary. For instance, the recent administration approval of the Florida ship canal project which will require an expenditure of about \$200,000,000. This is only an example of the many propositions which have been and will be submitted to this Congress for its approval. If we are going to reduce taxes, we will have to quit spending so much money.

The right to levy and collect taxes still lies with the Congress. I do not think Congress, representing the people of this country, will abuse its authority in that direction. I am fearful of its authority and the pressure that is brought upon its membership, to make unwise expenditures and permit waste of the funds that must be paid out of the pockets of the people of this country. [Applause.]

Mr. TREADWAY. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, we have been here now for more than 2 hours and we have listened to some very brilliant and elucidating arguments with the result that the subject matter has been very well covered. I shall not flatter myself with the hope or the thought that I can say very much that is new. Nearly every possible aspect of the case has been touched upon, but if you will bear with me, during the time I have I should like to recapitulate the salient features referred to in this discussion.

In the first place, you have heard a lot about the constitutionality of the measure. I should like at this time to lay down a challenge to those who favor the passage of this bill and are to follow me. I should like to challenge them to point to a single sentence in any decision of the Supreme Court that sustains the constitutionality of this bill. That cannot be done, because it has not been written into any law or into any decision anywhere by the Supreme Court of the United States. Let me go a little further with reference to this point, perhaps, at the expense of repetition.

The case of *McCulloch* against Maryland decides what? It decides that a State cannot tax an instrumentality of the Federal Government. That case has never been changed, never been repealed, altered, or challenged. It is the law today.

Let us consider the reverse of this proposition, where the Government of the United States sought to levy a tax on a State official. That case is distinctly and directly in point, and the Court held in *Commissioner* against *Day* that the United States could not levy a tax on a State official. This case is still the law there.

Let us consider the third class. There has been some comment here about the fact that there is some confusion with reference to the passage of the sixteenth amendment. What does the sixteenth amendment do? It does just the one thing that it was intended to do. We could levy an income tax before the sixteenth amendment was passed. There is

no reason why the Congress of the United States could not levy a tax before the sixteenth amendment, but it was so impractical that it was not done. Why? Because the Constitution provided that the taxes thus collected had to be apportioned. What does "apportion" mean in this connection? That the tax collected would have to be apportioned in a lump sum to the various States. The sixteenth amendment did away with that apportionment and provided that a tax may be levied and collected individually by enactment of the Federal Government. There is a case that passed on the sixteenth amendment, and that is the case of *Evans against Gore*. That decision in that case holds that the sixteenth amendment did not provide for anything except to remove the necessity of apportionment. If the constitutionality of this bill cannot be established, then we ought to dispose of this proposition.

Let us pass to the more practical phases of this bill. Many Members have discussed them. One man says that it would not be comfortable for us if we fail to vote for this bill because someone will ask us back home why we did not vote to tax our own salaries. I have not time to discuss that, but I am perfectly willing to pay a State income tax as I am now and have ever since I have been a Member of Congress paid a Federal income tax. But I am not in favor of changing the form of our government every time a bunch of irresponsible New Dealers ask that it be done.

There are 17 States of this Union that do not have an income tax. The efficiency and beauty of any law is in the generality of its enforcement. This law would compel 17 States to do something they may not want to do. At least they have not done so yet. I do not profess to speak for all of them, and I do not profess to speak for the great Commonwealth of Ohio, except as I speak as one Congressman. We do not want this income-tax bill forced upon us. We want to pass our own income tax in our own way and in our own time. We have plenty of intelligence in our Ohio Legislature to pass an income tax when our people are ready for it. We do not want this Congress to say to us that we must pass an income tax in order to protect ourselves against the Congress. Those of you who want to find some comfort in your vote today should remember that on the stump you said that you stood for economy and against any new taxes. Here is the time to make your promise good to the people and stand against any new tax, and especially those of you who come from the States that do not have an income tax today.

I have heard some of you say that you will vote for the retroactive feature of this bill, that you are not in favor of title I, but you are in favor of title II, the retroactive feature. I shall now make a positive statement that may startle you. I say to you that title I is absolutely unnecessary if title 2 is necessary. What does title 2 do? It is retroactive. It prevents the Treasury Department from going back 2 or 3 years and levying a tax on school teachers and policemen and thousands of others in your State. If they have a right to collect that tax 2 or 3 years back without any law why have not they the right to levy it forward now without this law? [Applause.] Who can explain that to me? I repeat, if they have a right to go back and tax school teachers and the policemen and the firemen of your community, they must do it by virtue of some law, by some semblance of a law. If they can collect 1937 tax legally then they can collect 1940 tax legally. Of course, sometimes they do not pay much attention to the law down there, but they must act on some semblance of law. If they can go back and you want to prevent them from going back 2 or 3 years, why can they not go forward without this law? The honest way to go forward is not by force of numbers but the proper way is to submit this proposition to the people and let them pass on it by a constitutional amendment in an orderly way as the Constitution provides. I say to you that it is not their purpose to proceed that way. Their purpose as brought out in the hearings before the Committee on Ways and Means—that purpose is to drive this bill through the Congress and depend on the newly

packed Supreme Court to sustain it. This is a most dangerous step and should be resisted by all of us.

Mr. DINGELL. Will the gentleman yield?

Mr. JENKINS of Ohio. I do not yield.

Mr. DINGELL. Are you impugning the Supreme Court set-up?

Mr. JENKINS of Ohio. I say I do not yield to the gentleman now.

I was about to say, Mr. Chairman, that the smartest man on tax matters in the United States that I know, is Dr. Magill, who until recently was the able Under Secretary of the Treasury. He is a Democrat, I believe. Only last year, in public utterances in different places, and before our Ways and Means Committee, he stated that it was not the policy of the Treasury Department to proceed in the manner that we are proceeding here today. He said it was the plan of the Treasury to bring this question before the people by proposing a constitutional amendment. Why is it not being done?

I say to you there is not anybody who will follow me today on this floor who will say he has any constitutional ground whatever to support this statute, and that they confidently expect it will be challenged; that it will go to the Supreme Court; and that by that course they will thwart the people in their desire to express themselves. Now, if you support this bill you are going to abandon the path that the American Nation has followed for 120 years. Chief Justice Marshall put our Government in that path. Daniel Webster helped to put our feet in that path. We have been treading that path for 120 years; a certain, definite path; a path upon which the economic structure of this the greatest nation in the world has been built. Now, today they are asking you in a slipshod way to pass a law that they themselves, the Department, just last week, before the Ways and Means Committee, said they have no definite idea of what will happen, but they know they can get this into the Supreme Court of the United States. The question was asked them, "Do you think you can get a decision from the Supreme Court any quicker than you can get a decision from the American people by submitting a constitutional amendment?" That is the way it stands. [Applause.]

At the risk of repetition I am going to elucidate somewhat on what I have already said by referring again to the Supreme Court decisions. There is one case that stands out preeminently among the judicial decisions of the Nation as they apply to the power of the Federal Government and the power of the States to levy taxes. That case is the case of *McCulloch v. Maryland* (4 Wheat. 315). The decision in that case was written by John Marshall and one of the attorneys in the case was Daniel Webster. One of the most significant sentences in American legal decision is a sentence spoken by Daniel Webster in his argument before the Court in that case and the same sentence is carried by John Marshall in his opinion. Here is the sentence: "The power to tax involves the power to destroy." The case of *McCulloch* against Maryland holds, first, the Government of the Union, though limited in its powers, is supreme within its sphere of action, and its laws when made in pursuance of the Constitution form the supreme law of the land; second, the State governments have no right to tax any of the constitutional means employed by the Government of the Union to execute its constitutional powers.

Probably the most significant paragraphs in this masterful opinion by Chief Justice Marshall is the paragraph where he seeks to impress the importance of the question under consideration and the paragraph where he outlines the dangerous extremes to which the States might go if permitted the unrestricted power to tax Federal activities. These paragraphs are as follows:

In the case now to be determined, the defendant, a sovereign State, denies the obligation of a law enacted by the Legislature of the Union, and the plaintiff, on his part, contests the validity of an act which has been passed by the legislature of that State. The Constitution of our country, in its most interesting and vital parts, is to be considered; the conflicting powers of the Government of the Union and of its members, as marked in that Constitution, are

to be discussed, and an opinion given which may essentially influence the great operations of the Government. No tribunal can approach such a question without a deep sense of its importance and of the awful responsibility involved in its decision. But it must be decided peacefully or remain a source of hostile legislation, perhaps of hostility of a still more serious nature; and if it is to be so decided, by this tribunal alone can the decision be made. On the Supreme Court of the United States has the Constitution of our country devolved this important duty.

If the States may tax one instrument, employed by the Government in the execution of its powers, they may tax any and every other instrument. They may tax the mail; they may tax the mint; they may tax patent rights; they may tax the papers of the custom-house; they may tax judicial process; they may tax all the means employed by the Government to an excess which would defeat all of the ends of government. This was not intended by the American people. They do not design to make their Government dependent on the States.

The Supreme Court has never reversed *McCulloch* against Maryland. It is still the law. If the activities of the Federal Government cannot be taxed by the States, by what right or authority can any action of Congress give to the States this authority? Congress does not have such power. The language of section 3 of title I of this bill under consideration is truly appalling when we consider that the Congress of the United States assumes to speak for the United States of America in a very presumptuous manner. The language that I refer to is the following:

The United States hereby consents to the taxation of compensation—

And so forth, of officers and employees of the United States or any agency or instrumentality of the same. It strikes me that this is a most unusual situation.

Surely it was never intended that the Congress of the United States should by the wave of the hand, as it were, give away rights and privileges and liberties of the whole United States. Would it not be more sensible to assume that in such an important matter as this that the best thing Congress could do would be to prepare the way for this important matter to be submitted to the people for their ratification or rejection by a referendum vote on a constitutional amendment?

Considering further the question of whether the Federal Government can tax an instrumentality or an agency of the State government. This question came up for consideration by the Supreme Court as the result of an income-tax law passed by Congress in 1864. The case I refer to is the case of *Collector v. Day* (11 Wallace, 113) and decided in 1867. The syllabus of this case contains but one paragraph of a few words. It is as follows:

It is not competent for Congress under the Constitution of the United States to impose a tax upon the salary of a judicial officer of a State.

From this syllabus it might be argued that the Court considered only that this was a "judicial officer of a State," but the opinion of the Court went much further. It held that since the Supreme Court had held in *Dobbins v. Commissioners of Erie County* (16 Pet. 435) that a State cannot tax the salary of an officer of the United States and the United States cannot tax the salary of a State officer—a judge. The Court in its opinion in this case said:

It is admitted that there is no express provision in the Constitution that prohibits the general government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that government. In both cases the exemption rests upon necessary implication and is upheld by the great law of self-preservation; as any government, whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government. Of what avail are these means if another power may tax them at discretion?

In conclusion, let me say that this bill comes to us from the Treasury in a manner that will excite the suspicion of anyone who will take the time to investigate its genesis. It is an attempt to do in a new way what until very recently the Treasury had intended to try to do in the ordinary way as provided in the Constitution. It is a dangerous experiment by a few young "brain trusters" who now represent the depleted and unbalanced Treasury. They are seeking a new field of taxation where they can gather in additional millions that they might keep up the wild spending orgy

which has now continued for about 6 years. Their purpose is to blot out State lines as much as possible. They know that then the Washington Government will transcend the States. This reciprocal program that they seek to set up in this bill is largely a myth. If this bill is passed and this program carried through it will be seen that the Federal Government will draw into the Treasury from the millions of State and municipal officials and activities much more money than the States will ever be able to draw from the Federal officials. I hope that this House today will decide to stand by John Marshall and Daniel Webster as against this coterie of unknown "brain trusters" who seem to have full sway with the treasury of the richest nation in the world.

As sure as "the power to tax is the power to destroy" so sure is this ill-begotten piece of legislation sure to be the beginning of years of strife and litigation between the sovereign States and the sovereign Government. It is unfortunate that we jeopardize the very perpetuity of the Nation in a program of destructive taxation to meet the demands of an extravagant administration when with the application of more patriotism and more thrift we could put our country on the highway of prosperity where the States would continue to carry on in the sphere which has made them a most glorious galaxy of sovereign States and where the Federal Government could continue to operate strictly within its sphere in such a way as to be the supreme power which the founders of the Republic intended it should be when the Thirteen Original Colonies set it up. [Applause.]

Mr. McCORMACK. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, my colleague and fellow member of the committee, the gentleman from Ohio [Mr. JENKINS] made a certain challenge. Of course, I think it is useless to attempt to answer him on his challenge. However, I do want to point out the fact that certain Members entertain the idea that to submit a matter to the Supreme Court as at present constituted, is entirely wrong. I personally resent this slur upon the present Supreme Court. Aside from personnel it is no different today in its steadfastness and loyalty to the Constitution and the principles of this Nation than the Supreme Court of yesterday. I am perfectly willing to submit any legal question or congressional action to the Supreme Court for its review and decision.

Just from the standpoint of the plain, ordinary layman, I cannot make any distinction as to income. I do not think the sixteenth amendment makes any distinction. It states plainly and in unmistakable English that income from whatever source shall be taxable. There are no ifs, ands, or buts about it. The apportionment feature of the sixteenth amendment has nothing to do with the fact of the taxability of the income. The sixteenth amendment was specifically brought forth and ratified by three-fourths of the sovereign States in order to correct this abuse and to bring under the taxable power of the Federal Government all income. To my lay mind, there is not any question at all as to what the people intended when the Constitution was broadened by addition of the sixteenth amendment; and they are a power even above the Supreme Court.

Mr. Chairman, I have been interested in this subject ever since it was brought out by the decision in the Gerhardt case.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I refuse to yield.

At the time the Gerhardt decision was handed down it was established that a definite threat of financial ruin faced our municipal, State, and county employees, and it was imperative that something be done at the earliest possible date to eliminate that threat. The action of the Court might correctly be interpreted as legislation by judicial decision. We are convinced now that the time has come when all of the taxpayers of the Nation should be treated alike and that every possible safeguard be given employees heretofore exempt; however, there is absolutely no excuse or reason why a businessman, or an employee in private industry should pay a Federal income tax while State and municipal employees are exempted. Aside from that, it might be said

that there is nothing coercive about this bill, forcing the States to adopt income taxes in order to meet the action of the Federal Government. I think such arguments are entirely beside the question. It is a clean-cut issue of establishing and maintaining under judicial interpretation or otherwise, a privileged class who are freed from income taxes, while others must pay them.

So far as I am concerned, my course is clear and well defined. I am going upon the assumption that the Supreme Court will make a decision when the matter is properly presented. More than that, we know that if this House were to vote on legislation only after passing upon constitutionality, according to our individual opinions, we would never pass any legislation.

Obviously, we cannot predict what the Court might do in a given instance. I want to say right now, and I think the Record will bear out what I say, that when the Guffey coal bill was before us and the question of constitutionality was discussed on this floor, the gentleman from Ohio [Mr. JENKINS] did not hesitate to vote for that bill. He voted for it without any mental reservation or any argument whatsoever, because in his district it was considered politically a good bill to vote for.

Mr. Chairman, the bill before the Committee is made absolutely necessary by the decision of the Supreme Court in what is known as the Gerhardt case. Up to the time this decision was rendered all State, county, and city employees, by a previous decision of the Supreme Court, were made immune to Federal income tax, but through the reversal of the Court in this matter all these same employees became subject to Federal taxes and likewise became subject to back taxes for a period of, I believe, 12 years.

More than that these employees were liable, and most certainly would be called upon to pay compounded interest and penalties.

The Commissioner of Internal Revenue was not only obliged to collect the taxes due but had no discretion in the matter of compromising any disputed amounts. As a consequence hundreds of thousands of municipal and State employees throughout the Nation were faced with financial ruin. The retroactive imposition of taxes under the decision would have been a merciless and destructive course to follow. The dictum of the Court was final. The Treasury Department was definitely charged with collecting these taxes, and it became necessary for the Congress to act in order to protect the homes and the meager savings of school teachers, firemen, policemen, and other non-Federal Government employees.

The Ways and Means Committee very wisely, and therefore properly, defined the powers of the Internal Revenue Division of the Treasury Department by limiting the imposition and collection of taxes insofar as non-Federal employees are concerned and confined this power to the future. Retroactivity under this bill is definitely and, insofar as I am concerned, permanently out of consideration. Of course, we do not know what the Senate might do, but, insofar as I am concerned, I shall stand opposed to the retroactivity feature to such an extent as to even vote against the final adoption of this bill should it be amended in this respect by the other body. I say this in spite of the fact it is a bill which originates in my committee and which is intended to render definite relief. The most obnoxious feature of the proposed law naturally would be the enactment of the retroactive clause.

The bill before the House parallels the decision of the Court, excepting that it does not permit collection of back taxes and of the attendant penalties and compound interest. Moreover, it provides for refunds where taxes were paid by employees who, under the law, were not heretofore taxable.

This bill through the reciprocal-taxing privilege while assuming the right to tax non-Federal employees of States, counties, and municipalities, at one and the same time grants to the States the right to impose and collect State income taxes levied upon Federal officials and employees. This, of course, applies only where States have enacted income-tax laws.

I venture to say, Mr. Chairman, that hundreds of thousands of our best citizens employed by the local governments

will breathe a sigh of relief when this bill passes. This class of citizen never sought to evade the payment of taxes. It was only through the action of the Supreme Court that they were made immune, and it would have been nothing short of tragic for Congress to permit this belated reversal on the part of the Court to bring about full restitution.

I personally cannot see anything partisan in the bill before the Committee. I think our Republican friends on the left-hand side of the aisle should be as much interested in eliminating this destructive threat as are the Democratic Members of the majority sitting on my right.

I trust that in the spirit of true Americanism and as good citizens and as Representatives of our respective districts that the membership of the House, generally, will vote to pass the bill by an overwhelming majority. These employees will pay their taxes to the Federal Government as the law originally intended and will do so without complaint. I do not believe they assume for themselves the status of privileged tax-free citizens. Inasmuch as the bill provides for reciprocal taxation on an equality basis, there can be no question of the fairness of the Federal Government toward the States.

Frankly, Mr. Chairman, I will feel a whole lot easier regarding the lot of hundreds of my constituents who through the passage of this bill will be saved from financial ruin.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I would like to be informed by the gentleman from Massachusetts, who I know is a member of the Committee on Ways and Means, in whom I have the greatest of faith, whether or not we are going to get an opportunity in this Congress to write into the laws of this country a measure to tax the \$50,000,000,000 or more of tax-exempt securities now outstanding and to be issued in the future.

Mr. McCORMACK. The proposal to tax exempt securities is being heard before a committee of the Senate. I do not know why the Senate committee is hearing it. The Ways and Means Committee of the House will conduct hearings on it later.

Mr. O'CONNOR. I may say to the gentleman from Massachusetts and to the Members that I could not conscientiously vote to place a tax upon the income of the poorly paid public servants, including teachers, of this country, who render the highest degree of service of any public servant, yet who are paid the lowest wage. I believe in placing the tax burden upon the people best able to bear it, those who own perhaps fifty or sixty billions of dollars' worth of the wealth of this country in the form of tax-exempt securities, upon the income from which they are not paying one single dime of taxation. Such a bill should be brought before this House. Congress should be given the right to say whether we shall tax them.

I shall, however, upon the word of the gentleman from Massachusetts to the effect that the proposal to tax tax-exempt securities is now being heard before a committee of the Senate, and his further statement that the Ways and Means Committee of the House will later conduct hearings on such proposal, support and vote for the pending measure.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I yield 1 additional minute to the gentleman from Montana.

Mr. O'CONNOR. As I said, I will vote for this bill because I am confident from the answer the gentleman gave that such a bill as I plead for is now in the making. I know my farmers in Montana pay taxes three ways. They pay an income tax to the Federal Government; they pay an income tax to the State, and also a tax on their property. Every man or woman who draws a salary should bear his or her proportionate burden of taxation, but, likewise, the people who own this tremendous amount of bonds, the income from which is tax-exempt, should be required to bear their share of the burden; in other words, place the heavy burden of taxation upon those best able to bear it.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes; if I have time.

Mr. WADSWORTH. Does not the gentleman understand that the President in his recommendation on that subject suggests the imposition of a tax on securities hereafter to be issued?

Mr. O'CONNOR. I do not know what he recommends, but for 20 years I have been asking that these tax-exempt securities be taxed. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, this bill is not a matter of levying new taxes; it will not impose an income tax on anybody who does not have an income large enough to come within the scope of the present tax laws; in other words, people who receive small salaries from public funds will be exempt, just as are those who receive small income from other sources, if this bill passes.

I think this is an excellent bill. I think it is a very well balanced bill. I think it makes a very much needed reform in our tax law. After all, the number of public employees is increasing. The tax burden is heavy. How, therefore, can one defend a situation where the very people who receive those tax funds as salaries are themselves exempt from taxation? The Ways and Means Committee obviously cannot levy taxes on behalf of the States against the salaries of Federal employees. I presume if they had that power they would have included it in this bill. They have gone as close to it as they could. It seems to me this is a very well balanced bill and a thing which the country will recognize as a decided improvement over existing laws fixing tax liability.

I believe very much, as I have said before on the floor, that one of the greatest needs of this country is an increasing sense of the interdependence of all groups in this country of all kinds of people; and I hope the passage of this bill will help to build up this kind of spirit and understanding among the people. I am therefore very much in favor of it. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, I have been, I think, one of the liberal Members on this floor, and I do not want to go reactionary on anything. I do, however, want to raise a question here as fully as I can go into it in 2 minutes. We have a theory of government in this country that sprang from something, and that something still exists if our Government exists under the theory on which it began. Now, what is sovereignty?

When you say "a sovereign State," you do not refer to the sovereignty of a subdivision of this Nation. There is no such thing as State sovereignty. This is a dual form of government it is true, but we have the central government here. The sovereignty is in the people. They reside in States, but there is actually no such thing as the sovereignty of a State.

I have every sympathy for the purposes of this bill, I have every feeling for the thing it intends to accomplish, but I cannot vote for title I on account of the way I feel about the security of Federal sovereignty, and our national form of government here, our dual form of government. In other words, here we have the central government with its activities, and then a subdivision, a State, reaching up and attaching—and I use that word only in the sense of what will result from this bill—laying hold of the central government through the medium of taxation, reaching out through its taxing power and taking hold of that which emanates from the central activity of the Nation's life. I cannot lend my vote to a measure that must encourage further encroachment upon our original plan of government, so that States, cities, and so forth, may, with the overpowering and destroying power of taxation lay upon that which emanates solely from the Government itself. To adopt this principle may lead us into future complexities and injustices that

will likely cause universal regret and general trouble in the land.

So I think there is a fundamental American principle and theory of government we are here approaching. For this reason I am going to vote against title I of the measure. [Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Chairman, my colleagues who have spoken previously on the measure before us have informed us that this proposed legislation is before Congress because of a recent Supreme Court decision and a letter to Congress from the President of the United States. The President asks if the words written into the Constitution do not mean exactly what they say; namely, that the Government can tax "income from whatever source derived." That sounds plausible and reasonable, but upon further analysis you can readily see that it might have far-reaching consequences. If the Federal Government can tax State bonds or the income from them, or tax the salaries of State officials, as well as the income of the various taxing units of the State and their employees, then we might justly ask, could not the Federal Government, by taxation, destroy State and local sovereignty? It is truly said that the power to tax is the power to destroy. Congress should not act hastily on this matter but should consider it from every angle.

The chairman of the Ways and Means Committee is presenting to the House a bill that deals with this subject. Hearings were held on this legislation, and the committee has reported a bill carrying two titles. Title I of this act relates to the taxing of employees of the State and the subdivisions thereof. It also grants the States the reciprocal right to tax the employees of the Federal Government who are living within the borders of that State. Title 2 of this bill deals with the retroactive taxes which are due the Federal Government as a result of the Supreme Court decision rendered in the case of Helvering against Gerhardt. This section of the law should be enacted immediately in order to clear up the confusion and afford relief to State and local employees who might be subject to retroactive taxation due to the recent Supreme Court decision.

It is my contention that there can be no justification for those on Federal or State pay rolls escaping their share of the taxes. However, in our effort to tax them we must be very careful or we may create a situation that will destroy the very democracy of our Nation. This taxing power could easily be carried so far as to completely centralize our Government. We could easily become a totalitarian state or nation. There is no question but that the citizens of the various States can adopt a constitutional amendment that would provide for this tax as well as other taxes on the States and their subdivisions. There is serious doubt as to whether Congress can by legislative enactment tax the States and their employees without the consent of the State. The testimony produced at the hearing informs us that granting the Federal Government the power to tax State employees cannot be considered as a revenue producer. Under existing tax laws it is estimated it would not produce over \$16,000,000. In 1937, 2,300,000, or 90 percent of the State and local employees, received salaries of less than \$2,500. Therefore, they would all come within the \$2,500 Federal income-tax exemption. Should the Federal Government materially reduce the tax exemption in the future it would greatly increase the revenue. The expenditures of our National Government are increasing so rapidly that most everyone agrees it is only a matter of time until these exemptions must be materially reduced or new sources of revenue must be secured.

It is unfair and unjust to our citizens to continually add tax burdens and make no effort to reduce Federal expenditures. For the next few minutes I want to discuss our Federal indebtedness and our Federal expenditures. The Federal Government has spent \$62,000,000,000 in the last 10 years. If you remove the expenditures incurred during the World War, this amount equals the total amount of money spent

by the Government from the day of George Washington's inauguration until the first day of President Hoover's administration.

It is interesting to note that in 1930, before the deficit began, the Federal debt stood at \$16,185,000,000. In the message as submitted to Congress by the Bureau of the Budget we find at the end of the fiscal year 1940, according to their estimates, the debt will have reached the enormous total of \$44,458,000,000. In other words, we have added a debt of more than \$28,273,000,000 in 10 years.

The Roosevelt administration is responsible for all of this amount with the exception of approximately \$5,000,000,000. It has been the theory of the present administration to secure recovery by pump priming or bring about prosperity by spending borrowed money. The facts are that in 1932 we had a national income of \$40,000,000,000. In 1938 it was something over \$60,000,000,000. These results should prove to anyone that we cannot spend borrowed money continually and secure national prosperity and security. This excessive spending and taxation of our citizens and industries paralyzes business, destroys confidence, and increases our unemployment problem.

On February 1 of this year the national debt amounted to a new all-time high of \$39,684,970,614, and the deficit for the fiscal year beginning last July 1 is over \$2,000,000,000. At the present rate it will be well over \$3,000,000,000 by June 30. At the present time the Federal Government is spending money at the rate of \$18,000 per minute. If we total the expenditures of the State, county, and local governments, we will find it approximates \$17,000,000,000, or more than 25 percent of our national income. This means that every citizen must work 1 day out of every 4 for the Government.

Unfortunately, many of our citizens are led to believe that the rich are going to pay the taxes, that the Federal Government should never hesitate to spend money, as the taxes are always paid somewhere else or by someone else. For your information I am submitting a recent quotation from Roger W. Babson on this subject:

Last year public spending, including not only the Federal but the State, county, and local governments, totaled \$17,000,000,000. This represented more than 25 percent of the national income. Add up the number of individuals getting support from the Government. My figures show 25,000,000. One person out of every six gets his livelihood from the Government. There are only 51,000,000 workers who should be gainfully employed. This means that every private wage earner is not only supporting his family, but another person, on the public pay roll.

Just for illustration, let us take a family which earns \$37 a week, \$150 a month, or \$1,800 a year. Studies show that such a family spends about \$10 per week, or \$500 a year, on food. Of this, 70 cents per week, or \$35 per year, represents hidden taxes. Each year these taxes add over \$5 to the milk bill, \$9 to the butcher's statement, \$5 to the butter and egg man's bill, \$5 to the baker's charges. On every roast of beef there are 127 hidden taxes; on every loaf of bread, 53 unseen taxes.

The average family probably spends \$30 per month for rent. Of this amount, \$7.50 per month, or \$90 per year, is for local taxes. Each year the automobile eats up \$175 of the family's income. In this amount is \$35 for the tax collector. The same official, through 79 separate taxes, takes \$5 out of a \$50 suit. With 143 different taxes, he grabs 50 percent of the price of a package of cigarettes. This newspaper is paying 83 taxes you readers know nothing about. Every movie ticket carries 61 hidden donations to the Public Treasury. And when someone dies, these invisible taxes hit a record high—there are 157 of them.

All told, this average family—which owns no real property and thinks it pays no taxes—forks over \$230 to \$240 of its annual income of \$1,800 for hidden taxes. This represents one-seventh of the total income. It means that for every 6 days the family bread-winner works for himself, he works 1 for the tax collector. (In the case of very wealthy people the reverse is true; they work 1 day for themselves and 6 for the public.) The significant point is that these unseen taxes are rising every year. In 1933 the hidden tax collector forced the wage earner to work only 1 day in 10. How soon will he be working 1 day in 3?

Every dollar that must be spent for taxes by the average citizen is just \$1 less for him to spend for the necessities of life, the conveniences of life, and the luxuries of life. There are so many hidden taxes, which are sometimes called painless taxes, because they are easy to collect, that the average taxpayer does not realize he is paying them. In reality, the butcher, grocer, and landlord actually are tax collectors by adding to the price of his goods the taxes that are placed

against them. In other words, you pay taxes whether you own property or not, which is contrary to general belief.

A group of accountants and experts for the State Committee for Florida Tax Information have compiled much information regarding hidden taxes, and I am asking unanimous consent to have this table inserted in the Record at this point:

20 cents of every dollar you spend goes for hidden taxes

If you spend	\$100 per month		\$150 per month		\$300 per month	
	Amount	Taxes	Amount	Taxes	Amount	Taxes
Expenditures divided as follows:						
Rent	\$20.00		\$30.00		\$60.00	
Hidden taxes		\$6.00		\$9.00		\$18.00
Food	43.00		45.00		72.00	
Hidden taxes		6.88		7.20		11.42
Clothing	12.00		18.00		42.00	
Hidden taxes		2.40		3.60		8.40
General household expenses	11.00		15.00		33.00	
Hidden taxes		1.37		1.80		2.25
Miscellaneous	6.00		7.50		23.00	
Hidden taxes		1.05		1.27		4.02
Amusement	2.00		5.00		12.50	
Hidden taxes		.40		1.00		3.50
Automobiles			21.00		40.00	
Hidden taxes			4.62		8.80	
Insurance	5.00		7.00		15.00	
Hidden taxes		.21		.31		.67
Social-security tax	1.00		1.50		2.50	
		1.00		1.50		2.50
If you spend (per month)	100.00		150.00		300.00	
Taxgatherers get (hidden taxes)		\$19.31		\$30.30		\$59.56
Percentage of taxes to total expenditures		19.31		20.2		19.8

Producers, processors, manufacturers and distributors must include the taxes they pay into the cost of their products—therefore, taxes are paid by the ultimate consumer.

There are evidences that this session of Congress will do what it can to reduce Federal expenditures. We should have the cooperation of the President of the United States, but I am afraid that he has in mind greatly increasing the present expenditures. The Budget he presented to Congress called for an outlay of \$9,000,000,000. Since that time we have received additional items suggesting the expenditure of enormous sums for national defense; a suggestion that we construct the Florida ship canal, which has been disapproved by every agency that has investigated it, with the exception of specially appointed commissions, at a cost of \$200,000,000; a suggestion that we carry into completion a wild dream of harnessing the tides at Passamaquoddy at a cost of \$30,000,000.

It is time to call a halt to these wild and extravagant expenditures. [Applause.]

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I yield the balance of my time to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, it seems to me that about all the arguments that can be made for and against this bill have been made. I want to speak very frankly to Members on both sides of the House today.

No matter how anyone votes on this bill, I shall not question his motive at all. We are all sworn to preserve, protect, and defend the Constitution, and that, of course, is our responsibility. It is an individual responsibility and it is a tremendous responsibility.

Mr. Chairman, I was very anxious to find out whether or not this bill is or is not constitutional. I know, and you Members must know, that down in the Department of Justice all the legal lights there have studied and combed the decisions of the Supreme Court of the United States and other courts have prepared a book which they have sent, I believe, to every Member of Congress, trying to lead the Congress to enact this legislation. When the attorney who had made this study appeared before our committee I asked him this question:

Do you personally entertain any doubt as to the constitutionality of the proposal which is brought here?

Mr. MORRIS. I do not think I would be candid if I said that the question was one without doubt.

I then asked him this question:

We are in this position: This Congress is being asked to pass such an act, notwithstanding doubt as to the constitutionality of it?

Mr. MORRIS. I am not sure whether Congress would have any doubts about it or not. That is for you gentlemen to determine.

That is after this expert on constitutional law has studied this proposition ever since the President's message came in, yet he is not free from doubt as to the constitutionality of the measure.

Do not misunderstand me. Every man on this floor is on the spot.

You are confronted with what we have stood against not only on this side but on the other side of the House for the last 6 years, and that is having a measure brought in here that is clearly unsound or unconstitutional in one part and in another part has something we should all like to support. You are all on the spot. Logically, since the same principle is involved, there should have been brought in here a bill dealing not only with the mutual taxation of Federal and State officers but also the mutual taxation of Federal, State, and municipal bonds.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I cannot yield. I have only a very few minutes.

Those features should be in one bill, and they are what we should be passing on. But no, you have inserted in this bill something that terrifies the school teachers, the policemen, and the firemen and causes them to bring down upon the heads of Congress pressure to pass another part of this bill which many of you are convinced is unconstitutional and about which others entertain serious doubt.

Now, I want to call the attention of the Members of the House to what you are asked to do. I want you to understand clearly the history of our income-tax laws as they affect State officers and employees.

I wish you to keep clearly in mind that under the 1913, 1916, and 1917 Revenue Acts we specifically exempted State officers and employees from Federal taxation.

But this exemption was removed in the 1918 Revenue Act.

I want you to keep in mind that for the past 21 years there has been no exemption in the revenue acts for State officers and employees, except that in the 1926 act Congress exempted from retroactive taxation State officers and employees who had relied on exemptions contained in the Treasury regulations from 1918 to 1924.

Bear in mind that there has been nothing to prevent the Commissioner of Internal Revenue going to the Supreme Court to test this question of the taxation of State officers and employees except the Treasury regulations and an opinion of the Attorney General following the 1918 act.

For the purpose of clarification, I wish to mention that the Attorney General in construing the act of 1918 ruled that, notwithstanding the removal of the exemption in the 1918 act, the Federal Government could not tax State officers and employees.

Now, then, bear this in mind: That the Treasury regulations followed that ruling of the Attorney General up to and including the Revenue Act of 1924. Therefore, except for that ruling and the Treasury regulations, there was no exemption in the law to prevent this question's being tested in the courts.

Following the 1924 act, the Treasury Department held that its regulations exempted from taxation only those engaged in an essential governmental function. The Commissioner of Internal Revenue then attempted to collect retroactive taxes on State functions which he considered nonessential governmental functions—municipal lighting plants, waterworks, and so forth.

Today we find ourselves in the same situation that Congress did in 1926—to prevent the injustice of retroactive taxation of State employees who had every reason to believe that they were not taxable. To remedy this situation and prevent

retroactive taxation, Congress inserted the following section in the Revenue Act of 1926:

SEC. 1211. Salaries of State and municipal officers: Any taxes imposed by the Revenue Act of 1924 or prior revenue acts upon any individual in respect of amounts received by him as compensation for personal services as an officer or employee of any State or political subdivision thereof (except to the extent that such compensation is paid by the United States Government directly or indirectly) shall, subject to the statutory period of limitations properly applicable thereto, be abated, credited, or refunded.

I want to stress the point that Congress again left the field wide open for the Treasury to tax State salaries to the extent that they were not immune under the Constitution. In that 1926 act Congress did not place any exemption on future State salaries.

It becomes clearly apparent, therefore, that the salaries of State and municipal officers and employees, under the language of the 1938 Revenue Act, are taxable except as the constitutional immunity rule applies. The act contains no exemption for these employees (sec. 22 (a), Revenue Act of 1938).

So here we are today, asked in this revenue act—not to lift any exemptions out of the law but to say to the Supreme Court by the passage of this bill:

The Congress of the United States expects you to overturn the constitutional immunity against the taxation of essential State functions which has been the supreme law of the land under the Federal Constitution, and so decided by the courts time and time again for more than 68 years, *Collector v. Day*.

I repeat that the purpose of this bill is not to raise revenue, for it is conceded that it will not produce more than \$16,000,000, a sum insufficient under the present spending program to run the Federal Government two-thirds of 1 day.

The purpose is to bring congressional pressure upon the Supreme Court to destroy the fundamental principle that one sovereign power shall not destroy the functions of another sovereign power through the power of taxation, which is the power to destroy.

This bill is here because they know that provision is there and they know they can test the law, but under cross-examination it was developed in the hearing from the attorney from the Department of Justice, the sponsor of this bill, that if Congress will pass this legislation in this form it will bring pressure upon the Supreme Court to override a rule that has been established since the beginning of the history of the Government, to protect the sovereign rights of a sovereign people in their freedom; and that is a part of the Constitution and the sixteenth amendment has not changed it. "From whatever source derived" cannot be lifted from its context.

We know the evil at which the sixteenth amendment was directed. The Court had held that you could not impose a tax upon the income from real estate or from personal property without apportionment. The people wanted an amendment that would have the effect—and all the debate here has brought out that this was the understanding of the States when they ratified that amendment—of making it possible for the Federal Government to tax the incomes from these two sources without apportionment. That is all in the world the sixteenth amendment did.

Now, let me talk to you on the majority side. I am earnest and sincere and I want you to think this over. The same principle is involved in this bill that is involved in the bill that is to follow—taxing municipal bonds. I know that 60 percent of the resources of the country on which industry can be developed are in the South, where you have electric power. I know the men who are in this city today working to get war industries located in your section of the South. Nobody begrudges you that development. But let me tell you that when you tax municipal bonds you tax the borrowing power, the only power that will enable you to take advantage of your resources. I can give you an illustration by what happened in a little town in western New York. They raised money from the bootblacks and from everybody in the community to bring a certain industry to their town. The representatives of the industry said, "As a condition precedent we must

have hospitals, we must have schools, we must have pure water, and we must have recreation. We are going to have high-class employees." Without the borrowing power the town could not have obtained that industry. You will find it out soon enough in the South.

I am urging you today to sustain this principle that has been the very lifeblood of the communities of this Nation and has kept one sovereign power from encroaching upon the liberties and the freedom of the other. Just as soon as you open this Pandora's box it is going to come back to plague you.

There is nothing reciprocal about this tax, not at all. We step into the States and say, "We are arbitrarily going to tax your instrumentalities." We pitiful little Members of Congress that come and go, what do we amount to compared to the principle involved? We are saying meekly here today, "We consent that the States shall tax this great sovereign power regardless of the damage it may do in the future." Another Congress can come along and immediately revoke that power, but still we are in the States taxing the instrumentalities of government which the courts and the Constitution have sought to protect through all these years.

This is no small, picayune affair. Here we are dealing with fundamental principles. The principle involved in this bill is the very principle that in 1819 Daniel Webster, with his wonderful ability, spent 9 hours establishing before the Court, the principle that the power to tax is the power to destroy. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I yield the balance of my time to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, as has been well pointed out by several gentlemen who have preceded me, the pending measure, H. R. 3790, is now before this body for consideration in response to two messages from the President of the United States, one sent to the Congress on April 25, 1938, and the other on January 19, 1939.

Many questions have been raised here as to the desirability of this type of legislation. Many gentlemen have raised the question of constitutional validity. Certainly every man has a right to his own views and his own convictions. I have never had any disposition to question the views of any of my colleagues as to the constitutionality of any measure presented here. It is rather interesting to observe in passing, however, that sometimes matters of this kind trouble us in different ways. I cannot keep from recalling that my distinguished friend and colleague on the committee, the gentleman from Ohio [Mr. JENKINS], who spoke here at some length, taking the position that there could be no doubt that the pending measure is clearly unconstitutional, a few years ago differed with me on another measure, and at that time the situation was just the reverse of what it is now. When the first Guffey coal bill came before the Committee on Ways and Means for consideration I studied it for a long time. I spent many hours at night, and, after attending church on Sunday, spent the balance of several Sundays examining the legal authorities.

I reached the definite conclusion that that bill was clearly unconstitutional. I spoke against it in this Chamber and I voted against it, but nothing of that kind disturbed my friend from Ohio. He supported the bill, spoke for it, and voted for it, and for one time at least I guessed right with the Supreme Court because the Court held the act unconstitutional.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman with pleasure.

Mr. JENKINS of Ohio. Is it not a fact that the Guffey coal bill is an active, affirmative statute today and the principle upon which the Supreme Court held it unconstitutional was because of the failure of the proper officials to make it enforceable?

Mr. COOPER. I do not propose to go into a reconsideration of the Guffey coal bill. That was not the purpose of my reference, but simply, in passing, to call attention to the fact that on that occasion I took the position that the bill

was unconstitutional and I guessed right with the Court, while the gentleman from Ohio took the position that the bill was constitutional and happened to guess wrong with the Supreme Court.

Let us just bear this in mind from a practical standpoint in the matter of the constitutionality or the legal questions involved in this or any other measure presented to this body for consideration. There is a vast difference of opinion among the best lawyers of this Nation and a vast difference of opinion among the judges themselves as to the very question presented here.

I need only to remind you of the experience of a great President of the United States and a great Chief Justice of the United States, Hon. William Howard Taft, who, as President of the United States, vetoed a bill because he felt it was unconstitutional, yet when the bill was passed over his veto and reached the Supreme Court of the United States it was held constitutional. Now, if Chief Justice and President Taft could make a mistake now and then about the legality or the constitutionality of a measure enacted by the Congress, I do not believe any of us are subject to such great censure or condemnation if we may guess wrong now and then as to the course the Supreme Court may take.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. COOPER. With pleasure.

Mr. McCORMACK. I also call to my friend's attention the fact that the Court itself has reversed itself. For instance, in the child-labor cases the Supreme Court declared the child-labor legislation unconstitutional and since then it has been held to be constitutional.

Mr. COOPER. I appreciate the gentleman's contribution.

It is extremely difficult for us here to pass upon this question. I do not think it is unreasonable at all to follow the suggestion offered by some of those who have preceded me that the only final and definite way that a matter of this kind can be determined is by presenting it to the Supreme Court of the United States.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. COOPER. With pleasure.

Mr. MOTT. I have a great deal of respect for the gentleman's legal learning, and it is for that reason I ask him this question, and I think his answer will be valuable.

Mr. COOPER. The gentleman is far too generous.

Mr. MOTT. In the gentleman's opinion, what provision of the Constitution or what ruling or in what case in the Supreme Court warrants a person in believing that a bill of this kind would be constitutional?

Mr. COOPER. I simply invite the gentleman's attention to what I think is a rather practical situation. There are two schools of thought in the country embracing some of the best legal talent the Nation affords in each of these schools of thought. One school of thought has proceeded throughout a number of years in taking the position that a constitutional amendment is necessary. Another school of thought, which I think is just as impressive, has proceeded throughout a number of years in taking the position that a constitutional amendment is not necessary. Now, the Department of Justice spent considerable time on this matter, and quite a number of lawyers under the personal direction of an Assistant Attorney General spent quite a long time during the summer and fall considering the questions involved here. I invite the gentleman's attention to the report made which was submitted to the Ways and Means Committee and in which they recommend this legislation. They sustain this position by analyzing all of the decisions of the courts bearing on this question and reach the conclusion that, irrespective of the sixteenth amendment, this measure has a reasonable basis of constitutional authority, and they take the position that with the sixteenth amendment the measure can reasonably be accepted as constitutional.

Much has been said about the sixteenth amendment. Let us refresh our memories as to the exact language of the sixteenth amendment. In my limited capacity I simply read

it and interpret it as I have always been taught to read and interpret the plain English language:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

It occurs to me that that means just what it says. I know some decisions have been rendered by the Supreme Court since the adoption of the sixteenth amendment, some of them relating to decisions handed down by the Court many years before the sixteenth amendment was ever adopted, but in my interpretation of the plain English language I believe that is authority for the provisions of this bill and I do not believe there is any decision of the Court that is directly in conflict with the position that I here take.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. COOPER. Yes.

Mr. WOLCOTT. May I observe briefly that in Mr. Justice Black's dissenting opinion in the Gerhardt case he commented on the fact that the case of Brushaber against Union Pacific, and other cases, held contrary to the gentleman's assertion, and recommended that there be a re-examination of those cases.

Mr. COOPER. I cannot yield further to the gentleman, but certainly the distinguished gentleman from Michigan is not citing a dissenting opinion.

Mr. WOLCOTT. I am, because Mr. Justice Black takes the position which the gentleman takes and comments on the fact that the Supreme Court had already interpreted the clause "from whatever source derived" and that it did not include the salary of State officials and he said there should be a reexamination of the case because of that.

Mr. MOTT. Mr. Chairman, will the gentleman yield further?

Mr. BUCK. Mr. Chairman, I call the gentleman's attention to the fact that Mr. Justice Black's opinion, while separate, was a concurring opinion, and not a dissenting opinion.

Mr. COOPER. Yes. I did not mean to leave the impression that it was dissenting. Mr. Justice Black concurred in the opinion of the Court, but upon some separate reasons.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I regret I cannot yield further. I want to get to some practical phases of this matter. I am sorry that time will not permit a more lengthy discussion of the legal questions here involved, but I believe after this painstaking, deliberate, and careful study made by the Department of Justice and the position they take in coming before our committee and recommending this legislation, we may not be unduly disturbed by any question of legality with reference to this measure.

I shall take a few minutes to invite attention to a few practical phases of this problem. Let us bear in mind that to vote against this measure we must place ourselves in the position that we favor a preferred group of people in this country in the matter of the payment of taxes to support this Government and that that preferred group are those people who are holding public office, receiving their compensation from the taxpayers of the country.

For my part I cannot see how that is fair or a reasonable position to take. These very people sought to be taxed here are those who are receiving their compensation by virtue of holding public office and their compensation comes from the taxpayers of this country. Yet in some way we must say that they should occupy a preferred status in the matter of paying taxes, if we vote to defeat this measure.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. COOPER. Yes.

Mr. COOLEY. Does the gentleman take the position that McCulloch against Maryland and Collector against Day are no longer the law of the land, and have in effect been overruled?

Mr. COOPER. I am not taking that position, but I have tried to cover the legal phases briefly, and I am now trying to touch on some of the practical matters.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I cannot yield further. Since this decision in the Gerhardt case, in which it was held that certain local officials and employees are taxable, we have had a most confusing situation, which now exists. The Commissioner of Internal Revenue is receiving numerous requests from all types and kinds of local officials and employees, school teachers, firemen, policemen, all types and kinds of local employees, asking whether or not they are now taxable.

In view of the present state of the decisions he cannot intelligently advise them. He cannot be safe in telling them that they are not subject to tax, because he cannot know. One of the main purposes of the effort being exerted here is to try to clear up the situation, so as to have at least a fair starting point, based upon fairness and equality to everybody, and provide under this measure, title I, that the State, county, and municipal employees shall pay their fair and proper share of taxes to the support and maintenance of their Federal Government. Likewise that the Federal employees shall pay their fair and proportionate share toward the support and maintenance of their State governments.

There is a great deal of confusion even now. A great many of the leading newspapers throughout the country carry information that Federal officials do not pay Federal income taxes. We know that all of us and the President of the United States now pay Federal income taxes. The purpose of this measure is to try to equalize and have a fair situation for everybody. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired. All time has expired. The Clerk will read.

Mr. McCORMACK. Mr. Chairman, I am going to submit a unanimous-consent request for the purpose of bringing whatever controversial parts of the bill there may be as quickly as possible before the Committee. I ask unanimous consent that the bill be read by title.

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I think in view of what I previously stated concerning the limitation upon the time to debate this highly controversial and fundamental question this bill had better be read section by section in order to give some of the Members who have not had time to talk on the bill an opportunity to do so under the 5-minute rule. For that reason I am constrained to object.

The CHAIRMAN. Objection is heard. The Clerk will read the bill by sections.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Public Salary Tax Act of 1939."

TITLE I

SECTION 1. (a) Section 22 (a) of the Revenue Act of 1938 (relating to the definition of "gross income") is amended by inserting after the words "compensation for personal service" the following: "(including personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing)."

(b) The amendment made by this section shall apply only to taxable years beginning after December 31, 1938.

Mr. REED of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REED of New York: Beginning on page 1, in line 6, strike out all of section 1.

Mr. McCORMACK. Mr. Chairman, I would like to ask the gentleman if he will yield, to see if we cannot agree on time.

Mr. REED of New York. I yield.

Mr. McCORMACK. I ask unanimous consent that all debate on this section and all amendments thereto close in 20 minutes.

Mr. MOTT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The gentleman from New York [Mr. REED] is recognized for 5 minutes.

Mr. REED of New York. Mr. Chairman, if this amendment is agreed to, I will move to strike out the balance of title I.

The last speaker, the distinguished gentleman from Tennessee [Mr. COOPER], painted a very pitiful picture in regard to what might happen to these people who may be subject to retroactive taxes if this bill were defeated. This is not the first time that question has come up. That is a matter that can be handled very quickly on the floor of this House, as was done in 1926. People were relieved of retroactive taxes when the Treasury went out and sought to collect taxes.

When the gentleman talks about a preferred class of taxpayers the position of the Members of this House who are opposed to this bill is not that they object to these taxes, provided the people of this country decide they want to change the Constitution. They can do that under an amendment.

We are approaching the birthday of George Washington, and it might not be inappropriate to read just a few words from his Farewell Address. He said:

If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the Constitution designates. But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

It might be well to keep that in mind when we know the motive and purpose of this title I, coupled with these retroactive taxes.

When the attorneys of the Department of Justice were before our committee I asked them how long it would take them to test this proposition in the courts. They said they did not know, but probably 18 to 20 months. We know from experience with the eighteenth amendment that the people wanted to make a change in the Constitution, and they did it in 9 months. If this administration is so keen to reach this proposition they can reach it in an orderly way.

One of the Members on the other side said we are casting reflection upon the Court; that we were not trusting the present Court. Well, I happen to be one, at least, who is willing to give the Court the full benefit of the doubt. I have always had confidence in the Supreme Court of the United States, but I will not lower myself nor stultify myself to the extent of being a cat's-paw to a little group who wants to slide in around the Constitution through some chink they think they can find and bring pressure to bear upon the Court, assuming it will yield to that pressure, to overrule this precedent that has been established to protect the States and the Federal Government, for more than a century. I think the time has come for us to stand up here like men and vote on principle, and not resort to these subterfuges to tear down, to wreck, to ruin, to coerce a coordinate branch of the Government, the chief function of which is to guard the liberties and institutions of a free people. The Court is the people's Court.

If you strike out title I, but keep in title II, you will have accomplished your purpose. Then let us come back here in an orderly fashion and consider the other question. Let the head of this administration stand up as the President of a sovereign people should and approach this thing as provided in the Constitution, by a constitutional amendment, giving the people of the 48 States an opportunity to say, as the sovereign citizens, whether they want this plan of taxation installed in this country. [Applause.]

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I wish to see if we can reach an agreement on time. I want to be liberal. I do not want to make a motion, but I would like to see if we could agree by unanimous consent to limit debate on this particular amendment to 20 minutes.

Mr. REED of New York. Reserving the right to object, Mr. Speaker, I would remind the gentleman that time for debate has been very limited and many Members wish to express themselves.

Mr. McCORMACK. Then, Mr. Chairman, I modify my request and ask unanimous consent that all debate on this amendment close in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. COOLEY. Mr. Chairman, I desire to speak in behalf of the amendment.

Mr. Chairman, obviously it is not possible for me to fully express my views concerning the bill now under consideration within the brief space of time which I am permitted to use, but in the time at my disposal I want to make a few brief observations.

The case of *McCulloch* against State of Maryland et al., which was decided in the year 1819, first came to my attention when I was a student in the law school at the University of North Carolina. I am convinced that neither that case nor the case of *Collector v. Day* (11 Wall. 113) has been overruled by the Supreme Court, or in any way modified by any decision of the Supreme Court which has been subsequently rendered. Both decisions are still authorities in this Nation and both constitute at the present time the law of the land. The constitutional immunities referred to in the course of this debate have been recognized for more than a hundred years in every decision rendered by the Supreme Court bearing upon the point. I do not believe that this bill as a matter of public policy should be adopted. Neither do I believe that it is compatible with the dual system of sovereignty under which we have functioned for 150 years. I firmly believe that the measure is unconstitutional. At least I know that all of the decisions I have read lead my mind conclusively to the opinion that the Supreme Court will hold it unconstitutional if it is ever presented to the Court in the form it is now proposed. On the other hand, no decision I have read persuades me to a contrary opinion. The case of *Helvering* against *Gerhardt*, decided by the Supreme Court on May 23, 1938, does not furnish any basis for a belief that the Court will overrule itself and hold that the Federal Government has a right to impose a tax upon the instrumentalities of the sovereign States of the Union, nor does the opinion in the *Gerhardt* case lead me to believe that the Court will uphold any act which attempts to give to the States a right to impose an income tax upon the instrumentalities of the Federal Government.

The fact is the case of *Helvering* against *Gerhardt* is not even a case in point. In that case the Court held that the employees of the Port Authority of New York were not employees of the State or of a political subdivision of it, and in that opinion the Court stated that it expressed no opinion as to whether a Federal tax may be imposed upon the Port Authority itself with respect to its receipt of income or its other activities. Even in the *Gerhardt* case, about which we have heard so much during the course of this debate, the "constitutional immunities" are clearly recognized. I doubt very much that any reputable lawyer will state to this House that in his opinion the proposed act is constitutional.

The section which the pending amendment seeks to strike out is the section which would subject all of the employees of the several State governments to a Federal income tax. This means, of course, that not only the Governors, the chief executives of the several States, together with the heads of the several State departments, but all other employees of the State, including the poorly paid teachers in our public schools, would be forced to pay a Federal income tax upon the salaries they receive for the public services which they render. Not only the teachers but those in the departments of public health, industrial commissions, social work, and in every other capacity, would have a Federal income tax imposed upon them. If we destroy and annihilate the traditional principle of constitutional immunities, the Governors of the sovereign States would have to pay a Federal income tax upon a fair rental value of the Governors' mansions which they are permitted to occupy, because certainly the occupancy of the Governor's mansion is an emolument of the office. The State of New York in imposing an income tax upon the income of the President of the United States could, of course, consider his occupancy of the White House as one of the emoluments of his office, fix a fair rental value upon the White House and premises, force the Presi-

dent to list it as an item in his income-tax return, and impose a State income tax upon the value fixed.

It cannot be argued that this is not contemplated, nor can it be argued that officers of the Army and Navy, occupying quarters furnished by the Government, could not likewise be forced to pay income tax upon a fair rental value of the quarters they are permitted to occupy, since clearly their occupancy of the homes and quarters furnished to them constitutes an important part of their income. Conceivably even the States might insist that a fair rental value of the offices which we are permitted to occupy as Members of Congress constitute a part of our pay and, therefore, should be subjected to a State income tax. I believe that the enactment of this bill in its present form would bring about great confusion and accomplish very little good.

I understand that there are 17 States in the Union in which there is no State income-tax law. Would it be fair for the Federal Government to impose a tax upon the State employees in these States when the States themselves would be prohibited by their own constitutions from imposing a reciprocal tax upon the salaries of Federal employees who are residents of the States affected.

Does anyone suggest that the thousands upon thousands of Federal employees residing in the District of Columbia would in any way be adversely affected by the passage of this measure? They have no income tax in the District of Columbia other than the Federal income tax. Members of Congress and other Federal employees pay a Federal income tax upon their salaries and State income tax upon other incomes earned in the States in which they retain their residence. If more revenue is needed to support the Federal Government, and if those receiving salaries from the Federal Government are not now paying a sufficient tax upon the salaries they receive, additional tax can easily be imposed.

When the advocates of this measure discuss the constitutional question involved, they wind up their arguments by stating that by the passage of this act the question can be clearly presented to the Supreme Court. There are, of course, other ways in which the question may be presented which will not involve the far-reaching effects of the proposed measure. It occurs to me that this act is inspired by a desire on the part of the Federal Government to enter another field of taxation and to take into the grasp of the Federal Government all of the employees of the several States.

If there is serious question as to the liability of State employees to the income-tax provisions of the Federal law, and if there is fear that the Federal Government will attempt to impose retroactive taxes upon State employees, then, of course, we should pass title II of the pending measure; and I have no objection to the passage of title II, notwithstanding the fact that I do not believe that the Federal Government even now has any right to impose an income tax upon State employees. I do not want to question the sincerity of the advocates of this measure, but I do not believe that the interrelation between title I and title II make the passage of this bill in its entirety imperative. If it is the sincere wish of the sponsors of this measure to protect State employees from the imposition of retroactive taxes, why not pass title II and leave the fundamental questions presented in title I to a determination of the people of this Nation by permitting them to vote upon a constitutional amendment, which will settle the question for all time to come?

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield for a question.

Mr. COOPER. The gentleman will admit that title I is the heart of the bill, will he not?

Mr. COOLEY. No; I do not admit that, although it is an important part of the bill. [Applause.]

Mr. DUNCAN. Mr. Chairman, the gentleman who has just spoken [Mr. COOLEY] seems to favor the motion to strike out this section on the ground of principle primarily. I cannot agree with that, and I do not believe the Members of this House agree that a school teacher, a deputy county clerk, a fireman, a policeman, or an individual who works for a State government or subdivision should be any more exempt from

the provisions of a Federal income tax than the man who works in a store, than the plumber, the bricklayer, or the man or woman who earns his or her bread by the sweat of his or her face. I cannot justify that sort of thing in my own mind.

It has been my experience not only during the recent years of depression but all of my life, particularly my public life, that there are many thousands who are always ready and willing to assume the duties of public service and to accept the compensation that goes along with it. I think they would be perfectly willing to pay the small income tax that the Government exacts from them on the salary they draw from the States. There are so few, after all, who would be subjected to the income tax.

As I recall, the average salary is about \$1,424. There is a question as to whether or not the decisions which have been spoken of are still law. Mr. Chairman, I admit that the Supreme Court has not overruled any of those opinions. I say to you, on the other hand, if the question of the Constitution is bothering you, that there is not one single, solitary word or syllable in the Constitution of the United States which specifically prevents the Federal Government from taxing the instrumentalities of the States nor prevents the States from taxing the instrumentalities of the Federal Government.

Mr. CELLER. Will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from New York.

Mr. CELLER. Does not the judicial interpretation indicate that the Congress cannot do that, so that the Federal Government might be in a position to tax the instrumentalities of the States, which would impinge the States, and vice versa?

Mr. DUNCAN. The Supreme Court has decided that, but I still say there are no words in the Constitution of the United States so holding or directing—not one word or syllable.

Mr. COOLEY. Will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. In all of the decisions rendered by the Supreme Court bearing upon this question I will ask the gentleman if they have not recognized constitutional immunities?

Mr. DUNCAN. That is true.

Mr. COOLEY. May I ask one other question?

Mr. DUNCAN. Beginning with the decision in *McCulloch* against Maryland, when the question first rose.

Mr. COOLEY. Is there anything at all in the *Gerhardt* case which persuades the gentleman to believe that the Supreme Court will hold the present act constitutional?

Mr. DUNCAN. My answer to the gentleman is that as I read the *Gerhardt* case the only thing the Court decided was whether or not those employees were engaged in an essential governmental function.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Michigan [Mr. WOLCOTT] is recognized.

Mr. WOLCOTT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, so far as has been pointed out here today, the principle enunciated in the *McCulloch* case and the *Day* case has not been modified in any particular by the *Gerhardt* case or any other decision of the Supreme Court. It has always held exactly as it held in the *Gerhardt* case. I think the principle of those cases is summed up in *Helvering v. Powers* (293 U. S. 214), in which the Court in substance had this to say:

The power of the Federal Government to tax the functions of a State or political subdivision, or the State employees engaged in carrying out such functions, depends upon whether or not such functions are of an essential governmental character. States and political subdivision have two kinds of power; one that is governmental and public, and one that is proprietary and private. In the exercise of the former, the State and its political subdivisions are clothed with sovereignty and are immune from Federal taxation, but in the exercise of the latter power the State or political subdivision is treated as a private individual and, therefore, subject to Federal taxation. A State or political subdivision cannot escape Federal taxation by engaging in businesses

which constitute a departure from usual governmental functions even though such enterprises are undertaken for what the State concedes to be for the public benefit.

There is no decision of the Supreme Court down to and including the Gerhardt case which changes that fundamental principle.

Mr. CELLER. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York. Mr. CELLER. The Supreme Court has been known to change its decisions. I have in mind, for instance, a decision in the case of Eisner against Macomber, in which the Court held you could not tax stock dividends. A decade later the Supreme Court changed its point of view and said we could consider stock dividends as income.

Mr. WOLCOTT. I thank the gentleman for his observation.

Mr. Chairman, bear in mind if the Court wanted to change its opinion, if it wanted to modify this principle, if it wanted to overrule itself, it could have done so very easily in the Gerhardt case, because it referred to the policy enunciated in the Day case several times in that decision. It had every opportunity to overrule itself if it had cared to do so.

Mr. Chairman, I want to make one more observation. I hope the Committee will refer to page 9 of the hearings and read there a digest of the decision of the Circuit Court of Appeals for the Seventh Circuit in Commissioner of Internal Revenue, petitioner, against Charles C. Stillwell, which I think is the last word on this question. Later on I think probably it might be well for some of us to point out some of the high points of that decision and read them in the RECORD.

The court in that case, as late as January 12, 1939, summing it all up, said:

True, as argued, in the meantime certain regulations have been promulgated by the Treasury Department, evidently with the purpose of making such compensation subject to income tax, but if immunity exists as a constitutional matter, as we think it does, no regulation could alter the rights of respondent, and we have no right to alter the Constitution in this respect by passing this law.

The Congress has no more right to amend the Constitution by statute than has the Treasury Department to amend it by regulation.

The CHAIRMAN. The gentleman from Ohio [Mr. JENKINS] is recognized.

Mr. JENKINS of Ohio. Mr. Chairman, I want to talk a little practical politics again. In connection with my consideration of this bill I find there are many Members who believe they would rather have the matter submitted to the people through a constitutional amendment. If you happen to be in that class, this is your chance. Vote to sustain this amendment.

What will be the result? It will take out section 1 and, of course, will take out section 2. This will follow as a matter of necessity. This will leave the field open to come forward with a proposal to amend the Constitution. Let us go about this in a legal, constitutional way and let the people themselves decide. Let the people themselves say what they want.

There is quite a large group here that believe in this. They would like to get rid of the first title, but they would also like to vote for the retroactive provision. This is your grand opportunity. If you vote to strike out the first section, the following sections will go out, and then you will have title II, the retroactive feature, left in the bill. If you have any fears about the retroactive feature, or if you have any constituents who are fearful about what the administration, and I mean by that the Treasury Department, will do, you will be amply protected by voting for the second title. You need have no fears about that. The administration will not seek to collect taxes retroactively when the Congress has once indicated its views. The Treasury will adhere to what the Congress does today.

I wonder if the Members really appreciate the enormity of what we will do today if we enact title I into law. How many people in your State will be reached by Federal taxation? Literally tens of thousands. I dare say that in large States like Ohio taken together a million people will be

reached by this taxation. Then, as I said in my statement awhile ago, we in Ohio will be forced to counteract that with an income-tax law tax.

Mr. Chairman, some cases have been referred to here today that have been a source of much trouble to the Supreme Court on the question of how far this rule of immunity recognized between the States and the Government shall go. The Supreme Court was hard put in the Gerhardt case in determining whether or not the two men in question who worked for the Port of New York Authority came within or without the immunity. When you apply that rule to a great State like Ohio or Pennsylvania you apply it to all the employees of the industrial commission, for example, to the tax commission, and no doubt there are tens of thousands of employees in these commissions. And you apply it to the employees of the welfare divisions and all other such divisions of government that are a vital part of the State government. Then where are you going to draw the line? Where is the line of demarcation to be drawn? It is clear to me there will be literally thousands upon thousands of test cases brought in all the States of the Union. As the gentleman from New York, Mr. WADSWORTH, stated so emphatically and so eloquently a while ago, the State of New York could reach out and tax the salary of the President of the United States.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. In just a moment.

If the State of New York does that, why cannot the State of Pennsylvania do the same thing? When we start on this program of taxing the office who is going to say to us in Ohio that we cannot tax the salary of the President for he is our President, regardless of whether or not he lives in Ohio? If we are going to tax the office, why cannot Georgia do that, and why cannot Arkansas do that? I just cite this to show you that we will be in an interminable mess. Why not be satisfied with a course that has stood the test of time, that has grown up over 120 years as the greatest Nation in the world? Why throw us into conflict and have constant recrimination between the States and the Federal Government? [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. THORKELOSON].

Mr. THORKELOSON. Mr. Chairman, I wish to express my opinion on this bill before I vote on it. I am in favor of striking out title I, I am in favor of the pending amendment, and I would also vote against the whole bill, because the bill is not necessary. However, I am in favor of taxing Federal employees, from the highest to the lowest, but I am not in favor of retroactive taxation.

What I object to more than anything else is the manner in which this bill comes to us. You recall that some time back a message came to us from the White House in which the President stated that in order for the Treasury Department not to impose retroactive taxes it would be much better to pass this bill. That is the trick they always use in passing these bills.

The incentive that is held out in this bill is that if you pass the bill it will permit Federal employees to be taxed; but you must remember that your State cannot tax Federal employees who are living in the District of Columbia, but only those who are living in your own State. You could build up a great District here by having all the Federal employees who can possibly do so move into the District of Columbia and live here at the expense of your States. That is what will happen.

The real purpose of the bill is to destroy States' rights, and that is what I object to. So the threat is to save a certain group from retroactive taxation, which also is not constitutional, and the promise that if you pass the bill you may tax Federal employees. But, remember, you have jeopardized the States' rights.

We are here to represent our people and to protect their rights, and if any question comes up in regard to what you ought to do or ought not to do, all you have to do is refer to the ninth amendment to the Constitution. [Applause.]

[Here the gavel fell.]

Mr. MOTT. Mr. Chairman, during the course of my remarks in the general debate on this bill the distinguished gentleman from Massachusetts [Mr. McCORMACK] asked me to yield for the purpose of correcting what he conceived to be an error on my part in quoting him as having stated in debate that this bill should be passed notwithstanding any doubt Members might entertain as to its constitutionality. The gentleman then observed that he had never stated that a Member should vote for the bill if he were absolutely satisfied beyond doubt that it is unconstitutional, but that what he did say was that if a Member had a proper and reasonable doubt he should resolve that doubt in favor of the bill's constitutionality. By this he meant, of course, for it would be impossible to construe his language otherwise, that a Member should vote for the bill notwithstanding any "proper and reasonable doubt" he may have as to its constitutionality.

I cannot agree with the gentleman's reasoning, any more than I could agree at the time with the reasoning of the President when in the last Congress he sent his historic letter to the chairman of a committee of this House urging that the bill then before it should be immediately reported and passed by the House notwithstanding any doubt, however reasonable, that the committee might have as to its constitutionality. Such reasoning, in my opinion, is alien to the whole idea of constitutional, representative government, and it is certainly alien to the almost universally accepted idea of what the function and responsibility of the Congress is.

Mr. Chairman, you cannot entertain a "proper and reasonable doubt" as to the constitutionality of a bill and at the same time believe that the bill is constitutional. And if you do not believe a bill to be constitutional, how can you vote for it and still fulfill the obligation of your oath as a Member of the House to uphold, maintain, and defend the Constitution?

Is any gentleman here convinced in his own mind that this bill is constitutional? If he is, he has failed to say so thus far in this debate. Does any gentleman even believe the bill to be constitutional? If he does, he has refrained, so far as I have been able to observe, from stating that belief on the floor of this House today.

Why is this? The reason, it seems to me, is obvious. It is because there is no ground, either in the Constitution itself or in any of the decided cases of the Court whose exclusive function it is to interpret the Constitution, upon which to base a valid argument, or even to venture a serious opinion that a bill of this kind is permitted by the Constitution.

When the distinguished gentleman from Tennessee [Mr. COOPER] was on the floor I took occasion to inquire of him what constitutional provision or what ruling of the Supreme Court would warrant anyone in believing this bill to be constitutional.

The gentleman from Tennessee did not answer my question. He referred me instead to the report of the Department of Justice on the desirability of passing this bill and to some of the observations of the administration attorneys who drafted it, not one of whom, so far as I know, has stated it to be his belief that it is constitutional.

Mr. Chairman, how can anyone possibly be of the opinion that this proposal is constitutional if McCulloch against Maryland and Collector against Day are still the law of the land and if they still constitute the Supreme Court's interpretation of the constitutional authority of the Federal Government to tax an instrumentality of a State and of the constitutional authority of a State to tax an instrumentality of the Federal Government? I would like to have some gentleman answer that simple question.

In McCulloch against Maryland, in Dobbins against The Commissioners of Erie, and in Collector against Day it was held so clearly that no subsequent Court has ever questioned it, that the Federal Government cannot tax an instrumentality of a State and that a State cannot tax a Federal instrumentality. And that interpretation of the Constitution has not only never been modified by any subsequent decision of the Supreme Court but, on the contrary, every subsequent decision on that point has strengthened and fortified the Court's original declaration. If this is a fact, and I have

never yet heard anyone dispute it, then this bill cannot be constitutional for the simple reason that it proposes that the Federal Government may tax the instrumentalities of a State, and that a State may tax the instrumentalities of the Federal Government.

It is needless to observe here, I presume, that both a Federal officer, as such, and the payment of a salary by the Federal Government to a Federal officer are instrumentalities of the Federal Government and that a State officer himself and the salary paid him as compensation for his services as such are instrumentalities of the State. The language of Collector against Day and of Dobbins against The Commissioners of Erie, which followed McCulloch against Maryland, is unambiguous and definitely decisive upon that point, as every lawyer in this body is aware.

The reasoning in McCulloch against Maryland, in Collector against Day, and in Dobbins against The Commissioners of Erie is perfectly familiar and perfectly understandable to everyone, whether he be lawyer or layman. The reason and the logic of the Supreme Court's interpretation of the Constitution in that regard was that the State is a sovereign power in respect to its instrumentalities and that the Federal Government has no right to interfere in any way, either by taxation or otherwise, with any of the sovereign instrumentalities of that State. One of the sovereign instrumentalities and prerogatives of a State is to issue bonds or securities in any manner and upon any terms or conditions it may see fit. The Federal Government has no right to go into a State and say, "You cannot issue a tax-exempt security," or "If you issue such a security we will tax it, whether your State law declares it to be tax-exempt or not." The State has a sovereign right to employ such officers and to pay them such salaries to help maintain the government of that State as the State may please, and the Federal Government has no right to go into the State and say, "If you pay a certain salary to one of your officers we will change and reduce that salary by taxing it."

To do this is unconstitutional. It is unconstitutional for the simple and sufficient reason that the Supreme Court of the United States has declared it to be unconstitutional, and that it has never rescinded or modified that declaration. To attempt by an act of Congress to do a thing which the Supreme Court, in rendering its decision in an appropriate case upon the direct question involved, has declared to be in violation of the Constitution is a vain thing. The Congress has no power by a mere vote of the majority of its Members to change a provision of the Constitution. Only the people can do that through the orderly and prescribed process of a constitutional amendment. [Applause.]

Mr. HINSHAW. Mr. Chairman, I am not a constitutional lawyer, I am not a lawyer at all, and all of these large words and figures and references, and so forth, that are put forth by the legal profession are for the purpose of adding "color and verisimilitude to an otherwise bald and uninteresting narrative," so far as I am concerned. The thing I am concerned with, however, is the following of orderly processes by this body.

The people of the district I come from are not opposed to reciprocal taxation of employees of municipalities and the Federal Government. As a matter of fact, they favor such reciprocal taxation; but they demand of this Congress that it be carried out in accordance with the orderly processes of law.

I would like to address myself for a brief moment to the leadership on the majority side of the House. The leadership on the majority side has arrived there by virtue of long service, and that leadership of the majority may become again the leadership of the minority. The leadership of the majority as at present composed is largely from the South, and from the expressions I have heard on the floor, many of them are from the Tennessee Valley Authority districts. I ask you in all sincerity whether or not title I of this act does not lead directly toward the opening wedge for the taxation of the income, if you please, by the State of, perhaps, the well-known Tennessee Valley Authority and a number of other projects of like character?

It seems to me now is the time to consider, and consider carefully, what we are doing here. I am a political descendant, if you like, of that great man, Abraham Lincoln, the founder of the Republican Party, of which I have the honor to be a member, a Jeffersonian Republican, if you please, and he was and so am I a Jeffersonian Republican.

For that reason I demand that this Congress turn over to the people of the United States the final decision as respects title I of this act.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. McCORMACK. Mr. Chairman, I call to the attention of the membership of the House the inconsistent position that the gentleman from Ohio [Mr. JENKINS] and others on his side of the aisle find themselves in. The gentleman from Ohio [Mr. JENKINS] talks about the Constitution in its application to this law and then he says, what about the practical political side of it? They talk about taxing the person who works in the welfare department and other State or city departments and the political effect. I call the attention of the gentleman to the fact that there are a lot of merchants in their districts and States who are subject to the payment of an income tax; yes, and there are a lot of professional men in their States and other income-tax payers, and they are paying a State income tax, and they are paying a Federal income tax. What about them? How important are they in the game of politics? I think they are worthy of consideration, if one views this from purely a political angle.

Coming to the question of the gentleman from North Carolina [Mr. COOLEY], his question was entirely different. The gentleman refers to the case of Collector against Day, which was a decision rendered in connection with the Civil War income-tax law, it arose out of that, and also the case of McCulloch against Maryland, which he mentioned arose long before the sixteenth amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. COOLEY. Are those decisions now the law of the land?

Mr. McCORMACK. As modified. We have never had a direct case under the sixteenth amendment, as to whether or not the Federal Government can subject to income tax employees of a State or political division of a State, who were engaged in an essentially governmental function. In a recent decision of the Supreme Court, the decision on a West Virginia law, where that State imposed a sales tax or similar tax on the contractors engaged in business in that State, one concern with a Federal contract raised the constitutionality of the power of the legislature to impose such a tax and to have it apply to a contractor doing Federal work. The Supreme Court, in substance, said the Legislature of the State of West Virginia had the power to enact such a law and to impose such a tax.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I cannot yield; and, by the way, the gentleman refused to yield to me.

Mr. MOTT. Oh, I beg the gentleman's pardon; I did not.

Mr. McCORMACK. Then I withdraw it if I am mistaken.

Mr. MOTT. The gentleman is mistaken.

Mr. McCORMACK. They talk about an amendment to the Constitution. That means years and years. If the Supreme Court says that this is constitutional, we do not need an amendment to the Constitution; and the only way that that question can be thrashed out is by the passage of this law and letting a test case be raised, and then if the Supreme Court says that we have not the power, we can and will have to amend the Constitution. If the Supreme Court says that we have the power, that will not be necessary.

Gentlemen talk about the Constitution, but the real reason is that they are opposed to the bill. On the other hand, when they go back home they will have to meet the argument from the merchants and from the small businessmen and from every other income-tax payer who is paying his income tax to the State and to the Federal Government,

and they will ask why they voted to allow the public employees to be exempt from the payment of an income tax, and that they have to pay one.

Mr. COOPER. The gentleman will agree that if the pending amendment is struck out, it strikes at the very heart of the bill.

Mr. McCORMACK. Exactly. As my time is about up, I urge the defeat of the pending amendment. If you believe in the objective the bill seeks, I submit you should vote against this amendment. Vote for the bill, thereby enabling the Supreme Court to pass upon any legal questions involved.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. All time has expired. The question is on the amendment offered by the gentleman from New York [Mr. REED].

The question was taken; and on a division (demanded by Mr. REED of New York) there were—ayes 136, noes 141.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. Section 116 (b) of the Revenue Act of 1938 (exempting compensation of teachers in Alaska and Hawaii from income tax) shall not apply to any taxable year beginning after December 31, 1938.

SEC. 3. The United States hereby consents to the taxation of compensation, received after December 31, 1938, for personal service as an officer or employee of the United States, any Territory or possession or political subdivision thereof, the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, by any duly constituted taxing authority having jurisdiction to tax such compensation, if such taxation does not discriminate against such officer or employee because of the source of such compensation.

Mr. LUCE. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment offered by Mr. LUCE: On page 2, beginning in line 9, strike out all of section 3, down to and including line 18.

Mr. LUCE. Mr. Chairman, it has been my fortune to serve for many years in lawmaking bodies. In all that period I never saw the presentation of so futile a proposal as is contained in this section. [Applause.]

I have no wish nor the time to discuss the constitutional questions involved. I ask the Committee only to consider a perfectly simple proposition. The State now may or may not tax the officers and instrumentalities of the Federal Government, and the Federal Government may or may not tax those of the States. Here is a proposal for us to consent that the salaries of Federal Government officers may be taxed by the States. It is now constitutional or it is not constitutional for the State of Massachusetts to tax the salary of the postmaster of Boston. I want that to sink in. It is constitutional or it is not constitutional. If it is constitutional, the thing can be done now and our consent is not only futile but also ridiculous.

I want to repeat that. If it is constitutional, it can be done now and our consent is not only futile but it is ridiculous. I will add an adjective or two. It is absurd. Another one: It is silly; if the thing can be done now. If it cannot be done now, then the same adjectives may be applied to any attempt on our part to change the Constitution by law. Such a proposal as that is novel, is exciting, is preposterous and absurd, and it is no credit to the man who wrote it. [Laughter and applause.] It is an expression of good will; it is a voicing of amity; it is a gesture, absolutely vain. If it is unconstitutional no statute can make it constitutional, and to save the fair name of the House from the laughter this section will arouse in the coming years, from having the finger of ridicule pointed to us by doing such a preposterous thing. I trust we will refrain. [Applause and laughter.]

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COOPER. Mr. Chairman, I ask recognition in opposition to the amendment offered by the gentleman from Massachusetts [Mr. LUCE].

Mr. Chairman, I am somewhat surprised by the position taken by the very able, learned, and distinguished gentleman from Massachusetts [Mr. LUCE], who has had such long and distinguished service on the Banking and Currency Committee. I am sure he only momentarily overlooked the fact that in the case of *McCulloch* against Maryland it was held that the State could not tax a national bank. Following that decision, recognizing that decision, and under the force and strength of that decision, section 5219 of the Revised Statutes was enacted by the Congress, which permits States to tax national banks the same as State banks.

Had it not been for that statute passed by the Congress, and had the decision in the case of *McCulloch* against Maryland continued to operate, we would probably not today have the States taxing national banks. So certainly, since the Congress has granted consent in the provision of the Revised Statutes to which attention has been invited, it is only proper that we should likewise have section 3 of title I contained in this bill.

In addition to that, certainly it could not be contended that the fair and equitable thing to do would be for us, under the provisions of sections 1 and 2 of title I, to impose a Federal income tax upon employees of States, counties, and municipalities without also including section 3 of the same title, which grants to the States and political subdivisions the consent of Congress to tax Federal employees. This certainly is based upon equality and fairness, and no just criticism could be offered against this provision.

I ask for a vote on the amendment offered by the gentleman from Massachusetts.

Mr. WOLCOTT. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. WOLCOTT moves that the Committee do now rise and report the bill forthwith to the House with the recommendation that the enacting clause be stricken out.

Mr. WOLCOTT. Mr. Chairman, I take this time to answer the gentleman from Tennessee [Mr. COOPER], and call attention to the fact that when the *McCulloch* against Maryland case was decided the national banks were fiscal agents of the Federal Government. At the present time national banks are merely chartered by the Federal Government, the same as other private agencies might be, such as the American Legion, Veterans of Foreign Wars, Disabled American Veterans. There is no connection, no connection whatsoever, between the fiscal policies of the Federal Government and the national banks at the present time, but when the *McCulloch* case was handed down the national banks were the fiscal agents of the Federal Government and, therefore, were an integral and inseparable part of the Federal Government.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. If the gentleman will permit, I want to get to another point.

It is conceded, I think, by every intelligent lawyer who is a Member of this House—and I say this advisedly—that the Congress of the United States has no authority to add to, to subtract from, to modify, or to amend any of the provisions of the Constitution. Where an obligation is provided by the Constitution the Congress of the United States cannot make certain of our citizens immune from the obligation. Where the Constitution says that we must or must not do certain things, who are we, the Members of Congress, who are we as individual citizens of the United States—because we have just as much authority as individual citizens as we do collectively as the Congress of the United States—to amend the Constitution? The Constitution of the United States is inviolate. It may be amended only in the manner provided for amendment. The Congress of the United States cannot amend, or modify, or interpret that Constitution.

The question of interpretation is left to the judiciary. The judicial branch of this Government has held that it is uncon-

stitutional, it is not in conformity with the Constitution, for a State to tax the Federal Government, any of its agencies, or any officer or employee of the Federal Government. Now, who are we in our egotism, that we sit around here and tell the States that they may come in and do something which the Supreme Court says is prohibited to them under the Constitution? Think of that, Mr. Chairman; think how ridiculous, in the words of my esteemed friend from Massachusetts [Mr. LUCE], how silly it is that we are presuming to do something which the Constitution says cannot be done. Who are you, who am I, that we overrule the established law of this land, the fundamental law of this land as interpreted by the Supreme Court? Big I; the States—little you.

Do not forget that the Congress is a creature of the Constitution. The States are creatures of the Constitution. The Supreme Court is a creature of the Constitution. To the Supreme Court is delegated a definite duty—the interpretation of the Constitution. That is why we have courts. It is our duty to make the laws; it is the duty of the courts to interpret the laws and the Constitution, and they have most decidedly interpreted the Constitution in this respect. We should not, if we are to preserve our constitutional form of government, overrule their decisions. It is not granted to us to do so under the Constitution.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I assume that the gentleman from Michigan offered his preferential motion merely as a pro forma amendment in order to obtain the floor. Does not the gentleman wish to ask unanimous consent to withdraw the motion?

Mr. WOLCOTT. I am afraid were I to do so somebody might embarrass me by objecting. If the gentleman himself wants to submit such a request, I shall not object.

Mr. McCORMACK. The gentleman moved it himself. The gentleman states that he offered his motion merely for the purpose of obtaining the floor.

On the pending amendment I think the argument of the gentleman from Tennessee [Mr. COOPER] is convincing.

I have great respect for my distinguished friend from Massachusetts [Mr. LUCE]. I remember the first public office that I held was as a delegate to the constitutional convention in Massachusetts; and I sat at the knees of my distinguished friend from Massachusetts [Mr. LUCE] and gained knowledge and wisdom from him. I have always had the most profound respect for him, for his ability, for his sincerity. It is with great hesitancy that I take issue with him.

I think we have the power to do this thing. Certainly if we have the power, we should not subject the State and city employees to a Federal income tax without subjecting the Federal employees to a State income tax.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. CELLER. The holding in the *McCulloch* case was that a State could not tax the salaries of Federal officials or the instrumentalities of the Federal Government without its consent. All we are doing by this section is giving the consent of the Federal Government that its employees may be taxed.

Mr. McCORMACK. The gentleman is quite correct. You see, when great constitutional lawyers like my friend the gentleman from New York [Mr. CELLER], and my friend the gentleman from Michigan [Mr. WOLCOTT], put their minds to a subject it makes a poor little lawyer like myself hesitate to express an opinion.

[Here the gavel fell.]

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan.

The motion was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. LUCE) there were—ayes 80, noes 136.

So the amendment was rejected.

Mr. McCORMACK. Mr. Chairman, inasmuch as we are now past the controversial part of the bill, I ask unanimous

consent that title II be read in its entirety, then to be open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read as follows:

TITLE II

SEC. 201. Any amount of income tax (including interest, additions to tax, and additional amounts) for any taxable year beginning prior to January 1, 1938, to the extent attributable to compensation for personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing—

(a) shall not be assessed, and no proceeding in court for the collection thereof shall be begun or prosecuted (unless pursuant to an assessment made prior to January 1, 1939);

(b) if assessed after December 31, 1938, the assessment shall be abated, and any amount collected in pursuance of such assessment shall be credited or refunded in the same manner as in the case of an income tax erroneously collected; and

(c) shall, if collected on or before the date of the enactment of this act, be credited or refunded in the same manner as in the case of an income tax erroneously collected, in the following cases—

(1) Where a claim for refund of such amount was filed before January 19, 1939, and was not disallowed on or before the date of the enactment of this act;

(2) Where such claim was so filed but has been disallowed and the time for beginning suit with respect thereto has not expired on the date of the enactment of this act;

(3) Where a suit for the recovery of such amount is pending on the date of the enactment of this act; and

(4) Where a petition to the Board of Tax Appeals has been filed with respect to such amount and the Board's decision has not become final before the date of the enactment of this act.

SEC. 202. In the case of any taxable year beginning after December 31, 1937, and before January 1, 1939, compensation for personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing, shall not be included in the gross income of any individual under title I of the Revenue Act of 1938 and shall be exempt from taxation under such title, if such individual either—

(a) did not include in his return for a taxable year beginning after December 31, 1936, and before January 1, 1938, any amount as compensation for personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing; or

(b) did include any such amount in such return, but is entitled under section 201 of this act to have the tax attributable thereto credited or refunded.

SEC. 203. Any amount of income tax (including interest, additions to tax, and additional amounts) collected on, before or after the date of the enactment of this act for any taxable year beginning prior to January 1, 1939, to the extent attributable to compensation for personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing, shall be credited or refunded in the same manner as in the case of an income tax erroneously collected, if claim for refund with respect thereto is filed after January 18, 1939, and the Commissioner of Internal Revenue, under regulations prescribed by him with the approval of the Secretary of the Treasury, finds that disallowance of such claim would result in the application of the doctrines in the case of *Helvering v. Gerhardt* (304 U. S. 405) extending the classes of officers and employees subject to Federal taxation.

SEC. 204. Neither section 201 nor section 203 shall apply in any case where the claim for refund, or the institution of the suit, or the filing of the petition with the Board, was, at the time filed or begun, barred by the statute of limitations properly applicable thereto.

SEC. 205. Compensation shall not be considered as compensation within the meaning of sections 201, 202, and 203 to the extent that it is paid directly or indirectly by the United States or any agency or instrumentality thereof.

SEC. 206. The terms used in this act shall have the same meaning as when used in title I of the Revenue Act of 1938.

SEC. 207. If either title of this act, or the application thereof to any person or circumstances, is held invalid, the other title of the act shall not be affected thereby.

Mr. CELLER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CELLER: On page 5, strike out, beginning in line 18 and ending in line 21, all of section 205.

Mr. CELLER. Mr. Chairman, I offer my amendment by striking out section 205 because, under the present wording, the exemptions of incomes in regard to retroactive taxes might be made inapplicable to many innocent persons. For example, section 205 states that compensation shall not be

considered as such within the meaning of sections 201, 202, and 203, if the compensation is traced directly or indirectly to moneys paid out by the United States Government or any agency or subdivision thereof. Take Cornell University in my State—New York. This university has a State agricultural college which is supported by the Federal Government. It is a land-grant college. Practically every State university has such a land-grant college. The attendants, teachers, and aides of such college receive their salaries and emoluments indirectly out of the land-grant fund, which, in turn, is an indirect payment of the Federal Government. Remember, such professors, teachers, or employees of such land-grant colleges might have their salaries attached retroactively for a period of as much as 12 years, because the immunities granted to the other type of employees in sections 201, 202, and 203 are not effective as to them by section 205. In other words, where city or State employees are paid directly or indirectly out of Federal funds there are no immunities whether such employees knew that was or was not the case. Take the Tri-Borough Bridge in my city. It was built in part through P. W. A. funds. Some of the draftsmen, engineers, and architects employed in the planning and building of the bridge, although regularly employed by an agency of the State, nevertheless received their compensation in part from funds allotted to the Tri-Borough Bridge Authority through P. W. A. funds. In other words, these men mentioned might have their salaries attached retroactively for 3 or 4 years. Take the West Side Highway of New York City. The city employees on this project are paid indirectly from P. W. A. funds allotted to the city of New York. In other words, their salaries are paid by the Federal Government, because some of the expenses for the building of this highway comes out of P. W. A. funds, and the salaries of those paid are charged to construction costs, which are paid out of P. W. A. funds. In other words, the salaries received by these men are chargeable against Federal funds.

Ordinarily these persons are city and State employees and as such were not taxable. Just because they were loaned to these agencies they are being made taxable. No tax was asked of them for several years back. Now they are asked to pay or will be asked to pay retroactively. That is unjust.

On this matter I direct your attention to the case of *Hanson against Landy*, decided by the United States District Court for the Third Division of Minnesota, August 3, 1938. The plaintiff in that case was employed and his compensation was fixed by the board of regents of the University of Minnesota and not by any office of the Government of the United States. His salary was \$3,100 per annum, of which \$2,100 was paid from a grant by the United States Government to the university under the Smith-Lever Act. The court said that that portion of the plaintiff's salary paid from Federal funds was subject to income taxation by the United States Government. In this connection the court said:

The question is whether the portion of the plaintiff's salary paid from Federal funds is subject to income taxation by the United States. The answer depends on whether the appropriation under the Smith-Lever Act became the absolute property of the State or remained Federal funds until used for the purpose designated by the act, whether the tax imposed a burden on the State government, and whether the activities provided for in the act are essential governmental functions of the State of Minnesota.

According to the more recent decisions, immunity may be claimed from taxes laid on private persons employed by the State or an instrumentality of the State and engaged in the performance of an essential governmental function when it clearly appears that the burden on the State would be actual and substantial and not merely conjectural.

Furthermore, it may be assumed, without deciding, that the University of Minnesota is an instrumentality of the State, that it is engaged in the performance of an essential governmental function, and that the plaintiff, in the performance of his duties as assistant professor of agriculture and in meeting the requirements of the Smith-Lever Act, was performing an essential governmental function of the State; and yet, under principles above stated, the tax on the plaintiff's salary was valid because it did not impose an actual, substantial burden on the government of the State of Minnesota.

This professor now will be called on to pay such back taxes for 12 years. This is horrible. I presume there must be hundreds of similar cases where you have land-grant colleges. These professors, agents, and clerks of the said col-

leges who thought themselves immune, will now be called on to pay not only the current taxes, but also taxes for 12 years back. I believe a similar situation might arise in the case of employees of drainage commissions, highway departments, and irrigation entities, where city or State employees of such are either in part or in whole, directly or indirectly, paid from Federal funds.

I do not wish to press my motion, as I have high respect for the members of the Ways and Means Committee. I do not wish to embarrass them. I offer it in the hope that the matter might be considered in the other chamber and there be remedied.

Mr. COOPER. Will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Tennessee.

Mr. COOPER. There is no oversight. We just do not feel that these employees, who receive money from the Federal Government, ought to be exempted or excused from the payment of these taxes.

Mr. CELLER. Then I ask for a vote on my amendment.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. CELLER].

Mr. Chairman, the amendment just offered by the gentleman from New York [Mr. CELLER] was considered by the Committee on Ways and Means. The section he undertakes to strike out includes certain employees who have always been subject to a Federal income tax in the main. It is a case where an employee of the State is being paid out of the funds of the Federal Government. They have always been subject to the Federal income-tax law and we simply provide that the retroactive features of this title shall not apply to them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. CELLER].

The amendment was rejected.

Mr. McCORMACK. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COFFEE of Nebraska, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, had directed him to report the same back to the House without amendment, with the recommendation that the bill do pass.

Mr. McCORMACK. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. REED of New York. Mr. Speaker, I move to recommit the bill H. R. 3790 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with an amendment striking out all of title I.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REED of New York. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. REED of New York moves to recommit the bill to the Committee on Ways and Means with instructions to report the same back to the House forthwith with an amendment striking out all of title I.

Mr. McCORMACK. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from New York [Mr. REED] to recommit the bill.

The question was taken; and on a division (demanded by Mr. REED of New York) there were—ayes 105, noes 221.

Mr. REED of New York. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 117, nays 264, answered "present" 1, not voting 50, as follows:

[Roll No. 11]

YEAS—117

Allen, Ill.	Gartner	Lewis, Ohio	Shanley
Arends	Gathings	Lord	Shannon
Austin	Gearhart	Luce	Short
Ball	Gerlach	McDowell	Simpson
Blackney	Gibbs	McLean	Smith, Maine
Bolles	Gifford	McLeod	Smith, Ohio
Bradley, Mich.	Graham	Marshall	Sparkman
Brewster	Grant, Ala.	Martin, Iowa	Steagall
Brown, Ohio	Gross	Mason	Stearns, N. H.
Bulwinkle	Hare	Miller	Sumner, Ill.
Chapman	Harness	Monkiewicz	Sweeney
Chipherfield	Hartley	Moser	Taber
Church	Hawks	Mott	Thomas, N. J.
Clevenger	Heinke	Osmer	Thorkelson
Cluett	Hess	Pace	Tibbott
Cole, N. Y.	Hinshaw	Patrick	Van Zandt
Cooley	Hobbs	Peterson, Fla.	Vinson, Ga.
Corbett	Holmes	Plumley	Vorys, Ohio
Crowther	Horton	Powers	Vreeland
Darrow	Jarman	Reece, Tenn.	Wadsworth
Dirksen	Jarrett	Reed, Ill.	Wheat
Ditter	Jeffries	Risk	White, Ohio
Dondero	Jenkins, Ohio	Robison, Ky.	Williams, Del.
Durham	Jensen	Rodgers, Pa.	Wolcott
Eaton, Calif.	Johnson, Ill.	Routzohn	Wolfenden, Pa.
Eaton, N. J.	Jones, Ohio	Rutherford	Wolverton, N. J.
Elston	Kean	Sandager	Woodruff, Mich.
Fenton	Kinzer	Schiffler	
Fernandez	Kleberg	Schulte	
Ford, Leland M.	Kunkel	Secrest	

NAYS—264

Alexander	Culkin	Hook	Mills, Ark.
Allen, La.	Cullen	Hope	Mills, La.
Allen, Pa.	Curtis	Houston	Monroney
Andersen, H. Carl	D'Alesandro	Hull	Mouton
Anderson, Calif.	Darden	Hunter	Mundt
Anderson, Mo.	Delaney	Jacobsen	Murdock, Utah
Andresen, A. H.	Dempsey	Jenks, N. H.	Murray
Andrews	DeRouen	Johns	Myers
Angell	Dickstein	Johnson, Ind.	Nelson
Ashbrook	Dies	Johnson, Luther A.	Nichols
Barden	Dingell	Johnson, Lyndon	Norrell
Barnes	Disney	Johnson, W. Va.	Norton
Barry	Dowell	Jones, Tex.	O'Connor
Barton	Doxey	Kee	O'Day
Bates, Ky.	Drewry	Keller	O'Leary
Bates, Mass.	Duncan	Kennedy, Martin	Oliver
Beckworth	Dunn	Kennedy, Michael	O'Neal
Bell	Dworshak	Kennedy, Md.	O'Toole
Bender	Eberhart	Keogh	Owen
Bland	Edmiston	Kerr	Patton
Bloom	Elliott	Kilday	Pearson
Boehne	Ellis	Kirwan	Peterson, Ga.
Boland	Engel	Kitchens	Pfelfer
Boren	Englebright	Knutson	Pierce, N. Y.
Bradley, Pa.	Faddis	Kociaowski	Pierce, Oreg.
Brooks	Ferguson	Kramer	Pittenger
Brown, Ga.	Fitzpatrick	Lambertson	Poage
Bryson	Flaherty	Landis	Rabaut
Buck	Flannagan	Lanham	Ramspeck
Buckler, Minn.	Folger	Larabee	Randolph
Burch	Ford, Miss.	Lea	Rankin
Burdick	Ford, Thomas F.	Leavy	Rayburn
Burgin	Fries	LeCompte	Rees, Kans.
Byrns, Tenn.	Fulmer	Lemke	Robertson
Byron	Gamble	Lesinski	Robinson, Utah
Cannon, Fla.	Garrett	Lewis, Colo.	Rogers, Mass.
Cannon, Mo.	Gavagan	Ludlow	Rogers, Okla.
Carlson	Gehrmann	McAndrews	Romjue
Carter	Geyer, Calif.	McArdle	Ryan
Cartwright	Gilchrist	McCormack	Sabath
Case, S. Dak.	Gillie	McGehee	Sacks
Casey, Mass.	Goldsborough	McGranery	Satterfield
Celler	Gore	McKeough	Schaefer, Ill.
Chandler	Gossett	McLaughlin	Schaefer, Wis.
Clark	Grant, Ind.	McMillan, John L.	Schuetz
Clason	Green	Maas	Schwert
Claypool	Gregory	Maclejewski	Scrugham
Cochran	Griffith	Magnuson	Secombe
Coffee, Nebr.	Griswold	Mahon	Shafer, Mich.
Coffee, Wash.	Guyre, Kans.	Maloney	Sirovich
Cole, Md.	Gwynne	Mapes	Smith, Conn.
Collins	Hall	Marcantonio	Smith, Ill.
Connery	Halleck	Martin, Colo.	Smith, Va.
Cooper	Hancock	Martin, Ill.	Smith, Wash.
Costello	Hart	Martin, Mass.	Smith, W. Va.
Cox	Harter, N. Y.	Massingale	Snyder
Crawford	Harter, Ohio	May	South
Crosser	Havener	Merritt	Spence
Crowe	Hill	Michener	Springer

Stefan
Talle
Tarver
Taylor, Tenn.
Tenerowicz
Terry
Thill

Thomas, Tex.
Thomason
Tolan
Treadway
Turner
Vincent, Ky.
Voorhis, Calif.

Wallgren
Walter
Warren
Weaver
Welch
West
Whelchel

White, Idaho
Whittington
Wigglesworth
Williams, Mo.
Wood
Youngdahl
Zimmerman

Doxey
Drewry
Duncan
Dunn
Dworshak
Eaton, Calif.
Eberharter
Edmiston
Elliott
Ellis
Engel
Englebright
Faddis
Ferguson
Fitzpatrick
Flaherty
Flannagan
Folger
Ford, Miss.
Ford, Thomas F.
Fries
Fulmer
Gamble
Garrett
Gavagan
Gearhart
Gehrmann
Geyer, Calif.
Gibbs
Gichrist
Gillie
Goldsborough
Gore
Gossett
Grant, Ind.
Green
Gregory
Griffith
Griswold
Guyer, Kans.
Gwynne
Hall
Halleck
Hancock
Hare
Hart
Harter, N. Y.
Harter, Ohio
Havener
Hook
Hope

Houston
Hull
Hunter
Jacobsen
Jenks, N. H.
Johns
Johnson, Ind.
Johnson, Luthera.
Johnson, Lyndon
Johnson, Okla.
Johnson, W. Va.
Jones, Tex.
Kee
Keller
Kennedy, Martin
Kennedy, Michael
Keogh
Kerr
Kilday
Kirwan
Kitchens
Knutson
Kocialkowski
Kramer
Lambertson
Landis
Lanham
Larrabee
Lea
Leavy
LeCompte
Lemke
Lesinski
Lewis, Colo.
Lord
Ludlow
McAndrews
McArdle
McCormack
McGehee
McGranery
McKeough
McLaughlin
McMillan, John L.
Maas
Maclejewski
Magnuson
Mahon
Maloney
Mapes

Marcantonio
Martin, Colo.
Martin, Ill.
Martin, Mass.
Massingale
May
Merritt
Michener
Mills, Ark.
Mills, La.
Monroney
Mouton
Mundt
Murdock, Utah
Murray
Myers
Nelson
Nichols
Norrell
Norton
O'Connor
O'Day
O'Leary
Oliver
O'Neal
O'Toole
Owen
Pace
Patton
Pearson
Peterson, Fla.
Peterson, Ga.
Pierce, N. Y.
Pierce, Oreg.
Pittenger
Poage
Rabaut
Ramspeck
Randolph
Rankin
Rayburn
Rees, Kans.
Robertson
Robinson, Utah
Rogers, Mass.
Rogers, Okla.
Romjue
Ryan
Sabath
Sacks
Satterfield

Schaefer, Ill.
Schaefer, Wis.
Schuetz
Schulte
Schwert
Scrugham
Secombe
Shafer, Mich.
Sirovich
Smith, Conn.
Smith, Ill.
Smith, Va.
Smith, Wash.
Smith, W. Va.
Snyder
South
Spence
Springer
Steagall
Stefan
Sweeney
Talle
Tarver
Taylor, Tenn.
Tenerowicz
Terry
Thill
Thomas, Tex.
Thomason
Tolan
Treadway
Turner
Voorhis, Calif.
Wallgren
Walter
Warren
Weaver
Welch
West
Whelchel
White, Idaho
White, Ohio
Whittington
Wigglesworth
Williams, Mo.
Wolverton, N. J.
Wood
Youngdahl
Zimmerman

ANSWERED "PRESENT"—1

Reed, N. Y.

NOT VOTING—50

Arnold
Beam
Bolton
Boykin
Buckley, N. Y.
Byrne, N. Y.
Caldwell
Colmer
Creal
Cummings
Curley
Daly
Doughton

Douglas
Evans
Fay
Fish
Flannery
Harrington
Healey
Hendricks
Hennings
Hoffman
Izac
Johnson, Okla.
Keefe

Kelly
McMillan, Thos. S.
McReynolds
Mansfield
Mitchell
Murdock, Ariz.
O'Brien
Parsons
Patman
Polk
Rich
Richards
Rockefeller

Seeger
Somers, N. Y.
Starnes, Ala.
Sullivan
Summers, Tex.
Sutphin
Taylor, Colo.
Tinkham
Winter
Woodrum, Va.

So the motion to recommit was rejected.
The Clerk announced the following pairs:
On this vote:

Mr. Reed of New York (for) with Mr. Doughton (against).
Mr. Rich (for) with Mr. Woodrum of Virginia (against).
Mr. Douglas (for) with Mr. Winter (against).
Mr. O'Brien (for) with Mr. Murdock of Arizona (against).

Until further notice:

Mr. McReynolds with Mr. Hoffman.
Mr. Hennings with Mr. Fish.
Mr. Starnes of Alabama with Mr. Seeger.
Mr. Colmer with Mr. Bolton.
Mr. Caldwell with Mr. Rockefeller.
Mr. Mansfield with Mr. Keefe.
Mr. Summers of Texas with Mr. Tinkham.
Mr. Flannery with Mr. Patman.
Mr. Sullivan with Mr. Hendricks.
Mr. Beam with Mr. Daly.
Mr. Sutphin with Mr. Arnold.
Mr. Thomas S. McMillan with Mr. Byrne of New York.
Mr. Curley with Mr. Boykin.
Mr. Somers of New York with Mr. Parsons.
Mr. Johnson of Oklahoma with Mr. Polk.
Mr. Richards with Mr. Evans.
Mr. Cummings with Mr. Healey.
Mr. Buckley of New York with Mr. Taylor of Colorado.
Mr. Sheppard with Mr. Harrington.
Mr. Creal with Mr. Fay.
Mr. Kelly with Mr. Izac.

Mr. REED of New York. Mr. Speaker, I have a pair with the gentleman from North Carolina, Mr. DOUGHTON, who is ill. If the gentleman from North Carolina were here, he would, of course, have voted against the motion to recommit. I voted "yea." I would like to withdraw my vote and vote "present."

The SPEAKER. Without objection, the request will be granted.

There was no objection.

Mr. BATES of Massachusetts changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. McCORMACK. Mr. Speaker, I demand the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The question was taken; and there were—yeas 270, nays 104, answered "present" 1, not voting 57, as follows:

[Roll No. 12]

YEAS—270

Allen, La.
Allen, Pa.
Andersen, H. Carl
Anderson, Calif.
Anderson, Mo.
Andersen, A. H.
Andrews
Angell
Ashbrook
Barden
Barnes
Barry
Barton
Bates, Ky.
Bates, Mass.
Beckworth
Bender

Bland
Bloom
Boehne
Boland
Boren
Bradley, Pa.
Brooks
Brown, Ga.
Bryson
Buck
Buckler, Minn.
Burch
Burdick
Burgin
Byrns, Tenn.
Byron
Cannon, Fla.

Cannon, Mo.
Carlson
Carter
Cartwright
Case, S. Dak.
Casey, Mass.
Celler
Chandler
Clark
Clason
Claypool
Cochran
Coffee, Nebr.
Coffee, Wash.
Collins
Connery
Cooper

Costello
Cox
Crawford
Cresser
Crowe
Culkin
Cullen
Curtis
D'Alessandro
Darden
Delaney
Dempsey
DeRouen
Dickstein
Dingell
Disney
Dowell

Allen, Ill.
Arends
Austin
Ball
Blackney
Bolles
Bradley, Mich.
Brewster
Brown, Ohio
Bulwinkle
Chapman
Chilperfield
Church
Clevenger
Cluett
Cole, Md.
Cole, N. Y.
Cooley
Corbett
Crowther
Darrow
Dirksen
Ditter
Dondero
Durham
Eaton, N. J.

Elston
Fenton
Ford, Leland M.
Gartner
Gathings
Gerlach
Graham
Grant, Ala.
Gross
Harness
Hartley
Hawks
Heinke
Hess
Hinshaw
Hobbs
Holmes
Horton
Jarman
Jarrett
Jeffries
Jenkins, Ohio
Jensen
Johnson, Ill.
Jones, Ohio
Kean

Kinzer
Kleberg
Kunkel
Lewis, Ohio
Luce
McDowell
McLean
McLeod
Marshall
Martin, Iowa
Mason
Miller
Monkiewicz
Moser
Mott
Patrick
Plumley
Powers
Reece, Tenn.
Reed, Ill.
Risk
Robison, Ky.
Rodgers, Pa.
Routzohn
Rutherford
Sandager

Schiffler
Secrest
Shanley
Shannon
Short
Simpson
Smith, Maine
Smith, Ohio
Sparkman
Stearns, N. H.
Summer, Ill.
Taber
Thomas, N. J.
Thorkelson
Tibbott
Van Zandt
Vincent, Ky.
Vinson, Ga.
Vorys, Ohio
Vreeland
Wadsworth
Wheat
Williams, Del.
Wolcott
Wolfenden, Pa.
Woodruff, Mich.

NAYS—104

ANSWERED "PRESENT"—1

Reed, N. Y.

NOT VOTING—57

Alexander
Arnold
Beam
Evans
Bell
Bolton
Boykin
Buckley, N. Y.
Byrne, N. Y.
Caldwell
Colmer
Creal
Cummings
Curley
Daly
Dies

Doughton
Douglas
Evans
Fay
Fernandez
Fish
Flannery
Gifford
Harrington
Healey
Hendricks
Hennings
Hill
Hoffman
Izac

Keefe
Kelly
McMillan, Thos. S.
McReynolds
Mansfield
Mitchell
Murdock, Ariz.
O'Brien
Osmer
Parsons
Patman
Pfeifer
Polk
Rich
Richards

Rockefeller
Seeger
Sheppard
Somers, N. Y.
Starnes, Ala.
Sullivan
Summers, Tex.
Sutphin
Taylor, Colo.
Tinkham
Winter
Woodrum, Va.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Doughton (for) with Mr. Reed of New York (against).
Mr. Woodrum of Virginia (for) with Mr. Rich (against).

Mr. Winter (for) with Mr. Douglas (against).
Mr. Murdock of Arizona (for) with Mr. O'Brien (against).
Mr. Kelly (for) with Mr. Osmer (against).

Until further notice:

Mr. McReynolds with Mr. Hoffman.
Mr. Hennings with Mr. Fish.
Mr. Starnes of Alabama with Mr. Seger.
Mr. Colmer with Mr. Bolton.
Mr. Caldwell with Mr. Rockefeller.
Mr. Mansfield with Mr. Keefe.
Mr. Summers of Texas with Mr. Tinkham.
Mr. Dies with Mr. Alexander.
Mr. Hill with Mr. Gifford.
Mr. Pfeifer with Mr. Bell.
Mr. Flannery with Mr. Patman.
Mr. Sullivan with Mr. Hendricks.
Mr. Beam with Mr. Daly.
Mr. Sutphin with Mr. Arnold.
Mr. McMillan, Thomas S., with Mr. Byrne of New York.
Mr. Curley with Mr. Boykin.
Mr. Somers of New York with Mr. Parsons.
Mr. Richards with Mr. Evans.
Mr. Cummings with Mr. Healey.
Mr. Buckley of New York with Mr. Taylor of Colorado.
Mr. Sheppard with Mr. Harrington.
Mr. Creal with Mr. Pay.
Mr. Izac with Mr. Polk.

Mr. REED of New York. Mr. Speaker, I voted against this bill. I am paired with the gentleman from North Carolina, Mr. DOUGHTON, who is ill. If the gentleman had been present, he would have voted "yea." I therefore withdraw my vote and answer "present."

The result of the vote was announced as above recorded.
A motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HEALEY, for 3 days, on account of illness.

To Mr. KEEFE (at the request of Mr. MARTIN of Massachusetts), for today, on account of official business.

EXTENSION OF REMARKS

Mr. MCCORMACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON WILDLIFE CONSERVATION

Mr. ROBERTSON. Mr. Speaker, I offer a resolution and ask unanimous consent for its present consideration.

The Clerk read the resolution, as follows:

House Resolution 90

Resolved, That the number of Members of the House of Representatives from the minority political party to be appointed by the Speaker on the Special Committee on Wildlife Conservation created under House Resolution 237 of the Seventy-third Congress and continued under House Resolution 44 of the Seventy-fourth Congress, House Resolution 11 of the Seventy-fifth Congress, and House Resolution 65 of the Seventy-sixth Congress, is hereby increased to five Members of the House of Representatives from the minority political party.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. THORKELOSON. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of the legislative program, I may be permitted to address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

EXTENSION OF REMARKS

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on labor in Puerto Rico.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

Mr. McLEAN. Mr. Speaker, I ask unanimous consent that in the extension of my remarks in the RECORD I may include excerpts from observations made by Senator Root and Senator BORAH.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that I may be given 3 additional legislative days to complete my speech on the Dies resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. VAN ZANDT, Mr. FENTON, and Mr. SPRINGER asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. CARLSON. Mr. Speaker, I ask unanimous consent to include as an extension of my remarks a small table and statement by Roger Babson in the remarks I made this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLAHERTY. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FLAHERTY. Mr. Speaker, my colleague the gentleman from Massachusetts [Mr. HEALEY] is confined to his home on account of illness and has instructed me to say that if he had been present he would have voted against the motion to recommit and would have voted for the bill under consideration this afternoon.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address on the Civil Aeronautics Act of 1938 and Democratic Government by Col. Edgar S. Gorrell.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I was unavoidably detained and was unable to be present on the last roll-call vote. If I had been here, I would have voted "yea."

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S. J. Res. 38. Joint resolution providing additional funds for the expenses of the special joint congressional committee investigating the Tennessee Valley Authority, and for other purposes.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned to meet, in accordance with its previous order, on Monday, February 13, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Friday, February 10, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building, Washington, D. C.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m. Friday, February 10, 1939.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Friday, February 10, 1939, at 10:30 a. m., to hold hearings on the report on the New Jersey intracoastal waterway.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs in the committee rooms in the Capitol, Tuesday, February 14, 1939, at 10 a. m., for the consideration of H. R. 3655—classification and grading of Foreign Service personnel.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, February 14, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill. A representative of the American Trucking Association will be the witness.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 446, House Office Building, Wednesday, February 15, 1939, for the public consideration of bills H. R. 805 and H. R. 2846.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Tuesday, February 21, 1939, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

407. A letter from the Chairman of the Securities and Exchange Commission, transmitting chapter VII of the Commission's report on its study of investment trusts and investment companies, made pursuant to section 30 of the Public Utility Holding Company Act of 1935 (H. Doc. No. 70); to the Committee on Interstate and Foreign Commerce and ordered to be printed.

408. A letter from the Secretary of Agriculture, transmitting approval for congressional action on a proposed bill to change the Under Secretary of Agriculture to the First Secretary of Agriculture; to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 88. Resolution providing for the consideration of H. R. 3791; without amendment (Rept. No. 35). Referred to the House Calendar.

Mr. COCHRAN: Committee on Expenditures in the Executive Departments. H. R. 3646. A bill to authorize certain officers and employees to administer oaths to expense accounts; without amendment (Rept. No. 36). Referred to the House Calendar.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 3948. A bill to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted; without amendment (Rept. No. 37). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 384) for the relief of Herluf F. J. Ravn; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 736) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claims of Joliet National Bank, of Joliet, Ill., and Commercial Trust & Savings Bank, of Joliet, Ill., arising out of loans to the Joliet Forge Co., of Joliet, Ill., for the providing of additional plant facilities and material for the construction of steel forgings during the World War; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 1181) for the relief of the heirs of George Washington Roberts; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 1539) granting an increase of pension to Harvey E. Rogers; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1569) granting a pension to Samuel Allen; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1624) for the relief of Joseph Hovey; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 1881) for the relief of Anne Boice; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2258) for the relief of Elbert R. Miller; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2264) for the relief of Evelyn Gurley-Kane; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2326) granting a pension to Joseph H. Hulse; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2342) granting a pension to Mary M. Diehl; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2459) for the relief of Emil V. Lehmann; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2475) for the relief of Mrs. George E. Richardson; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2480) for the relief of the estate of John B. Brack; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2520) granting a pension to Carl H. Ziebell; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2574) relating to the payment of the remaining installments of the Government life insurance secured by Philip Hermann; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 2630) granting an increase of pension to J. O. Craig; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3101) for the relief of David W. Morgan; Committee on Claims discharged, and referred to the Committee on Military Affairs.

A bill (H. R. 3166) for the relief of Elmer Eugene Derryberry; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 3204) for the relief of Lizzie Berry; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 3269) for the relief of Joseph Fund; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 3718) for the relief of John J. Doherty; Committee on Claims discharged, and referred to the Committee on Indian Affairs.

A bill (H. R. 3898) granting a pension to Lewis I. Montgomery; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BARRY:

H. R. 3994. A bill to extend to custodial service employees employed by the Post Office Department certain benefits applicable to postal employees; to the Committee on the Post Office and Post Roads.

H. R. 3995. A bill to provide for the construction of two vessels for the Coast Guard designed for ice breaking and assistance work; to the Committee on Merchant Marine and Fisheries.

By Mr. BATES of Kentucky:

H. R. 3996. A bill to pension men who were engaged in, or connected with, the military service of the United States during the period of Indian wars and disturbances; to the Committee on Invalid Pensions.

By Mr. BOREN:

H. R. 3997. A bill to govern the apportionment of appointments under civil service; to the Committee on the Civil Service.

By Mr. HESS:

H. R. 3998. A bill to amend the United States Housing Act of 1937, and for other purposes; to the Committee on Banking and Currency.

By Mr. WHELCHER:

H. R. 3999. A bill to amend section 1001, title X, of the Social Security Act, to include needy individuals who are permanently crippled; to the Committee on Ways and Means.

By Mr. LEA:

H. R. 4000. A bill to amend section 601 (c) of the Revenue Act of 1932, as amended, to provide for an excise tax on egg products; to the Committee on Ways and Means.

By Mr. RANDOLPH:

H. R. 4001. A bill to amend the act entitled "An act to regulate the business of loaning money on security of any kind by persons, firms, and corporations other than national banks, licensed bankers, trust companies, savings banks, building and loan associations, and real-estate brokers in the District of Columbia," approved February 4, 1913; to the Committee on the District of Columbia.

H. R. 4002. A bill to establish a system of automatic salary increases within the Federal service; to the Committee on the Civil Service.

H. R. 4003. A bill to regulate the hours of duty in the Federal service, and for other purposes; to the Committee on the Civil Service.

By Mr. VOORHIS of California:

H. R. 4004. A bill to grant permanent and total disability ratings to veterans suffering from severe industrial inadaptability as a result of war service; to the Committee on World War Veterans' Legislation.

By Mr. WHITE of Idaho:

H. R. 4005. A bill to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. BOLAND:

H. R. 4006. A bill to diminish un-American activities by deporting aliens guilty of them; to the Committee on Immigration and Naturalization.

By Mr. HORTON:

H. R. 4007. A bill to equalize the wages of Works Progress Administration workers; to the Committee on Appropriations.

By Mr. KING:

H. R. 4008. A bill to authorize an exchange of lands between the War Department and the Department of Labor; to the Committee on Military Affairs.

By Mr. McARDLE:

H. R. 4009. A bill to affect the rates of interest on, and the terms of, obligations of home owners held by the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

By Mr. KELLER:

H. R. 4010. A bill to authorize the Archivist of the United States to cause to be edited and published a collection of documents relative to the ratification of the Constitution of the United States, and for other purposes; to the Committee on the Library.

By Mr. STEAGALL:

H. R. 4011. A bill to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes; to the Committee on Banking and Currency.

H. R. 4012. A bill to continue the functions of the Reconstruction Finance Corporation, and for other purposes; to the Committee on Banking and Currency.

By Mr. HAWKS:

H. R. 4013. A bill to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production; and for other purposes; to the Committee on Agriculture.

By Mr. GORE:

H. R. 4014. A bill to reinter the bodies of Mary McDonough Johnson Daugherty and Sarah Phillips McCardle Whitesides near the body of former President Andrew Johnson; to the Committee on Military Affairs.

By Mr. CHURCH:

H. J. Res. 161. Joint resolution authorizing the President of the United States to call an international conference to formulate measures for the reduction and limitation of armaments; to the Committee on Foreign Affairs.

By Mr. SIROVICH:

H. J. Res. 162. Joint resolution to establish a Distinguished Service Medal in Arts and Sciences and a Distinguished Service Medal in Public Service and prescribing the conditions of the awards thereof, and providing for new duties for the Commissioner of Patents and the Registrar of Copyrights; to the Committee on Patents.

By Mr. SHEPPARD:

H. Res. 89. Resolution to provide for an investigation by the Committee on the District of Columbia as to the advisability of eliminating the present class A liquor stores and the establishment of District of Columbia owned stores; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to consider their resolution (H. J. Memorial 1) with reference to any proposed extension in the State of New Mexico of the Navajo Indian Reservation; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H. R. 4015. A bill to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.; to the Committee on Claims.

By Mr. BARRY:

H. R. 4016. A bill for the relief of George A. Voss; to the Committee on Naval Affairs.

By Mr. BLAND:

H. R. 4017. A bill for the relief of John P. Shorter; to the Committee on Claims.

By Mr. BRADLEY of Michigan:

H. R. 4018. A bill granting a pension to Delta Teachout; to the Committee on Invalid Pensions.

By Mr. BROWN of Ohio:

H. R. 4019. A bill for the relief of William L. Oden; to the Committee on Claims.

By Mr. BUCKLEY of New York:

H. R. 4020. A bill for the relief of George A. Wade; to the Committee on Claims.

By Mr. CULKIN:

H. R. 4021. A bill granting an increase of pension to Harriett Van Felt; to the Committee on Invalid Pensions.

By Mr. GARTNER:

H. R. 4022. A bill for the relief of Harry Sokol; to the Committee on Claims.

By Mr. KING:

H. R. 4023. A bill to correct the naval record of Edward Leslie Sanderson; to the Committee on Naval Affairs.

By Mr. LESINSKI:

H. R. 4024. A bill for the relief of Nicolai Demchuk; to the Committee on Immigration and Naturalization.

H. R. 4025. A bill for the relief of John Barbu; to the Committee on Immigration and Naturalization.

By Mr. MAAS:

H. R. 4026. A bill to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.; to the Committee on Claims.

By Mr. PIERCE of New York:

H. R. 4027. A bill for the relief of Mary Fortune; to the Committee on Claims.

H. R. 4028. A bill for the relief of Agnes and Mary J. Weatherup; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 4029. A bill granting a pension to Ike F. Kearney; to the Committee on World War Veterans' Legislation.

By Mr. ROMJUE:

H. R. 4030. A bill granting a pension to Leah Kesterson; to the Committee on Invalid Pensions.

By Mr. ROUTZOHN:

H. R. 4031. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim or claims of the Recording & Computing Machines Co., of Dayton, Ohio; to the Committee on Claims.

By Mr. SCHAFER of Wisconsin:

H. R. 4032. A bill for the relief of Garry C. Wollenschlager; to the Committee on Military Affairs.

By Mr. TERRY:

H. R. 4033. A bill for the relief of Albert R. Rinke; to the Committee on Claims.

By Mr. YOUNGDAHL:

H. R. 4034. A bill to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul

Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1004. By Mr. ANDERSON of California: Assembly Joint Resolution No. 20 relative to Federal aid to State or Territorial veterans' homes; to the Committee on Appropriations.

1005. By Mr. GRAHAM: Petition of the College Hill Union of the Woman's Christian Temperance Union of Beaver Falls, Pa., urging the passage of legislation which will prevent the advertising of alcoholic liquors by press and radio; to the Committee on Interstate and Foreign Commerce.

1006. By Mr. HOOK: Petition of John Kangos and 25 other businessmen, demanding continuation of the Works Progress Administration program and opposing any reduction of Works Progress Administration funds until workers are sure of permanent employment from private employers, claiming reduction will result in widespread suffering; to the Committee on Appropriations.

1007. By Mr. HOUSTON: Petition of certain citizens of Newton, Kans., believing the American people are now making it possible for belligerent nations to carry on warfare against innocent civilians, urge the Congress, in accordance with the spirit of Christ, to take every means, direct or indirect, to bring an end to the destruction of innocent people; to the Committee on Foreign Affairs.

1008. By Mr. SCHIFFLER: Petition of the executive committee of the Department of West Virginia, the American Legion, urging that veterans be hospitalized at the facility in which their claim folders are located or which facility would control their claims folder in case they had a claim, etc.; to the Committee on Claims.

1009. By Mr. LUTHER A. JOHNSON: Petition of Joe Kaspar, John Kubin, and Frank A. Mikula and Mrs. John Babek and Mrs. F. A. Mikula, of Ennis, Tex.; and Paul K. Tomcheson and F. L. Niver, of Bremond, Tex., favoring the proposals adopted in the recent Washington conference of the representatives from the cotton States for parity income price on cotton, Government-loan cotton for relief purposes, and as replacement to producers planting less than allotment; to the Committee on Agriculture.

1010. By Mr. MARTIN J. KENNEDY: Resolution of the Ancient Order of Hibernians in America, Division 29, New York County, to prevent the lifting of the present embargo on shipment of arms to either side in Spain; to the Committee on Foreign Affairs.

1011. Also resolution of the Ancient Order of Hibernians in America, Division 29, New York County, for the continuation of the Dies committee investigating un-American activities; to the Committee on Rules.

1012. By Mr. KEOGH: Petition of 122 residents of the Ninth Congressional District, Brooklyn, N. Y., concerning the Patman anti-chain-store bill (H. R. 1); to the Committee on Ways and Means.

1013. By Mr. LEAVY: Petition of 40 residents of Spokane, Wash., and vicinity, deploring the frightful slaughter and savagery wrought upon civilians of China in the oriental conflict, alleging that Japan's greatest source of war materials is the United States, and urging the enactment of legislation to halt the traffic in arms until hostilities cease; to the Committee on Foreign Affairs.

1014. By Mr. LORD: Petition of the Council of the City of Binghamton, N. Y., approving the proposed division of responsibility of cost in the construction, maintenance, and operation of municipal airports and of the suggested assumption of responsibility by the Federal Government in accordance with the plan of the United States Conference of Mayors, and urging the Congress of the United States to cause to be introduced and to be enacted into law the aforesaid assumption of Federal responsibility in the construction, installation of equipment, and operation of municipal airports thereby more equitably distributing the cost thereof between the Federal

Government and the municipalities maintaining municipal airports; to the Committee on the Public Lands.

1015. Also, petition of the Woman's Christian Temperance Union of Bainbridge, N. Y., asking the Congress of the United States to pass legislation which will prevent as far as is possible by Federal law, the advertising of alcoholic beverages by press and radio; to the Committee on Interstate and Foreign Commerce.

1016. By Mr. MYERS: Petition of John J. Layden and 24 other citizens of Philadelphia, Pa., urging the adherence by the United States to the neutrality acts passed by the Congress on August 31, 1935, and May 1, 1937, respectively; to the Committee on Foreign Affairs.

1017. By Mrs. NORTON: Petition of the Guild of Catholic Lawyers of the Archdiocese of Newark, N. J., opposing any repeal by the Congress of the United States either of the act of August 31, 1935, or the extension thereof by the act of May 1, 1937; to the Committee on Foreign Affairs.

1018. Also, petition of 92 students of the College of St. Elizabeth, Convent Station, N. J., petitioning the Congress, for as long as we shall adhere to the general policy of neutrality as enunciated in the act of August 31, 1935, to retain on our statute books the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1019. By Mr. PFEIFER: Petition of 120 residents of the Third Congressional District, Brooklyn, N. Y., concerning the Patman anti-chain-store bill (H. R. 1); to the Committee on Ways and Means.

1020. By Mr. SECCOMBE: Resolution submitted by D. B. Smith, president, and Beulah Shrier, secretary, and passed by Townsend Club No. 1, of New Philadelphia, Ohio, memorializing the Congress of the United States to adopt the Townsend national recovery plan bill (H. R. 2); to the Committee on Ways and Means.

1021. By Mr. SMITH of West Virginia: Resolution of the Kanawha Coal Operators' Association, Charleston, W. Va., favoring an increase in the import duty tax on foreign oil; to the Committee on Ways and Means.

1022. By Mr. TOLAN: Petition of the consolidated Townsend clubs of the Seventh Congressional District of California that the Congress give special consideration to the reduction of national unemployment, curtailment of excessive taxes, reduction of indebtedness, return business to normal, reduce the high crime rate, provide annuities commensurate with a decent standard of living for citizens over 60 years, adopting a system of pay-as-you-go pensions, and enact House bill 2; to the Committee on Ways and Means.

1023. By Mr. VAN ZANDT: Petition of Charles R. Rowan Post, No. 228, American Legion, Altoona, Pa., urging continuance of the Dies committee, the deportation of Harry Bridges and all unnaturalized foreigners, and the impeachment of any persons in Government service interfering with the carrying out of principles of good Americanism; to the Committee on Immigration and Naturalization.

1024. Also, petition of the Pennsylvania Cooperative Potato Growers' Association, Inc., Bellefonte, Pa., condemning the Patman anti-chain-store tax bill (H. R. 1) as a dangerous measure; to the Committee on Ways and Means.

1025. Also, petition of Washington Camp, No. 889, Patriotic Order Sons of America, Howard, Pa., urging strict observance of present immigration laws and excluding all immigrants until unemployed American citizens are restored to gainful pursuits; to the Committee on Immigration and Naturalization.

1026. By the SPEAKER: Petition of Mary Goforth, Auburn, Calif., urging consideration of the resolution with reference to House bill No. 2, the General Welfare Act; to the Committee on Ways and Means.

1027. Also, petition of the city of Akron, Ohio, petitioning consideration of their resolution with reference to taxation; to the Committee on Ways and Means.

1028. Also, petition of William Lee Mann, New York City, petitioning consideration of the resolution with reference to obtaining the fingerprints of all native-born citizens and all

aliens and foreign-born parties; to the Committee on Immigration and Naturalization.

1029. Also, petition of the Ohio General Welfare Association, Columbus, Ohio, petitioning consideration of their resolution with reference to House bill No. 11, the general welfare bill; to the Committee on Ways and Means.

SENATE

MONDAY, FEBRUARY 13, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, Lord of heaven and earth, who hast in all the ages shown forth Thy power and mercy in the protection of all who put their sure trust in Thee: We humbly beseech Thee to look upon this Nation of ours, so richly endowed, and, lest in our pride we no longer stoop to learn Thy ways, send us the spirit of a child, a new generation springing from the uncorrupted source of things, and lead us back to a sane mind, a sincere heart, and a simple life.

A shadow, sorrow-laden, has fallen on the world and a voice that plead for justice, mercy, and a common brotherhood is forever hushed; yet may the afterglow of his radiant life light the way for all the races of mankind, that holiness may return to earth as king and nobleness walk our ways again until we come into our heritage with Thee. We ask it in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 9, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahay	King	Russell
Andrews	Downey	La Follette	Schwartz
Ashurst	Ellender	Lee	Schwellenbach
Austin	Frazier	Lewis	Sheppard
Bailey	George	Logan	Shipstead
Bankhead	Gerry	Lucas	Smith
Barbour	Gibson	Lundeen	Stewart
Barkley	Gillette	McKellar	Taft
Bilbo	Glass	McNary	Thomas, Okla.
Bone	Green	Maloney	Thomas, Utah
Bridges	Guffey	Mead	Townsend
Brown	Gurney	Miller	Truman
Bulow	Hale	Minton	Tydings
Burke	Harrison	Murray	Vandenberg
Byrd	Hatch	Neely	Van Nuys
Byrnes	Hayden	Norris	Wagner
Capper	Herring	Nye	Walsh
Caraway	Hill	Overton	Wheeler
Clark, Idaho	Holman	Pepper	White
Clark, Mo.	Holt	Pittman	Wiley
Connally	Hughes	Radcliffe	
Danaher	Johnson, Calif.	Reed	
Davis	Johnson, Colo.	Reynolds	

Mr. MINTON. I announce that the Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained from the Senate.

The Senator from Nevada [Mr. McCARRAN] and the Senator from New Jersey [Mr. SMATHERS] are detained on important public business.

The Senator from Wyoming [Mr. O'MAHONEY] is detained from the Senate because of illness.

Mr. McNARY. I announce that the Senator from Idaho [Mr. BORAH] is absent because of illness.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

FREDERICK STEIWER, FORMER SENATOR FROM OREGON

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Oregon, which was ordered to lie on the table:

Senate Concurrent Resolution 6

Whereas Frederick Steiwer has passed from his life of usefulness as a public servant and citizen; and

Whereas he has been a prominent Member of the United States Senate, as well as of this State senate, wherein his influence was

great and his wise counsel a potent factor for many years in the affairs of this State and Nation: Now, therefore, be it

Resolved by the Senate of the State of Oregon (the house of representatives concurring therein), That this senate and the house of representatives observe 1 minute's silent prayer in solemn tribute to the memory of the Honorable Frederick Steiwer; and be it further

Resolved, That the secretary of state of the State of Oregon transmit copies of this resolution to the bereaved family and to the Senate and House of Representatives of the Congress of the United States; and be it further

Resolved, That this resolution be spread upon the records of this session.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hess, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed a bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED AND PRESENTED DURING ADJOURNMENT

The VICE PRESIDENT announced that, under authority of the order of the Senate of the 9th instant, on February 10, 1939, he signed the enrolled joint resolution (S. J. Res. 38) providing additional funds for the expenses of the special joint congressional committee investigating the Tennessee Valley Authority, and for other purpose, which had previously been signed by the Speaker of the House of Representatives.

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on February 10, 1939, that committee presented to the President of the United States the above-referred-to-enrolled joint resolution.

BONDS WITH BIDS TO THE INDIAN SERVICE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to repeal section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended, requiring bonds to accompany certain bids to the Indian Service, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

LAWS ENACTED BY MUNICIPAL COUNCILS, VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate three letters from the Acting Secretary of the Interior, transmitting pursuant to law, copies of legislation enacted by the Municipal Council of St. Croix (2) and the Municipal Council of St. Thomas and St. John at recent meetings, which, with the accompanying papers, were referred to the Committee on Territories and Insular Affairs.

CLAIMS ARISING UNDER COURT AND PUEBLO LANDS BOARD DECISIONS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior transmitting, pursuant to law, copies of applications of certain non-Indian claimants for compensation for lands and improvements lost by them under the decisions of the Pueblo Lands Board and the United States Circuit Court of Appeals, Tenth Circuit, together with a draft of proposed legislation to authorize an appropriation to pay claims entitled to awards, which, with the accompanying papers, was referred to the Committee on Indian Affairs.

INVESTMENT TRUSTS AND INVESTMENT COMPANIES

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, chapter VII of part 2 of the Commission's report on its study of investment trusts and investment companies entitled "Investor's Experience in Investment Trusts and Investment Companies," which, with the accompanying report, was referred to the Committee on Interstate Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of the State of Nevada,

which was referred to the Committee on Public Buildings and Grounds:

Assembly joint resolution memorializing Congress to use all honorable means to enact Senate bill 1030, introduced by Senator PITTMAN, of Nevada, or Senate bill 1049, introduced by Senator McCARRAN

Whereas Senator PITTMAN has had introduced in the United States Senate a measure designated as Senate bill 1030, providing for the transfer of that certain building, situated in the city of Carson, State of Nevada, commonly known and designated as the old United States Mint, from the United States to the State of Nevada, to be used for the purposes designated in said bill; and

Whereas Senator McCARRAN has introduced a bill of similar import, designated Senate bill 1049; and

Whereas the said building and the site upon which it is situated are of no future use or consequence to the United States; and

Whereas the said building and site upon which it is situated would be of inestimable value to the people of the State of Nevada for the uses and purposes designated in said bill: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of Nevada, That the Congress of the United States, and the Members thereof, be, and they are hereby, memorialized to use every legitimate means for the passage of one of said bills; and be it further

Resolved, That the secretary of state of the State of Nevada be, and he is hereby, authorized and directed to transmit properly certified copies of this resolution to the President of the United States Senate, to the Speaker of the House of Representatives, to each of our Senators in the United States Senate, and to our Representative in Congress.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of the State of Nevada, which was referred to the Committee on Public Lands and Surveys:

Assembly Joint Resolution 1

Whereas Senator KEY PITTMAN on the 4th day of January 1939 introduced in the United States Senate S. 2, Seventy-sixth Congress, first session, a bill authorizing the Secretary of the Interior to convey certain land to the State of Nevada to be used for the purposes of a public park and recreational site and other public purposes; and

Whereas the State of Nevada requires such area for the purpose of establishing and maintaining a public park and recreational site; and

Whereas the State of Nevada, under the Boulder Canyon Project Act, and contracts relating thereto, is allotted 18 percent of the firm horsepower developed at the Federal powerhouse at Boulder Dam for use in the State of Nevada; and

Whereas it will be essential for the State of Nevada to make available an ample water supply for industries desiring to contract for the use of such State power in the State of Nevada; and

Whereas the subsurface and the artesian water in the vicinity where such power would be used is inadequate for such industries, and it will, therefore, be necessary to pump water from Lake Mead; and

Whereas the only economical and suitable area on the margin of Lake Mead from which to pump said water from Las Vegas area is within the area described in said Senate bill No. 2; and

Whereas there is a wash extending from the Las Vegas area down to and into Lake Mead, formerly extending into the Colorado River; and

Whereas the proposed pipe line for the supply of such water has been surveyed by this State down this wash to the waters of Lake Mead that are backed up into the Las Vegas wash, the water backed up into the wash forming a narrow inlet extending several miles in a northerly direction from the main body of Lake Mead; and

Whereas the State desires, at its own expense, to develop a park and recreational site on the banks of this inlet for the benefit and pleasure, in particular, of the citizens of the State of Nevada; and

Whereas the National Park Service is now actively developing an area on the westerly end of said Lake Mead, some 10 or 15 miles distant from the Las Vegas inlet, for the general accommodation, benefit, and pleasure of tourists and all who may visit Boulder, adjacent to such development; and

Whereas a general burden is thrown upon the National Park Service to develop an enormous area surrounding Lake Mead, which services will require many years for even partial consummation; and

Whereas the State of Nevada has surveyed a road down said wash to the proposed park and recreational site and is prepared and is desirous of undertaking the development of such area immediately: Therefore be it

Resolved by the Assembly and Senate of the State of Nevada, That the State of Nevada, acting through its Governor and its legislature, unqualifiedly endorses said Senate bill No. 2 herein referred to, and respectfully petitions the Congress of the United States to enact such bill as expeditiously as possible; and be it further

Resolved, That the secretary of state of the State of Nevada be directed to transmit duly certified copies of this resolution to the President of the United States Senate, the Speaker of the House of Representatives, to each of our Senators, and to our Congressman in Washington.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of South Dakota, which was referred to the Committee on Agriculture and Forestry:

House Concurrent Resolution 7

Concurrent resolution memorializing the Congress of the United States of America to enact such legislation that will enable our farmers and stockmen to be self-sustaining and able to repossess their homes and property

Be it resolved by the House of Representatives of the Twenty-sixth Legislative Session of the State of South Dakota (the senate concurring):

Whereas the farmers and stockmen of South Dakota have found it advisable and necessary in the past to accept seed and feed loans from the Federal Government; and

Whereas many of such farmers and stockmen, because of crop failures caused by drought and insect plagues, have been unable to pay such loans; and

Whereas because of accumulating interest such farmers and stockmen are becoming involved to such an extent that recovery is impossible: Therefore be it

Resolved by the House of Representatives of the State of South Dakota (the senate concurring), That we do hereby memorialize the Congress of the United States to enact legislation by which all Federal claims by virtue of seed and feed loans in South Dakota will be canceled, to the end that our farmers may become secure and self-sustaining in possession of their homes and property; be it further

Resolved, That copies of this resolution be sent to our Senators and Representatives in Congress, to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of South Dakota, which was referred to the Committee on Appropriations:

House Concurrent Resolution 8

Concurrent resolution memorializing the Congress of the United States of America to appropriate funds under Farm Forestry Acts

Be it resolved by the House of Representatives of the State of South Dakota (the senate concurring):

Whereas windbreaks and shelterbelts composed of trees are of great value to South Dakota agriculture because such tree strips protect crops from destruction by hot winds, prevent removal of topsoil by wind and water erosion, aid in holding snow on the land, in the reduction of evaporation and consequently the conservation of soil moisture; diminish fuel and feed requirements; supply fuel and fence posts; and shelter for game birds and birds that consume crop-destroying insects; and

Whereas the Congress, under section 4 of the Clarke-McNary law (passed 1924), authorized an annual appropriation of \$100,000 to be divided among the States for the distribution of trees at cost among the farmers, of which from \$1,400 to \$2,000 annually (depending on actual congressional appropriation) has been made available to South Dakota for that purpose during the past 4 years; and

Whereas the Congress, under section 5 of said Clarke-McNary law, authorized an annual appropriation of \$100,000 to be divided among the States for the extension of knowledge and information on the best practices of tree culture "to assist farm owners in establishing, improving, and renewing shelterbelts, windbreaks, and other valuable forest growth," under authority of which law the extension service of the South Dakota State College for 3 years has been employing an extension forester to carry on such educational work throughout the State; and

Whereas the Congress, under the Cooperative Farm Forestry Act (Norris-Doxey law of 1937), recognized the importance and value of shelterbelts and farm forests and authorized an annual Federal appropriation of \$2,500,000 for the establishment of such forestry plantations, shelterbelts, and for the extension of educational work, but for which no money has as yet been definitely appropriated; and

Whereas the shelterbelt work under the Prairie States forestry project to date has been carried out wholly as a work-relief measure, which may be discontinued unless Congress decides to make a definite appropriation available under the Cooperative Farm Forestry Act: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That Congress be, and hereby is, memorialized and requested to make the appropriation of the full \$100,000 authorized under each of the sections 4 and 5 of the Clarke-McNary law; and be it further

Resolved, That Congress be, and is hereby, memorialized and requested to make the appropriation of the full \$2,500,000 authorized under the Norris-Doxey Cooperative Farm Forestry Act; be it further

Resolved, That copies of this memorial be forwarded by the Governor of the State of South Dakota to the Secretary of State of the United States at Washington, D. C., and to the Vice President of the United States as presiding officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

The VICE PRESIDENT also laid before the Senate the following resolution of the House of Representatives of the

State of North Dakota, which was referred to the Committee on Foreign Relations:

House Resolution H

Be it resolved by the House of Representatives of the State of North Dakota:

Whereas President Franklin Roosevelt in his message to Congress specifically pointed out the unjust and unfair operation of the present Embargo Act, which prevents the victims of aggressor nations from obtaining the necessary materials and supplies for proper self-defense; and

Whereas with the lifting of the present embargo Loyalist Spain stands ready to buy for cash and provide necessary transportation for large quantities of agricultural products which now constitute the surplus in our country and aggravate the depression here; and

Whereas such sale of surplus commodities will definitely improve the economic position of our farmers while at the same time it will be of incalculable aid to the cause of democracy in Spain and serve to unite democratic nations against the encroachments of undemocratic and dictatorial forms of government which now seek to displace the form of government which we revere: Now, therefore, be it

Resolved, That the House of Representatives of the State of North Dakota hereby memorialize Congress and the President of the United States to take immediate steps in lifting the present unjust and unfair embargo in keeping with the conditions as set forth hereinbefore; and be it also

Resolved, That one copy of this resolution be forwarded to each of the following: The President of the United States, Franklin D. Roosevelt; Vice President John Garner, President of the United States Senate; the Secretary of State, Cordell Hull; Speaker Bankhead, House of Representatives; Senator Lynn J. Frazier; Senator Gerald P. Nye; Congressman William Lemke; Congressman Usher L. Burdick.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Public Lands and Surveys:

Senate Concurrent Resolution 64

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring therein):

Whereas the Federal Government has purchased and is contemplating the purchase of large tracts of land in North Dakota, which lands were the property of private owners, and as such were assessed and taxed with the other property located in the same taxing districts; and

Whereas when such purchases are completed the land can no longer be taxed by the State of North Dakota or its subdivisions; and

Whereas the removal of large tracts of land from the tax rolls of the taxing districts of the State of North Dakota has created a very critical situation in such districts, which are largely dependent upon the property tax for the support of schools and other necessary governmental functions; and

Whereas at the time of such purchases by the Federal Government such lands were encumbered by a debt representing tax levies due annually to pay the principal and interest on bonded indebtedness, as required by section 184 of the constitution of the State of North Dakota; and

Whereas the removal of large tracts of land from the tax rolls through such Federal purchases seriously impairs the value of the contracts represented by outstanding bonds and other evidences of indebtedness issued by the subdivisions in which such lands are located, contrary to section 10 and the fourteenth amendment to the Constitution of the United States and contrary to section 16 of the constitution of the State of North Dakota; and

Whereas in some instances the areas left in private hands are insufficient to pay outstanding indebtedness of the taxing districts; and

Whereas it is unjust and inequitable that the remaining property owners in such taxing districts be compelled to pay the whole of such outstanding indebtedness: Be it therefore

Resolved, That we, the Senate and House of Representatives of the State of North Dakota, do petition and memorialize the Congress of the United States to provide funds for the payment of such proportion of the outstanding indebtedness of the taxing districts in which the Federal Government has made or will make such land purchases in the proportion that the value of such land so purchased bears to the valuation of the entire taxing district; be it further

Resolved, That copy of this resolution be forwarded to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Congressmen from the State of North Dakota.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Finance:

House Joint Memorial 4

Whereas there has been introduced in the Congress of the United States a bill (H. R. 2—S. 3), known as the General Welfare Act of 1939; and

Whereas the bill has the threefold purpose of—

1. Providing security for the aged, giving recognition of our debt of gratitude to them; and
2. Eliminating the many million men and women past 60 years of age from competition with the younger men and women seeking an honest job to make an honest living; and
3. Stimulating industry with a vast new purchasing power that will so increase business activity that our relief problem will largely disappear: Now, therefore, be it

Resolved by the House of Representatives of the Thirty-second General Assembly of the State of Colorado (the senate concurring herein), That the Congress of the United States is hereby respectfully memorialized and urged to consider the said General Welfare Act of 1939, and that copies of this memorial be forwarded to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, and the Senators and Representatives of the State of Colorado in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on the Library.

Senate Joint Memorial 5

Whereas the State of New Mexico, conscious of its Hispanic background and its linguistic and cultural ties with Latin America, has signified its intention to commemorate in 1940 the four hundredth anniversary of the exploration of Francisco Vasquez de Coronado, first European to traverse the southwestern portion of the United States now included in Arizona, New Mexico, Texas, Oklahoma, Kansas, and Colorado; and

Whereas during the last 6 years the people of the United States, under the leadership of President Roosevelt, have sought to bring about a closer relationship among all the Americas; and

Whereas the League of the United Latin American Citizens (Lulac), Council No. 90, of Denver, Colo., is vitally interested in securing the moral support of the State of Colorado for the purposes of this memorial; and

Whereas the State of New Mexico, recognizing the priceless heritage of 400 years under the flags of Spain, Mexico, and the United States, is planning to commemorate the four-hundredth anniversary of these friendly relationships with the Cuarto Centennial Celebration: Now, therefore, be it

Resolved by the Senate of the Thirty-Second General Assembly of the State of Colorado (the house of representatives concurring herein), That the Congress of the United States is hereby respectfully memorialized and urged to give every consideration to the said Coronado Cuarto Centennial Celebration when the same is presented for consideration; and be it further

Resolved, That the Senators and Representatives of the State of Colorado in the Congress of the United States be requested to take such necessary steps as will insure full consideration of the aforesaid Cuarto Centennial Celebration upon its presentation to the Congress of the United States; and that copies of this memorial be forwarded forthwith to the President of the Senate, to the Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives of the State of Colorado.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Wyoming, which was referred to the Committee on Finance:

House Joint Memorial 2

House joint memorial memorializing Congress of the United States to immediately consider the General Welfare Act

Be it resolved by the House of Representatives of the State of Wyoming (the senate concurring), That the Congress of the United States be memorialized as follows:

Whereas the age limits of employment are constantly getting lower and the problem of our aged citizens is becoming more burdensome; and

Whereas the need for a satisfactory national old-age pension program is becoming more evident: Be it

Resolved by the House of Representatives of the Twenty-Fifth Legislature of the State of Wyoming (the senate concurring), That we hereby memorialize the Congress of the United States to immediately consider the General Welfare Act with a view of increasing the amount of old-age benefits.

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of New Mexico, pertaining to any proposed extension in the State of New Mexico of the Navajo Indian Reservation, which was referred to the Committee on Indian Affairs.

(See joint resolution printed in full when presented today by Mr. HATCH.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Montana, requesting assistance to the beet-sugar industry in Montana, which was referred to the Committee on Agriculture and Forestry.

(See joint memorial printed in full when presented today by Mr. MURRAY.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Montana, favoring the adoption of the so-called Townsend recovery plan, and for benefits to be paid to all persons over 60 years of age, which was referred to the Committee on Finance.

(See joint memorial printed in full when presented today by Mr. MURRAY.)

The VICE PRESIDENT also laid before the Senate the petition of San Joaquin County (Calif.) Industrial Union Council, favoring an adequate appropriation for the National Labor Relations Board, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by the Bulgarian-Macedonian Workers Educational Club, and Star Lodge, No. 351, of the Croatian Fraternal Union of America, both of Detroit; Local Union No. 15, Timber and Sawmill Workers Union, C. I. O., of Marengo, and Local Union No. 398, United Paper Mill Workers, L. I., of Kalamazoo, all in the State of Michigan, favoring the allotment of adequate funds to continue the work of the subcommittee of the Committee on Education and Labor investigating violations of civil liberties, etc., which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a resolution adopted by members of the crew of the steamship *Harry F. Sinclair, Jr.*, protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the executive board of the Ohio General Welfare Association, Columbus, Ohio, favoring the enactment of House bill 11, a general-welfare bill providing old-age assistance, which was referred to the Committee on Finance.

He also laid before the Senate the petition of the Federal Grand Jury Association of New York City, favoring the enactment of legislation to deport all aliens on relief who have resided in the United States for a period of 3 years or more and have not yet taken out first naturalization papers, which was referred to the Committee on Immigration.

He also laid before the Senate the petition of Mrs. Emma L. Hopping and sundry other citizens of Tottenville, Staten Island, N. Y., favoring the enactment of legislation to prohibit the advertising of alcoholic beverages, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by Division No. 597, Brotherhood of Locomotive Engineers, in the State of Missouri, protesting against the enactment of legislation to regulate the mileage of train-service employees, which was referred to the Committee on Interstate Commerce.

He also laid before the Senate a resolution adopted by the house of delegates of the American Medical Association, Chicago, Ill., expressing appreciation for the enactment of recent legislation authorizing the construction of a new building for the Army Medical Library and Museum, which was referred to the Committee on Military Affairs.

He also laid before the Senate a resolution adopted by United Association, Local No. 484, of Ventura, Calif., favoring the allocation to Pacific coast shipyards of 40 percent of the gross tonnage of vessels to be constructed, which was referred to the Committee on Naval Affairs.

Mr. CAPPER presented petitions of sundry citizens of Calvert and Fredonia, Kans., praying for adoption by the United States of a policy of nonparticipation in foreign aggression and the discontinuance of shipments of war supplies to Japan, which were referred to the Committee on Foreign Relations.

Mr. GIBSON presented a petition, numerous signed, of sundry citizens of Rutland, Vt., praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law so as to include civil as well as international conflicts, which was referred to the Committee on Foreign Relations.

Mr. TYDINGS presented a petition of sundry citizens of the States of Maryland and Virginia, relative to changes in the marine law regarding the regulation of both sail and power boats, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of the State of Maryland, praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law so as to include civil as well as international conflicts, which was referred to the Committee on Foreign Relations.

Mr. BYRNES presented the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution requesting the Congress of the United States to provide sufficient relief funds to stricken farmers in Marion, Horry, Barnwell, Clarendon, and other counties to relieve such condition

Whereas during the year 1938 hundreds of farm families in Marion, Horry, Barnwell, Clarendon, and other counties received severe and disastrous destruction of their crops from the effects of hail and wind storms; and

Whereas in many instances such farmers were impoverished to the extent that, unless some aid or relief be given them, their homes will be lost; and

Whereas in the past the Government of these United States has often aided and rehabilitated people in various sections of the Nation suffering from impoverishing disasters; and

Whereas in the minds of the thinking citizens of this State, the Government of the United States would be warranted in extending relief to our people who have been stricken as aforesaid, and especially so in view of the fact that the Government saw fit to regulate the extent of crops planted by the farmers of this State: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress of these United States be, and it is hereby, requested to provide national legislation for the reimbursement to the farmers of Marion, Horry, Barnwell, Clarendon, and other counties for crops destroyed by hail and wind storms during the year 1938 in an amount sufficient to relieve such condition; be it further

Resolved, That copies of this resolution be forwarded to each Member of Congress from the State of South Carolina and to the Clerk of the House of Representatives of the United States and to the Clerk of the Senate of the United States.

Mr. HATCH presented the following joint memorial of the Legislature of the State of New Mexico, which was referred to the Committee on Indian Affairs:

House Joint Memorial 1

Joint memorial of the State of New Mexico and the fourteenth legislature thereof to the President and the Congress of the United States of America, pertaining to any proposed extension in the State of New Mexico of the Navajo Indian Reservation

Be it resolved by the Legislature of the State of New Mexico, That—

Whereas the further extension of the Navajo Indian Reservation within the boundaries of the State of New Mexico, and the purchase or condemnation of lands for that purpose by the United States Government within the State of New Mexico would result in permanent and irreparable injury to the people of the State of New Mexico and to the State for the following reasons, to wit:

(1) The ownership of such land by the United States of America would seriously injure the State of New Mexico in its revenues by removing such lands from the tax rolls of the State.

(2) Ownership of such lands by the United States of America would at once remove from the tax rolls of San Juan County \$389,304 and will result in the impoverishment of San Juan County in the State of New Mexico to such an extent as will greatly hamper it in functioning as a component part of the government of the State of New Mexico, and will greatly hamper the State officials and county officers of said San Juan County in the administration of the civil and criminal laws of the State.

(3) The oil and other mineral resources of the State are proposed to be placed within such Indian reservation, which has been and is being developed sufficiently to determine the existence of such minerals in the area, and is at present far from a state of full development, and offers a present and future potential revenue to the State of New Mexico from this source. The entire school system of the State to a very large extent depends upon oil and mineral revenue and any action which would deprive the State of the oil and mineral resources of the area would reduce the efficiency of the State school system to that extent and would deprive the county of San Juan, a governmental agency of the State, of considerable revenue, reasonably to be expected from the future development of mineral resources of the area.

(4) Since for more than one-half a century the cattlemen and sheepmen of northwestern New Mexico have used this area for a winter range for their cattle and sheep when, on account of the severe winter and deep snows prevalent in other areas of the State, it has been impossible for those engaged in this industry to pursue

the same without the advantage of the grazing afforded by the area contemplated as an addition to the Navajo Indian Reservation, and such addition would, therefore, injure and destroy to a very large extent the cattle and sheep industries of the northwestern area of the State, to the permanent injury of the industries and to the State in the matter of its revenues and especially to the county of San Juan and the business interests of the county largely supported from this source.

(5) The agricultural and irrigation districts of the county of San Juan and adjoining sections in Sandoval County, McKinley County, and Valencia County would be permanently injured in that a large portion of the agricultural products of the irrigated districts is fed for cattle and sheep and other livestock which market furnished by livestock on the proposed extension area would be wholly destroyed, resulting in the impoverishment of many of our citizens.

(6) The future economic welfare of the Navajo Indians upon the reservation and the whites in San Juan County, Sandoval County, McKinley County, and Valencia County depends to a very large extent upon irrigation projects and the future development thereof, which would add several hundred thousand acres of farm land, both on and off the present reservation, the development of which unhampered by a change of the boundary of the reservation would enable both the Indians and whites to attain greater prosperity and a better standard of living, and materially add to the future revenues of the counties hereinbefore mentioned and the State of New Mexico: Now, therefore, be it

Resolved, That the President of the United States of America and the Congress of the United States of America be, and the same are, very respectfully memorialized and petitioned in the name of the State of New Mexico and of the fourteenth legislature thereof, to prevent the passage of any measure which would extend the boundaries of the Navajo Indian Reservation within the boundaries of the State of New Mexico; and be it

Resolved further, That a certified copy hereof under the great seal of the State of New Mexico be forwarded to His Excellency the Right Honorable Franklin D. Roosevelt, President of the United States of America; and be it

Resolved further, That a copy hereof certified under the great seal of the State of New Mexico be forwarded to the Right Honorable John Nance Garner, Vice President of the United States of America, for presentation through the proper channels to the Senate of the United States; and be it further

Resolved, That a certified copy of this resolution under the great seal of the State of New Mexico be forwarded to the Honorable Speaker of the House of Representatives of the United States of America for presentation through the proper channels to the House of Representatives of the United States of America; and be it further

Resolved, That a certified copy of this resolution under the great seal of the State of New Mexico be forwarded to the Honorable CARL A. HATCH, United States Senator from New Mexico, and to the Honorable DENNIS CHAVEZ, United States Senator from New Mexico, and to the Honorable JOHN J. DEMPSEY, Member of the House of Representatives from the State of New Mexico.

Mr. MURRAY presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Agriculture and Forestry:

Memorial to the Congress of the United States of America requesting it to assist the beet-sugar industry in Montana

Whereas only 29.5 percent of domestic sugar sales are allotted to domestic producers at present. Cuba has practically the same amount and our insular possessions 41.5 percent. American producers are rightfully entitled to all of the domestic market that they are able to supply; and

Whereas the import quotas of raw sugar as set at the present time have brought the farmers, the workers in the beet-sugar factories, and the laborers in the beet fields in direct competition with the poorly paid labor in the sugar-producing territories outside of continental United States; such competition has the direct result of lowering the standard of living of these farmers and laborers to a level incompatible with the American way of life; and

Whereas sugar beets can be effectively grown at a reasonable profit in this State and there is no food more valuable to the consumer in nutritive worth even at a much higher price than at present; and

Whereas the production of sugar beets provides employment at good wages for many times as many workers as the same acreage of other crops adapted to this latitude, and any control of the expansion of sugar-beet acreage means more unemployment and more relief clients who could otherwise make a living in this industry; and

Whereas there is grave danger that the present policy, if continued, will result in many now employed in this country losing their means of livelihood, thereby further increasing the already tremendous burden of unemployment; and

Whereas our beet growers, if permitted to make a reasonable amount of money, are, due to their higher standard of living, many times better customers for eastern industry as are foreign sugar laborers and planters; and

Whereas an orderly and sound expansion of beet plantings in accordance with the development of suitable land and the building of new factories to take care of the increased production is a reasonable and necessary process to the building up of this State and should be encouraged; and

Whereas the expansion of the domestic production of sugar should be encouraged as a problem of national economy and defense; the acute shortage of sugar during the World War demonstrated our need for a much higher domestic sugar production in time of emergency; and

Whereas because of the high altitude of this region there are practically no substitute crops for sugar beets, and the restriction of the beet industry means the throttling of our agriculture by eliminating the best cultivated crop in a proper rotation for maintaining soil fertility and weed control; and

Whereas the development of profitable agricultural operations is so vital to the business of all of Montana, as well as of the entire United States, and should be given most serious consideration by all individuals and lawmaking bodies; and

Whereas the Beet Growers' Associations of Montana, supported by the Montana Federation of Labor, and Montanans, Inc. (the State chamber of commerce) have given serious and careful consideration to the present sugar quotas, and the above facts have been definitely established: Now, therefore, be it

Resolved, That it is the prayer of your memorialists, the Twenty-sixth Legislative Assembly of the State of Montana, that the Congress of the United States should, by proper legislation, right the wrong suffered by the farmers, processors, and wage earners engaged in the growing and manufacturing of beet sugar by immediately raising the domestic sugar quota to permit the unrestricted production of sugar within the continental limits of the United States and to maintain the protective market by quota reductions and adequate tariffs on foreign sugar: Be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of Montana in Congress.

Mr. MURRAY also presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Finance:

House Joint Memorial 1

Resolution memorializing the Congress of the United States for the passage of the legislation for the creation and establishment of the Townsend recovery plan, and for benefits to be paid to all persons over the age of 60 years

To the Honorable Senate and House of Representatives of the United States in Congress assembled:

Whereas there exists among employers of labor a widespread policy by which persons over 45 years of age willing and anxious to earn their livelihood are deprived of the opportunity of receiving employment, thus placing many such persons in a position of depending either upon friends or relatives or on public charity; and

Whereas many of the persons thus deprived of an opportunity to earn their support are, because of this policy, adopted and enforced by employers of labor, unable to support themselves by means of their own effort; and

Whereas our social and economic welfare demands of the American people as a whole that those who, through no fault of their own, are thus deprived of the opportunity to earn a livelihood, be placed in a condition where their morale be sustained and they be neither indigents or partakers of public charity; and

Whereas the burden of creating and maintaining the social and economic welfare is of greater magnitude than the State of Montana, in common with other States, is able to carry on; and

Whereas there exists not only a widespread demand of persons over 60 years of age for the passage of legislation which will permit them to maintain their self-respect, but there also exists an unusually strong demand of persons under the age of 60 years that those who have pioneered in the building and development of our country be justly and adequately provided for in their declining years: Now, therefore, be it

Resolved by the House of Representatives of the State of Montana (the senate concurring), That we do hereby petition the Congress of the United States of America for the passage of the Townsend recovery plan into law, the said plan being deemed just and equitable to all persons over the age of 60 years; be it further

Resolved, That a copy of this memorial be transmitted by the secretary of state of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives in Congress from the State of Montana, and they, and each of them, be requested to use all honorable means within their power to bring about the enactment of the Townsend recovery plan into law.

Mr. MURRAY also presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Public Lands and Surveys:

House Joint Memorial 3

Memorial to the Congress of the United States of America requesting an investigation of the wrongful destruction, removal, and failure to replace the fairgrounds buildings of the county of Musselshell, and thereafter cause restitution of the same, said buildings having been wrongfully destroyed and removed by authority of the National Park Service.

To the Honorable Senate and the House of Representatives of the United States in Congress assembled:

Whereas the National Park Service, under the Secretary of the Interior, having been authorized by the Congress of the United

States to aid the several States and political subdivisions thereof in planning and developing adequate park, parkway, and recreation-area facilities for the people of the United States, set up C. C. C. camps in Montana to aid in developing our State parks; and

Whereas in 1935, under and by virtue of said authority, a C. C. C. camp, designated by the National Park Service as "Roundup Peaks Camp," was established for the purpose of reconstructing the Musselshell County fairgrounds; and

Whereas said camp having been set up, the exhibit building, grandstand, and certain other buildings were torn down, and, in spite of and contrary to the definite assurance and promise to the county of Musselshell of new buildings of superior quality, the C. C. C. camp was removed prior to the construction of any buildings whatsoever; and

Whereas all subsequent efforts of the county of Musselshell to secure replacement of said buildings have been of no avail: Now, therefore, be it

Resolved, That the Twenty-sixth Legislative Assembly of the State of Montana (the senate and house concurring) does hereby respectfully petition and request the Congress of the United States to cause a thorough investigation to be made of the destruction, removal, and failure to replace the fairgrounds buildings of the county of Musselshell, and thereafter to provide for restitution of said buildings and structures; and be it further

Resolved, That copies of this memorial be transmitted by the secretary of state of the State of Montana to the Honorable B. K. WHEELER and the Honorable JAMES E. MURRAY, United States Senators, and to the Honorable JAMES F. O'CONNOR, United States Representative of the Second Congressional District of the State of Montana.

Mr. JOHNSON of California presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Indian Affairs:

Senate joint resolution relative to memorializing Congress to amend the California Indian Jurisdictional Act of 1928

Whereas it has come to the attention of this legislature that but half of the tribes and nations of Indians within this State in 1851 and 1852 had signed the 18 treaties forming the basis of the Indian Jurisdictional Act of 1928; and

Whereas nontreaty Indians are at the present time barred from bringing actions in the Court of Claims against the Federal Government on account of the failure of the Government to ratify and keep certain treaties with Indian tribes of California in 1851 and 1852; and

Whereas this legislature is informed and believes that the Secretary of the Interior and the Commissioner of Indian Affairs have approved legislation proposed for submission to the Congress of the United States, which legislation contains the nontreaty provisions; and

Whereas new hope and confidence in our fellow men by the Indians of California and the Nation will be encouraged: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Congress of the United States be most respectfully urged to forthwith amend the California Indian Jurisdictional Act of 1928 to provide for nontreaty Indians; and be it further

Resolved, That the Senators and Representatives of the State of California in Congress be, and are hereby, urged to put forth their best and united efforts to secure the enactment by Congress of the proposed amendments; and be it further

Resolved, That copies of this resolution be respectfully transmitted to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, to each of the Senators and Representative of the State of California in Congress, to the Secretary of the Interior, and to the Commissioner of Indian Affairs.

Mr. JOHNSON of California also presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Irrigation and Reclamation:

Senate joint resolution relative to memorializing Congress to take such steps as may be necessary and to urge the Secretary of the Interior to name the lake to be created by the construction of the Shasta Dam at Kennett, Shasta County, Calif., "McColl Lake"

Whereas there is now being constructed in California the great Central Valley project, which will bring untold benefits and wealth to the people of California; and

Whereas it is largely due to the untiring efforts of our late beloved Hon. John M. McColl, senator from the fifth district of California, that the Shasta Dam, a part of the Central Valley project, is fast becoming a reality; and

Whereas the thousands of friends of the late Senator John B. McColl are appreciative of the earnest endeavor of the late senator and the fact that he had dedicated his life work to the completion of the Shasta Dam, at Kennett, in Shasta County, Calif., and a great water plan known as the Central Valley project; and

Whereas it is fitting and appropriate that some recognition be given to the untiring effort of our late beloved senator: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the Congress of the United States take such

steps as may be necessary and that the Secretary of the Interior and the Commissioner of Reclamation are respectfully urged to name the lake which will result from the construction of the Shasta Dam at Kennett, Calif., "McColl Lake"; and be it further

Resolved, That copies of this resolution be sent to the Members of the United States Senate, the Members of the House of Representatives, the Secretary of the Interior, and the Commissioner of Reclamation.

Mr. JOHNSON of California presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on the Judiciary:

Senate joint resolution relative to exemption from taxation of bonds issued by governmental agencies and memorializing the President and Congress of the United States to take immediate steps for the termination of the exemption of such securities from taxation

Whereas the exemption from taxation of bonds issued by the Federal, State, and local governments has progressed to such a point that there are now outstanding tax-exempt securities of this character amounting to the aggregate par value of approximately \$45,000,000,000 in 1937, and has now reached a total of approximately \$72,000,000,000; and

Whereas such securities are owned and held by a very small percentage of the population of the country, and there results a great and most unjust disproportion in the bearing of the cost of government as between the owners and holders of various types and classes of property; and

Whereas it is a fundamental principle of government that one group or class should not be favored as are the owners of these tax-exempt securities, and all persons enjoying the order and protection which government affords should share fairly, equally, and equitably in bearing the cost of government: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the legislature of this State hereby memorialize the President and Congress of the United States to consider and enact such legislation and to propose such amendment or amendments to the Constitution of the United States as may be found suitable and appropriate effectively to prevent the further exemption from taxation of any and all bonds and other evidences of indebtedness issued by the Federal, State, and local governments, to the fullest extent that the President and the Congress may have power so to do, and that the Members of the Senate and of the House of Representatives from California are hereby urged and requested to use all honorable means in furtherance of the consideration and enactment of such legislation; and be it further

Resolved, That copies of this resolution be forthwith transmitted to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and the Members of the House and Senate from the State of California.

Mr. JOHNSON of California also presented the following joint resolutions of the Legislature of the State of California, which were referred to the Committee on Public Lands and Surveys:

Senate joint resolution relative to the memorialization of the President and the Congress of the United States for the protection, use, and development of the natural resources of the State of California

Whereas Nature has bestowed upon the State of California a priceless heritage of natural resources of soil, water, forests, minerals, forage, game animals, birds, fish, and scenic and recreational attractions; and

Whereas these natural resources are vital to the permanence and future growth and prosperity of the basic industries of the State and to the welfare and happiness of its citizens; and

Whereas the protection and wise use of our valuable natural resources is the responsibility of the Federal and State Governments, and the civic duty of all our people; and

Whereas large areas of California's important watersheds, forests, grazing and mineral lands, fishing streams and lakes, wildlife ranges, free public playgrounds, and scenic features are found within the national forests in the State; and

Whereas there is pending national legislation which will create a new national park in the Middle and South Fork of Kings River that will remove large water and other natural resources from development and use by adjacent dependent communities; and

Whereas these national-forest resources are protected and managed for the benefit of all our citizens and the permanence of our industries, and are open at all times to full utilization and economic development: Now, therefore, be it

Resolved by the Senate and the Assembly of the State of California, jointly, That the State of California through its legislature hereby memorializes and petitions the President and the Congress of the United States that all national forest lands in the Middle and South Fork of Kings River and their valuable natural resources be permanently retained in national-forest status under the protection and administration of the Forest Service, United States Department of Agriculture, where they will be perpetually open, as needed, to all measures, developments, and activities necessary for the full use, regulation, and control of the land and the resources thereof; and be it further

Provided, That this resolution is not to be construed as any criticism of the National Park Service or as evidence of any lack of appreciation of the aid given this State by the Federal Government in

respect to flood control and the construction of irrigation dams; and be it further

Provided, That this petition is not to be interpreted as manifesting a lack of sympathy on the part of this legislature with the basic objective of the Federal Government to provide for the perpetual protection of national-forest lands in the Middle and South Fork of Kings River as a protected wilderness for the benefit and enjoyment of future generations; and be it further

Resolved, That the State of California through its legislature hereby memorializes and petitions the President and the Congress of the United States that any contemplated further extension to Yosemite National Park be deferred until some plan is evolved to compensate adequately the counties for the resulting loss of tax revenue; and be it further

Resolved, That the secretary of the senate is hereby directed to transmit copies of this resolution to the President and to Members of the Senate and the House of Representatives and to the Secretary of Agriculture and the Chief of the Forest Service.

Senate joint resolution relative to memorializing the Congress of the United States to refuse enactment of legislation which would becloud the sovereign rights of the State of California in its submerged lands

Whereas upon the formation of the United States of America, the States, as independent sovereignties, reserved to themselves all the right, title, and interest in and to the submerged lands and tidelands bordering upon their respective territories and, with the expenditure of public funds, have devoted such lands to harbor developments and other State purposes, or through grants or arrangements made with their municipalities and public agencies and with their citizens have devoted said lands to other public and private uses, and such sovereign rights of the States have never heretofore been questioned; and

Whereas legislation has been introduced in the Congress of the United States, particularly Senate Joint Resolution No. 24, introduced by the Honorable United States Senator GERALD P. NYE, wherein it is asserted that the Federal Government possesses the title to or holds an interest in submerged lands and tidelands bordering upon the various States of the Union, and it is proposed to direct the Attorney General of the United States to institute legal actions in the courts to litigate such asserted titles or interests; and

Whereas any such litigation will becloud the rights and title of the respective States, prejudice their progress in developing such lands for State and local uses, both public and private, endanger existing investments and impair future financing of local projects on such lands, and the enactment of such legislation is, in the opinion of this legislature, undesirable and contrary to the public interests: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully urges and petitions the Congress of the United States to refuse enactment of either Senate Joint Resolution No. 24 or any other bill or resolution which may similarly seek to establish the asserted claim of the Federal Government to any title or interest in such submerged lands or tidelands of the State of California, other than such lands which may have been heretofore expressly granted it by this State or under its authority; and be it further

Resolved, That the secretary of the senate be, and he hereby is, directed to transmit copies of this resolution to the President of the United States, the Vice President, and to the Senators and Representatives of the State of California in the Congress.

INVESTIGATION OF RAILROADS, HOLDING COMPANIES, AND AFFILIATED COMPANIES—REPORT FILED DURING ADJOURNMENT

Mr. WHEELER and Mr. TRUMAN, from the Committee on Interstate Commerce, under the order of the Senate of the 9th instant, on February 10, 1939, during adjournment of the Senate, submitted a report, pursuant to Senate Resolution 71, Seventy-fourth Congress, relative to the fallibility of auditor's certificates, inadequacy of Price, Waterhouse & Co.'s certificate to Missouri Pacific stockholders, which was ordered to be printed (Rept. No. 25, pt. 3).

VIOLATIONS OF FREE SPEECH AND RIGHTS OF LABOR (REPT. NO. 6, PT. 2)

Mr. LA FOLLETTE, from the Committee on Education and Labor, submitted, pursuant to Senate Resolution 266, Seventy-fourth Congress, one of a series of final reports of the subcommittee of that committee investigating violations of civil liberties, etc., relating to private police systems, which was ordered to be printed, with illustrations.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CONNALLY:

S. 1302. A bill to make permanently effective the act entitled "An act to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such

commerce of petroleum and its products produced in violation of State law, and for other purposes," approved February 22, 1935, as amended, and for other purposes; to the Committee on Finance.

By Mr. SMITH:

S. 1303. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to cotton; to the Committee on Agriculture and Forestry.

By Mr. THOMAS of Oklahoma:

S. 1304. A bill to permit the Seminole Nation or Tribe of Indians in Oklahoma to sue in the United States courts for certain oil rights claimed by them; conferring jurisdiction upon the United States courts to hear, determine, and render judgment in any such suits; and for other purposes; to the Committee on Indian Affairs.

(Mr. THOMAS of Utah (for himself and Mr. HARRISON) introduced Senate bill 1305, which was referred to the Committee on Education and Labor and appears under a separate heading.)

By Mr. THOMAS of Utah:

S. 1306. A bill to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes; to the Committee on Military Affairs.

By Mr. REED:

S. 1307. A bill authorizing the Secretary of War to grant a revocable license to the Union Pacific Railroad Co. to maintain certain railroad trackage on the Fort Leavenworth Military Reservation; to the Committee on Interstate Commerce.

By Mr. BILBO:

S. 1308. A bill for the relief of J. M. Swinney; to the Committee on Claims.

S. 1309. A bill to prohibit the marriage in any Territory or possession of the United States, or in the District of Columbia, of any white person and any Negro, and for other purposes; to the Committee on the Judiciary.

By Mr. WHEELER:

S. 1310. A bill to amend the Interstate Commerce Act, and for other purposes; to the Committee on Interstate Commerce.

S. 1311. A bill for the relief of Edward Miller; to the Committee on Claims.

By Mr. LOGAN:

S. 1312. A bill to regulate the hours of duty in the Federal service, and for other purposes;

S. 1313. A bill establishing a 5-day workweek in the Federal service, and for other purposes; and

S. 1314. A bill to provide for the hearing and disposition of employee appeals from discriminatory treatment by superiors in the Federal service; to the Committee on Civil Service.

By Mr. REYNOLDS:

S. 1315. A bill for the relief of the Corbitt Co.; to the Committee on Claims.

S. 1316. A bill authorizing the appointment of John Sneed Adams as a second lieutenant in the Army; to the Committee on Military Affairs.

S. 1317. A bill granting a pension to Sopronia Page; to the Committee on Pensions.

By Mr. BYRNES:

S. 1318. A bill relating to the exclusion of certain deposits in determining the assessment base of banks insured by the Federal Deposit Insurance Corporation; to the Committee on Banking and Currency.

S. 1319. A bill for the relief of Anne S. Russell, Lottibelle S. Cain, and Gladys O. Britt; to the Committee on Claims.

S. 1320. A bill granting an increase of pension to Maribel Williams Croft; to the Committee on Pensions.

By Mr. ELLENDER:

S. 1321. A bill for the relief of Andrew N. Dartsup; and S. 1322. A bill for the relief of Dorothy Clair Hester, daughter of E. R. Hester; to the Committee on Claims.

S. 1323. A bill to amend section 40 of the United States Employees' Compensation Act, as amended; to the Committee on Education and Labor.

S. 1324. A bill providing for the securing of certain information with respect to aliens by census enumerators taking the regular decennial censuses; to the Committee on Commerce.

By Mr. MALONEY:

S. 1325. A bill to increase annual payments to State and Territorial homes for veterans; to the Committee on Military Affairs.

S. 1326. A bill for the relief of Janet Hendel, nee Judith Shapiro;

S. 1327. A bill to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes; and

S. 1328. A bill for the relief of Lena Hendel, nee Lena Goldberg; to the Committee on Immigration.

By Mr. GIBSON:

S. 1329. A bill for the relief of widows of certain Reserve officers of the Army who died while serving with the Civilian Conservation Corps; to the Committee on Claims.

S. 1330. A bill authorizing the naturalization of Mariano S. Sulit and Estela Romualdez Sulit; to the Committee on Immigration.

S. 1331. A bill for the relief of families of Reserve officers of the Army who die while on active duty with the Civilian Conservation Corps; to the Committee on Military Affairs.

By Mr. McNARY:

S. 1332. A bill to amend the Agricultural Adjustment Act, as amended, with respect to orders and marketing agreements for hops; to the Committee on Agriculture and Forestry.

S. 1333. A bill to amend paragraph 757 of the Revenue Act of 1930 to increase duty on filberts; and

S. 1334. A bill relating to the surtax on undistributed profits with respect to certain cooperative associations for the taxable years 1936, 1937, and 1938; to the Committee on Finance.

S. 1335. A bill relating to the filing of affidavits of prejudice in the District Court for the District of Alaska; to the Committee on the Judiciary.

S. 1336. A bill granting an increase of pension to Frances A. Harris;

S. 1337. A bill granting an increase of pension to Jessie L. Kilgore; to the Committee on Pensions.

By Mr. CAPPER:

S. 1338. A bill granting an increase of pension to Charlotte M. Tidswell (with accompanying papers); to the Committee on Pensions.

By Mr. TYDINGS:

S. 1339. A bill for the relief of Grace S. Taylor; to the Committee on Claims.

By Mr. LEE:

S. 1340. A bill for the relief of Irma Gilham; to the Committee on Claims.

S. 1341. A bill to promote the general welfare through the appropriation of funds to assist the States in establishing and developing demonstration centers in adult civic education during a 3-year period; to the Committee on Education and Labor.

S. 1342. A bill granting a pension to William Ravenscroft; to the Committee on Pensions.

By Mr. BARBOUR:

S. 1343. A bill to increase the number of National Guard aviation units; and

S. 1344. A bill to provide for organization of one infantry battalion of Negro troops as a part of the National Guard of the State of New Jersey; to the Committee on Military Affairs.

S. 1345. A bill to relieve the distress of unemployed persons; to the Special Committee to Investigate Unemployment and Relief.

By Mr. DAVIS:

S. 1346. A bill making the 12th day of October in each year a legal holiday; to the Committee on the Judiciary.

S. 1347. A bill granting a pension to Fanny L. Appleby;

S. 1348. A bill granting a pension to Lillian F. Plummer; and

S. 1349. A bill granting a pension to Henrietta V. W. Owen; to the Committee on Pensions.

By Mr. MEAD:

S. 1350. A bill to fix the compensation of substitute employees in the Postal Service, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. SHIPSTEAD:

S. J. Res. 65. A joint resolution relating to deficiency judgments against borrowers from Federal land banks, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. FRAZIER (for himself and Mr. GURNEY):

S. J. Res. 66. A joint resolution making provisions for the refund of the processing tax on hogs marketed for slaughter by the raisers and producers who in fact bore all or part of the burden of such tax; to the Committee on Agriculture and Forestry.

(Mr. THOMAS of Utah introduced Senate joint resolution 67, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

FEDERAL AID TO EDUCATION

Mr. THOMAS of Utah. Mr. President, on behalf of the Senator from Mississippi [Mr. HARRISON] and myself, I introduce a bill for reference to the Committee on Education and Labor. A companion bill has already been introduced in the House of Representatives by Mr. LARRABEE, chairman of the Committee on Education of that body. I also ask, in order that I may not detain the Senate now, that a statement prepared by me and a summary of the provisions of the bill be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and referred as requested by the Senator from Utah, and, without objection, the statements will be printed in the RECORD.

The bill (S. 1305) to promote the general welfare through appropriation of funds to assist the States and Territories in providing more effective programs of public education was read twice by its title and referred to the Committee on Education and Labor.

The statements presented by Mr. THOMAS of Utah are as follows:

One of the matters pending before the Senate when it adjourned last year was the question of a permanent policy with regard to Federal aid to education. The Committee on Education and Labor of the Senate has devoted much time to this question in recent years.

At the beginning of the Seventy-fifth Congress the committee had before it the bill introduced by the Senator from Mississippi and former Senator Black, of Alabama. After extensive hearings the bill was reported favorably and placed on the calendar.

Shortly after, the President requested a special Advisory Committee on Education to consider and report on the whole subject of Federal relations to education. The President's committee included a number of eminent educators, officials representing several of the Government departments, and other prominent citizens from various walks of life. The members of the President's committee gave generously of their time, made a careful investigation, and eventually brought in a comprehensive report, which was transmitted to Congress in February 1933. Copies of the report are available to Senators who are interested in the subject.

After consulting with representatives of the President's committee and others conversant with its recommendations, the Senator from Mississippi and I had drafted a substitute bill which was based largely on the recommendations of the President's committee. The substitute was approved by the Senate Committee on Education and Labor and was brought before the Senate. The substitute was discussed by the Senate to some extent, but could not be brought to a vote prior to adjournment. At the close of the session it was agreed that the bill would be revised and reintroduced for consideration at this time.

Meanwhile the bill as previously introduced has been the subject of intensive discussion by citizens all over the country and by most of the groups and organizations interested in public education. Many suggestions for revision were the result of this discussion.

The suggestions for revision have been carefully considered and the bill has been thoroughly redrafted. We are introducing the new bill today, and it is anticipated that the committee will begin consideration of the bill at an early date.

The total appropriations authorized by the bill would begin during the next fiscal year at approximately \$75,000,000, increasing to about \$208,000,000 the sixth year. The bill contains a number of titles and parts which cover in general the same subjects as those included in the substitute bill of last year. The new bill, however, is entirely self-contained. It makes no change in any other laws relating to Federal aid for education, such as the vocational education laws.

The purpose of the bill, as set forth in the general statement of policy with which it begins, is to assist in equalizing educational opportunities without Federal control over the educational policies of States and localities. The administrative features of the bill have been given careful attention with this purpose in mind. Every effort has been made to avoid any necessity or even occasion for the intervention of Federal administrative officials. After the States have accepted the act, or the various parts, which are separable, and have complied with a limited number of specific provisions, the United States Commissioner of Education is directed to certify payment of the grants. He is not directed or authorized to approve or disapprove any plans of the States for the expenditure of the funds. He is, however, required to audit the expenditures after they are made and to make an annual report setting forth in detail the extent to which each of the States has accomplished the equalization of educational opportunity in comparison with previous years.

The bill provides for the apportionment of the larger part of the fund among the States on an equalization basis, using the financial ability of the respective States as determined by the Treasury Department and the number of children of school age in each State as determined by the Census Bureau. The objective of the bill is to put funds where they are needed, and only where they are needed. The apportionment procedure has been made as simple and certain in its operation as possible. No discretion over apportionment is vested in the Commissioner of Education.

As many Senators know, some controversy arose over the provisions of the former bill with respect to the availability of funds for certain services, including scholarships, which the States might choose to make available to children, including children attending sectarian and other private schools. The controverted provisions of the former bill have been eliminated entirely from the present bill and the problem is dealt with in a different way. No provision is made for the payment of scholarships for children either in public or in private schools in view of probable continuance of the student aid program of the National Youth Administration.

The bill as a whole presents a comprehensive program. It provides for a series of Federal grants to the States, including grants for the operating expenses of public elementary and secondary schools, for improved preparation of teachers, for the construction of school buildings, especially in connection with the reorganization of school districts, for the administration of State departments of education, for adult education, and for rural library service. In addition, there is provision for educational research and demonstrations, for the administrative expenses of the Office of Education, and for the education of children residing on the various Federal reservations throughout the country. As many Senators know, children residing on tax-free Federal lands are frequently admitted to public schools only on payment of tuition, and in some cases have no opportunity at all to attend public schools.

The provisions of the bill have been carefully related to each other to form a unified and integrated proposal. The program provides means by which Federal aid can be so applied as to improve education at the crucial points where it is most in need of improvement. Moreover, the entire program has been constructed with the utmost respect for, and a desire to make more secure, the autonomy of the States and localities in the administration of their schools and the determination of their educational programs.

It is in keeping with the necessities of the times that we turn to Federal aid for education. It is in keeping with the evolving theory of cooperation between the States and the Nation that we today justify that aid. It is in keeping with the meaning of American citizenship and the relation of that citizenship to the theory that education is basic in American democracy that we extend now the cooperative spirit and justify Federal aid on the score that all persons born in the United States shall have an equal opportunity in the attainment of the fundamentals of education.

Education is the path democracy treads. Propaganda is the way of the dictator and dictatorships. And there is a vast difference. Shall the people learn the truth, be free to discover it, to express it, and to use it, or shall they just be given what is for their good? Thoughtful American citizens demand the first. He who would destroy democracy in America will picture as attractive the second. Equality of educational opportunity offers democracy's greatest chance.

SUMMARY OF THE PROVISIONS OF THE PROPOSED FEDERAL AID TO EDUCATION ACT OF 1939

A bill (S. 1305) to promote the general welfare through appropriation of funds to assist the States and Territories in providing more effective programs of public education.

The primary purpose of the bill, as stated in section 1, is "to assist in equalizing educational opportunities, among and within the States, insofar as the grants in aid to the States herein authorized will permit, without Federal control over educational policies of States and localities. The provisions of this act shall, therefore, be so construed as to maintain local and State initiative and responsibility in the conduct of education and to reserve explicitly to the States and their local subdivisions the administration of schools, including institutions for the preparation of teachers, the control over the processes of education, the control and determination of curricula of the schools, the methods of instruction to be employed in them, the selection of personnel employed by the State and its agencies and local school jurisdictions, and insofar as consistent with the purposes for which funds are made available under this

act the determination of the best uses of the funds appropriated under this act."

Appropriations are authorized by the bill for a period of 6 years, beginning in the next fiscal year and continuing through the fiscal year 1945. The appropriations authorized by the various titles and parts of the bill are as follows:

[In millions of dollars]

	Fiscal year					
	1940	1941	1942	1943	1944	1945
Title I. Grants to States for the Improvement of Public Elementary and Secondary schools:						
Part 1. General Federal Aid.....	40.0	60.0	80.0	100.0	120.0	140.0
Part 2. Improved Teacher Preparation.....	2.0	4.0	6.0	6.0	6.0	6.0
Part 3. Construction of School Buildings.....	20.0	30.0	30.0	30.0	30.0	30.0
Part 4. Administration of State Departments of Education.....	1.0	1.5	2.0	2.0	2.0	2.0
Title II. Grants to States for Adult Education.....	5.0	10.0	15.0	15.0	15.0	15.0
Title III. Grants to States for Rural Library Service.....	2.0	4.0	6.0	6.0	6.0	6.0
Title IV. Grants for Cooperative Educational Research and Demonstrations, and for Administration.....	2.19	3.375	4.26	4.86	5.46	6.06
Title V. Education of Children Residing on Federal Reservations and at Foreign Stations.....	3.0	3.0	3.0	3.0	3.0	3.0
Total appropriations authorized.....	75.19	115.875	146.26	166.86	187.46	208.06

The respective titles and parts of the bill may be summarized as follows:

Title I, part 1. General Federal aid

Authorizes grants to the States beginning at \$40,000,000 and increasing to \$140,000,000 per year, ending in 1945, for the current operating and maintenance expenses of public elementary and secondary schools.

Amounts appropriated are to be apportioned among the States by the Commissioner of Education in accordance with indexes of financial need. Procedure for computing an index of financial need for each State is specified in the bill, using statistics of educational load based on the number of children of school age in each State and an index of the financial ability of each State with respect to the support of public education, such index of financial ability to be determined by the Secretary of the Treasury and certified to the Commissioner of Education. No discretion over apportionment is vested in the Commissioner.

The Commissioner of Education is required to report annually on the extent to which each State has accomplished the equalization of educational opportunity in comparison with previous years.

Title I, part 2. Improved teacher preparation

Authorizes grants to the States beginning at \$2,000,000 and increasing to \$6,000,000 per year, ending in 1945, for the current operating and maintenance expenses of public institutions preparing teachers and other educational personnel.

Grants under this part are apportioned among the States proportionately to those under part 1.

Title I, part 3. Construction of school buildings

Authorizes grants to the States beginning at \$20,000,000 and continuing at \$30,000,000 per year through the fiscal year 1945 for the construction, improvement, and equipment of public-school buildings, primarily in connection with reorganization of administrative units and attendance areas. Grants under this part are apportioned among the States proportionately to those under part 1 and may be used for up to 50 percent of the cost of school-building projects, except projects in school districts entirely without public-owned school buildings in 1938, in which districts up to 90 percent may be paid from the Federal grants.

State educational authorities are required to review plans for building projects and certify approved projects to the Commissioner of Education, who in turn certifies projects for payment by the Secretary of the Treasury.

Title I, part 4. Administration of State departments of education

Authorizes grants to the States beginning at \$1,000,000 and increasing to \$2,000,000 per year, ending in 1945, for the salaries of employees and other current operating and maintenance expenses of State departments of education.

From the amounts appropriated, \$5,000 is apportioned annually to each State and the remainder is apportioned among the States proportionately to the grants under part 1.

Reports are required concerning the duties, manner of selection, qualifications, tenure, and experience of employees of the State department of education.

Disapproval of any appointment in any State department of education by any Federal official is specifically forbidden.

Title I, part 5. Provisions applicable generally

In order to qualify for payment of funds under any part, States are required through their legislatures to accept the provisions re-

lating to such funds, to provide for their custody and disbursement, and to provide for auditing and reports. In States maintaining separate schools for separate races, a just and equitable apportionment of the Federal grants is required. States accepting the grants for school buildings are required to provide for the payment of prevailing wage rates on the building projects. States accepting the grants for State department administration are required to provide by law a system for the appointment and tenure of personnel upon the basis of merit and efficiency.

States accepting the general aid for elementary and secondary schools are required to provide a plan, either through their legislatures or through their educational authorities if the legislatures so direct, of apportioning the funds among local school jurisdictions in such manner as to assist effectively in equalizing educational opportunity in public schools within the State.

States accepting Federal aid for public schools, teacher preparation, and State departments of education, are eligible to receive such aid only if they maintain State appropriations for the same purposes at not less than the amounts provided in 1938.

Provision is made for payments to the States by the Secretary of the Treasury on certificate by the Commissioner of Education. The Commissioner is required to audit expenditure of the funds and is authorized to withhold funds in case of illegal expenditure. Payment of funds may be suspended for specified reasons after notice and hearing.

Title II. Grants to States for adult education

Authorizes grants to the States beginning at \$5,000,000 and increasing to \$15,000,000 per year, ending in 1945, for current operating expenses of public adult educational services, including the teaching of illiterates, citizenship classes for aliens, workers' education, facilities for self-education, and other adult educational services. The grants are apportioned among the States in proportion to their respective populations 20 years of age and older.

State acceptance provisions and provisions for payment and auditing are similar to those of title I.

The grants are to be administered in each State by its designated State adult educational authority, which may be the chief State school officer or any appropriate existing board provided for by State law. The State adult educational authority is required to consult with a council representative of each major type of adult educational activity or service in the State, rural and urban.

Title III. Grants to States for rural library service

Authorizes grants to the States beginning at \$2,000,000 and increasing to \$6,000,000 per year, ending in 1945, for the current operating and maintenance expenses of public-library services primarily for rural inhabitants of the various States. The grants are apportioned among the States in proportion to their respective numbers of rural inhabitants.

State acceptance provisions and provisions for payment and auditing are similar to those of title I.

The grants are to be administered in each State by its designated State library administrative agency, which may be the State library board, a State library, a State department of education, including a library division, or similar agency. The State library administrative agency is required to prepare and file with the United States Commissioner of Education a plan for apportioning or disbursing the funds in such manner as will effectively lessen inequalities of opportunity for library service.

Title IV. Grants for cooperative educational research and demonstrations, and for administration

Authorizes the appropriation for the purposes of the title of 3 percent of the amounts authorized under titles I, II, III, and V, equivalent to an authorization beginning at \$2,190,000 and increasing to \$6,060,000 the sixth and last year.

Sixty percent of the amounts appropriated under the title would be available for expenditure for cooperative educational surveys, research, and demonstrations under the direction of State departments of education, colleges and universities, and other nonprofit institutions and agencies. Not less than 30 percent of the amount appropriated under the title must be expended under the direction of State departments of education, and not less than \$5,000 must be allocated for expenditure each year in each State. The extent of matching by State, local, and private funds is to be determined by joint agreement.

Forty percent of the amounts appropriated under the title would be available for direct expenditure by the Commissioner of Education for assistance in cooperative undertakings, for research, survey, planning, and demonstration activities, for advisory services, for services necessary to the administration of the act, and for compiling, preparing, and publishing reports required by the act.

Title V. Education of children residing on Federal reservations and at foreign stations

This title would make provision for the education of the only children in the United States not now entitled by law to public-school facilities, namely, certain children residing on Federal reservations and at foreign stations.

The policy of the United States is declared to be to make such provision as may be necessary for the education of such children, the education to be comparable to the education provided in public schools and to be provided through use by cooperative agreement of existing public-school facilities, so far as feasible. Appropriations necessary for the purpose, not to exceed \$3,000,000 per year, are authorized.

Appropriations are to be administered by the Commissioner of Education, who is given authority to enter into agreements and

make allotments. He is required to consult with an advisory committee made up of representatives designated by the several departments and agencies in which need exists for educational services for children living on reservations.

The amounts appropriated under the title would not be available for the children of Indians, who are now provided for, or for expenditure in the Panama Canal Zone, which now has a system of schools supported by Federal appropriations.

Title VI. General and miscellaneous provisions

Provides in general that the District of Columbia, Alaska, Hawaii, Puerto Rico, the Virgin Islands, American Samoa, and Guam shall receive the benefits of the act in the same manner as the States. Makes special exceptions and provisions with respect to such areas where necessary.

Defines a "minority racial group" as any racial group constituting a minority of the population of the United States and for which separate schools are required by law in any State. Defines a just and equitable apportionment of the funds as meaning any plan of distribution which results in the expenditure for the benefit of minority racial groups of a proportion of the funds not less than the proportion which such groups bear to the total population of the States affected.

Provides that in carrying on his function, the Commissioner of Education shall secure the advice of a general advisory committee of citizens, to meet not less than twice each year.

Provides for detailed annual reports by the Commissioner of Education showing accurately the status of education in the United States.

Authorizes the Commissioner of Education to make necessary regulations, subject to the approval of the Secretary of the Interior.

Authorizes the President to appoint a special temporary advisory committee in 1943 to report in 1944 with recommendations concerning Federal relations to education. The major purpose of this committee would be to review the experience with the grants authorized in the present bill and to make recommendations for consideration prior to the expiration of the grants in 1945.

AMENDMENT OF NEUTRALITY LAW

Mr. THOMAS of Utah. I introduce a joint resolution for printing in the RECORD and reference to the Committee on Foreign Relations. I ask also that a statement drawn up by a committee of experts and my own statement, which follows, be printed as part of the RECORD immediately after the joint resolution.

The VICE PRESIDENT. The joint resolution will be received, printed in the RECORD, and referred as requested by the Senator from Utah, and, without objection, the statements also will be printed in the RECORD.

The joint resolution (S. J. Res. 67) to amend the Neutrality Act was read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That section 2 of the Neutrality Act, approved August 31, 1935, as amended, is amended by adding at the end thereof the following new subsection:

"(f) Whenever the President shall have issued a proclamation under the authority of section 1 of this act and he shall thereafter find that the placing of restrictions on the export of certain articles or materials of use in war, in addition to arms, ammunition, and implements of war, from the United States to belligerent States, or to a State wherein civil strife exists, is necessary to promote the security or preserve the peace of the United States, he shall so proclaim, and it shall thereafter be unlawful, except under such limitations and exceptions as the President may prescribe, to export, or attempt to export, or cause to be exported, such articles or materials from any place in the United States to belligerent states or to any state wherein civil strife exists, named in such proclamation issued under the authority of section 1 of this act, or to any other state for transshipment to, or for the use of, any such belligerent state or any such state wherein civil strife exists."

Sec. 2. Such act is further amended by adding after section 3 the following new section:

"Sec. 3A. Whenever the President shall find that one or more states signatory to a treaty to which the United States is a party is engaged in war with another state in violation of such treaty, he may, with the approval of a majority of each House of Congress, exempt such other state, in whole or in part, from the provisions of any proclamation issued by him under the authority of this act, if such other state is not engaged in war in violation of such treaty. The President may, from time to time, change, modify, or revoke, in whole or in part, any exemption issued by him under the authority of this section."

The statements presented by Mr. THOMAS of Utah are as follows:

REPORT OF THE COMMITTEE OF EXPERTS APPOINTED BY THE COMMITTEE FOR CONCERTED PEACE EFFORTS TO STUDY REVISION OF THE NEUTRALITY LEGISLATION

The committee believes that, in such critical times as we now face, it would be unwise to attempt abrogation or radical revision

of the Neutrality Act, or to embark upon a controversial debate as to a policy which might be substituted for it. For this reason only a few and simple changes have been proposed, having in mind the purpose of making possible a workable foreign policy under the statute.

The most essential change required in the act is that it should be made more adaptable to the varying circumstances to which it must apply. In its present rigid form it has worked in favor of states whose policy the American people do not approve and whose actions are contrary to our rights under our treaties and under international law. It is a fact beyond doubt that whatever policy we adopt, and however impartial we may strive to be, we shall aid one side more than the other in any foreign conflict. It seems to us unwise, and even absurd, to have a law which denies to our Government (for the Congress itself cannot, under the act, consistently discriminate between the disputants in a foreign war) the right to hinder an aggressor, or to defend ourselves by measures short of war against a state which is doing injury to the United States in violation of treaty rights or of international law. If our action will in any case aid one party more than the other, we should be free to direct that action against the state which violates law and treaties or does harm to us. As the act now stands, a war-making state can know that our Government is restrained to a limited course of action, and it can therefore shape its own course of action to the disadvantage of the United States. The Neutrality Act should certainly be amended so as to enable us to defend our interests and so as to permit a workable foreign policy.

With this conclusion we believe the vast majority of the American people would agree, for the neutrality legislation has worked to aid states whose course of action was heartily disliked by the people. There is, however, opposition to granting to the one man who happens to be the President the power to declare a state to be a treaty breaker, and to permit discrimination against that one which he may so name. The committee does not enter upon the debate as to whether the President is the authority best fitted to make this decision. The important thing is to permit American foreign policy to be shaped by American rather than by foreign authorities; and if Congress is unwilling to entrust this decision to the President, then it should be changed to permit the decision to be taken with the approval of Congress. This would be a more awkward and dilatory method, but it would mean an important improvement in the act as it now stands; the United States would then be able to use it for our own purposes, instead of having it exploited by other states for their purposes.

The committee therefore recommends four changes, of which the first is the most important.

I

That the following clause be substituted for section 4 of the present act, a clause which has always been questionable, and which would be unnecessary if the proposed substitution were accepted:

"SECTION 4. (a) Whenever the President shall find that one or more of the countries is engaged in hostilities in violation of a treaty to which the United States is a party, he may so inform Congress, and with the approval of a majority of each House of Congress, he may so proclaim, and thereafter he may revoke his proclamations issued under the authority of this act, in whole or in part, in respect to any state engaged in hostilities not in violation of such treaty and continue their application in respect to states named in the proclamation issued under the authority of this section. (b) The President may, from time to time, change, modify, or revoke in whole or in part any proclamations issued by him under the authority of this section."

II

That the following clause be inserted after (b), in section 2: "Sec. 2. (c) Whenever the President shall have issued a proclamation under the authority of section 1 of this act and he shall thereafter find that the placing of restrictions on the export of certain articles or materials of use in war, in addition to arms, ammunition, and implements of war, from the United States to a state engaged in hostilities (or to a state wherein civil strife exists) is necessary to promote the security or preserve the peace of the United States, he shall so proclaim, and it shall thereafter be unlawful, except under such limitations and exceptions as the President may prescribe, to export or attempt to export, or cause to be exported, such articles or materials from any place in the United States to any state engaged in hostilities, or to any other state for transshipment to, or for the use of, any such state."

The purpose of the above clause is again for the purpose of securing additional flexibility. It is highly important to have an export embargo on other materials of use in war, and this addition, together with the embargo on shipment and the "cash and carry" rule, offer varying methods for the use of the Government, whether against both parties or against one.

III

That all references to civil strife be stricken from the act. Civil war is a very difficult situation in international law, and varies so widely that it would be preferable to handle it through a special statute for each situation rather than through a general rule applicable to all situations.

IV

That the term "hostilities" be substituted throughout the act for the term "war." Recent experience, both in foreign wars and in the application of the act, indicates the wisdom of this change.

It would enable the act to cover situations which it could not cover the term "war."

Finally, the committee calls attention to the desirability of cooperation with other states in situations intended to be covered by the Neutrality Act. Isolated economic action by one state is not so effective as when a number of states combine in it, and, on the other hand, any risks which might be incurred would be shared by other states. Our position would be much strengthened by such cooperation, and the agreement reached at the Lima conference would seem to call for such cooperation. But, again, the committee emphasizes that the most important thing is to enable the American nation, whether in cooperation with others or not, to conduct a foreign policy which can meet its needs. It believes that the changes proposed are essential from any viewpoint, whether that of the person who prefers for the United States to act alone or of the person who believes in collective security.

The committee consists of Prof. Charles G. Fenwick, of Bryn Mawr College, chairman; Dr. Esther C. Brunauer, American Association of University Women; Prof. Clyde Eagleton, of New York University, rapporteur; Dr. Emily Hickman, of the New Jersey College for Women, chairman of public affairs committee of the national board of the Y. W. C. A.; Prof. James T. Shotwell, of Columbia University, president of the League of Nations Association; Prof. Eugene Staley, of the Fletcher School of Law and Diplomacy; Prof. Quincy Wright, of the University of Chicago.

STATEMENT OF SENATOR THOMAS OF UTAH

Mr. President, the two amendments which I have offered follow only two of the suggestions of the committee of experts appointed by the Committee for Concerted Peace Efforts, and the first one I do not offer as a substitute for section 4 as the committee suggests. I could not sponsor an amendment I do not believe in. Personally I consider section 4 of the Neutrality Act one of its strongest sections. Our Monroe Doctrine has meant many things in its history, but one thing it has always meant is that America would view as an unfriendly act an expedition or an invasion in any part of the American hemisphere or against any State in North or South America on the part of a European or an Asiatic state. Whether this understanding has preserved the Western Hemisphere from such an attack and such an invasion we, of course, do not know, but the fact remains that with very insignificant exceptions neither invasion nor expedition has been attempted. If our Neutrality Act, as some declare, has encouraged an aggressor in other parts of the world, this is no time for us to encourage such an aggression in our part of the world.

Section 4 is not an interpretation of the Monroe Doctrine; it is not an extension of that doctrine. I consider the pan-American treaties of the last 2 or 3 years, though, an interpretation and an extension of the doctrine. They have turned the Monroe Doctrine from a unilateral understanding to a multilateral one. This act is extremely helpful to world understanding. It is well, in my opinion, that section 4 remains in the act. Therefore the amendment, instead of acting as a substitute, is an addition.

The second amendment which I offer will produce greater flexibility in the administration of the act when once the Neutrality Act is invoked. It will not, though, leave greater discretionary powers with the Executive. After once the Neutrality Act is invoked there can be no change in its administration short of revocation without the consent of Congress. Thus, if the time comes to decide between a wrongdoer and a nation which is hurt, that decision rests with Congress and not with the Executive. This effect is in keeping with the sort of judgment Congress has been willing to pass on nations of the world, such as our law against the defaulting nations, which is definitely a break from impartiality and which, nevertheless, does make that break in accordance with a simple standard. The determination of an aggressor will always be difficult, but the discovery of a simple definition, such as the one we have decided upon in regard to defaulters, can make the meaning of aggression in American experience more easily ascertained. An aggressor nation under this amendment would be one which deliberately goes to war contrary to a treaty to which the United States is a party.

The committee suggests that all reference in the act to civil strife be stricken. From the standpoint of international law I think this should be done, but this is definitely not the time. Therefore there is no reference to this suggestion in my amendments.

The committee's suggestion that the word "hostilities" be substituted for "war" has not been followed. The reason for this is that in the framing of the neutrality acts I, time and time again in the Foreign Relations Committee, attempted to make a point that in the light of circumstances and in the light of changed conditions in the world that the acts' use of the terms "war" and "state of war" was an unhappy one, but with my suggestions my colleagues disagreed. I am happy to abide by the decision of my senatorial colleagues.

An editorial in the New York Times of February 3, in commenting upon the recommendations of the committee of experts, has the following to say:

"There is an alternative to this present method, and that alternative is to proceed openly and directly to a policy which is a logical consequence of the position Mr. Roosevelt has taken. The most damaging fact of the present situation, so far as American influence in restraint of potential war makers is concerned, is that the war makers know very well that our so-called Neutrality Act would deny to their intended victims the opportunity to purchase in our markets the necessary weapons of self-defense in

time of war. The President, who has already shown his disapproval of the Neutrality Act, can properly recommend an amendment of it which would waive this prohibition. By doing so, he would indeed give the potential war makers something to think about.

"The President could also recommend to Congress that the United States withhold from those nations which are clearly identified as aggressors the right to purchase weapons in our markets, even when war has not been declared formally, but when an 'undeclared war' is being fought. It has been objected that no one man, not even the most conscientious Chief Executive, ought to have power to identify an 'aggressor' nation. But this objection could be met in the manner in which the Committee for Concerted Peace Efforts has proposed to meet it—by requiring that the President's identification of an aggressor be confirmed by a majority vote of both the Senate and the House. We may be sure that in such circumstances a prohibition on export of arms would be invoked only in cases when American opinion was crystal clear as to the identity of the aggressor—as in the case of Japan's unprovoked and wholly aggressive war on China. Is there really any large number of Americans who do not believe that our hands would be cleaner, and our interests better protected, if from the outset we had refused to sell instruments of death to the Japanese armies in China?

"The policy recommended here—permission for all nations to purchase American weapons in time of war, except in the case of nations clearly identified by the President and Congress as aggressors—does not go so far in the direction of collective security as this newspaper believes it is desirable and in the long run essential for the United States to go. But we recognize—particularly when so good a former friend of collective security as Herbert Hoover now speaks out against it—that there are necessary limitations to what can be done at this time. The policy recommended here would at least substitute open for secret diplomacy, carry a message to the aggressor nations which they could not possibly misconstrue and throw the influence of the United States against the outbreak of a war which, once begun, might soon involve us."

HOUSE BILL REFERRED

The bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees was read twice by its title and referred to the Committee on Finance.

RESTRICTION OF EXPORTATION OF CERTAIN LOGS—AMENDMENTS

Mr. McNARY submitted amendments intended to be proposed by him to the bill (S. 1108) to restrict the exportation of certain Douglas fir peeler logs and Port Orford cedar logs, and for other purposes, which were referred to the Committee on Commerce and ordered to be printed.

DEPARTMENT OF PUBLIC WORKS AND AMENDMENT OF SOCIAL SECURITY ACT—AMENDMENT

Mr. BARBOUR submitted an amendment intended to be proposed by him to the bill (S. 1265) to establish a Department of Public Works, to amend certain sections of the Social Security Act, and for other purposes, which was referred to the Special Committee to Investigate Unemployment and Relief and ordered to be printed.

NATIONAL FLAG DAY

Mr. SHEPPARD submitted the following concurrent resolution (S. Con. Res. 4), which was referred to the Committee on the Judiciary:

Whereas on the 14th day of June 1777 the Continental Congress adopted a resolution creating the flag of the United States in the following terms:

"Resolved, That the flag of the (thirteen) United States be thirteen stripes, alternate red and white; that the Union be thirteen stars, white in a blue field, representing a new constellation"; and

Whereas on recurrent anniversaries of the natal day of the national emblem through the years since its creation, on its one hundredth anniversary, on its one hundred and fiftieth anniversary, when President Calvin Coolidge issued a public statement June 7, 1927, to his "fellow Americans" requesting the observance of Flag Day, appropriate commemorative exercises befitting the importance and sacredness of the occasion have been observed by the Government of the United States, the American Flag Day Association, and numerous other patriotic organizations, associations, and societies; and

Whereas by proclamation issued May 30, 1916, President Woodrow Wilson gave official recognition to Flag Day when he requested "that throughout the Nation, and, if possible, in every community, the 14th day of June be observed as Flag Day with special patriotic exercises": Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That in the year 1939 and in every year thereafter the 14th day of June officially shall be declared "National Flag Day" within the District of Columbia and the Territories of the United States; and that the President of the United States be, and he is hereby, requested to issue a proclamation with each recurring anniversary proclaiming National Flag Day and calling upon all Americans, whether resident in the mainland or in the insular possessions of the United States,

to observe National Flag Day by displaying the Stars and Stripes in public places and upon public and private buildings and by patriotic exercises in our schools and community centers throughout the Nation, thereby giving public expression of faith in and fealty to America and allegiance to our national ensign, symbol of the glory and achievement of a free, united, and independent people.

SPECIAL COMMITTEE TO INVESTIGATE UNEMPLOYMENT AND RELIEF

Mr. BYRNES. I submit a resolution and ask unanimous consent for its consideration at this time.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 77) was read, as follows:

Resolved, That the Special Committee to Investigate Unemployment and Relief created by Senate Resolution 36, Seventy-fifth Congress, shall hereafter consist of 11 instead of 7 members, and the 4 additional members shall be appointed by the President of the Senate. In addition to the authority heretofore conferred upon such committee, the committee shall have power to consider and report to the Senate any bills or resolutions which may be referred to such committee.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. McNARY. Mr. President, is this the resolution concerning which the Senator from South Carolina spoke to me a few minutes ago?

Mr. BYRNES. I spoke to the Senator from Oregon about it.

Mr. McNARY. It increases the membership of the Unemployment Committee?

Mr. BYRNES. From 7 to 11.

Mr. McNARY. How many Republicans are to be on the committee?

Mr. BYRNES. Four; so that the membership of the committee would be 7 Democrats and 4 Republicans.

Mr. BARKLEY. Mr. President, the resolution is made advisable because otherwise any legislation dealing with the subject might have to be referred to the Committee on Appropriations, instead of to the Special Committee on Unemployment and Relief, of which the Senator from South Carolina is chairman.

The Committee on Appropriations is not a legislative committee in the sense that it reports substantive measures, and it is not thought desirable that that function be conferred upon it. For that reason, in view of the fact that the special committee has made the investigation and probably understands the subject better than any other committee, it is desirable that in this particular case this authority be conferred.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

The VICE PRESIDENT. As the additional members of the special committee the Chair appoints the Senator from Kentucky [Mr. BARKLEY], the Senator from Mississippi [Mr. HARRISON], the Senator from Georgia [Mr. GEORGE], and the Senator from Oregon [Mr. McNARY].

DEPARTMENT OF PUBLIC WORKS AND AMENDMENT OF SOCIAL SECURITY ACT—CHANGE OF REFERENCE

Mr. BYRNES. I ask unanimous consent that the Committee on Appropriations be discharged from the further consideration of Senate bill 1265, to establish a Department of Public Works, to amend certain sections of the Social Security Act, and for other purposes, and that the bill be referred to the Special Committee to Investigate Unemployment and Relief.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ASSISTANT CLERK, COMMITTEE ON MANUFACTURES

Mr. BYRNES submitted the following resolution (S. Res. 78), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Manufactures hereby is authorized to employ an assistant clerk to be paid from the contingent fund of the Senate at the rate of \$2,000 per annum until the end of the Seventy-sixth Congress.

CHANGE OF REFERENCE—LETTER FROM SECRETARY OF AGRICULTURE

Mr. ASHURST. Mr. President, the Committee on the Judiciary this day directed its chairman to request that the

committee be discharged from the further consideration of a letter dated January 31, 1939, which was addressed to the Vice President by the Secretary of Agriculture, and that the letter be referred to the Committee on Agriculture and Forestry. The letter pertains to the delegation of certain powers to subordinates in the Department of Agriculture, and was referred to the Committee on the Judiciary on February 2, 1939.

The VICE PRESIDENT. Without objection, the change of reference will be made.

PROFIT FROM OPERATION OF STABILIZATION FUND

Mr. BARKLEY. Mr. President, on the 2d day of February the Senator from Massachusetts [Mr. LODGE] addressed a letter to the Secretary of the Treasury concerning a statement which I had made here in a colloquy with the Senator from Michigan [Mr. VANDENBERG] concerning the \$12,000,000 profit which had been made by the operation of the stabilization fund. On the 8th of February the Secretary of the Treasury replied to that letter. I ask unanimous consent that both letters may be inserted in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
February 2, 1939.

HON. HENRY MORGENTHAU, JR.,

Secretary of the Treasury, Washington, D. C.

DEAR MR. SECRETARY: On page 1018 of the CONGRESSIONAL RECORD for February 1, Senator BARKLEY is quoted as follows:

"I understand that the stabilization fund has been used in such a way as to make a profit to the American Treasury of something like \$12,000,000."

Would you be so kind as to tell me whether Senator BARKLEY's understanding is correct and, if so, how this profit was realized?

With kind regards, I remain,

Sincerely yours,

H. C. LODGE, Jr.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
February 8, 1939.

The Honorable HENRY CABOT LODGE, Jr.,

United States Senate.

MY DEAR SENATOR: In reply to your letter of February 2, in which you ask for information with regard to the stabilization fund, I am pleased to advise you as follows:

1. Not as a part of the purpose for which the stabilization fund was created by the act of Congress (the Gold Reserve Act, approved January 30, 1934), but as an incident to its operation, the fund has increased by approximately \$12,000,000.

2. While the Congress appropriated \$2,000,000,000 as a stabilization fund, only one-tenth of that amount, \$200,000,000, has been used as a working fund.

3. Since its creation the fund has been operated, as specified by the act, under the direction of the Secretary of the Treasury and with the approval of the President.

4. It has been employed for the purpose specifically stated in the act, which is that of "stabilizing the exchange value of the dollar." In its administration all of the act's provisions have been most scrupulously followed, both in letter and in spirit.

5. The fund has not been employed for any purpose, and it has not been operated in any way, directly or indirectly, for any other object or to effect any other purpose than that stated in the act.

Sincerely,

HENRY MORGENTHAU, JR.,
Secretary of the Treasury.

PROMOTION OF WORLD PEACE THROUGH WORLD TRADE

Mr. THOMAS of Utah. Mr. President, the part the Americas are playing in the promotion of world peace through world trade was emphasized at a luncheon held at the Hotel St. Regis, New York City, January 17, under the auspices of the Inter-American Commercial Arbitration Commission.

A message from President Roosevelt was read by Dr. James Rowland Angell, former president of Yale University and a director of the American Arbitration Association, who presided.

The meeting was held to honor the newly inducted chairman of the Commission, Thomas J. Watson, president of the International Chamber of Commerce and president of the International Business Machines Corporation, and Mr. Spruille Braden, honorary chairman, who recently retired as

the active head of the Commission to become American Ambassador to Colombia.

It was announced that Mr. Watson, who is an outstanding American advocate of international cooperation and world peace, would confer with Latin-American colleagues on the Commission in the course of a good-will tour of South America in February and March. Other speakers at the luncheon were Dr. Angell; Ambassador Braden; James S. Carson, chairman of the American section of the Commission; and Mrs. Vincent Astor, director of the American Arbitration Association.

The representative and official nature of the meeting and its international significance were indicated by the attendance of consular officers of 11 Latin-American countries.

Mr. President, I ask unanimous consent that the list of official guests, the message of the President of the United States, and the address delivered by Hon. Thomas J. Watson be printed in the RECORD as a part of my remarks.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

LIST OF OFFICIAL GUESTS

Hon. Rafael Navia, acting consul general of Colombia; Hon. A. R. Hidalgo Z., consul general of Ecuador; Hon. Pablo Saurez, consul general of Cuba; Hon. Rafael de la Colina, consul general of Mexico; Hon. E. Pardo de Zela, consul general of Peru; Hon. Ricardo Castro Beeche, minister of Costa Rica; Hon. F. Alvarado Gallegos, consul general of El Salvador; Hon. Hector Giron, consul general of Guatemala; Hon. Oscar Correia, consul general of Brazil; Hon. Tomas Pacanins, consul general of Venezuela; and Hon. Jaime Gutierrez Guerra, consul of Bolivia.

[Text of message from President Roosevelt to the Inter-American Commercial Arbitration Commission, meeting at New York City January 17, 1939]

I have received Mr. Herman G. Brock's letter of January 9 telling me of the installation in office tomorrow of the Honorable Spruille Braden as honorary chairman and Mr. Thomas J. Watson as chairman of your Commission, and I appreciate the invitation conveyed by Mr. Brock to send you a message in connection with the occasion.

It is unnecessary for me to emphasize anew the importance which I attach to all responsible activity destined to strengthen further the ties of friendship and understanding which happily exist between the peoples of the American republics. The objectives of the Inter-American Commercial Arbitration Commission seem to me clearly directed to further these ends.

Mr. Braden's association with your Commission brings to mind the notable achievements of the Chaco Peace Conference, at which he was the representative of the United States, in solving through pacific negotiation a dispute which had long continued between two of our sister republics. The conference provided an outstanding practical contribution to the settlement of inter-American differences through peaceful and equitable means. It provided an admirable example of the practical use to which patience, open-mindedness, square dealing, good will, and the services of impartial friends can be put toward the settlement of all disputes, whether they be political or commercial.

I trust that the field for the usefulness of your Commission will continue to develop, and with my cordial greetings to your new chairman, Mr. Thomas J. Watson, I send my best wishes to your organization.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

[Text of address of Thomas J. Watson, chairman, Inter-American Commercial Arbitration Commission, at New York City, January 17, 1939]

COOPERATION OF THE AMERICAS AS AN AID TO WORLD PEACE

I wish to express my very deep gratitude for the honor of appointment as chairman of this Commission to succeed Ambassador Braden. I am interested in relations between the United States and all countries, but especially in the relations among the Americas.

We live in the same hemisphere. The talents of the people, the quality of the soil, and the natural resources afford an opportunity for each country to profit through fair trade relations with other countries in the Western Hemisphere. I believe the greatest achievement along this line, since I have been interested in international affairs, is the reciprocal-trade treaties worked out by our Secretary of State, Cordell Hull, with the endorsement of the President.

The more we improve and develop trade relations between our country and Latin America the more we shall help the rest of the world, because as we increase the standards of living in our country and all these other countries it opens broader fields throughout the world for all peoples to work in.

I want to pay a special tribute to those engaged in the transportation industry on land, water, and in the air for the very great interest and effort which they are putting forth in developing better transportation facilities between our countries.

I also want to pay tribute to our press, which is doing such a big job in presenting the arbitration association's work and that of all the organizations interested in this work in the Western Hemisphere.

The International Chamber of Commerce, in whose work I am privileged to play some part, is composed of business, financial, and educational leaders from 50 countries. After a great deal of careful study they decided that the only sure road to peace is through world trade.

I want to digress just for a moment to mention one thing in which I am very deeply interested—something that is outside of and much broader than the Western Hemisphere. That is the matter of minorities in certain countries.

I hope and trust and pray that this great world problem is going to be settled through arbitration. It has ceased to be a local problem, but is a world problem, and I feel that every individual in the world who is thinking about the right kind of future should take a personal interest in helping to solve this matter in a peaceful manner through arbitration.

As long as we can hold meetings like the Eighth International Conference of American States at Lima, dealing with arbitration and trade relations, and accomplish as much as was accomplished at that meeting, we should feel encouraged. We must all realize that the matter of relations between nations is something that must be worked on continuously.

We owe a debt of gratitude to Mr. Hull and every member of his delegation, and the others who attended, for their splendid efforts during that conference, which was in keeping with the "good-neighbor" spirit which the United States is so desirous of promoting.

All who are interested in the relations between the countries of the Western Hemisphere have a right to feel that a great deal has been accomplished. To my mind, the most important thing in connection with our relations with other countries is to avoid anything that might be considered in the light of propaganda.

I am looking forward with the keenest interest to my forthcoming trip to South America, to meeting my colleagues on the Commission, and to their increased collaboration in keeping open and using trade routes for the maintenance of peace, cooperation, and good will.

I would like to pay my tribute to Mr. John L. Merrill, president of the Pan American Society, and all its members, who are putting forth their best efforts toward promoting trade and friendship between the American countries.

The task ahead of us today is not one of setting up arbitration machinery. We have that in abundance. Our task is intensive education in the knowledge and use of arbitration; it is to make every businessman, big or little, conscious that he is a vital part of the great western peace structure; that what he does in his business relations and how he does it may make the difference between peace and war, or between good relationships and bad understanding. The task is to carry to the young businessmen of tomorrow a greater sense of the solidarity to be achieved through economic cooperation and that world peace through world trade offers the best promise of endurance.

The world needs something bigger and broader than any of these things, and that is a spiritual revival, not based on any particular individual's church affiliations but based on the Golden Rule. We must develop a greater desire in the hearts of more people simply to do right in dealing with their fellow man.

FREEDOM OF SCIENCE—ADDRESS BY SENATOR SCHWELLENBACH

[Mr. THOMAS of Utah asked and obtained leave to have printed in the RECORD an address on the subject Freedom of Science, delivered by Senator SCHWELLENBACH at the University of Pennsylvania on February 12, 1939, which appears in the Appendix.]

UNDESIRABLE ALIENS—ADDRESS BY SENATOR REYNOLDS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a radio address delivered by him on Wednesday, February 1, 1939, on the subject Undesirable Aliens, which appears in the Appendix.]

EMBARGO AGAINST MUNITIONS SHIPMENTS TO SPAIN

[Mr. NYE asked and obtained leave to have printed in the RECORD a series of letters published in the New York Times regarding the embargo on shipments to Spain, which appear in the Appendix.]

ABRAHAM LINCOLN'S BIRTHDAY IN 1864—ARTICLE BY EMANUEL HERTZ

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an article by Emanuel Hertz, Esq., entitled "Lincoln's Grim Birthday 75 Years Ago," published in the New York Times magazine of February 12, 1939, which appears in the Appendix.]

LINCOLN AT GETTYSBURG—ARTICLE BY EMANUEL HERTZ

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an article on Abraham Lincoln entitled "At Gettysburg 75 Years Ago," written by Emanuel Hertz, Esq., and

published in the New York Times magazine of November 20, 1938, which appears in the Appendix.]

THE NATIONAL DEBT—ARTICLE FROM COLLIER'S

[Mr. GERRY asked and obtained leave to have printed in the RECORD an article entitled "The Answer Is 'Yes, Mr. Eccles,'" published in Collier's for February 11, 1939, which appears in the Appendix.]

EXECUTIVE SESSION

The VICE PRESIDENT. The routine morning business is concluded. The calendar, under rule VIII, is in order.

Mr. BARKLEY. I ask unanimous consent that the calling of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, a convention, and two treaties, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

EXECUTIVE REPORTS FILED DURING ADJOURNMENT

Under authority of the order of the Senate of the 9th instant, the following executive reports of nominations in the Army were filed during adjournment of the Senate, and were placed on the Executive Calendar:

On February 10, 1939:

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of Delos Carleton Emons, wing commander, Air Corps, to be commanding general, General Headquarters Air Force, with the rank of major general, from March 1, 1939; George Howard Brett to be Assistant to the Chief of the Air Corps, with the rank of brigadier general, from January 31, 1939; Walter Krueger to be major general from February 1, 1939; James Lawton Collins to be brigadier general from February 1, 1939; Sanderford Jarman to be brigadier general; Donald Reuben Goodrich to be major, Air Corps; and Irving Andrew Fish to be major general, National Guard of the United States.

Mr. SHEPPARD also, from the Committee on Military Affairs, reported favorably the nominations of sundry officers for appointment, by transfer, and also for promotion in the Regular Army.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of James H. Patterson, of Alaska, to be United States marshal for the third division of the Territory of Alaska.

Mr. BURKE, from the Committee on the Judiciary, reported favorably the nomination of Frank A. Picard, of Michigan, to be United States district judge for the eastern district of Michigan, to fill a position created by law.

Mr. CONNALLY, from the Committee on the Judiciary, reported favorably the nomination of Alex Smith, of Alabama, to be United States marshal for the northern district of Alabama.

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of T. Alan Goldsborough, of Maryland, to be United States district judge for the District of Columbia, to fill a position created by law.

The VICE PRESIDENT. The reports will be placed on the executive calendar.

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

DISTRICT JUDGE—JAMES V. ALLRED

The legislative clerk read the nomination of James V. Allred to be United States district judge for the southern district of Texas.

Mr. KING. Let the nomination go over until tomorrow. Then I shall have no objection to its being taken up.

The VICE PRESIDENT. Without objection, the nomination will be passed over.

MISSISSIPPI RIVER COMMISSION

The legislative clerk read the nomination of Col. Roger G. Powell, Corps of Engineers, United States Army, to be a member of the Mississippi River Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COAST GUARD OF THE UNITED STATES

The legislative clerk proceeded to read sundry nominations in the Coast Guard of the United States.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Coast Guard be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Coast Guard nominations are confirmed en bloc.

COAST AND GEODETIC SURVEY

The legislative clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. BARKLEY. I make the same request regarding those nominations.

The VICE PRESIDENT. Without objection, the nominations in the Coast and Geodetic Survey are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I make the same request regarding the nominations in the Army.

The VICE PRESIDENT. Without objection, the nominations in the Army are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations in the Marine Corps.

Mr. WALSH. I ask that the nominations in the Marine Corps be confirmed en bloc.

The VICE PRESIDENT. Without objection, the Marine Corps nominations are confirmed en bloc.

That completes the Executive Calendar.

LEGISLATIVE SESSION

Mr. BARKLEY. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed legislative session.

ORDER FOR ADJOURNMENT TO THURSDAY

Mr. BARKLEY. I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until Thursday next.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

AUTHORIZATION FOR COMMITTEES TO REPORT AND BILLS TO BE SIGNED DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the adjournment of the Senate following today's session all committees be permitted to submit reports on bills, resolutions, and nominations, that the Vice President be authorized to sign any bills ready for his signature, and that the Secretary of the Senate be authorized to receive messages from the House of Representatives.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

DEATH OF POPE PIUS XI

Mr. WAGNER. Mr. President, the entire world mourns the loss of one of the greatest spiritual leaders of recorded time.

The pontificate of Pius XI covered the eventful years of postwar disillusionment, world economic crisis, and the ascendancy of absolutist government, communism, and fascism. In this critical period he embraced, with high courage and supreme statesmanship, every opportunity for service to the progress of the world.

His successful negotiation of the Lateran Treaty in 1929, restoring temporal power to the church, would in itself have marked him as a great figure in history. But, beyond that, he achieved a position of influence and authority rarely attained by one in his office because of his untiring efforts in behalf of international peace and social justice.

To the very end, wrestling with the forces that threaten the foundations of civilization, he labored to preserve freedom of religious worship, the rights of minorities, and the dignity of the individual.

His passing is mourned not only by the 350,000,000 communicants of the Roman Catholic Church in every corner of the globe but by peoples of every faith and creed. With one voice and one heart the peoples of the world join in praying that his immortal soul may rest in peace, and that we may soon realize fully upon this earth the ideals of human brotherhood for which he worked and died.

Mr. President, I present a resolution, for the consideration of which I ask unanimous consent.

The VICE PRESIDENT. The resolution will be read.

The resolution (S. Res. 79) was read, as follows:

Resolved, That the Senate has received with profound sorrow the news of the passing of Pope Pius XI.

Resolved, That the Senate commiserates with the millions of communicants of the Roman Catholic Church, in this country and abroad, upon the death of a preeminent spiritual leader who endeared himself to peoples of all nations and all faiths by his untiring efforts to maintain international peace, freedom of religious worship, and the dignity of the individual against the onslaught of antagonistic forces in every part of the world.

Resolved, That the Secretary of State be requested to transmit a copy of this resolution to the Papal Secretary of State, the Vatican City.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution? The Chair hears none, and the question is on agreeing to the resolution.

Mr. BARKLEY. Mr. President, not knowing that the Senator from New York had announced his purpose to present the resolution which has been offered, I, myself, had drawn one and intended to offer it, but I have yielded to the Senator from New York for that purpose. In support of the resolution I wish to make a few brief observations.

In the midst of the chaos which threatens the perpetuity of both religion and democracy, it is appropriate that we pause in the midst of our responsibilities to pay tribute to the life of a man who has made so great a contribution to the cause of world peace and world democracy. I am not an adherent to the Catholic faith as a denominational expression of religious aspiration, though there are many things about this great church which I admire. For six generations my ancestors have been elders in the Presbyterian Church. I was educated in a Methodist college, and have for the greater part of my life been a member of the Methodist Church. But in the great cause of religion, in the desire for tolerance and understanding, in the accomplishment of the brotherhood of man, we must recognize the achievements of men of all religions and of all races who have devoted their lives to making the world a better place in which to live and a better place in which to die. With this sort of religious background, I am honored to pay tribute to the head of the great Catholic Church who, during all of his life, and especially during his tenure as Pope Pius XI, has brought the weight of his great influence to bear upon the rulers of nations in attempting to bring peace on earth and good will to men.

Pope Pius was a scholar. It is said that for a hundred years no greater scholar has occupied the Papacy. He was a statesman. During his incumbency he was instrumental in adjusting the differences between the Vatican and the Italian Government. He was deeply schooled in the history of mankind, in its poetry and philosophy, and in the sciences by which men live. He preached those fundamental doc-

trines which he believed essential to the fulfillment of man's destiny upon this earth. He abated fascism in his own country and communism throughout the world, and was the author of numerous encyclicals which will be a permanent part of the history of his church and of the world.

With all his scholarship and statesmanship, he was gentle, modest, consecrated, and with all of this he brought to his work a sense of the indispensability of a modern outlook upon the problems which he faced and which faced the world.

Let us hope and believe that the influence of this devoted man may work in effective ways to bring peace and understanding among the discordant nations, and that his words, spoken in behalf of the rights of depressed and repressed people, may penetrate into the hearts of the rulers of nations to such an extent as to bring a compulsion upon them to promote the establishment, preservation, and observance of the privileges to which the lowliest of men are entitled. Let us believe that the example of such a life emphasizes one of the greatest of Christian teachings, namely, that it is more blessed to give than to receive; that nations, no less than individuals, should do unto others as they would have others do unto them; and that the mission of the Master Himself, to give life, not only but to give it more abundantly, may in our day achieve its fulfillment.

Mr. WALSH. Mr. President, as a member of the religious faith of Pope Pius XI, and speaking for the others of his faith who are Members of the Senate, I wish to anticipate the action which we are taking here today on the pending resolution by expressing our appreciation, and the appreciation of all the people of the church of which Pope Pius XI was the spiritual head, for this token of sympathy and tribute. It is a notable sign of the tolerance, broad-mindedness, and good will of the Members of the Senate and of the people of the United States whom we here represent.

The adoption of this resolution affords renewed evidence of the spirit of tolerance and brotherly love that Americans have toward men and women of all religions, no matter in what part of our land they live or in what way they extend worship, gratitude, praise, and prayer to the Creator, who has bestowed especially upon our Nation a wealth of resources and an equality of opportunity and free institutions never before witnessed in the world.

Pius XI has lived in troublesome times. He witnessed a tremendous transition in the attitude of the world toward religions, institutions of freedom, and turbulent experimentation in new philosophies of social and political action and forms of government. Never in the world's history more than today have there been such violent manifestations of envy, jealousy, antagonism, and hatred among social, economic, and religious groups and among the heads of many governments. His heart, weakened by advancing years, must have been pierced deeply. He looked out upon a world crushing religion and enthroning tyranny.

To us here in America it is consoling that in the midst of all the selfishness, self-seeking, and personal ambitions which characterize this period this great spiritual leader, this aged and holy man, raised his voice again and again pleading with mankind to practice the two great natural virtues which alone can bring peace, happiness, and contentment to the world, namely, justice and charity—justice not merely in the social relations of individuals but in its application to the social and economic problems of society; charity, not merely almsgiving but an all-embracing brotherly love.

We can better understand his plea for justice by recalling the definitions of this virtue expressed through the ages by some of the world's great leaders.

Justinian, the greatest of lawmakers, said, "Justice is a firm and continuous desire to render to everyone that which is his due."

Cicero put it thus: "The foundations of justice are that none shall be harmed, and, next, that the commonweal be served."

The great St. Augustine said, "Abolish justice and what are governments but great robbers?"

Edmund Burke proclaimed: "Justice is the greatest standing policy of civil society."

Our own Whittier called justice "the hope of all who suffer; the dread of all who do wrong."

No one in all the world was in a better position than he whose passing the world mourns today to point out that the economic systems of our day were becoming instruments of oppression and denial of opportunity; that the problem of our day was far more than the preservation of material greatness and prosperity; rather the problem was and is to preserve the soul and spirit of justice. Well he knew that to lose this spirit was to lose all. He recognized that without a continuing and growing justice there would arise a vast mechanism of oppression and a great subversion of our liberties. He knew that the priceless heritage of freedom that the peoples of the world had achieved through untold sacrifices through the centuries would thus be lost.

In his great encyclicals he pointed out that the crucial economic problems of our day, becoming more and more complex, arose out of the struggle of the poor and the toilers in their natural aspirations to have a reasonable chance in life. It grieved him to find the masses in some countries going to extremes in their attempts to win this struggle. He pleaded with the rulers of the world not to think entirely of the strong and the powerful, or a particular social class, or a particular political party; justice, he said, demands that the necessities and the aspirations of the poor, of working men and women, of the multitude must be recognized and dealt with adequately.

His voice is stilled in death, but his admonitions will not cease to reverberate throughout the world until nations and mankind realize that only upon the foundation of justice and charity can peace reign and contentment and happiness be the heritage of the human family.

Mr. President, it is most appropriate that the United States Senate should pause in the midst of its deliberations today to pay tribute to this fallen spiritual leader of the world, beloved by men of all religions, who saw with him through the mist and gloom of this hour the importance of the restoration of the spiritual values of life, if freedom is to endure, justice be established, and peace prevail.

Mr. McNARY. Mr. President, on behalf of the Republican Members of the Senate I join in the splendid sentiments expressed by the distinguished leader of the majority, the Senator from Kentucky [Mr. BARKLEY]. I endorse all that has been said by him, by the Senator from Massachusetts [Mr. WALSH], and the Senator from New York [Mr. WAGNER], regarding the life, character, spirituality, and usefulness of the beloved Pope.

Mr. WAGNER. Mr. President, in connection with the remarks made by me a few moments ago I ask unanimous consent to have printed in the RECORD a very scholarly and moving address delivered by that distinguished American, Mr. Bernard M. Baruch, paying tribute to His Holiness Pope Pius XI.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF BERNARD M. BARUCH IN NATION-WIDE TRIBUTE TO POPE PIUS OVER COLUMBIA BROADCASTING SYSTEM, FRIDAY, FEBRUARY 10, 1939

Ladies and gentlemen, this meeting is an expression of the world's sorrow at the death of a great man. I feel it a privilege to be heard on this occasion—a privilege that would become the greater if words of mine were able to express the thoughts of others.

I confess my debt to this priest, whose name will not be outshone by any of the 260 men who have filled Peter's chair. I confess my debt as an American. I confess my debt as a seeker for world peace and the friendship of mankind. I confess my debt as one of the Jewish faith. To all of these roles he has given effort to keep them decent, dignified, and self-respecting.

To say that Pius XI preached tolerance is to belittle his gigantic service. He did more than that—far more. He preached justice—equal and freehanded. He preached justice to all, not to a few. Justice to those he liked as well as to those he did not like. And more than that, he preached mercy. Only God knows how much each of us needs that. He preached man's right to seek salvation in his own way. He preached freedom of conscience. He preached the fatherhood of God and the brotherhood of man. He preached love and good will in preaching the gospel of Jesus. And he

preached it in a way that, were it translated into deed, the world would be a better place to live in. That was what he sought.

With a courage that overcame sickness and defeat, he carried on, and carried with him the hope of humanity. It is not too much to say that no man in history has been so much the head and front—so wholly the leader—in the age-long fight for the right to live as free men and free women.

Pius feared no foe in shining armor. He was a St. George, battling with the dragons of prejudice of force, of venom, dragons whose noxious breath strangles the divinely fashioned individual, and snatching his soul, leaves a dead thing. The Pope was winning that fight because he was armed by truth, by justice, and by humanity.

His right to free expression, of which he became so great an exemplar, was historically sound. He was the first Pope, except Benedictus XV (who was chosen in the pressure and divisions of war), to be elected by the free and unvettable ballots of the conclave of cardinals.

Pius was the Holy Father in act as well as name. He was bound by the unbreakable ties of spirit to all who love truth and cherish freedom. He brought comfort and hope to the oppressed. He was uncompromising in his war against the false and the destructive. He protested bitterly against the torture of the body, of enslavement of the mind, and the degradation of the spirit. He flayed communism as he did nazi-ism. His encyclicals, more in number than any other Pope uttered, were declarations for liberty, for the deeper line, for democracy. In them America finds a code that it embraces and proclaims.

Achille Ratti, born poor, died the richest man in the world—rich in the record of the battles he waged for God and for righteousness, rich in the love of countless millions, rich in the trust and the confidence of the oppressed, and richest in heartfelt prayers that he may have peace.

Pius XI needs no cachet from the secular world. That has been given him by his works. He died strong in his beliefs; he did more—he lived for them.

Through his death there has come into our world a great vacuum which we anxiously watch. Our prayers for the repose of his soul will be mixed with our prayers for the fate of humanity, to which his successor can and must make so great a contribution.

May this martyred Pope, sanctified already by the love of his fellows, be with us for all time in the spirit of those who take over the golden throne.

The VICE PRESIDENT. The question is on agreeing to the resolution submitted by the Senator from New York [Mr. WAGNER].

The resolution was unanimously agreed to.

Mr. BARKLEY. As a further mark of respect to the memory of the deceased Pope I move that the Senate do now adjourn.

The motion was unanimously agreed to; and (at 12 o'clock and 35 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Thursday, February 16, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 13, 1939

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES GENERAL OFFICERS

*To be brigadier general, Adjutant General's Department,
National Guard of the United States*

Brig. Gen. Edgar Carl Erickson, Adjutant General's Department, Massachusetts National Guard.

Brig. Gen. Benjamin Mitchell Smith, Adjutant General's Department, Alabama National Guard.

POSTMASTERS

ALABAMA

Annie M. Stevenson to be postmaster at Notasulga, Ala., in place of A. M. Stevenson. Incumbent's commission expired May 12, 1938.

ARIZONA

Annie Laura Kent to be postmaster at Parker, Ariz., in place of A. L. Kent. Incumbent's commission expired June 18, 1938.

CALIFORNIA

Roy J. Summers to be postmaster at San Simeon, Calif. Office became Presidential July 1, 1938.

Pearl Bosch to be postmaster at Smith River, Calif. Office became Presidential July 1, 1938.

Opal Lambert to be postmaster at Summerland, Calif. Office became Presidential July 1, 1938.

CONNECTICUT

William Liberty to be postmaster at Voluntown, Conn. Office became Presidential July 1, 1938.

FLORIDA

Sarah F. Pryor to be postmaster at Fort Walton, Fla. Office became Presidential July 1, 1938.

Frederick S. Archer to be postmaster at Howey in the Hills, Fla. Office became Presidential July 1, 1938.

Coy L. Brock to be postmaster at Vernon, Fla. Office became Presidential July 1, 1938.

GEORGIA

Robert W. Knight to be postmaster at Cartersville, Ga., in place of R. W. Knight. Incumbent's commission expired March 15, 1938.

Lollie L. Ward to be postmaster at Commerce, Ga., in place of L. L. Ward. Incumbent's commission expired February 28, 1938.

Theo B. Little to be postmaster at Cornelia, Ga., in place of T. B. Little. Incumbent's commission expired May 23, 1938.

Kirby A. Kemp to be postmaster at Cumming, Ga., in place of K. A. Kemp. Incumbent's commission expired February 22, 1938.

John F. Carter to be postmaster at Gainesville, Ga., in place of J. F. Carter. Incumbent's commission expired March 15, 1938.

Cora W. Rogers to be postmaster at Jasper, Ga., in place of C. W. Rogers. Incumbent's commission expired February 22, 1938.

Lida Simpson to be postmaster at Norcross, Ga., in place of Lida Simpson. Incumbent's commission expired June 18, 1938.

Sarah K. Scovill to be postmaster at Oglethorpe, Ga., in place of S. K. Scovill. Incumbent's commission expired June 14, 1938.

Herman C. Titshaw to be postmaster at Pitts, Ga., in place of H. C. Titshaw. Incumbent's commission expired May 29, 1938.

ILLINOIS

Jessie E. Robertson to be postmaster at Buffalo, Ill. Office became Presidential July 1, 1938.

INDIANA

Blanche L. Anglin to be postmaster at Leesburg, Ind., in place of Blanche Anglin. Incumbent's commission expired June 18, 1938.

Ruth A. Shaw to be postmaster at New Augusta, Ind. Office became Presidential July 1, 1938.

Peter Holzer to be postmaster at Osgood, Ind., in place of Peter Holzer. Incumbent's commission expired June 9, 1938.

IOWA

Clarence W. Stuart to be postmaster at Altoona, Iowa, in place of C. W. Stuart. Incumbent's commission expired June 12, 1938.

Willard L. Street to be postmaster at Center Point, Iowa, in place of W. L. Street. Incumbent's commission expired May 17, 1938.

Richard Tomke to be postmaster at Clarion, Iowa, in place of Richard Tomke. Incumbent's commission expired June 18, 1938.

Gerry M. Hougham to be postmaster at Fort Des Moines, Iowa, in place of G. M. Hougham. Incumbent's commission expired June 18, 1938.

E. Harold Gilreath to be postmaster at Grand River, Iowa, in place of E. H. Gilreath. Incumbent's commission expired May 7, 1938.

Lee R. Evans to be postmaster at Mystic, Iowa, in place of L. R. Evans. Incumbent's commission expired June 18, 1938.

James B. McLaughlin to be postmaster at Preston, Iowa, in place of J. B. McLaughlin. Incumbent's commission expired May 2, 1938.

Lulu M. Davis to be postmaster at Waukee, Iowa, in place of L. M. Davis. Incumbent's commission expired May 12, 1938.

KENTUCKY

Arthur E. Smith to be postmaster at Fordsville, Ky., in place of A. E. Smith. Incumbent's commission expired March 14, 1938.

Richard L. Frymire to be postmaster at Irvington, Ky., in place of R. L. Frymire. Incumbent's commission expired May 1, 1938.

James Purdon to be postmaster at Maysville, Ky., in place of James Purdon. Incumbent's commission expired January 30, 1938.

LOUISIANA

Ella D. Farr to be postmaster at Gilliam, La. Office became Presidential July 1, 1938.

Leon S. Haas to be postmaster at Opelousas, La., in place of L. S. Haas. Incumbent's commission expired June 18, 1938.

MAINE

James B. Daily to be postmaster at Pittsfield, Maine, in place of J. B. Daily. Incumbent's commission expired April 30, 1938.

MASSACHUSETTS

Viola W. Humphrey to be postmaster at East Wareham, Mass. Office became Presidential July 1, 1938.

MICHIGAN

Sidney Reynolds to be postmaster at Howard City, Mich., in place of Sidney Reynolds. Incumbent's commission expired June 18, 1938.

Daniel I. McBean to be postmaster at Manitou Beach, Mich. Office became Presidential July 1, 1938.

MINNESOTA

Joseph L. Gilson to be postmaster at Ivanhoe, Minn., in place of J. L. Gilson. Incumbent's commission expired January 31, 1938.

Joseph W. Kreuzer to be postmaster at New Richland, Minn., in place of J. W. Kreuzer. Incumbent's commission expired June 13, 1938.

MISSOURI

Jess H. Easley to be postmaster at Lebanon, Mo., in place of J. H. Easley. Incumbent's commission expired April 19, 1938.

Vernon V. Goslee to be postmaster at Skidmore, Mo., in place of V. V. Goslee. Incumbent's commission expired June 13, 1938.

MONTANA

Hazel May Peterson to be postmaster at Nashua, Mont., in place of H. M. Peterson. Incumbent's commission expired May 24, 1938.

NEVADA

Pearl G. Clary to be postmaster at Rio Tinto, Nev. Office became Presidential July 1, 1938.

NEW JERSEY

Ethel Cranmer to be postmaster at Ship Bottom, N. J. Office became Presidential July 1, 1938.

NEW MEXICO

Enrique V. Garcia to be postmaster at Mesa Rica, N. Mex. Office became Presidential July 1, 1938.

NEW YORK

Edgar L. Karns to be postmaster at Arkport, N. Y., in place of E. L. Karns. Incumbent's commission expired June 18, 1938.

Nina M. McKinney to be postmaster at Brewerton, N. Y. Office became Presidential July 1, 1938.

Gerald K. Woods to be postmaster at Castorland, N. Y., in place of G. K. Woods. Incumbent's commission expired June 18, 1938.

Henry M. Bintz to be postmaster at Constableville, N. Y., in place of H. M. Bintz. Incumbent's commission expired March 22, 1938.

Katherine A. Colligan to be postmaster at Halesite, N. Y., in place of K. A. Colligan. Incumbent's commission expired May 28, 1938.

Thomas J. Hartnett to be postmaster at Hempstead, N. Y., in place of T. J. Hartnett. Incumbent's commission expired March 29, 1938.

Thomas V. O'Connell to be postmaster at Island Park, N. Y., in place of T. V. O'Connell. Incumbent's commission expired January 31, 1938.

Thomas F. Tobin to be postmaster at Kings Park, N. Y., in place of T. F. Tobin. Incumbent's commission expired June 18, 1938.

Fannie Schwartz to be postmaster at Long Beach, N. Y., in place of Fannie Schwartz. Incumbent's commission expired March 29, 1938.

John M. Collins to be postmaster at Lyons, N. Y., in place of J. M. Collins. Incumbent's commission expired June 14, 1938.

John C. Morgan to be postmaster at Naples, N. Y., in place of J. C. Morgan. Incumbent's commission expired January 31, 1938.

Mabel B. Williams to be postmaster at Westhampton Beach, N. Y., in place of M. B. Williams. Incumbent's commission expired January 31, 1938.

NORTH CAROLINA

Paul H. Moser to be postmaster at Claremont, N. C. Office became Presidential July 1, 1938.

Annie J. Deese to be postmaster at Willard, N. C. Office became Presidential July 1, 1938.

OHIO

Paul E. Smith to be postmaster at Ansonia, Ohio, in place of P. E. Smith. Incumbent's commission expired June 12, 1938.

Benjamin J. Chambers to be postmaster at Genoa, Ohio, in place of B. J. Chambers. Incumbent's commission expired June 12, 1938.

Gilbert C. Wilson to be postmaster at Hiram, Ohio, in place of G. C. Wilson. Incumbent's commission expired May 22, 1938.

William A. Ellsworth to be postmaster at Hudson, Ohio, in place of W. A. Ellsworth. Incumbent's commission expired June 18, 1938.

OKLAHOMA

Millard H. Wright to be postmaster at Eufaula, Okla., in place of M. H. Wright. Incumbent's commission expired March 7, 1938.

Charles W. Jeffress to be postmaster at Morris, Okla., in place of C. W. Jeffress. Incumbent's commission expired March 7, 1938.

Josh S. Cole to be postmaster at Porter, Okla., in place of J. S. Cole. Incumbent's commission expired May 22, 1938.

McGilbray D. Harmon to be postmaster at Webbers Falls, Okla., in place of M. D. Harmon. Incumbent's commission expired March 7, 1938.

OREGON

George B. Holmes to be postmaster at Eagle Point, Oreg. Office became Presidential July 1, 1938.

PENNSYLVANIA

Ard B. Carson to be postmaster at Belleville, Pa., in place of A. B. Carson. Incumbent's commission expired June 9, 1938.

Edgar D. Bonsall to be postmaster at Broomall, Pa. Office became Presidential July 1, 1938.

Stanley J. Van Vliet to be postmaster at Buck Hill Falls, Pa., in place of S. J. Van Vliet. Incumbent's commission expired February 2, 1938.

Sylvester M. Considine to be postmaster at Drexel Hill, Pa., in place of S. M. Considine. Incumbent's commission expired June 6, 1938.

Clair F. Semelsberger to be postmaster at Duke Center, Pa., in place of C. F. Semelsberger. Incumbent's commission expired June 8, 1938.

W. Fred Smith to be postmaster at Ephrata, Pa., in place of W. F. Smith. Incumbent's commission expired June 6, 1938.

Norman Huffman to be postmaster at Marshalls Creek, Pa. Office became Presidential July 1, 1938.

Stephen A. Bodkin to be postmaster at Pittsburgh, Pa., in place of R. E. Smith, removed.

Kathryn K. Endy to be postmaster at Stony Creek Mills, Pa., in place of K. K. Endy. Incumbent's commission expired February 20, 1938.

Alfred P. Smalley to be postmaster at Swarthmore, Pa., in place of A. P. Smalley. Incumbent's commission expired June 6, 1938.

Edgar S. Thompson to be postmaster at Upper Darby, Pa., in place of E. S. Thompson. Incumbent's commission expired June 6, 1938.

Michael J. Winters to be postmaster at Villanova, Pa., in place of M. J. Winters. Incumbent's commission expired June 6, 1938.

Wilbur M. Hodgson to be postmaster at Webster, Pa. Office became Presidential July 1, 1938.

PUERTO RICO

Mario Perez Grau to be postmaster at Mercedita, P. R. Office became Presidential July 1, 1938.

SOUTH DAKOTA

Emma Peterson to be postmaster at Draper, S. Dak., in place of E. Peterson. Incumbent's commission expired May 16, 1938.

William J. Gassen to be postmaster at Gregory, S. Dak., in place of W. J. Gassen. Incumbent's commission expired June 6, 1938.

David K. Batchelor to be postmaster at Hot Springs, S. Dak., in place of D. K. Batchelor. Incumbent's commission expired May 22, 1938.

William H. James to be postmaster at Martin, S. Dak., in place of W. H. James. Incumbent's commission expired May 16, 1938.

Clyde M. McDonell to be postmaster at Murdo, S. Dak., in place of C. M. McDonell. Incumbent's commission expired May 22, 1938.

Hilda M. Baukol to be postmaster at Roslyn, S. Dak. Office became Presidential July 1, 1938.

Arthur R. Siegmund to be postmaster at White River, S. Dak., in place of A. R. Siegmund. Incumbent's commission expired May 22, 1938.

TENNESSEE

May C. Trobaugh to be postmaster at Millington, Tenn. Office became Presidential July 1, 1938.

Annie R. Newell to be postmaster at Whitehaven, Tenn. Office became Presidential July 1, 1938.

TEXAS

Robert W. Klingelhoef to be postmaster at Fredericksburg, Tex., in place of R. W. Klingelhoef. Incumbent's commission expired May 28, 1938.

Janet S. Barron to be postmaster at Iola, Tex., in place of J. S. Barron. Incumbent's commission expired June 12, 1938.

William D. T. Storey to be postmaster at Littlefield, Tex., in place of W. D. T. Storey. Incumbent's commission expired May 22, 1938.

Helene W. Derda to be postmaster at Los Fresnos, Tex. Office became Presidential July 1, 1938.

William N. Roberson to be postmaster at Temple, Tex., in place of H. E. Dunlavy, resigned.

VERMONT

Wayland N. Hamel to be postmaster at Plainfield, Vt., in place of W. N. Hamel. Incumbent's commission expired May 1, 1938.

VIRGINIA

Mrs. Johnnie Wilson to be postmaster at Fieldale, Va., in place of Mrs. Johnnie Wilson. Incumbent's commission expired June 18, 1938.

WASHINGTON

Grace A. Johnston to be postmaster at Orting, Wash., in place of G. A. Johnston. Incumbent's commission expired June 18, 1938.

WEST VIRGINIA

Dorsey G. Miller to be postmaster at Peterstown, W. Va. Office became Presidential July 1, 1938.

Easter Y. Shafer to be postmaster at Rupert, W. Va. Office became Presidential July 1, 1938.

Harvey Fortney to be postmaster at Worthington, W. Va. Office became Presidential July 1, 1938.

WISCONSIN

Opal R. Parent to be postmaster at Cable, Wis., in place of O. R. Parent. Incumbent's commission expired June 15, 1938.

Margaret E. Ingham to be postmaster at Lynxville, Wis. Office became Presidential July 1, 1938.

Henry Stanke to be postmaster at Marathon, Wis., in place of Henry Stanke. Incumbent's commission expired June 12, 1938.

Gustav A. Prenzlöw to be postmaster at Mattoon, Wis., in place of G. A. Prenzlöw. Incumbent's commission expired June 15, 1938.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 13, 1939

MISSISSIPPI RIVER COMMISSION

Col. Roger G. Powell to be a member of the Mississippi River Commission.

COAST GUARD OF THE UNITED STATES

Robert L. Blanchett to be chief carpenter in the Coast Guard of the United States.

Quentin M. Greeley to be lieutenant in the Coast Guard of the United States.

COAST AND GEODETIC SURVEY

William Clarence Russell to be junior hydrographic and geodetic engineer (with relative rank of lieutenant, junior grade, in the Navy) in the Coast and Geodetic Survey.

Junius Thomas Jarman to be junior hydrographic and geodetic engineer (with relative rank of lieutenant, junior grade, in the Navy) in the Coast and Geodetic Survey.

William Murel Gibson to be hydrographic and geodetic engineer (with relative rank of lieutenant in the Navy) in the Coast and Geodetic Survey.

Ralph Leslie Pfau to be hydrographic and geodetic engineer (with relative rank of lieutenant in the Navy) in the Coast and Geodetic Survey.

APPOINTMENTS IN THE REGULAR ARMY

Walter Krueger to be major general.

James Lawton Collins to be brigadier general.

Sanderford Jarman to be brigadier general.

George Howard Brett to be assistant to the Chief of the Air Corps with the rank of brigadier general.

APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS, REGULAR ARMY

Delos Carleton Emmons to be commanding general, General Headquarters Air Force, with the rank of major general. Donald Reuben Goodrich to be major, Air Corps.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. Frank Leslie Carr to Quartermaster Corps.

Second Lt. Wilmer Charles Landry to Quartermaster Corps.

Second Lt. Andrew Olaf Lerche to Air Corps.

Maj. William Edwin Barott to Quartermaster Corps.

First Lt. Raymond Clarence Adkisson to Cavalry.

PROMOTIONS IN THE REGULAR ARMY

Charles McHenry Steese to be colonel, Ordnance Department.

Richard Ferguson Cox to be colonel, Coast Artillery Corps.

James Luke Frink to be colonel, Quartermaster Corps.

Creswell Garlington to be colonel, Corps of Engineers.

Beverly Charles Dunn to be colonel, Corps of Engineers.

Roscius Harlow Back to be lieutenant colonel, Infantry.

Edward Fondren Shafer to be lieutenant colonel, Cavalry.

George Morris Peabody, Jr., to be lieutenant colonel, Adjutant General's Department.

Richard Gentry Tindall to be lieutenant colonel, Infantry.

William Joseph Adlington to be lieutenant colonel, Dental Corps.

Graham Wallace Lester to be lieutenant colonel, Infantry.

Warren Hayford, 3d, to be major, Field Artillery.

Charles Weess Hanna to be major, Infantry.

William Lawrence Kay, Jr., to be major, Field Artillery.

Harry Marten Schwarze to be major, Field Artillery.

Philip Wallace Ricamore to be major, Infantry.

Benjamin Kenney Erdman to be major, Infantry.

Santino Joseph Lerro to be captain, Medical Corps.

Charles Olin Bruce, Jr., to be captain, Medical Corps.

Louis Curtis Tiernan to be chaplain with the rank of major.

John Kenneth Connelly to be chaplain with the rank of captain.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES

Irving Andrew Fish to be major general, National Guard of the United States.

APPOINTMENTS IN THE NAVY

MARINE CORPS

Col. Edward A. Ostermann to be Adjutant and Inspector of the Marine Corps with the rank of brigadier general.

Emile P. Moses to be brigadier general.

Clayton B. Vogel to be brigadier general.

POSTMASTERS

ILLINOIS

Fred G. Falkenheim, Baldwin.

Hilda Luehr, Campbell Hill.

Rosana Levitt, Villa Ridge.

Charles Clifford Tobey, Worth.

OKLAHOMA

Osie Ellison, Warner.

PENNSYLVANIA

S. Richard Hazelton, Greentown.

William McWilliams, Murrysburg.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 13, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most compassionate God, our Heavenly Father, enable us to walk in the old way, the everlasting way of a living faith. Let these moments be Thy silence; may they arrest our souls. The world is saddened because of the death of him who was the spiritual leader of an earth-wide church. Mankind finds a common ground in its great loss and sorrow. Calm and serene, his last breath bore the gentle touch of peace. He wore the garment of our Saviour's spirit. He will continue to weave it by the light of eternity as he did by the light of time. We praise Thee, Almighty God, for the abiding inheritance he has left to the boundless races of men. While the earth was struggling in the turbulent sea of the cursed depths of war, he stood amid the storm. While it was engulfed in the furnace of bitter hate, he rested his spiritual eye on the seamless robe and the spotless vestment. We thank Thee that Thy messenger marked the star in the darkness and hailed the dove in the deluge. He stretched forth his hands, clinging to the cross, and yearned for the brotherhood of man. We beseech Thee that Thy spirit may brood and have sway over bruised and troubled humanity; thus may it be brought back to God. In the name of the Prince of Peace. Amen.

The Journal of the proceedings of Thursday, February 9, 1939, was read and approved.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. FERNANDEZ, for 2 weeks, on account of important business.

To Mr. MACIEJEWSKI, indefinitely, on account of death in his family.

POPE PIUS XI

Mr. SHANLEY. Mr. Speaker, I offer the following resolution, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 91

Resolved, That the House of Representatives of the United States has learned with the profoundest of sorrow and shock of the death of His Holiness Pope Pius XI, supreme spiritual sovereign of the Roman Catholic Church and Sovereign of the State of Vatican City. It sympathizes with the millions of Roman Catholics throughout the world on the loss of this outstanding leader of Catholicism who effected superlative gains in his own religious endeavors, who exerted the most challenging and sincere efforts for world peace, who manifested the broadest tolerance toward all nations and creeds, and who pleaded for the protection of oppressed minorities; and,

That the President of the United States be requested to communicate this expression of sentiment to the secretary of state at the Vatican, and that, as a mark of further respect to the memory of Pope Pius, the House do now adjourn.

ADJOURNMENT

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to; accordingly (at 12 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Tuesday, February 14, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Tuesday, February 14, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building, Washington, D. C.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs in the committee rooms in the Capitol, Wednesday, February 15, 1939, at 10 a. m., for the consideration of H. R. 3655—classification and grading of Foreign Service personnel.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, February 14, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill. A representative of the American Trucking Association will be the witness.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 446, House Office Building, Wednesday, February 15, 1939, for the public consideration of bills H. R. 805 and H. R. 2846.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Tuesday, February 21, 1939, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to

study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

410. A letter from the Attorney General of the United States transmitting one copy of legislation passed by the Municipal Council of St. Thomas and St. John and approved by the Governor of the Virgin Islands; to the Committee on Insular Affairs.

410. A letter from the Attorney General of the United States, transmitting the draft of a proposed bill to make the provisions of the Employees' Compensation Act applicable to civil officers of the United States; to the Committee on the Judiciary.

411. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; to the Committee on Indian Affairs.

412. A letter from the Acting Secretary of the Interior, transmitting one copy of legislation passed by the Municipal Council of St. Croix and approved by the Governor of the Virgin Islands; to the Committee on Insular Affairs.

413. A letter from the Acting Secretary of the Interior, transmitting the draft of proposed legislation to repeal section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended; to the Committee on Indian Affairs.

414. A letter from the Acting Secretary of the Interior, transmitting one copy of legislation passed by the Municipal Council of St. Croix and approved by the Governor of the Virgin Islands; to the Committee on Insular Affairs.

415. A letter from the Secretary of War, transmitting the draft of a proposed bill to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920; to the Committee on Military Affairs.

416. A letter from the Secretary of Prison Industries, transmitting the annual report of the board of directors of the Federal Prison Industries, Inc., for the fiscal year 1938; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. GOLDSBOROUGH: Committee on Banking and Currency. H. R. 4011. A bill to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes; without amendment (Rept. No. 38). Referred to the Committee of the Whole House on the state of the Union.

Mr. GOLDSBOROUGH: Committee on Banking and Currency. H. R. 4012. A bill to continue the functions of the Reconstruction Finance Corporation, and for other purposes; without amendment (Rept. No. 39). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 664) granting an increase of pension to James W. Taylor; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 820) granting an increase of pension to John W. Zibble; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1512) to carry into effect the findings of the Court of Claims, House Document No. 230, Sixty-fourth Congress, first session, in the matter of compensation due the estate of Wellborn Echols, deceased; Committee on War Claims discharged, and referred to the Committee on Claims.

A bill (H. R. 1513) granting an increase of pension to Van Letsinger; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1851) granting World War veterans' compensation to John Paszczuk; Committee on War Claims discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 2242) granting a pension to Harley D. Peck; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2369) granting a pension to Jethro H. Midgett; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3011) granting an increase of pension to Virgil O. Adams; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3433) granting an increase of pension to Guss Hughes; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3434) granting an increase of pension to Benjamin F. Shelton; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3716) for the relief of Dr. Henry Clay Risner; Committee on War Claims discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 3913) for the relief of John Angus MacDonald; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BECKWORTH:

H. R. 4035. A bill to provide for grants to the States for assistance to needy incapacitated adults; to the Committee on Ways and Means.

By Mr. BOYKIN:

H. R. 4036. A bill to amend the act entitled "An act to regulate the importation of nursery stock and other plants and plant products; to enable the Secretary of Agriculture to establish and maintain quarantine districts for plant diseases and insect pests; to permit and regulate the movement of fruits, plants, and vegetables therefrom, and for other purposes," approved August 20, 1912 (37 Stat. 315); to the Committee on Agriculture.

By Mr. BYRNS of Tennessee:

H. R. 4037. A bill to classify certain positions in the Railway Mail Service; to the Committee on the Post Office and Post Roads.

By Mr. CHANDLER:

H. R. 4038. A bill to amend section 373 of title 28 of the Code of Laws of the United States, to prescribe certain requirements for the official conduct of United States judges; to the Committee on the Judiciary.

H. R. 4039. A bill to create a Board of Shorthand Reporting, and for other purposes; to the Committee on the Judiciary.

By Mr. COX:

H. R. 4040. A bill declaring Devil's Den Springs, in Decatur County, Ga., to be nonnavigable; to the Committee on Interstate and Foreign Commerce.

By Mr. LEA:

H. R. 4041. A bill to amend the Interstate Commerce Act; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK:

H. R. 4042. A bill to increase annual payments to State and Territorial homes for veterans; to the Committee on Military Affairs.

By Mr. MOTT:

H. R. 4043. A bill authorizing the establishment of a Coast Guard station on the coast of Oregon at Depoe Bay, Oreg.; to the Committee on Merchant Marine and Fisheries.

By Mr. O'LEARY:

H. R. 4044. A bill to reduce the rate of interest on obligations of home owners to the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

By Mr. SCHULTE:

H. R. 4045. A bill for the improvement of Calumet-Sag Channel, Ill., and Indiana Harbor Canal, Ind.; to the Committee on Rivers and Harbors.

H. R. 4046. A bill to provide for the establishment of a Coast Guard station on the coast of Indiana on Lake Michigan; to the Committee on Merchant Marine and Fisheries.

By Mr. SECREST:

H. R. 4047. A bill to authorize the Secretary of War to reimburse the Muskingum Watershed Conservancy District for lands, easements, and rights-of-way acquired for flood-control reservoirs in the Muskingum River Valley, Ohio; to the Committee on Flood Control.

By Mr. SMITH of Virginia:

H. R. 4048. A bill providing for a survey with preliminary estimates of cost for the proposed construction of railroad and automobile truck tunnels across the Potomac River; to the Committee on Public Buildings and Grounds.

By Mr. SUMNERS of Texas:

H. R. 4049. A bill to prohibit reproductions of official badges, identification cards, and other insignia; to the Committee on the Judiciary.

By Mr. SWEENEY:

H. R. 4050. A bill to provide for the transportation and distribution of mails on motor-vehicle routes; to the Committee on the Post Office and Post Roads.

By Mr. WALLGREN:

H. R. 4051. A bill to amend section 301 of the Merchant Marine Act of 1936; to the Committee on Merchant Marine and Fisheries.

By Mr. CHANDLER:

H. R. 4052. A bill for the relief of the city of Memphis, Tenn.; to the Committee on Claims.

H. R. 4053. A bill for the relief of the county of Shelby in the State of Tennessee; to the Committee on Claims.

By Mr. FULMER:

H. R. 4054. A bill to amend the Federal Crop Insurance Act; to the Committee on Agriculture.

By Mr. BLAND:

H. J. Res. 163. Joint resolution providing for the participation of the United States in the celebration of the twenty-fifth anniversary of the opening of the Panama Canal; to the Committee on Merchant Marine and Fisheries.

By Mr. CHANDLER:

H. J. Res. 164. Joint resolution authorizing the issuance of special postage stamps commemorative of the one hundred and fiftieth anniversary of the formation of the Territory South of the River Ohio; to the Committee on the Post Office and Post Roads.

By Mr. DINGELL:

H. J. Res. 165. Joint resolution to authorize the admission into the United States of a limited number of German refugee children; to the Committee on Immigration and Naturalization.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of

the United States to consider their House Joint Memorial No. 4, with reference to General Welfare Act; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to consider their Senate Concurrent Resolution No. 64, with reference to taxing of lands; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 4055. A bill for the relief of the Castilloa Rubber Plantation Co.; to the Committee on Claims.

By Mr. ASHBROOK:

H. R. 4056. A bill granting an increase of pension to Mary E. Jones; to the Committee on Invalid Pensions.

By Mr. CALDWELL:

H. R. 4057. A bill for the relief of the estate of Eula Lee Sunday; to the Committee on Claims.

H. R. 4058. A bill for the relief of Charles Hance; to the Committee on Claims.

By Mr. COLMER:

H. R. 4059. A bill for the relief of the Federal Credit Co.; to the Committee on Claims.

By Mr. COX:

H. R. 4060. A bill for the relief of J. D. McGee; to the Committee on Claims.

H. R. 4061. A bill for the relief of George Cravey; to the Committee on Military Affairs.

H. R. 4062. A bill for the relief of Clarendon Davis; to the Committee on Claims.

H. R. 4063. A bill to authorize the payment of adjusted-compensation benefits to the estate of Lula Brimm Horne; to the Committee on Claims.

By Mr. DOUGLAS:

H. R. 4064. A bill for the relief of Frederick A. Casler; to the Committee on Claims.

By Mr. DREWRY:

H. R. 4065. A bill granting a pension to George R. Slate; to the Committee on Pensions.

By Mr. FITZPATRICK:

H. R. 4066. A bill for the relief of Josefina Alvarado; to the Committee on Immigration and Naturalization.

By Mr. HARNES:

H. R. 4067. A bill granting a pension to Cora E. Cate; to the Committee on Invalid Pensions.

By Mr. IGLESIAS:

H. R. 4068. A bill for the relief of Mary Rose Williams, minor child of the deceased seaman Otis A. Williams; to the Committee on Claims.

By Mr. JENSEN:

H. R. 4069. A bill granting an increase of pension to Ellen Wornom; to the Committee on Invalid Pensions.

By Mr. McCORMACK:

H. R. 4070. A bill for the relief of Thomas A. Rhodes; to the Committee on Claims.

By Mr. SMITH of Virginia:

H. R. 4071. A bill for the relief of H. Herfurth, Jr., Inc.; to the Committee on Claims.

By Mr. TERRY:

H. R. 4072. A bill for the relief of Emmitt Courtney; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1030. By Mr. ANGELL: Petition of sundry citizens of Portland, Oreg., protesting against the lifting of the so-called Spanish embargo; to the Committee on Foreign Affairs.

1031. By Mr. BLAND: Petition of 56 citizens, members of the Woman's Christian Temperance Union of Poquoson, Va., urging passage of legislation to stop advertising campaign for

sale of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

1032. By Mr. FULMER: Concurrent resolution, submitted by James E. Hunter, Jr., clerk, house of representatives, Columbia, S. C., memorializing Congress to provide funds for sudden destruction of agricultural crops; to the Committee on Agriculture.

1033. By Mr. HINSHAW: Petition from the First Congregational Church, Pasadena, Calif., signed by 126 persons, requesting shipments of war materials to Japan be stopped; to the Committee on Foreign Affairs.

1034. By Mr. HARTER of New York: Petition of the J. W. Political and Social Club of Buffalo, N. Y.; to the Committee on Ways and Means.

1035. Also, petition of certain users of bakers' goods; to the Committee on Agriculture.

1036. By Mr. HAWKS: Resolutions of the Wisconsin Police-men's Protective Association, urging support of the bill to prevent retroactive application of Federal taxes upon State and municipal employees; to the Committee on Ways and Means.

1037. By Mr. HOUSTON: Petition of certain citizens of Andale, Kans., and vicinity, urging that as long as we shall adhere to the general policy of neutrality as enunciated in the act of August 31, 1935, to retain on our statute books the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1038. By Mr. KEOGH: Petition of P. W. Dykeman, professor of music education, Teachers' College, Columbia University, New York, concerning the McGranery bill (H. R. 2319); to the Committee on Foreign Affairs.

1039. Also, petition of Brooklyn Tuberculosis and Health Association of the Bureau of Charities, Brooklyn, N. Y., concerning the proposed amendment to title 5, part 4, of the Social Security Act; to the Committee on Ways and Means.

1040. Also petition of the New York Typographical Union, No. 6, New York City, concerning the Hobbs bill (H. R. 2203); to the Committee on the Judiciary.

1041. By Mr. LEWIS of Colorado: Senate Joint Memorial No. 5 of the Thirty-second General Assembly of the State of Colorado (the house of representatives concurring), concerning Coronado Cuarto Centennial Celebration; to the Committee on Appropriations.

1042. Also, House Joint Resolution No. 1 of the Thirty-second General Assembly of Colorado (the senate concurring), concerning increased grants-in-aid to the States for the purpose of assistance to aged persons in need; to the Committee on Ways and Means.

1043. By Mr. MARTIN J. KENNEDY: Declaration and petition of the National Civic Federation of New York City to the Department of State, endorsing the stand taken against the expropriation by the Mexican Government, without probability of payment, of American-owned mining, oil, timber, fruit, and farm lands, factories, and other properties; to the Committee on Foreign Affairs.

1044. Also, telegram from the Yorkville joint committee, New York City, requesting that the Senate Foreign Relations Committee recommend at once lifting of the embargo on Loyalist Spain and recommend ways and means to feed the Spanish people with America's surplus food and supply; to the Committee on Foreign Affairs.

1045. By Mr. MARSHALL: Petition from the St. Columba Church, of Youngstown, Ohio, relative to retaining on our statute books the corollary principle enunciated in the act of May 1, 1937, as long as we adhere to the general policy of neutrality as enunciated in the act of August 31, 1935; to the Committee on Foreign Affairs.

1046. By Mr. SCHIFFLER: Petition of D. L. Kelly and other prominent citizens of Wheeling, W. Va., urging that we adhere to the general policy of neutrality as enunciated in the act of August 31, 1935, to retain on our statute books the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil

as well as international conflicts; to the Committee on Foreign Affairs.

1047. By Mr. PFEIFER: Petition of the Brooklyn Tuberculosis and Health Association, Bureau of Charities, Brooklyn, N. Y., urging support of proposed amendment to title 5, part 4, of the Social Security Act; to the Committee on Ways and Means.

1048. Also, petition of the New York Typographical Union, No. 6, New York City, concerning House bill 2203; to the Committee on the Judiciary.

1049. By Mr. SMITH of Ohio: Petition of William Short and others, petitioning the Congress to effect passage of the Townsend general welfare bill (H. R. 2) without compromise; to the Committee on Ways and Means.

1050. By Mr. SMITH of West Virginia: Resolution of the Logan Coal Operators Association, of Logan, W. Va., favoring an increase in the import-duty tax on foreign oil; to the Committee on Ways and Means.

1051. By Mr. TOLAN: Memorial of the Legislature of the State of California, urging the Congress to refuse to enact Senate Joint Resolution 24, or any other bill or resolution which may similarly seek to establish the asserted claim of the Federal Government to any title or interest in such submerged lands or tidelands of the State of California, other than such lands which may have been heretofore expressly granted it by this State or under its authority; to the Committee on the Judiciary.

1052. Also, petition of the City Council of Berkeley, Calif., requesting that the Congress reject the doctrine embodied in Senate Joint Resolution 24, that the Federal Government may not attempt to proceed against the several States and assert title to submerged lands now adjacent to the shores of those several States; and authorizing the city manager of Berkeley, Calif., to appear before the committees of Congress and oppose such legislation; to the Committee on the Judiciary.

1053. Also, memorial of the State Legislature of California, requesting the Congress of the United States take such steps as are necessary, and the Secretary of the Interior and the Commissioner of Reclamation are requested, to name the lake which will result from the construction of Shasta Dam at Kennett, Calif., "McColl Lake"; to the Committee on Irrigation and Reclamation.

1054. Also, memorial of the Legislature of the State of California, urging the Congress of the United States to amend the California Indian Jurisdictional Act of 1928 to provide for nontreaty Indians; to the Committee on Indian Affairs.

1055. Also, memorial of the State Legislature of California to the Congress and the President, urging the passage of legislation that will make it imperative that the Works Progress Administration art project be continued in its present form; to the Committee on Appropriations.

1056. Also, memorial of the Legislature of the State of California, urging Congress to enact legislation that will result in the increase of Federal aid to aged and disabled veterans; to the Committee on World War Veterans' Legislation.

1057. Also, memorial of the Legislature of the State of California, urging the Congress to include the construction of dams and hydroelectric power plants in connection therewith on the Kern River as one of the Federal construction projects, and that Federal moneys be appropriated in sums sufficient to complete the constructions of the dams and other works therewith at the earliest possible moment; to the Committee on Irrigation and Reclamation.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 14, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

God be merciful unto us, and bless us; and cause His face to shine upon us.

That Thy way may be known upon earth, Thy saving health among all nations.

Let the people praise Thee, O God; let all the people praise Thee.

O let the nations be glad and sing for joy; for Thou shalt judge the people righteously, and govern the nations upon earth.

Let the people praise Thee, O God; let all the people praise Thee.

Then shall the earth yield her increase; and God, even our own God, shall bless us.

God shall bless us; and all the ends of the earth shall fear Him.

Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

HOURLY MEETING

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent, after consulting with the gentleman from Massachusetts [Mr. MARTIN], that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I am not going to object, I understand the majority leader wishes to finish this bill, that is now pending, on tomorrow night?

Mr. RAYBURN. That is the desire.

Mr. MARTIN of Massachusetts. And after that we are to take up the legislative appropriation bill and finish it this week?

Mr. RAYBURN. That is correct.

Mr. MARTIN of Massachusetts. Is there anything else on the docket?

Mr. RAYBURN. Nothing that I know of now.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, the untimely death of George R. Holmes, one of Washington's most distinguished newspapermen, came as a great shock to his many friends in his profession and in official and private life.

Mr. Holmes was stricken in the zenith of his life. Suffering a heart attack, he died at his home on February 12. True to the tenets of his profession, he had worked diligently to the end. He left his office but a few hours before his death.

It is a notable tribute to his talents and character that great and humble joined in a tribute to his memory in the Fort Myer Chapel and accompanied the body to its resting place near the Tomb of the Unknown Soldier. It was fitting that he should lie in Arlington National Cemetery. He trained at Fort Myer for service in the World War.

The rise of George R. Holmes is typical of the success which is possible in a great democratic nation. Born on a farm in Tippecanoe County, Ind., on January 28, 1895, he knew the rigors of work in the fields and doubtless dreamed of great cities beyond the horizon.

After being educated in local schools and at the University of Wisconsin, he entered the newspaper field on the Indianapolis Sun. His talents readily became apparent, and soon he had transferred his activities to New York.

Joining the staff of International News Service in Washington in 1916, he became chief of the bureau 3 years later. At his death he ranked as dean of press association bureau chiefs.

His newspaper work was interrupted by the World War. When the war broke out, he enlisted in the Cavalry. He served throughout the war, first gaining the rank of second lieutenant in the Cavalry, next assistant adjutant of the Seventy-eighth Division, then as observer in the Two Hundred and Fifty-eighth Aero Squadron.

Among his accomplishments in the newspaper field was his story of the burial of the Unknown Soldier, a touching story which won him a Pulitzer prize honorable mention.

Mr. Holmes, in the course of his work, knew intimately Presidents Wilson, Harding, Coolidge, Hoover, and Roosevelt. He was the friend of many Cabinet officers and Senators and Representatives of varying political faith.

Among those who mourned for him at funeral services were both Republican and Democratic political leaders, leaders of the legal and other professions. Both President and Mrs. Roosevelt joined in expressing their deep sorrow.

As a political writer, Mr. Holmes was confronted with the task of giving his millions of readers a true picture of the national situation without bias.

He was widely known for his ability to do so without arousing the animosity of those who necessarily figured in the news. This is evidenced by the fact that he held the friendship of rivals in the political field.

Mr. Holmes' life work is a sterling example to those who seek achievement in the field of journalism. He was able, alert, and a keen observer. And above all, he was fair and just. These many fine characteristics, as well as his engaging personality, won for him a legion of warm friends. The respect of his colleagues in his profession of journalism was indicated by his choice as president of the famed Gridiron Club.

Newspaperdom and the country can ill afford the loss of men like George Holmes, particularly in this crucial period when America needs men of courage, of vision, and character.

The world is poorer for the untimely death of this great journalist. Those of us privileged to call him a friend, mourn his loss.

INCOME-TAX REFUNDS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I feel it is worthy of special mention when it can be shown the Bureau of Internal Revenue collected 10 times as much in additional assessments and penalties than it was forced to refund in the last fiscal year.

As chairman of the Committee on Expenditures in the Executive Departments I released yesterday to the press the report for the fiscal year 1938 of refunds which you referred to the committee. This report, required under the provisions of section 5, of the act of May 29, 1928, shows refunds of \$500 or more of internal revenue taxes. It was made clear by me that this report represents amounts that have been paid taxpayers during the fiscal year ending June 30, 1938, and not amounts that are to be hereafter refunded.

Mr. Speaker, the statement submitted to the committee lists only those taxpayers who received in excess of \$500. The total amount of income-tax refunds paid during the fiscal year, which total includes many amounts smaller than \$500 and not required to be reported to Congress, was \$24,329,415.27. This amount included interest at the rate of 6 percent per annum from the date of the overpayment to the approximate date of refund. The number of taxpayers who received income tax refunds was 159,233.

I am advised that the more common errors of taxpayers which resulted in overpayments of income taxes, according to the records of the Department, were: Mathematical errors, the reporting of nontaxable income, failure to take credit for foreign taxes, and failure to take proper credit for depreciation and obsolescence of physical properties. The larger refunds to a considerable extent are based upon final decisions of courts or the Board of Tax Appeals and/or determinations by the Treasury Department based upon decisions by courts or the Board of Tax Appeals.

Now, Mr. Speaker, I point out that during the fiscal year 1938 the actual cash collections on account of back income taxes amounted to \$251,619,229.50, an amount in excess of 10 times the total of actual cash refunds of income taxes.

In connection with the statement that income-tax refunds for 1938 totaled slightly in excess of \$24,000,000, I also call attention to the fact that for the fiscal year 1938 the total of the cash paid out for all classes of refunds and interest thereon was in excess of \$34,000,000; for the fiscal year 1932 the comparable items amounted to in excess of \$80,000,000; for the year 1931, it was nearly \$70,000,000; for 1930, more than \$126,000,000; and for the year 1929, more than \$190,000,000 was paid. The large expenditures in past years had been occasioned, to a considerable extent, by the relief provisions and by the complexity of the tax laws during the excess-profits tax years, and due to overpayment because of an initial lack of understanding of the provisions of the taxing statutes enacted as an incident to the World War.

The refunds to payers of processing taxes, totaling \$10,200,359.64 during the fiscal year 1938 (the items over \$500 being included in the report), did not in fact or to any material extent represent erroneous collections, since the statute levying the tax directed the return of that portion of the tax collected on articles exported, or sold for charitable use, or on cotton used in the manufacture of large cotton bags. The processing taxes statute did not provide for exempting articles from taxation as usually was the method in respect of other internal revenue taxes.

Mr. Speaker, I offer this brief explanation so that the Congress and the people of the country will know that everything is not going out and nothing coming in. I might add in conclusion the law does not permit the Bureau of Internal Revenue to make public the names and amounts of additional collections as it does in reference to refunds. [Applause.]

THE LATE POPE PIUS XI

Mr. HEALEY. Mr. Speaker, I ask unanimous consent that I may revise and extend my own remarks at this point in the RECORD on the passing of Pope Pius.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HEALEY. Mr. Speaker, the news of the death of Pope Pius XI comes as a great shock to the people of the entire world. While not unexpected, because of the severe and protracted illness he so valiantly underwent, it has nevertheless caused universal sorrow.

I am sure that history will accord to this sainted pontiff an exalted place among his predecessors and will record that his frail hand deterred the onslaught of barbarism on this earth.

His was a life replete with unselfish service to God, church, and mankind. Of humble origin, he was endowed with a brilliant mind and great love of humanity which he devoted to the service of God, thereby dedicating himself to the needs of his fellow man.

In the service of the Roman Catholic Church he consummated treaties that were masterful in their diplomatic achievements and historic in their significance. The Lateran Treaty with the Government of Italy brought to a mutually satisfactory and beneficial ending an ancient dispute. The concordat with the present Government of Germany has unquestionably operated to check persecution in Germany, not alone of the Roman Catholic Church but of all Christian religion. His achievements in the advancement of the church are great and unsurpassed.

Born in an Italian mill community, he learned from his boyhood associations the crying needs of those who labor and, after a lifetime of exhaustive study and work, he brought forth his inspired encyclicals on labor which rank with those of his illustrious predecessor, Pope Leo XIII.

An eyewitness in Poland to the lawless invasion of the armies of communism and an ideological principal in the historic event that hurled back from western Europe the spread of communism, he wrote with the penetrating eye of direct knowledge the encyclical on atheistic communism which has thrown the full light of truth and reason upon the illusory promises of that form of government.

Perhaps his greatest contribution to universal mankind was his steadfast and unflinching position with respect to the emergence of new ideologies in government, inimical

to and in derogation of fundamental principles of Christianity.

Enfeebled by long illness, with no armies, navies, or vast material resources at his command, this slender reed has stood out in a world torn with hatred, jealousy, and avarice as a compelling symbol of peace, toleration, and universal love. His frail voice rose above the din of war machines and the clamor of propaganda, steadfastly preaching the teachings of the Saviour. Weakened though it was by illness, his voice carried to the peoples of the world words of mighty import because inspired by God and reason, and gave pause to the headlong march of militarism and international lawlessness.

In a world shocked by the recrudescence of persecution and legalized atrocity, sorrowed by the imminence of devastating war, wearied by the sufferings of economic disorders, he has stood forth as the untemperizing voice of reason and the symbol of hope and faith in God and mankind.

When at last he realized that death drew near, his only protest was "there is still so much to be done." And when death claimed him a prayer for peace was on his lips.

He has laid down the great burdens he so heroically bore through life. His voice is stilled but there is hope that his task is complete. There is hope that even now the mold of decay is undermining the weeds of barbarism and savagery that have harried this earth; that even now the seeds of a new world order devoted to Christian principles are growing into maturity. Inevitably that day must come. When it arrives it will in no small measure be due to the fruition of the life work of Pope Pius XI.

PERMISSION TO ADDRESS THE HOUSE

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent that on Friday next, after the disposition of the legislative business for the day, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from New York?

There was no objection.

THE FISCAL SITUATION

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, we heard a moment ago about collecting income taxes of a few hundred million dollars. There was a Democratic caucus this morning, and I suppose the Democratic administration has found some way whereby we are going to balance the Budget, a weighty question in our national life. I want to call your attention to the fact that we are \$2,033,000,000 in the red from July 1 to this time this year. If the administration in power today would give some time to considering how we are going to stop spending and balance the Budget, we could do it. I say to the gentlemen on the Democratic side of the aisle, if you do not stop reckless spending, "Where are you going to get the money?"

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. COX. Mr. Speaker, I ask unanimous consent that on Thursday next, after the disposition of matters on the Speaker's table, I may be permitted to address the House for 30 minutes.

The SPEAKER. There is one special order for Thursday.

Mr. COX. Subject to the special order already entered.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. EATON of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record by inserting a very brief but very informative discussion of industrial conditions in this country.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNSON of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein a radio address delivered by the gentleman from Illinois [Mr. CHURCH], under the auspices of the Washington Star in its national radio forum last evening on the subject of our national defense.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DOUGLAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein a speech made by the gentleman from New York [Mr. BARTON].

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein three memorials passed by the Legislature of the State of Montana: First, House Joint Memorial No. 1, memorializing the Congress of the United States of America for the passage of the legislation for the creation and establishment of the Townsend recovery plan, and for benefits to be paid to all persons over the age of 60 years.

Second, a memorial to the Congress of the United States of America, House Joint Memorial No. 3, requesting an investigation of the wrongful destruction, removal, and failure to replace the fairground buildings of the county of Musselshell, and thereafter cause restitution of the same, said buildings having been wrongfully destroyed and removed by authority of the National Park Service.

Third, House Joint Memorial No. 7, a memorial to the Congress of the United States of America, requesting it to assist the beet-sugar industry in Montana.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

A PLANNED PROGRAM OF PUBLIC WORKS AND WHY IT SHOULD BE PERMANENTLY CONTINUED

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record at this point on the subject A Planned Program of Public Works and Why the P. W. A. Should Be Permanently Continued.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KRAMER. Mr. Speaker, I ask that the Members of the House seriously consider the advisability of creating a permanent bureau for public works. We can never hope to establish a balance between industrial production and consumption—there will continue to be fluctuations which result in peaks and below normal activities. We can also expect physical disasters, such as floods, fires, earthquakes, droughts, in various parts of the country, with which the Government will have to cope. Communities stricken by such disaster will call upon the Government for financial aid to repair the damages. It seems to me that all of these things seriously affect our employment and security problems. It has been proposed that a Federal agency be established of a permanent nature which could go into action when industrial consumption declines below the danger level and avert economic catastrophes which so easily follow such declines.

The work undertaken in the past by the Federal Emergency Administration of Public Works has been so helpful in time of economic emergency that its usefulness must be continued on a permanent basis. California has benefited to such an extent that the gains in industrial activity jumped to a new peak in recent months when the new P. W. A. program started. The P. W. A. program in California has been successful not merely because it has resulted in putting more money into circulation but because it has the enthusiastic cooperation of local communities, private industry, and the labor unions. Local communities have had a voice in determining what form municipal improvements would take. Private industry has been encouraged and aided. Private employment has been provided at regu-

lar industrial and construction jobs. Labor has had the benefit of normal working conditions, stable wages, and the provision of work in the individual trades.

Involved in the public-works program are jobs for our building-trades workers, the spread of purchasing power, expansion of factory pay rolls, and, probably what is equally important, the recovery of our whole economic system.

In April 1936 Mr. M. J. Collieran, president of the Operative Plasterers and Cement Finishers International Association, spoke in behalf of a permanent public-works program as follows:

What I refer to, of course, is the principle of long-range planning for public-works construction.

The idea that public or public-aided construction is a major weapon of any modern government against unemployment and depression has been generally recognized for so long that I do not need to dwell on it. That such construction ought to be planned and timed in order to provide a cushion of employment when most needed has likewise been a matter of general agreement. But, still, in spite of all the talk, and in spite of the large sums actually spent on public-works construction during the past 4 years by various temporary Federal agencies, no permanent machinery has been set up which could plan out a long-range future program of construction.

Way back in 1921 Mr. Herbert Hoover, as Secretary of Commerce, and in a special capacity as chairman of a committee on unemployment, presented an eight-point report to President Harding. The main point in this report was the long-range planning of public works. It recommended the immediate appointment of a committee to take up the problem of planning and carrying out a long-range program of public-works construction to offset future depressions. This committee, however, failed to function.

We see, therefore, that the subject is one which has been discussed for many years. I see no reason for continuing the present Public Works Administration as an emergency temporary agency. We know that such an agency will be needed always and that we need not hesitate to make it permanent in view of its splendid accomplishments in controlling fluctuation in production.

While the Congress is considering ways and means of alleviating unemployment in the future, consideration should be given to a permanent plan for absorbing future economic shocks and unavoidable unemployment. Converting the Public Works Administration into a permanent organization would remove the present emergency time restrictions under which that agency is now operating and permit it to function on a long planned range basis. It seems logical and to the best interests of the country to do this. Certainly an organization which operates on a permanent basis can operate more efficiently and economically.

We have been concerned in the past with the "cure" of economic ills of the Nation and have had little opportunity to inquire into the "cause" of such ills. It is now time to concentrate our efforts and resources to combat the "cause" and thus remove the need for temporary measures. Permanent social-security machinery has already been put in operation to provide economic security for the workers of our country through social insurance. The functioning of this machinery will go far to take care of our unemployables and those who are temporarily unemployed. But there is no permanent machinery in existence to care for those who are unemployed for long periods of time. Long-range planning in the field of public works presents one solution to this problem.

The Public Works Administration is to be congratulated upon its fine record of achievement. I have yet to hear any adverse criticism of its operations. Considering the many restrictions that have been placed upon its activities by the emergency legislation under which it has been functioning it is remarkable that it has been able to operate so efficiently and smoothly. Various "dead lines" have been imposed for receiving and approving applications. Other restrictions made it necessary for the work to be started at certain dates and completed in certain periods. These mandates of the Congress have always been fulfilled and construction has proceeded promptly and efficiently. Such restrictions, however, would not be necessary or expedient under a planned program of public works, thus eliminating any possibility of material and contract price boosts.

Mr. Speaker, the necessity for such legislation at this time is too obvious to demand further elaboration. I firmly believe that industrial rehabilitation is dependent upon a planned program of permanent character.

Mr. MAGNUSON asked and was given permission to revise and extend his own remarks.

PERMISSION TO ADDRESS THE HOUSE

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent that after the disposition of the legislative program for today I may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent that on tomorrow after the conclusion of the legislative program for the day I may address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. THILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, we have already held up for 4 days the consideration of the national-defense bill that is to come before the House today. It is very necessary that we proceed to the consideration of this bill. I hope no other Members will request time to speak now. I shall not object to the request of the gentleman from Wisconsin, for he has already made it, but I serve notice that I must object to other requests of a similar nature.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

NEUTRALITY AND PEACE

Mr. THILL. Mr. Speaker, in America today we again hear the cry of war. We hear that events abroad are threatening our American institutions. We are told that we must prepare for defense against some unnamed nation somewhere. It is said that we cannot be assured of peace in a world which has grown small and methods of attack swift. We are led to believe that we cannot ignore foreign acts which are contradictory to our democratic principles and beliefs; that it becomes increasingly impossible for us to maintain a neutral position; that we should arm and employ sanctions against aggressors. The utterances coming from administration sources are creating a war hysteria which finds no parallel during the last 20 years.

Let not the White House forget that the underlying sentiment of the American people is for peace. There is an overwhelming desire among Americans to keep our country out of war. There is no wish anywhere for a tragic repetition of the events of 1917 and 1918. There are those who remember the horrors of the last war—a war presumably waged to make the world safe for democracy. How deceived we were! Instead of democracy we begot fascism and communism. That must not happen again.

Through the creation of a war consciousness, through criticism of other forms of government, through ill will and resentment toward other people, through preparation for war, through the adoption of methods short of war but stronger and more effective than words, our Nation will drift into a position from which it will not recede, and war will be inevitable. It is the privilege and the duty of Congress to give to America an assurance that strict neutrality will be maintained so that the American people will enjoy a well-founded and lasting peace.

There is much confusion about the meaning of the term "neutrality." In popular thought neutrality means simply keeping out of war—the condition of those who remain at peace while others are fighting. From a more technical viewpoint, neutrality has meant a legal status involving certain rights and duties. For my purposes, I prefer to use the term "strict neutrality." By this is meant no contact with a warring nation; no transmission of war materials to a

warring nation; and no transmission of food, clothing, or any other supplies if we are served with an ultimatum to such effect by any belligerent nation.

Any discussion of the meaning of neutrality must state the relation between neutrality and the defense problem. An air force, landed force, and naval force sufficient to protect our territory from sudden attack is all that is necessary. A large standing army, a huge navy, a powerful air fleet engender the courage to enter into war upon the slightest pretext.

There is no more fallacious belief than that the best way to preserve peace is to prepare for war. From the days of the Roman militaristic rule to the period preceding the World War history clearly demonstrates that when a nation is well armed and its military forces well trained it will seek outlets to make use of those arms.

An excessive defense program will increase the likelihood of our becoming involved in foreign disputes, will make it more difficult to adhere to a policy of strict neutrality. Our national defense must be adequate for the protection of our own territories, but it must not be extravagant to the point of leading us into war. How much better it would be if all our energies were directed toward improving the internal conditions of this country. How much more sane, how much more civilized it would be if our money were spent on developing America for the American people, and not in the creation and maintenance of a vast army and navy. America must not join in the current armaments race, must not become infected with the "preparedness mania" which is the forerunner of war. We must keep our heads. Sanity promotes peace. Armaments create wars.

The United States, from the time of its inception, has had as an established principle of its foreign policy the maintenance of neutrality. The part played by the United States in realizing the great conception of neutrality forms one of the most honorable chapters in our national history.

In spite of that fact our previous neutrality policy has not kept us out of war. The attempt to safeguard our so-called neutral rights was one of the factors which led us into the World War.

In August 1914 neutral nations and their citizens possessed certain rights of trade and otherwise on the high seas which may be said to have been generally recognized by belligerents—at least in theory. Then came the Great War and a series of acts by Great Britain, France, Italy, and Germany, every one of which was challenged by the American Government as a violation of our neutral rights—the planting of mines, the extensive sea war zones, destruction of our ships captured in midocean, unwarned sinking of our ships by submarines, forcing of our ships and our mails into belligerent ports for the purposes of search and seizure and censorship, the extension of contraband to cover foods and supplies to civil populations, and the taking of persons off of our ships. On April 16, 1917, not one of our contentions had been accepted by the belligerents, not one neutral right asserted by us had been granted by them as a right. At the end of the war no definite neutral rights were established and recognized by the great powers. Today not a single contention advanced by us is recognized by Great Britain, France, or Germany to any greater extent than between 1914 and 1917.

In the light of history we can now see that in addition to other factors, such as financial involvement and emotional pressure, one of the motivating forces which drove us into the last war was our futile attempt to maintain certain neutral rights.

At Chicago in 1937 we heard the first indication that the President had definitely turned his back on the neutrality policy prescribed for him by Congress, a policy which he has refused to execute in relation to the Chinese war. Mr. Roosevelt accepts the thesis of those who believe in "collective security action"—that it is impossible to stay out of war; that, in fact, if international anarchy and aggression continue, we shall be attacked. Therefore, it is said it is necessary for the peace-loving nations to take positive measures against the aggressors and check them before it is too late.

If things proceed along this line the United States will be involved in a new world war.

The lack of confidence in our ability to remain neutral, displayed by the President, is peculiarly an American obsession. We became involved in the World War because there were strong interests who wanted us drawn in, but Holland and the Scandinavian countries, infinitely more harassed than the United States, were perfectly able to remain neutral and still enjoy the respect of belligerents and of historians.

No one tries to disguise the fact that genuine neutrality will cost us a great deal. The price of peace is high and will require many sacrifices. But let no man forget that the cost of war is immeasurably higher.

We must be willing to take the losses in trade and investments which cannot be avoided, in order to escape the greater economic losses which follow in the wake of war. If our country is to remain at peace, our trade as a neutral must be at the risk of the trader. Our Army and Navy must not be used to protect this trade. We cannot keep out of war and at the same time enforce the freedom to make profits out of countries in a death struggle.

The loss of temporary profits due to our remaining neutral during a foreign war, no matter how great, will be less than the loss of the economic stability of our entire country which follows as the aftermath of war.

In addition to monetary sacrifice necessitated by the maintenance of neutrality, Americans must be willing to forego the personal desire of seeing justice triumph all over the world. We will doubtless be ridiculed and stamped as cowardly, told that we should be ashamed of our selfish policy. Our sympathies will be appealed to by strong emotional tales of oppression. But we must stand firm, we must let no pressure of propaganda swerve us to one side or the other. Are we not willing to give up a measure of our pride in order that we may save our tears, our lives, and our blood?

Many will say that we are selfishly preserving ourselves while others are fighting for civilization. But actions are judged, in any realistic view, not by the emotions behind them, but by their results. You cannot end war by waging war, defeat totalitarianism by defeating totalitarian nations at war. Victory for civilization is too complex an achievement to be won by drilling soldiers and dropping air bombs. Whatever contribution to civilization we can make, will be completely ruined by letting the world catastrophe spread within our borders. To keep isolated from this contagion is as difficult, heroic, and positive a contribution to the future of humanity as can well be conceived.

The cost of war is vast and prolonged. It is counted in human suffering, death, and destruction of morale as well as in industrial collapse, financial losses, and foreign debts which are never paid. If escaping these costs means sacrifice of financial profits, if it means sacrifice of pride, we must make those sacrifices willingly in order that our country may be safe from the infectious hand of war, that we may live in a land in which peace and happiness can never be challenged.

In view of the present foreign situation, the defense controversy, and the war-mindedness of some of our people, it behooves us to face realities. Unless we take steps to keep out of war, unless we stop to consider where our present policy is leading us, we may find that our predicted "rendezvous with destiny" will be a rendezvous with death.

America's first consideration must be the formulation of a definite plan to keep out of war.

In the past the American neutrality policy has drawn this country into great wars because of the irritating contacts with belligerents and their operations. From this premise it logically follows that if we reduce these contacts we reduce the chances of becoming involved in a war. We must abandon the protection of our so-called neutral rights and maintain strict isolation from contacts with warring nations. Such a program offers our only promise of peace. Nothing

short of total isolation is full assurance of the success of such a plan.

Our present Neutrality Act should be made stronger, and enforcement thereof should begin automatically with the opening of hostilities, without reference to whether war is declared or not. It is quite possible that the world will never again see a formal declaration of war.

The primary object of neutrality is to stay out of war. If war can be prevented, well and good; if it breaks out between other countries, the United States should stay out. If, as a nation, we are willing to go out and fight the battles of the weak and oppressed all over the world it is better to avow that policy and prepare for it, instead of sliding into it under some other guise. Neutrality should cease to be a road to war and be a road to peace.

There is every reason to believe that the people of the United States prefer a national policy which promotes peace rather than war. A strict neutrality policy will give America that peace. [Applause.]

APPOINTMENT TO COMMITTEE ON PENSIONS

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 92

Resolved, That CHARLES F. RISK, of Rhode Island, be, and he is hereby, elected to the Committee on Pensions of the House of Representatives.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address which I delivered last evening over a nation-wide network.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. SMITH]?

There was no objection.

Mr. JENKINS of Ohio asked and was given permission to extend his own remarks in the RECORD.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a 10-line quotation from Commercial Policy, Series No. 27, of the State Department.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD and to include therein a telegram which I have just received from the superintendent of public relief in the city of Minneapolis.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

There was no objection.

THE PUBLIC SALARY TAX ACT OF 1939

Mr. WOLCOTT. Mr. Speaker, I submit a privileged resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 93

Resolution providing that the Senate be requested to return the bill H. R. 3790 to the House of Representatives for such further consideration as the House of Representatives may deem proper

Whereas in the Revenue Act of 1926 there was established the Joint Committee on Internal Revenue Taxation, to be composed of 10 members, 5 of whom are members of the Committee on Finance of the Senate, 3 from the majority party and 2 from the minority party, to be chosen by said committee; and 5 members who are members of the Committee on Ways and Means of the House of Representatives, 3 from the majority party and 2 from minority party, to be chosen by such committee; and

Whereas it is the legal duty of this joint committee to investigate the operation and effects of the Federal system of internal-revenue taxes; to investigate the administration of such taxes by the Bureau of Internal Revenue or any executive department, establishment, or agency charged with their administration; to make such other investigations in respect to such system of taxes as the joint committee may deem necessary; to investigate measures and methods for the simplification of such taxes, particularly the

income tax; to publish, from time to time, for public examination and analysis, proposed measures and methods for the simplification of such taxes, and to report, from time to time, to the Committee on Finance and the Committee on Ways and Means and, in its discretion, to the Senate or to the House of Representatives, or both, the results of its investigations, together with such recommendations as it might deem advisable; and

Whereas the present membership of this Joint Committee on Internal Revenue Taxation is composed of the following members: Hon. Pat Harrison, Mississippi; Hon. William H. King, Utah; Hon. Walter F. George, Georgia; Hon. Robert M. La Follette, Jr., Wisconsin; Hon. Arthur Capper, Kansas, all Members of the United States Senate; Hon. Robert L. Doughton (chairman), North Carolina; Hon. Thomas H. Cullen, New York; Hon. John W. McCormack, Massachusetts; Hon. Allen T. Treadway, Massachusetts; Hon. Frank Crowther, New York, all Members of the House of Representatives; and

Whereas Colin F. Stam is chief of staff of the said Joint Committee on Internal Revenue Taxation and has certain technical assistants, a statistician, and attorneys of expert ability; and

Whereas President Franklin D. Roosevelt in messages to the Congress on April 25, 1938, and January 19, 1939, recommended legislation which would subject to Federal and State income-tax statutes the interest paid on future issues of Federal, State, and municipal bonds, and the salaries of Federal, State, and municipal officers and employees; and

Whereas, subsequent to the President's message of April 25, 1938, at the request of the Treasury Department, the Department of Justice undertook a study of the problems and transmitted its report to the Treasury Department on June 24, 1938; and

Whereas the Joint Committee on Internal Revenue Taxation, under the direction of the Congress and with the assistance of its staff of experts, also undertook an investigation and study of these same tax proposals; and

Whereas the question of the constitutionality of the legislation proposed by the President was studied by an agency of the executive branch of the Government and by an agency of the Congress; and

Whereas the studies and conclusions of the Department of Justice and the Treasury Department were reported to the Senate Finance Committee, the special Senate Committee on Taxation of Government Securities and Salaries and the Special Committee on Internal Revenue Taxation were made available to several libraries, the press, and, in general, to all persons interested, these studies and conclusions thus having a wide circulation in the Congress and throughout the country previous to the action of the House on H. R. 3790; and

Whereas the report of the Department of Justice was placed before each member of the Ways and Means Committee when H. R. 3790 was being considered, and a synopsis thereof made available to all Members of Congress; and

Whereas a representative of the Department of Justice discussed the constitutionality of H. R. 3790 before the Ways and Means Committee and submitted himself to cross-examination; and

Whereas, although he admitted that he was not free from doubt as to the constitutionality of H. R. 3790, he nevertheless urged the enactment of this legislation; and

Whereas the staff of experts of the Joint Committee on Internal Revenue Taxation had made an exhaustive study and report, which was "printed for the examination and use of the members of the committee," meaning the Joint Committee on Internal Revenue Taxation; and

Whereas there appears on the title page of this report this language: "Note.—This report has been ordered printed for purposes of information and discussion, but it has not yet been considered or approved by the committee or any member thereof"; and

Whereas Government Printing Office officials have stated that this report was printed and delivered to the Joint Committee on Internal Revenue Taxation on January 15, 1939; and

Whereas the members of the Ways and Means Committee, at least the minority members thereof, and other Members of the House of Representatives, were denied access to this report and had no knowledge of it, and were thus deprived of the benefit of the investigations and conclusions of the staff of the Joint Committee on Internal Revenue Taxation, while the Ways and Means Committee was considering H. R. 3790; and

Whereas the first intimation the Members of the House had of the existence of this report was through an item concerning it published in a Washington newspaper on February 10, 1939, the day after H. R. 3790 was passed; the newspaper article referred to this report as having been mentioned in a Senate hearing on the very day the House of Representatives debated and passed H. R. 3790; and

Whereas this report to the Joint Committee on Internal Revenue Taxation states on page 47 thereof: "It appears that the only way all of the salaries of State and political subdivision officers and employees could be reached by the Federal Government, and all the salaries of Federal officers and employees could be reached by the State governments, is by a constitutional amendment"; and

Whereas this conclusion by the staff of the Joint Committee on Internal Revenue Taxation undoubtedly would have had great influence and bearing upon the final action of the House of Representatives concerning H. R. 3790; and

Whereas the members of the Ways and Means Committee and of the House of Representatives were thus deprived of the studies and conclusions of the staff of the Joint Committee on Internal

Revenue Taxation, although their report had been printed and delivered 25 days previous to the consideration of H. R. 3790 by the House of Representatives; and

Whereas copies of this printed report have not yet been made generally available to the Members of the House of Representatives, although they have been printed since January 15, 1939; and

Whereas the House of Representatives has been given no reason why the printed copies of this report were ignored, neglected, or sequestered until H. R. 3790 had been passed by the House of Representatives; and

Whereas no explanation has been offered why the Ways and Means Committee was denied the benefit of these investigations and conclusions of the staff of the Joint Committee on Internal Revenue Taxation, although the Ways and Means Committee did not begin its hearings on H. R. 3790 until January 26, 1939, 11 days after the report had been printed and delivered to the Joint Committee on Internal Revenue Taxation, and although the report of the investigations, conclusions, and opinions of the Treasury Department and the Department of Justice, representing the executive branch of the Government, were, during this time, brought to the attention of the members of the Ways and Means Committee, the House of Representatives, and the press; and

Whereas the Members of the House of Representatives who voted on H. R. 3790 were thus denied the benefit of the research and conclusions of the staff of its own agency, the Joint Committee on Internal Revenue Taxation; and

Whereas knowledge of this report of the staff of the Joint Committee on Internal Revenue Taxation might have affected the votes of some Members of the House of Representatives, and might have altered the action of the House by which the bill was passed; and

Whereas the ignoring, neglecting, or sequestering of this report impaired the ability of the Members of the House of Representatives to fulfill their oaths of office to uphold and defend the Constitution by due exercise of study and judgment of legislation which they might believe to be in violation of the Constitution; and

Whereas such action in ignoring, neglecting, or sequestering pertinent and important information bearing upon the constitutionality of legislation did adversely affect the safety, dignity, and integrity of proceedings of the House of Representatives, and of the Members thereof; and

Whereas such ignoring, neglect, or sequestration of this report to the Joint Committee on Internal Revenue Taxation has had the effect of concealment to deceive, mislead, and cause the Members to vote, with a lack of adequate and available information upon an important tax measure of questionable constitutionality; and

Whereas such ignoring, neglect, or sequestration of a report to a standing committee of this Congress, pertinent to pending legislation, if deliberate, is utterly indefensible and in violation of constitutional procedure in the Congress; and

Whereas the belated knowledge of this report to the Joint Committee on Internal Revenue Taxation has placed many Members of the House of Representatives in an embarrassing and humiliating position; and

Whereas Hon. DANIEL A. REED, of New York, a minority member of the Ways and Means Committee, and other Members of the House, raised the question of the constitutionality of the legislation during the debates on H. R. 3790, calling attention to the fact that a fundamental constitutional question affecting the sovereignty and independence of the several States of the Union was involved; these Members contending that the objectives sought by the legislation could be achieved only by a constitutional amendment; this contention would have been fully supported and confirmed by the aforementioned report had it not been concealed from the Members of the House; and

Whereas the ignoring, neglecting, or concealing of the aforementioned report constitutes a denial to the Members of the House of Representatives of their official rights and privileges; and

Whereas the said H. R. 3790, having been passed by the House, has been sent to the Senate for its consideration: Now, therefore, be it

Resolved, That the Senate be, and is hereby, requested through the proper channels to return H. R. 3790 to the House of Representatives for such further consideration as it may deem proper.

Mr. RAYBURN. Mr. Speaker, I make the point of order that the resolution is not privileged. I think it is clear that there is no irregularity, either in the preamble or in any part of this resolution, that would vitiate the action of the House. I think, therefore, it is not a privileged resolution, and I make the point of order it is not a privileged resolution.

The SPEAKER. The gentleman from Texas [Mr. RAYBURN] makes the point of order that the resolution offered by the gentleman from Michigan [Mr. WOLCOTT] is not a privileged resolution.

Does the gentleman from Michigan [Mr. WOLCOTT] desire to be heard on the point of order?

Mr. WOLCOTT. Mr. Speaker, I desire to be heard briefly. There has been set forth in the resolution a clear case of impropriety on the part of someone. I have been very care-

ful not to charge that this was done with deliberation. I should like to think it was by inadvertence or oversight; but, nevertheless, the fact remains there was available in a standing committee of this House a report which had a direct bearing upon important legislation involving a constitutional question which was not made known to Members. Although I am cognizant of the fact that the mere request by a Member without any substantiating evidence is not sufficient for the House to request the return of a bill from the Senate, the fact that there is an allegation of impropriety which might be shown in the debate to actually exist is sufficient ground to justify the House in requesting the return of this legislation.

The legislation was passed in the House by inadvertence because the Members of the House were denied information which otherwise would have been available to them had not this report been concealed from the Members of the House. There is a grave question of the integrity of this House involved as well as the dignity of the Members. The only way this can be corrected in a legislative manner is to have the bill returned from the Senate to the House for such further consideration as the House may see fit to give to it. I may say if the bill is returned to the House, it is my purpose to ask that the motion by which the motion to recommit the bill was laid on the table be taken from the table and the bill reconsidered in the light of this report which was sequestered and concealed from the Members at the time the bill was passed.

Mr. Speaker, I submit that this involves at least a moral duty to the people of this Nation who should have some assurance that this House is doing its constitutional duty with respect to important legislation. If there is no precedent for this action on the part of the House, I think the House today should establish the precedent that where there is made a prima facie case of impropriety in connection with bills passed by this House, we should as a matter of course request the Senate to return such bills here for the correction of any errors that might have been involved in the action taken.

The SPEAKER. The Chair is ready to rule.

The gentleman from Michigan offers a resolution providing that the Senate be requested to return the bill H. R. 3790 to the House of Representatives for such further consideration as the House of Representatives may deem proper.

A reading of the subsequent allegations contained in the preamble seems to support the idea that the gravamen of the objection made by the gentleman from Michigan is that in the course of the performance of its duty the Joint Committee on Internal Revenue Taxation failed to offer to or concealed from certain Members of the House Committee on Ways and Means the study compiled by its staff with reference to the constitutionality of the statute seeking to tax the salaries of State officials. The gentleman from Michigan in his argument rather tacitly admitted he had grave doubts as to whether or not under the usual rules and precedents of the House the facts stated justified the submission of the resolution as involving privileges of the House.

The Chair is very clearly of the opinion that one or two precedents, which are found in *Hinds' Precedents*, volume 4, sections 3477 and 3478, lay down sufficient guidance for the Chair in determining this question.

On August 6, 1856, an order directing the Clerk to request the Senate to return the Mississippi land bill in order that an error in engrossment might be corrected, was offered by unanimous consent, and does not seem to have been contemplated in the light of a privileged proposition.

In the other precedent, Mr. Speaker Crisp, in interpreting the question of whether or not matter of this sort constituted a privileged proposition, said:

If the gentleman from Indiana would modify his resolution so as to allege that this bill was reported unfavorably from the Committee of the Whole, and was considered by the House under the idea that it had been favorably reported, the Chair thinks the resolution would be privileged. But a simple resolution to recall a bill can hardly be considered privileged, because in that case such a resolution might be presented with regard to any

bill that is passed. To make the resolution privileged, it should show that the House has acted under some misunderstanding of the report of the Committee—

The Chair interpolates there that he assumes that was a report of a Committee of the Whole—
or something of that kind.

The fact suggested that all Members of the House were deprived of the benefits of the legal opinion formulated by the staff of the Joint Committee on Internal Revenue Taxation does not justify the Chair in assuming that, even if they had had such information, it would have changed the vote of the House. The Chair recollects that this particular problem of the constitutionality of this bill from the Committee on Ways and Means was very ably debated on the floor of the House.

Under the rules and under the precedents the Chair has suggested, although the Chair realizes there are cases in which it might be proper to offer a resolution to recall a bill for some clerical misprision or for some patent misstatement of the Record, the Chair is of the opinion that this matter does not present a privileged resolution and, therefore, sustains the point of order made by the gentleman from Texas.

Mr. WOLCOTT. Mr. Speaker, I rise to a question of privilege of the House and offer a resolution that I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

Mr. WOLCOTT. Mr. Speaker, I may say in fairness to the Speaker and the House that the substance—

Mr. RANKIN. A point of order, Mr. Speaker. Let us hear what this resolution is before we have any statement about it.

Mr. WOLCOTT. Then in order to get to the point I was trying to make, to save time, I ask unanimous consent that all of the resolution with the exception of the resolving clause be considered as read, it being identical with the resolution recently submitted asking that the bill be returned.

The SPEAKER. The Clerk will report primarily the resolution itself.

Will the Clerk, for the information of the Chair, read the resolving clause of the resolution?

The Clerk read as follows:

Now, therefore, be it

Resolved, That the acts and omissions herein charged constitute a question of privilege affecting the safety, dignity, and integrity of the proceedings of this House of Representatives.

Mr. RAYBURN. Mr. Speaker, I make the same point of order.

Mr. WOLCOTT. Mr. Speaker—

The SPEAKER. The gentleman from Texas is submitting a point of order.

Mr. WOLCOTT. Mr. Speaker, I submit the point of order the gentleman is making is not in order until some disposition is made of the reading of the resolution. I was about to clarify the matter by asking unanimous consent that all of the resolution, with the exception of the resolving clause, be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. I object to that, Mr. Speaker. I do not believe this material, if it is not relevant, ought to go in the Record.

Mr. RAYBURN. The gentleman is going to lose time by objecting.

Mr. RANKIN. I withdraw my objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The resolution is as follows:

House Resolution 94

Whereas in the Revenue Act of 1926 there was established the Joint Committee on Internal Revenue Taxation, to be composed of 10 members, 5 of whom are members of the Committee on Finance of the Senate, 3 from the majority party and 2 from the minority party, to be chosen by said committee; and 5 members who are members of the Committee on Ways and Means of the House of

Representatives, 3 from the majority party and 2 from the minority party, to be chosen by such committee; and

Whereas it is the legal duty of this joint committee to investigate the operation and effects of the Federal system of internal-revenue taxes; to investigate the administration of such taxes by the Bureau of Internal Revenue or any executive department, establishment, or agency, charged with their administration; to make such other investigations in respect of such system of taxes as the joint committee may deem necessary; to investigate measures and methods for the simplification of such taxes, particularly the income tax; to publish, from time to time, for public examination and analysis, proposed measures and methods for the simplification of such taxes, and to report, from time to time, to the Committee on Finance and the Committee on Ways and Means, and, in its discretion, to the Senate or to the House of Representatives, or both, the results of its investigations, together with such recommendations as it might deem advisable; and

Whereas the present membership of this Joint Committee on Internal Revenue Taxation is composed of the following members: Hon. Pat Harrison, Mississippi; Hon. William H. King, Utah; Hon. Walter F. George, Georgia; Hon. Robert M. La Follette, Jr., Wisconsin; Hon. Arthur Capper, Kansas, all Members of the United States Senate; Hon. Robert L. Doughton (chairman), North Carolina; Hon. Thomas H. Cullen, New York; Hon. John W. McCormack, Massachusetts; Hon. Allen T. Treadway, Massachusetts; and Hon. Frank Crowther, New York, all Members of the House of Representatives; and

Whereas Colin F. Stam is chief of staff of the said Joint Committee on Internal Revenue Taxation, and has certain technical assistants, a statistician, and attorneys of expert ability; and

Whereas President Franklin D. Roosevelt in messages to the Congress on April 25, 1938, and January 19, 1939, recommended legislation which would subject to Federal and State income-tax statutes the interest paid on future issues of Federal, State, and municipal bonds, and the salaries of Federal, State, and municipal officers and employees; and

Whereas subsequent to the President's message of April 25, 1938, at the request of the Treasury Department, the Department of Justice undertook a study of the problems, and transmitted its report to the Treasury Department on June 24, 1938; and

Whereas the Joint Committee on Internal Revenue Taxation, under the direction of the Congress and with the assistance of its staff of experts, also undertook an investigation and study of these same tax proposals; and

Whereas the question of the constitutionality of the legislation proposed by the President was studied by an agency of the executive branch of the Government, and by an agency of the Congress; and

Whereas the studies and conclusions of the Department of Justice and the Treasury Department were reported to the Senate Finance Committee, the Special Senate Committee on Taxation of Government Securities and Salaries, and the Special Committee on Internal Revenue Taxation, were made available to several libraries, the press, and in general, to all persons interested, these studies and conclusions thus having a wide circulation in the Congress and throughout the country previous to the action of the House on H. R. 3790; and

Whereas the report of the Department of Justice was placed before each member of the Ways and Means Committee when H. R. 3790 was being considered, and a synopsis thereof made available to all Members of Congress; and

Whereas a representative of the Department of Justice discussed the constitutionality of H. R. 3790 before the Ways and Means Committee and submitted himself to cross-examination; and

Whereas although he admitted that he was not free from doubt as to the constitutionality of H. R. 3790, he nevertheless urged the enactment of this legislation; and

Whereas the staff of experts of the Joint Committee on Internal Revenue Taxation had made an exhaustive study and report, which was "printed for the examination and use of the members of the committee," meaning the Joint Committee on Internal Revenue Taxation; and

Whereas there appears on the title page of this report this language: "Note: This report has been ordered printed for purposes of information and discussion, but it has not yet been considered or approved by the committee or any member thereof"; and

Whereas Government Printing Office officials have stated that this report was printed and delivered to the Joint Committee on Internal Revenue Taxation on January 15, 1939; and

Whereas the members of the Ways and Means Committee, at least the minority members thereof, and other Members of the House of Representatives, were denied access to this report and had no knowledge of it and were thus deprived of the benefit of the investigations and conclusions of the staff of the Joint Committee on Internal Revenue Taxation while the Ways and Means Committee was considering H. R. 3790; and

Whereas the first intimation the Members of the House had of the existence of this report was through an item concerning it published in a Washington newspaper on February 10, 1939, the day after H. R. 3790 was passed; the newspaper article referred to this report as having been mentioned in a Senate hearing on the very day the House of Representatives debated and passed H. R. 3790; and

Whereas this report to the Joint Committee on Internal Revenue Taxation states on page 47 thereof: "It appears that the only way all of the salaries of State and political subdivision officers and

employees could be reached by the Federal Government, and all the salaries of Federal officers and employees could be reached by the State governments, is by a constitutional amendment"; and

Whereas this conclusion by the staff of the Joint Committee on Internal Revenue Taxation undoubtedly would have had great influence and bearing upon the final action of the House of Representatives concerning H. R. 3790; and

Whereas the members of the Ways and Means Committee and of the House of Representatives were thus deprived of the studies and conclusions of the staff of the Joint Committee on Internal Revenue Taxation, although their report had been printed and delivered 25 days previous to the consideration of H. R. 3790 by the House of Representatives; and

Whereas copies of this printed report have not yet been made generally available to the Members of the House of Representatives, although they have been printed since January 15, 1939; and

Whereas the House of Representatives has been given no reason why the printed copies of this report were ignored, neglected, or sequestered until H. R. 3790 had been passed by the House of Representatives; and

Whereas no explanation has been offered why the Ways and Means Committee was denied the benefit of these investigations and conclusions of the staff of the Joint Committee on Internal Revenue Taxation, although the Ways and Means Committee did not begin its hearings on H. R. 3790 until January 26, 1939, 11 days after the report had been printed and delivered to the Joint Committee on Internal Revenue Taxation, and although the report of the investigations, conclusions, and opinions of the Treasury Department and the Department of Justice, representing the executive branch of the Government were, during this time, brought to the attention of the members of the Ways and Means Committee, the House of Representatives, and the press; and

Whereas the Members of the House of Representatives who voted on H. R. 3790 were thus denied the benefit of the research and conclusions of the staff of its own agency, the Joint Committee on Internal Revenue Taxation; and

Whereas knowledge of this report of the staff of the Joint Committee on Internal Revenue Taxation might have affected the votes of some Members of the House of Representatives, and might have altered the action of the House by which the bill was passed; and

Whereas the ignoring, neglecting, or sequestering of this report impaired the ability of the Members of the House of Representatives to fulfill their oaths of office to uphold and defend the Constitution by due exercise of study and judgment of legislation which they might believe to be in violation of the Constitution; and

Whereas such action in ignoring, neglecting, or sequestering pertinent and important information bearing upon the constitutionality of legislation did adversely affect the safety, dignity, and integrity of proceedings of the House of Representatives and of the Members thereof; and

Whereas such ignoring, neglect, or sequestration of this report to the Joint Committee on Internal Revenue Taxation has had the effect of concealment to deceive, mislead, and cause the members to vote, with a lack of adequate and available information upon an important tax measure of questionable constitutionality; and

Whereas such ignoring neglect or sequestration of a report to a standing committee of this Congress, pertinent to pending legislation, if deliberate, is utterly indefensible and in violation of constitutional procedure in the Congress; and

Whereas the belated knowledge of this report to the Joint Committee on Internal Revenue Taxation has placed many Members of the House of Representatives in an embarrassing and humiliating position; and

Whereas Hon. Daniel A. Reed, of New York, a minority member of the Ways and Means Committee, and other Members of the House raised the question of the constitutionality of the legislation during the debates on H. R. 3790, calling attention to the fact that a fundamental constitutional question affecting the sovereignty and independence of the several States of the Union was involved; these Members contending that the objectives sought by the legislation could be achieved only by a constitutional amendment; this contention would have been fully supported and confirmed by the aforementioned report had it not been concealed from the Members of the House; and

Whereas the ignoring, neglecting, or concealing of the aforementioned report constitutes a denial to the Members of the House of Representatives of their official rights and privileges; and

Whereas the said H. R. 3790, having been passed by the House, has been sent to the Senate for its consideration: Now, therefore, be it

Resolved, That the acts and omissions herein charged constitute a question of privilege affecting the safety, dignity, and the integrity of the proceedings of this House of Representatives.

The SPEAKER. The gentleman from Texas makes the point of order that the resolution is not privileged.

Mr. RAYBURN. For the same reason, stated formerly.

The SPEAKER. For the reasons as stated in the point of order against the original resolution.

Does the gentleman from Michigan care to be heard on the point of order?

Mr. WOLCOTT. Briefly, Mr. Speaker.

Mr. Speaker, this presents a different question. This is a question affecting the privilege of the House. This is a question not involving a request to the Senate to return the bill to the House for consideration, but has to do primarily with the safety, the dignity of the Members of the House and the integrity of the proceedings of the House. If this resolution comes within any one of these classifications, if it makes out a prima facie case that the safety of this House, the dignity of this House, or the integrity of the proceedings of this House, has in any alleged manner been violated, then the resolution is in order.

In substantiation of the fact that this important committee report would have had a direct bearing on the result of the action taken by the House on legislation and that the denial of this report to the Members of the House prepared by the experts on the staff of one of its own committees has been a denial of rights and privileges attendant upon membership in this House, I want to read the last sentence of the report of the staff of the Joint Committee on Internal Revenue Taxation. That report, as alleged in the resolution was printed on January 15, 1939, and has not even yet been made available to members of this House. That report discusses in 47 pages all of the outstanding court decisions. It comments upon the report submitted to this House by the Department of Justice at the request of the Treasury Department and taking issue with opinion of the Justice Department, the experts say as follows:

It appears that the only way all of the salaries of State and political subdivision officers and employees could be reached by the Federal Government and all the salaries of Federal officers and employees could be reached by the State governments is by a constitutional amendment.

Now, we have charged in this resolution, as a basis for determining this to be a matter of privilege of the House, first, that this report was sequestered, that it was concealed from the Members, and, although it was printed, you understand, on January 15, 1939, it has not even yet been made available for general distribution to Members of the House or to all the members of the Ways and Means Committee. It exists, however. I have a copy of it, and it is the product and the work of a standing committee of this House. We further say that the ignoring, the neglecting, or sequestering of this report impaired the ability of the Members of the House of Representatives to fulfill their oaths of office and uphold and defend the Constitution by due means and study the legislation which they might believe to be in violation of the Constitution.

If there were reports or information in a congressional committee set up for this purpose which were withheld from the Congress, then that is a matter affecting at least the efficiency of this Congress and the integrity of this Congress.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I do not know that I may yield while discussing a point of order, but if I can I shall be pleased to yield to the gentleman.

The SPEAKER. The gentleman may yield to the gentleman from New York.

Mr. REED of New York. I was just going to say that these experts of the Joint Committee on Taxation were investigating the precise point involved, the constitutionality of this act, and they made a definite report on that, all based upon the recommendation in the President's message.

Mr. WOLCOTT. As I understand it, the joint committee which we set up and the experts who were working on this in the Department of Justice were coexistent and were covering exactly the same questions.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield to me for a question?

Mr. WOLCOTT. I will be very pleased to yield to the gentleman.

Mr. JENKINS of Ohio. Is it not also true that the self-constituted committee from the Attorney General's office and also the Treasury, were permitted to present a large and voluminous report to the Ways and Means Committee

setting forth their side of the contention, when it was well known by some at least that this report of a committee lawfully set up by this Congress was not permitted to be introduced before the Ways and Means Committee or before the Congress?

Mr. WOLCOTT. That is one of the pertinent reasons, I think for contending there has been a violation of the integrity of the Congress.

Mr. RAMSPECK. Mr. Speaker, will the gentleman yield? Mr. WOLCOTT. I yield to the gentleman.

Mr. RAMSPECK. Does the gentleman contend that the Joint Committee on Taxation had approved this report made by the so-called experts?

Mr. WOLCOTT. No; I have definitely set out in my resolution that it has not, and that it is not the work of the committee but the work of the experts who were employed by the committee under the direction of Congress to make this study; but the charge is that somehow or other these findings of the experts who have been on the pay roll, some of them since 1926, of this joint committee, have been pigeonholed and were not available to the Members of the Congress.

This instrumentality set up as an agency of the legislative branch of the Government has been quashed. The report of the Department of Justice has been published in full and made available to the Members and has been published in synopsis form and made available to the Members through the medium of the report of the Ways and Means Committee, but there is no mention whatsoever in the report of the Ways and Means Committee or in any other document before the Members of the House of this report made by our own committee, although the Public Printer advises that the report was printed and delivered on January 15, 11 days before the hearings before the Ways and Means Committee started and 25 days before the consideration of this bill in the House of Representatives.

Mr. RAMSPECK. Mr. Speaker, will the gentleman answer one further question? Does the gentleman know whether or not the joint committee itself ever considered this report?

Mr. WOLCOTT. No, I do not; but I do know—and this would be brought out if we were given an opportunity to discuss the question of how this report happened to come to life—I do know, or we have reason to assume, because of the facts and circumstances surrounding the release of this report, that certain members of the joint committee did have it in their possession, substantiating the assertions of the Public Printer that this printed report was delivered to the joint committee or some member thereof.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Knowing the gentleman as I do, I know the gentleman would not directly or indirectly, expressly or by implication, inferentially or by innuendo, want to convey to any Member of this House or certainly to have the press convey it to the American people, if it were not so, that a report was withheld from the consideration of the Members of the House.

Mr. WOLCOTT. I might say to the gentleman right now that I have been very careful not to charge any Member of this body, or any Member of the other body, with willfully and maliciously concealing this report, but I do say that it has been withheld.

Mr. McCORMACK. That is a pretty serious statement.

Mr. WOLCOTT. Of course it is, and I realize its seriousness. That is why I am choosing my words as I go along.

Mr. McCORMACK. Will the gentleman permit me to give him a little bit of evidence. I came in while the gentleman was talking and made inquiries and found out what the gentleman was talking about, that he was making rather serious charges. For the benefit of the gentleman and for the benefit of the Members of the House, it happens that I have in my pocket a letter which I found on my desk yesterday morning. It arrived in my office yesterday morning. I put it in my pocket and took it to my hotel last night to

read it, but circumstances were such that I did not have time to read it last night. I again put it in my pocket to read at the earliest possible moment. The letter is dated February 10, 1939, and is addressed to me as a member of the Joint Committee on Internal Revenue Taxation. The bill my friend refers to was considered last week. I am glad to read this letter so that there will be no misunderstanding, and nothing more said about secrecy. There is too much innuendo about secrecy lately. The letter reads, in part, as follows:

There is transmitted herewith a report entitled "Power of Congress to tax the interest from State and local securities and the compensation of State and local employees," prepared by the staff of the committee. The report deals with the question in what are considered by the staff to be its principal aspects, namely, whether the Congress has the power directly to tax the subject interest or compensation, whether it may do so indirectly and whether the reciprocal or mutual taxation plan proposed would prove effective. As indicated on the cover of the report, it has not yet been considered or approved by the joint committee or any member thereof.

I think that evidence should certainly remove from the mind of the distinguished gentleman, and if not from the gentleman's mind then from the mind of any other gentleman, the thought that any member of the Ways and Means Committee or joint committee had knowledge of this, and that there has been any withholding of any information. The first intimation I had was yesterday, and I have stated the facts in chronological order. The letter is dated February 10 and was received yesterday in my office. I put it in my pocket the same as we all do, to take to our homes or hotels to read last night. I have not had the opportunity of reading it, but there certainly has been no withholding. With this evidence the gentleman ought to accept as conclusive that the inferences which he has made, with his lack of evidence, are absolutely incorrect.

Mr. WOLCOTT. I am glad the gentleman made those observations. I call the attention of the gentleman to the fact that he has been but recently appointed a member of this committee, I understand within the past 2 weeks, otherwise he might have received a copy of this report at an earlier date. I am convinced other members of the committee received copies previous to yesterday. If the gentleman will bear with me, and will not be humiliated by the information, I call his attention to the fact that although the gentleman was not given a copy of this report until yesterday, the press commented on the fact on February 10 in this manner:

While the House was debating the salary tax bill, members of a Senate subcommittee—which has been holding hearings on another Presidential recommendation that income from all Government securities be made taxable—were considering a confidential report from the Joint Congressional Committee on Internal Revenue.

I hope that information will not humiliate the gentleman. I hope he will not be humiliated by realizing that although he is a member of this committee, he was not given a copy of this report when the press was given a copy of the report the day after the House voted on the bill.

The SPEAKER. The Chair is clearly of opinion that although this conversation may be very illuminating, it does not bear directly upon the question that the Chair has to decide, and the Chair would be pleased if the gentleman from Michigan [Mr. Wolcott] would conclude his argument on the point of order.

Mr. WOLCOTT. If the Chair wishes me to decline to yield further, I shall be very glad not to do so.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Michigan yield to the gentleman from Mississippi to make a parliamentary inquiry?

Mr. WOLCOTT. No; I do not yield for that purpose.

Mr. RANKIN. Mr. Speaker, a point of order.

Mr. WOLCOTT. I do not yield to the gentleman to make a point of order while another point of order is being considered. A point of order cannot lie when another point of order is pending.

The SPEAKER. That is a matter in the discretion of the Chair.

Mr. RANKIN. I make the point of order that taking as correct every statement made by the gentleman from Michigan, it does not constitute basis for rising to a question of the privileges of the House.

Mr. WOLCOTT. I would like to be heard on that. In that respect I have not finished my perhaps rather weak argument.

The SPEAKER. The gentleman will proceed.

Mr. WOLCOTT. We also allege in the resolution that this action in ignoring, neglecting, or sequestering pertinent and important information bearing upon the constitutionality of legislation did adversely affect the safety, dignity, and integrity of the proceedings of the House of Representatives and the Members thereof. We also state in the resolution that the ignoring, neglecting, or sequestration of this report has had the effect of concealment, to deceive and mislead, and to cause the Members to vote with a lack of adequate available information on an important tax measure of questionable constitutionality.

My point in that particular is that if there was any intention, either implied or otherwise, to mislead this House, to deceive this House, to withhold valuable information which any Member of this House or any committee thereof knew to be in existence, then it is surely a matter of high privilege for this House, and should be considered on the floor hereof.

We also set forth that this concealing, neglecting, and ignoring of the report of a standing committee of the Congress, pertinent to pending legislation, if deliberate, is utterly indefensible and in violation of the constitutional procedure in the Congress; and the debates on this matter will bear out at least the conclusion which many have come to—that the withholding of this report has been deliberate and for a deliberate purpose.

We set forth that the belated knowledge of this report to the Joint Committee on Internal Revenue Taxation has placed many of the Members of the House of Representatives in an embarrassing and humiliating position, and any act on the part of any individual—perhaps that is not true—but any act on the part of the Members or any important group of people or the press which has the public ear, which reflects upon the dignity of this House to the humiliation of the Members of this House, is plainly a matter of high privilege of this House and should be considered as such, and especially should this be true of such reflections resulting from the acts or omissions of anyone or of an agency directly connected with this House.

We also charge that the ignoring, neglecting, or concealing of the aforementioned report constitutes a denial to the Members of the House of Representatives of their official rights and privileges, and it affects the privileges of this House in that it was denied the privilege and the right to have before it, when this legislation was considered, this all-important report of a committee which was set up by its own action to study this question and report to it in anticipation of the consideration of such legislation, such as H. R. 3790.

I submit that the allegations of this resolution present a question involving the safety, dignity, and integrity of the proceedings of the House.

The SPEAKER. The Chair is prepared to rule.

The gentleman from Michigan [Mr. WOLCOTT] raises in a new form the original question of privilege submitted for the determination of the Chair. The resolution now pending provides—

Now, therefore, be it

Resolved, That the acts and omissions herein charged constitute a question of privileges affecting the safety, dignity, and integrity of the proceedings of this House of Representatives.

The Chair, in its former decision, announced the general principle of parliamentary law that should govern this question; but in addition to the statements there made in connection with this resolution and the admissions that have been made upon the floor, the only matter now apparent in the Record about which the gentleman from Michigan can com-

plain is that a staff of experts employed by the joint committee made certain suggestions with reference to the legal aspects of proposed legislation. It is admitted that the committee itself never took any action upon those suggestions, and, for aught appearing in this Record, the committee might have entirely differed from the legal conclusion submitted by the staff of experts.

In addition to that, the mere fact that a committee of the House fails to make available to the membership of the House the hearings or the opinions of persons appearing before such committee does not give a Member the right to raise the question of privilege of the House, when such privilege is based solely upon that ground. As a matter of fact, a great many proceedings before committees of the House are not submitted to the House or to the Members. A great many meetings of committees are in executive session. A great mass of evidence appearing before a committee that might be valuable to Members of the House in drawing conclusions on legislation is never, as a matter of fact, presented to the House or to the membership.

For those reasons the Chair is constrained to sustain the point of order made by the gentleman from Texas [Mr. RAYBURN] that the facts asserted in the preamble to this resolution do not constitute a matter affecting the safety, dignity, and integrity of the proceedings of the House of Representatives.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, did the majority leader a little while ago say something about no one being allowed to speak?

Mr. RAYBURN. Yes; because of the desire to consider the national defense bill.

Mr. McCORMACK. Certainly if my friend from Massachusetts takes his position as a result of something the majority leader said, under no conditions would I embarrass my distinguished friend from Texas by submitting a request. I therefore withdraw my request, Mr. Speaker.

APPOINTMENT TO COMMITTEES

Pursuant to the provisions of Public Resolution 4, Seventy-fifth Congress, the Chair appoints as members of the Joint Committee on Government Organization the following Members of the House to fill the existing vacancies thereon: Mr. Cox, of Georgia; Mr. SCHULTE, of Indiana; Mr. DIRKSEN, of Illinois.

Pursuant to the provisions of House Resolution 60, Seventy-sixth Congress, the Chair appoints as members of the Select Committee on Government Organization, the following Members of the House to fill the existing vacancies thereon: Mr. Cox, of Georgia; Mr. SCHULTE, of Indiana; Mr. DIRKSEN, of Illinois.

NATIONAL-DEFENSE BILL

Mr. SABATH. Mr. Speaker, I call up House Resolution 88.

The Clerk read as follows:

House Resolution 88

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 3791, a bill to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress. That after general debate, which shall be confined to the bill and shall continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, does the gentleman from Michigan desire any time on the resolution?

Mr. MAPES. I would like 3 or 4 minutes only.

Mr. SABATH. Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, my purpose in rising is to have carried in the RECORD the fact that the statements made by my friend the gentleman from Michigan [Mr. WOLCOTT] about the membership of the House being misled or deceived are without foundation. Statements of this kind are rather strong statements to make. I also realize that what I might say is not of a sensational nature. If I attack you, or if I attack this House, or if I attack any committee of this House, that is news; but any Member who rises in defense, or who undertakes to present what are the true facts, does not state anything which constitutes news. I do not want, by this statement, to have anyone draw the inference that I think my distinguished friend from Michigan was seeking news. I admire him and I respect him, but, being a member of the joint committee and listening to his statements in support of his resolution, I cannot, in all justice to the members of the Ways and Means Committee and to this House, permit any impression to exist that any information of value to any Member of the House was withheld. I stated what I had when I recited the information I now hold in my hand.

The Ways and Means Committee never, as a committee, had this information; and if the Ways and Means Committee did, I am frank in stating that I doubt if it would have changed the action which was taken. The fact remains, however, that the Ways and Means Committee never had this document, and I submit that it is not fair to rise in the House and make statements which convey the impression to the membership of this House and to the country at large that actions are being engaged in or have been engaged in that are of a questionable nature. Such statements, Mr. Speaker, go deeper than this middle aisle which separates the Members of the Democratic and Republican Parties. Such statements, carried to the country, constitute a direct attack upon representative government.

In the heat of debate we may all of us say things that upon reflection we regret, but certainly in the heat of debate none of us would deliberately ever make a statement which would impugn in the minds of the public the integrity of this great body. When the integrity of any committee of this body is attacked or impugned without incontrovertible evidence to support it, that attempt reflects itself upon this distinguished body.

I am proud of my membership in this body. I am proud of my associations with all of my colleagues without regard to party, and I dislike, when I sit in this body, particularly when I am conversant with the situation, to see an honest but completely incorrect impression conveyed to my colleagues, and—of more far-reaching importance—conveyed to the people at large, that a great committee of this House had deliberately withheld certain evidence.

I hope that I have satisfied the minds of the membership of this House. I hope that the press—not because I am making this statement, but because the integrity of the House itself is involved—will see that both sides are presented to the American people and that the report complained of was a report never given to the Committee on Ways and Means. So far as I, a member of the Joint Committee on Internal Revenue Taxation, am concerned, the first time I knew of this report was yesterday. I can understand how the press might have gotten it on February 10, for a special Senate committee has been holding hearings on this subject. The attorneys general of the various States and other public officials were down here last week and appeared before that special committee, and I can very easily see where this information may have been transmitted to the members of the Senate committee—not members of the Joint Committee on Taxation but members of a special Senate committee—and I can very easily see why that should be done, because it was on February 10, according to the gentleman from Michigan, and it was the same day this report was mailed to me.

I hope that similar incidents of this kind, where the integrity of the House is attacked or impugned, will happen with more infrequency in the future. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, having been satisfied that the charges made by the gentleman from Michigan were unfounded, unjustifiable, and unwarranted, I yielded to my colleague the gentleman from Massachusetts to disprove these unfair and baseless charges. I greatly deplore that the gentleman from Michigan should have been used for that purpose.

Mr. Speaker, the resolution makes in order H. R. 5791, the national-defense bill recommended by the President and unanimously reported—except for minor reservations—by the Military Affairs Committee.

The rule provides for 6 hours' general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, after which the bill shall be read for amendment under the 5-minute rule. At the conclusion the Committee shall report same to the House, and the previous question shall be considered as ordered on the bill without intervening motion except one motion to recommit, with or without instructions.

Consequently, the usual charge coming from the other side that no opportunity has been given for debate and that it is a gag rule surely cannot be made against this rule.

I do not desire to take up the time of this House by reviewing the bill. The gentleman from Kentucky will go into that thoroughly. All I want to mention is that it provides for 3,032 additional planes, the elimination of obsolete equipment, and for raising our number of first-line planes to 5,500 within 2 years.

Mr. Speaker, I have always stood as an opponent of militarism and against appropriations for maintaining an unnecessarily huge military force.

I am urging the adoption of this resolution because, while our traditional policy has been and is to foster friendly relations with all nations and to threaten no nation, we must forever guard against power-maddened aggressors.

In pointing out the need for national defense, the President stated, in his message of January 12, that this—

Does not remotely indicate that the Congress or the President have any thought of taking part in another war on European soil, but it does show that in 1917 we were not ready to conduct large-scale land or air operations. Relatively we are not much more ready to do so today than we were then—and we cannot guarantee a long period free from attack in which we could prepare.

Secretary Hull, a peace-loving man, after a sane consideration of conditions, declares, "The specter of a new major armed conflict haunts the world."

This House does not need to be reminded that a future war will come without warning. A formal declaration of war, if made at all, will reach us no sooner than the drone of enemy planes. There will be no time then to forge our defenses. Now is the time to prepare. President Roosevelt points out that "there is a new range and speed to offense."

Increasingly that range and speed grows greater, and we must face all eventualities. Oceans now spanned by airplanes bring Europe closer to us each day. We cannot afford to be unprotected, nor placed in a position where we must yield to foreign terror.

I believe, and have always believed, that differences between nations should be settled by peaceful methods, but, as Secretary Hull emphasized, it takes two to reach an agreement.

With totalitarian nations hungry for conquest—with dictators whose power over their people can only be maintained by agitation and aggression to take the minds of the people off of the economic ruin into which they have been plunged, with these nations unwilling to employ peaceful mediation—there is no alternative but that we face them secure in a strong defense.

We must guard against the dangerous propaganda that streams from the dictators, echoed here by those who seek to misinterpret our program of national defense and degrade it into a political issue. This is no time for petty issues.

Let us place national safety above party politics and work in harmony. We arm not for conquest but to defend more than our lives. We arm to protect all that we hold sacred—religious freedom, the rights of the individual, everything that we know as free government. [Applause.]

Mr. MAPES. Mr. Speaker, everyone, as far as I know, favors this resolution. I shall take only a moment to call attention to the novel title of the bill which the resolution seeks to make in order. As far as my recollection goes, confirmed by some investigation, this is the first time that the title of a bill has referred to any recommendation of the Chief Executive. The title of the bill is as follows:

"A bill to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress."

I find no reference to the recommendations of the President or to his message of January 12, 1939, in the body of the bill. It seems to me that it is entirely out of place to refer to it in the title. To do so is out of harmony with the dignity of a coordinate branch of the Government. If the legislation is good the Congress is entitled to take the credit for it. If it is bad, it should and must assume the responsibility for it.

Judging from the expressions on the faces of the chairman and other members of the Committee on Military Affairs, I assume at the proper time a request will be made to amend the title.

Mr. HOOK. Will the gentleman yield?

Mr. MAPES. I yield to the gentleman from Michigan.

Mr. HOOK. Does not the gentleman recognize the fact that the President of the United States has the right to recommend to this Congress and this Congress has the right, if it sees fit, to follow the recommendations of the President?

Mr. MAPES. Oh, yes; it is the duty of the President to recommend legislation, but the responsibility for the passage of legislation rests upon the Congress, and I do not like to see a coordinate branch of the Government, like the Congress, hide behind the skirts of the President in the passage of legislation. This is the first time in my experience that any such thing as this has ever been attempted. If this reference to the message of the President remains in the title, what will be its effect, if any? If anyone wants to find out what the law is, will he have to refer to the message of the President as well as to the act itself to ascertain? What bearing has the reference in the title to the message of the President? Is it going to affect any court or administrative officer in the interpretation of the law? At best it is only surplusage; it has no place in the title or in the bill.

Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, I am glad of this opportunity to state that I expect to support the pending bill. The probabilities are I will not be here tomorrow when the vote is taken, for the reason that I may be required to be absent on important official business. For this reason I take this time to state my position.

I have always been in favor of adequate national defense, and I am in favor of the general principles contained in this bill, and I should vote for it if I were present. When the House comes to the consideration of this bill, amendments will no doubt be offered to provide for the number of airplanes to be constructed in given periods of time. Great care should be taken with reference to providing for the construction of airplanes and all other instrumentalities of national defense. We must recognize the fact that obsolescence is a law of nature and the law of nature moves very rapidly sometimes and always moves with great certainty. In all these intricate and modern equipments great care should be exercised against changes and improvements. For this reason, if an amendment shall be offered that would stagger production of airplanes so as to produce them on a schedule I should support it. I am in favor of defending my country and providing adequately to be in position to

do it. Still I am opposed to mixing in foreign entanglements. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, does the gentleman from Michigan [Mr. MAPES] desire to use any more time?

Mr. MAPES. Mr. Speaker, we have no more requests for time on this side.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

RESIGNATION FROM COMMISSION

The SPEAKER laid before the House the following communication:

FEBRUARY 14, 1939.

HON. WILLIAM B. BANKHEAD,

Speaker, House of Representatives,

Washington, D. C.

MY DEAR MR. SPEAKER: I hereby respectfully submit my resignation as a member of the General Anthony Wayne Memorial Commission.

Sincerely yours,

JESSE P. WOLCOTT.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

GEN. ANTHONY WAYNE MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of Public Resolution 64, Seventy-fifth Congress, the Chair appoints as members of the Gen. Anthony Wayne Memorial Commission the following Members of the House to fill the existing vacancies thereon: Messrs. CROWE, of Indiana; HARTER, of Ohio; and CLEVINGER, of Ohio.

NATIONAL DEFENSE

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 3791, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. MAY. Mr. Chairman, a few days ago the lamp of life flickered and went out, and the notable Pope Pius XI passed away. His immortal spirit crossed the dark corridor into the land from which no traveler returns. As he went, with his last utterance he left with us this most remarkable message: "We have much to do. Peace to the world."

Today, in that spirit, I bring to the House of Representatives this measure, which is a peace measure, not a war measure. [Applause.]

Something has been said here about the unusual features of this proposed legislation. There is nothing unusual about it except that it is both a defense measure and a recovery measure.

In presenting the bill to the House of Representatives, I, as chairman of the Committee on Military Affairs, feel it incumbent upon me and my duty to say that the bill is the result of many weeks of extended hearings and very careful study by all the members of the committee. Also I am very happy to accord to the minority members of our committee due credit for the part they have played in the preparation of this measure. They have been considerate at all times of the chairman and the other members of the committee. They have not in any sense attempted to obstruct but, on the contrary, have been patriotic, courageous, and impartial, just as have we of the majority. With this feeling toward the entire committee, I wish to say we are here to render the very best possible service to our country. We have no axes to grind,

no criticism to make, and no charges to prefer against anyone. Nor is there now or has there been at any time any intimation whatsoever of partisanship or political rancor.

In presenting this measure I wish to say to the Members of the House that in an effort to see that everyone who will be called upon to vote upon the measure has an opportunity to study the hearings and inform himself, I directed the clerk of the committee to place in the seat of each Member of the House for distribution yesterday morning copies of the hearings, and they are available now on the floor of the House. In the report we have attempted to give a brief analysis of each of the sections of the measure for the information of the Members, so that by a mere reading of the report they may be able to grasp the purport, tenor, and effect of the proposed legislation.

I believe I am safe in saying there is no issue over the measure with the exception of one section, and that is section 1, relating to the number of airplanes to be provided for the Air Corps. As I understand, there is a very slight issue over that section, and only on the question of whether or not the production of these planes should be staggered over a particular number of years or with a particular number of planes for each year, or whether it shall be left to the discretion of the War Department to proceed under their regular plans.

For the purpose of explaining the first section, which, as I say, presents practically the only issue, I should like to state that this section authorizes the Secretary of War to equip and maintain the Air Corps with not to exceed 5,500 airplanes. Authorization of this number of planes is essential to carry out the program of the War Department prepared in accordance with the figures recommended by the President for the augmentation of our existing air defenses. The program provides for the procurement of approximately 3,032 planes in addition to those on hand or on order. This increase in the number of planes will raise the total in 1941 to approximately 5,500, of which number it is contemplated that about 2,100 will be held in reserve, without personnel. Of these planes in reserve, more than 1,300 will be of the combat type, and 820 will be training planes and in constant use. This leaves 1,280 planes actually in reserve. They will constitute the source of recruit for planes disabled or destroyed in combat.

The wisdom of keeping a reserve of planes under this section of the bill is perfectly apparent, although I take it this question will be the point of argument and the bone of contention in the debate. All the major powers in the world have an adequate reserve of planes for the reason that if we got into combat in the air, and if we had only the number of planes for which we had flying pilots and planes were shot down, we would perhaps have pilots without planes to operate and we would have no planes to fill the places of the planes that were lost or disabled. From the experience of all the governments of the world and of the War Department it is believed that we will always have more pilots than we have planes, because the pilot sometimes escapes catastrophe by using his parachute and can get out of the plane and come to the ground in safety, but if a plane falls, it is crashed and ruined and is unserviceable at least for the hours of the combat.

In connection with this feature of the program, which is to provide 5,500 airplanes for the Air Corps, I believe it would be well to give you some statistics with regard to the air power of the major nations of the world, so you can see the apparent necessity for this expansion. For instance, let us consider the British Empire, with a population of 448,385,000 people. In the entire Empire they have a regular army of 1,107,570 men. They have an active air force of 87,950, with 26,175 in reserve, or a total of approximately 114,000. The British Isles, with a population of 47,600,000 people, has an army of 573,000 and an air corps of 83,000, with an air reserve of 25,000, or 108,000 men.

China, with a population of 486,000,000, has an army of 2,000,000 men, with 7,500 active air officers and no reserve, a total of 7,500. This is a sufficient explanation of why the

Chinese are being bombed from the air with impunity today. France, with a population of 42,757,785, has an army of 725,759 and a reserve of 5,300,000 men, making a total of 6,025,000. France is a small state, with one-third the population of our country, and not comparable in any sense with the wealth of the United States. In addition to this, France has an active air corps of 64,650 men, with 6,220 in reserve, or a total of 70,870.

Germany, with a population of 77,000,000, has an army of 3,900,000 and, according to the best figures we can get, she has 206,000 in the active air corps and 20,000 reserves, making a total of 226,000.

Italy, with 44,556,968, has an army of 7,412,168, an air corps of 103,555, with 331,428 reserves, or a total of 434,993 in the air corps.

Japan, with 72,052,800 population, has an army of 6,248,000, an air corps of 21,500, a reserve of 26,100, or a total of 47,600.

Russia has a population of 170,000,000, 18,000,000 in her army, 80,000 in her air corps, and no reserves.

As against all this the United States has today a population of 130,714,953, with an Army of 183,447, with a National Guard of 210,484, or a total of 393,931; an active Air Corps of 20,341, a reserve of 5,544, or a pitiable showing of 25,895.

I present these figures for the consideration of the membership to emphasize the necessity for this expansion of the Air Corps.

Now, in connection with the remaining sections of the bill I should like to call your attention to the report and invite you to read it, because it gives you an analysis of the bill, as we understand it and as it is understood by the War Department.

Someone has asked us, and you often hear the question propounded, why all this preparation for war; why this expansion of the armed forces of the United States? Well, it is perfectly apparent to everyone of us that we have the most priceless heritage to protect. This Nation was the result of a revolution for liberty and man's inalienable right to be free and oftentimes you will hear some one remark, "Well, what is the danger of invasion by a foreign foe?" Frankly, I would say that at this time there possibly is no particular danger, but developments throughout the world are convincing to the effect that the time is not far distant when such a thing is possible. I would answer that by saying that if we should continue to sleep and to procrastinate in the matter of putting our own house in order, we might be caught napping at some time when it was least expected. No nation in the world is going to give us a year's written notice or even a 60-day notice of their intention to attack us.

Today we know there are only two democracies left in Europe. Today we know there is a conflict on throughout the world between autocracy or dictatorship on the one hand and democracy on the other, and if ever the time should come that these two democracies should fall, then they would undoubtedly fall to the dictatorships, and if they did, then the mobilization of the navies of the world and the mobilization of the armed forces of the world, as I have detailed them to you here from only five of the great nations of the earth, would probably be able to establish, by some kind of trade agreement or treaty obligation, or some other method, air bases in the Western Hemisphere, and in order to protect ourselves against that kind of eventuality we are providing for an armed force for protective purposes only. I may say to my colleagues there is no aggression in this program and no desire upon the part of anybody connected with our Military Establishment or on your Military Affairs Committee to provide for any aggression upon any neighbor. But we are determined that with the help of God and the power of the American people no other Nation shall transgress our liberty.

May I now call attention to the fact that when we talk about defense of our country we ought to think about the things that we are to defend. First of all, we are to defend one of the few countries upon the face of the earth in which it is yet possible for men to enjoy the precious privileges of freedom of religion, freedom of worship, freedom of speech,

and freedom of the press. This is the first great heritage that this program proposes to protect.

It then will be able also to protect life and property of our citizens, and when I refer to property associated with life and liberty, I am just one of the old-fashioned fellows who actually believes that neither life nor property would be worth much in this country unless we had liberty to enjoy it, and I am sure that neither life nor liberty would be worth very much if we did not have property or the privilege of acquiring property with which we could enjoy that.

Now, let us see where we are. It is a well-known fact that America has the longest seaboard and the most extensive coast of any country in the world. We have it on the east and on the west, and then we have our outlying possessions in the oceans. We have Panama, miles away from the homeland, and undoubtedly nobody upon the floor of the House, or nobody in any other body connected with the Congress will contend that it is not the duty of the American Government to still contend for and protect the principles embodied in the Monroe Doctrine, which means the protection of the Western Hemisphere from infiltration into our citizenship and our theories of government of foreign, militaristic notions that will ultimately destroy the liberties of the common masses of our people.

With this idea in mind, we have brought you this program that brings our Regular Army up to approximately 190,000 and our National Guard to 210,000 as the initial protective force in our Military Establishment approximating 400,000 men in all.

That is a small army as compared with the figures of the armies I have just read to you, and the armies maintained by many governments that are less capable and able to maintain them than we; but, having pursued for 150 years the policy of peace with all nations and entangling alliances with none, and having pursued that kindred policy of maintaining only a small standing army in order to avoid the expense of a large standing army, it is perfectly proper and right that we should bring you a measure providing only for the necessary and adequate defense of our own homeland and our outlying possessions.

With that idea in mind, I call attention to the fact that according to the best figures that we are able to obtain—and these are not accurate by any means, particularly as to one country—Germany today has 9,800 planes; Great Britain, 7,100 planes; Russia, 5,550; Italy, 4,000; the United States, 3,500 planes. Therefore we are in the fifth place in the list of nations that claim to have air power.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. HOUSTON. I want to ask the distinguished gentleman from Kentucky a question. How many people in Germany are engaged in the manufacture of aircraft at this time, and how many are engaged in that pursuit in the United States?

Mr. MAY. We do not have the figures, or at least I do not, as to the number of people Germany employs.

Mr. HOUSTON. I understand it is around 165,000, and about 30,000 in this country. Are those figures approximately correct?

Mr. MAY. I am not certain, but I think they are near it. I think the gentleman from Ohio [Mr. HARTER] has those figures.

Mr. HARTER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes. I believe the gentleman from Ohio can probably answer that question, and I yield to him for that purpose.

Mr. HARTER of Ohio. I believe I can answer that. The best information that we have from the source of the industry itself indicates that there are 200,000 engaged in the production of aircraft in Germany, as against 27,000 in the United States.

Mr. HOUSTON. What is the potential production of aircraft in Germany, comparable to the production in the United States?

Mr. MAY. The present production of aircraft in Germany, as we understand it, is 1,200 per month, and in this country it is probably 10 or 15 per month, or perhaps 30, of the flying fortress type, and of all types and kinds around 200 per month.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MAY. First let me proceed with this a little further. In connection with this program I call attention to the fact that not long ago there was published in the United States News what is known as the new aviation map by hours, which shows the possibility of bombing the cities of this country by foreign air fleets.

According to that map it is exactly 12¼ hours from Oslo to New York City by air; it is 13¼ hours from Berlin to New York; it is 11½ hours from London to New York; it is 12 hours from Paris to Washington; it is 14¼ hours from Rome to Washington; and it is 13¼ hours from Gibraltar to Washington; and from the Azores to Washington, 8¾ hours. So that in these changing times of speed and air flight we are not at all immune from attack, and if the unfortunate situation should ever arise that the democracies of Europe that still stand should fall, and it then is possible to mobilize the navies of the European countries at present with airplane carriers, even without an air base on the Western Hemisphere, it might be possible and it is entirely probable that they would be able to marshal an air force and airplane carriers within such distance of our shores as would enable them to inflict great damage to our great cities.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. REES of Kansas. The gentleman has just called attention to the short number of hours in making a trip to the United States from some other countries. Would we not have to take into consideration the fact that these bombers, or whatever they may be, would have to make the return trip?

Mr. MAY. They would either have to return or never go back. That is what we are preparing for, to see to it that they do not go back.

Mr. REES of Kansas. So that in calculating the number of hours we must take that into consideration?

Mr. MAY. Yes. And also take into consideration the weight of their load, but if anyone ever undertakes to bomb New York City with its \$65,000,000,000 of wealth, as the great financial and commercial center of the country, we do not expect to let them in long enough to drop their loads, and especially if they do come in and drop anything, we will see to it that they do not get back.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. O'CONNOR. I am very much interested in the statement the gentleman is making, and this thought occurs to me: What is the significance of a comparison of the air power, say, of Germany and other nations that are lying close together, like Germany and Italy and France, and the air power of the United States? It seems to me that there is really no significance in comparing those countries and their air power with our own, because those contentious countries are lying as neighbors, whereas we are at a distance of 3,000 miles removed from any of these countries that might have designs upon us. Moreover, let us assume some airplane comes across from some nation that has it in for us for some purpose. How are we going to be able to tell from the approach of that plane whether it is an enemy or friendly plane until really after the damage is done through this suicidal trip, because that is what it would amount to?

Mr. MAY. We will be able to ascertain the direction from which it comes, and we have detectors now in our Coast Guard and in the Navy and in the Army. The purpose of this bill is not merely to strengthen the Air Corps alone, but it takes care of coast defenses, provides housing for the Panama Canal, and additional personnel of about 20,000 for the Panama Canal Zone.

Mr. O'CONNOR. I thank the gentleman.

Mr. MAY. I would like to emphasize the question which the gentleman has propounded by making this statement: That under the well-recognized law of self-defense if an antagonist is located in a position of protection and he has a second base to come to and a third base, until he can get closer and closer to the person or nation he is attacking, would not the person being attacked be justified in taking action when he left the first base and before he got to the second, or at the second and before he got to the third, and thus ward off danger. In line with that idea, England, of course, is within 2 hours of the air bases of Germany. Its whole industrial, economic, and financial life is bound up in an area in the city of London, measured by the radius of a circle 25 miles in length. Its shipyards, its ship landings, its commerce, its power stations, its railroads, and every source of activity in the British Isles, might be blown off the map overnight if they were not provided with a comparable fleet to make proper defense. If that happened, then they might mobilize the fleets of England and other countries and attack us. We are certainly within our own rights to give aid, by all lawful and peaceable means, to other democracies which may become our shock absorbers.

Mr. O'CONNOR. The gentleman has emphasized just the reason I stated, that a comparison of the air power of Germany and England with the air power of this country is really of no consequence, because they lie so close to each other, whereas we are so far removed.

Mr. MAY. It only emphasizes the possibility of taking away from us our last line of defense; and, in all probability, a vital one.

Mr. O'CONNOR. May I ask the gentleman one other question, because I am intensely interested in this matter?

Mr. MAY. I yield to the gentleman.

Mr. O'CONNOR. I would like to have the gentleman give the House the benefit of his views as to just how far this defense program is going to carry us; just what it means. In other words, how far are we going to defend ourselves?

Mr. MAY. We are going only as far as is necessary to defend the Western Hemisphere and our outlying possessions, particularly the Panama Canal Zone. That is the life line between this country and any attacking foe from any other quarter. We provide adequately for that; but no man can foresee just where the conflict, if one should come, may be.

Mr. O'CONNOR. In other words, we have no design to go beyond taking care of the Western Hemisphere?

Mr. MAY. I have made that statement previously, and I repeat it, that this is not a program of aggression but a program of self-preservation. But, finally, let me say that the sooner we let the world understand that we not only want and will strive for "peace with honor" but that we are neither cowards nor afraid to die if need be for the preservation of the honor and dignity of our country. [Prolonged applause.]

Mr. ANDREWS. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman and members of the Committee, national defense is in no sense a partisan issue; but it is a large concern of national policy which touches directly the welfare, prosperity, and security of every home in the land. In this respect of the discussion, the Republican members of the Committee recognize a great responsibility to the American people to the end that we shall exert every proper influence on the side of orderly and deliberative legislative procedure.

In an extended executive session on January 20 the members of the minority surveyed the whole field of foreign relations and defense, and agreed upon three principal concerns of Republican legislative policy, as follows:

First, to invite a clear definition of the fixed foreign policy of the United States, as a measuring rod for the whole scheme of defense;

Second, to insure a sound integration of the land, naval, air and industrial segments of the defense program in the interest of maximum efficiency and economy; and

Third, to make certain that the projected rearmament program shall be directed exclusively to the defense and

security of the Nation, rather than toward dangerous intervention in the international frictions and discords of other peoples.

With this in mind, the minority leader [Mr. MARTIN] appointed a committee on our side to study this important question, with my distinguished colleague the gentleman from New York [Mr. WADSWORTH] as its chairman. Before going into details of this measure I now yield, out of my own time, to the gentleman from New York for such statement he may wish to make at this time.

Mr. WADSWORTH. Mr. Chairman, I appreciate the courtesy extended to me by my colleague the gentleman from New York [Mr. ANDREWS], and I shall endeavor to restrain my loquacity to such an extent that it shall not keep the Committee of the Whole too long.

The gentleman from New York [Mr. ANDREWS] has stated that at a meeting of the Republican Members of the House held on last Thursday an agreement was reached with respect to a statement concerning the national defense. At the risk of repetition, at least so far as many Republicans now on the floor are concerned, and solely with the purpose of bringing to Members on the Democratic side of the aisle this expression of opinion from the minority, I beg leave to consume about 6 minutes in reading that statement.

Before I do so, I think I can say that you will find no evidence of partisanship in it. Furthermore, you will find no note of belligerency contained in it. We were not concerned with parties or their fortunes, nor were we concerned with any foreign nation in its relation to ourselves at this moment.

The statement is as follows:

In the foreign policy of the United States, which has been consistent and has developed naturally with the years, there has been for over a century but one principle which has remained definite and unchanged—the principle known as the Monroe Doctrine. The famous declaration of President Monroe informed the nations of Europe that the United States would regard any attempt to extend European domination in the countries of Central and South America as an unfriendly act. It is not a treaty, nor has any foreign power ever approved it. It is, in truth, a "no trespass" sign posted around the entire area south of the Rio Grande, and as the years have passed we have made it plain that the warning is addressed to all foreign powers, no matter where situated.

While the doctrine may be of advantage to the nations of Latin America, fundamentally it is our doctrine and ours alone. We adhere to it because we are convinced that our safety is dependent upon its enforcement. It is a policy of defense.

The United States may from time to time adopt new attitudes and pursue new policies relating to other matters in this ever-changing world, but there can be no lessening of its devotion to the Monroe Doctrine because this, more than any other single aspect of policy, involves the safety of the Nation and its vital interests. Especially is this true now that, by an act of Congress we are withdrawing from the Philippines and shall not be expected to defend those islands.

Obviously, our Military Establishment must be adequate to carry out the obligation so clearly implied in the Monroe Doctrine—the obligation to prevent the extension of foreign political domination through military action in the Western Hemisphere. This may well be considered as part of the supreme obligation to defend the continental United States. We thus envision our whole defense. Without the Panama Canal we should be sadly handicapped. It is our life line and must be maintained.

For our defense in the Pacific we believe the mission of our Military Establishment is the maintenance, impregnably, of the line following roughly the one hundred and eightieth meridian, commencing at the Alaskan Islands, passing somewhat westward of Hawaii, and thence generally southeastward to include and cover the Panama Canal. With comparatively slight additions our presently authorized military strength, both Army and Navy, is equal to that particular task.

We conceive the disposition of our military forces in the Atlantic and the Pacific as having a common objective—the enforcement of our defense policy. We should look upon Oahu as an outpost not only of our Pacific coast, but of the Canal. We should look upon Guantanamo and Puerto Rico and our naval and aviation establishments along our Atlantic coast as likewise outposts of Panama. Everything should be done to extend and strengthen such outposts in the areas of defense, whether they be in the hands of the Army or the Navy.

As for Panama itself, there is great need of a substantial increase in the strength of the garrison, in order that the armament now there or shortly to be installed may be manned with at least one shift; and we must add certain equipment vital to the conduct of its defense.

If we control the sea and the air over a wide radius from the Canal it will not be easy for an enemy to reach it from the sea. Likewise, if when the need arises, we take instant measures to prevent the establishment of hostile bases in Central or South America, we shall have gone a long way toward closing the door.

With our defense system made effective far out in the Pacific and far out in the Atlantic, with hostile military infiltration promptly prevented, and with the Canal itself fortified to the utmost degree of effectiveness, we shall be secure in the Western World. Such should be our military policy; such must be our defense.

Proceeding to a discussion of certain provisions set forth in pending legislation having to do with the strengthening of our defenses, we make certain recommendations.

We believe that the item of appropriation which, if adopted, would go far toward perfecting our Panama defenses is sound.

Likewise, the item providing for the placing of educational orders by the War Department is equally sound. In fact we believe that a state of reasonable industrial preparedness while not as dramatic, is fully as important as preparedness in the purely military sense.

Again we find ourselves in agreement with proposals contained in pending legislation looking toward the addition and strengthening of naval aviation and submarine bases in the Atlantic, as well as the addition of similar bases in the vast Pacific area bounded roughly on the west by the one hundred and eightieth meridian.

We entertain serious doubts as to the necessity or wisdom of extending our line of defense as far to the westward as the Island of Guam.

Coming to a consideration of our air forces, we believe that our vital interests demand the procurement of additional planes for the Army which, when added to useful planes now on hand and to planes now in course of manufacture, shall bring the total to a maximum authorized strength of 5,500—all obsolete planes being eliminated.

We suggest, however, that instead of acquiring additional planes in substantially a single increment, it would be wise to manage our production so that our maximum authorized strength will be reached by annual increments over a period of 3 or 4 years.

By such a program the problem of training new pilots and the organization of new tactical units in the Army Air Corps would be greatly simplified, and, further, the ever present problem of obsolescence in the planes themselves could be met from year to year without impairing the fighting strength of the Air Corps, as might be the case if obsolescence of a large proportion of our planes should overtake us at recurring intervals.

By thus spreading the effort the financial strain to be reflected in the budgets of 1940 and 1941 will be lessened.

In any event, with an Army Air Corps at a maximum strength of 5,500, with additional Army personnel trained for its operation, coupled with a naval air force approximating 3,000 planes—

And I interpolate here: That is the number now authorized—

we believe the air defense of our country will be adequate.

That, Mr. Chairman, is the statement agreed upon by the members of the minority on last Thursday afternoon. I am not sure that it is expected of me at this time to continue very far with this discussion of national defense. Perhaps I will be allowed to make some observations and suggestions concerning the Air Corps and the function of aviation generally in warfare.

As has been suggested by questions propounded by the gentleman from Montana, I think we should approach the solution of our problem of defense in the air in a somewhat different way than it is approached in Europe. Every great industrial center in Europe, and every great political capital in Europe is today subject potentially to mass bombing. The air force of any one of those countries can, upon a moment's notice, deliver at least one attack upon the capital or the industrial center of almost any of its neighbors. The stories which have emanated from Spain and from China having to do with the loss of civilians and the destruction of private property have, quite naturally, made a deep impression upon the inhabitants of the capitals of Europe. I think without doubt the fear of mass bombing in that section of the world has had an enormous effect in the psychology of those peoples. I do not say that mass bombing, if inflicted upon London, or Paris, or Berlin, or some other great center of population, would result in the winning of the war by the side which did the bombing. In all probability the world has yet to learn whether mass bombing is actually effective from the military standpoint to the extent now dreaded by people on the other side of the water, but that mass bombing is dreaded and dreaded most acutely by millions of people in Europe cannot be denied. This fear accounts to a considerable degree for the immense importance placed upon war in the air.

I cannot escape the conclusion that at least so far as the art has progressed to this moment and so far as it bids fair to progress within a year or two, or three or four—no one knows just how long the period—no population center of the United States need be in acute dread of mass bombing by an enemy. So I am not quite as panicky as are some people about the menace to continental United States and her centers of population from air attack, although I would not contend that a sudden raid could not be inflicted from a hastily approaching airplane carrier or a secretly established air base. So it seems to me that the mission of our Air Corps in the Army and to a considerable degree the Air Corps of the Navy is somewhat different than that expected to be performed by the air corps, respectively, of great European nations.

As this statement endeavors to set forth, the military policy of the United States is to protect the Western Hemisphere or any part of it from domination by a European or an Asiatic power. This we regard as essential to our national defense, because, if a European power of the aggressor type should secure domination over some country of this hemisphere and from that country launch an attack upon us, then the story would be very different.

We need an air corps not so much to help in the defense of the city of New York or the city of San Francisco, which I cannot conceive to be in dire danger, as we need it to help in the defense of our life line, which is the Panama Canal. It is highly important that we develop an air force which, supplementing the Navy far out at sea, shall prevent an enemy reaching striking distance of the Canal, and then in turn supplement that far-at-sea defense to defend the Canal itself with such effectiveness and thoroughness that even should an enemy break through for a moment it could be repelled.

From the military standpoint that is the suggestion which comes to the House from the minority. May I say a word with respect to our disagreement in the matter of the production of airplanes? As the chairman of the committee has stated, it is the intention of the War Department, should this measure pass in its present form, to embark immediately upon the manufacture of 3,000 new planes. I think testimony before the committee was to the effect that should this legislation pass, the Department would place orders with the industry based almost entirely on present last-approved design—perhaps the phrase "frozen design" was used in the hearing.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. MAY. The gentleman understands, does he not, that the testimony before the committee discloses that the plan of the War Department will not even complete the implemented planes before 1941, and perhaps not then?

Mr. WADSWORTH. I do; that is perfectly true. Nevertheless, let me say that if the War Department starts immediately to design the plane and place the orders, while it may be that the last of those planes will not actually be delivered for use to the Army until 1941, nevertheless, the planes will be of date 1939, and that is what I dread, that we place all our production in a single increment; 1940, 1941, and 1942 will come along and each year mark a tremendous change, a tremendous improvement in power, speed, and effectiveness of planes. Not a year goes by without producing enormous improvements, and we propose to you in all good faith that we do not put all our eggs in the 1939 basket.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. PACE. I challenge the gentleman's statement that there was testimony before the committee that the Department plans to place all of these planes under order. The gentleman, of course, recognizes that no such thing could be done until this House had later authorized funds for such orders.

Mr. WADSWORTH. That is perfectly true, but in itself will not change the construction program. It will merely postpone it until the Committee on Appropriations gives them the money.

Mr. SMITH of Connecticut. Will the gentleman yield?

Mr. WADSWORTH. I yield to the gentleman from Connecticut.

Mr. SMITH of Connecticut. The gentleman realizes that the existing authorization is over twice the number of planes now on hand or on order. The existing authorization covers over 4,000 planes, and we have less than 2,000 now on hand under that authorization which has been in existence for some years. This limitation would operate for this year at least, and probably for next year, to actually cut down the existing authorization.

Mr. WADSWORTH. I do not understand that amendments will be offered to that effect.

Mr. Chairman, I have already consumed nearly all of the time of the gentleman from New York [Mr. ANDREWS], and I prefer to turn back to him the balance of his time and apologize to him for consuming so much of it.

Mr. ANDREWS. Mr. Chairman, I yield myself 10 additional minutes in addition to what I now have remaining.

Mr. Chairman, I would prefer to complete my statement without interruption, and I will leave sufficient time for questions to be asked either the gentleman from New York [Mr. WADSWORTH], or myself at the conclusion of the statement.

Proceeding to the provisions of the bill now before us with an amendment to section 1, which I will outline—the minority believe this to be a reasonable and sound program having to do with the proper defense of what we look upon as the continental United States, referring to the general area Alaska, Hawaii, the west coast, Panama, the Caribbean, and our eastern seaboard. Appropriations under these authorizations would have only to do with the Regular Army, including the Air Corps, with some additions, and the National Guard; in other words, what is termed by the military as our initial protective force of approximately 400,000 men, Regular Army and National Guard.

With your permission, I will give you a summary of the major units of the Regular Army and National Guard in the continental United States, and in our foreign possessions. Practically all Regular Army units in the United States are far below peace strength and many of their components are inactive. In general, units on foreign service are maintained at peace strength.

Regular Army, continental United States: 28 regiments Infantry, 9 tank units, 12 regiments Cavalry (horse), 2 regiments Cavalry (mechanized), 24 regiments Field Artillery, 13 regiments Coast Artillery (harbor defense), 5 regiments Coast Artillery (antiaircraft), 99 squadrons Air Corps (41 combat and 58 base, headquarters, and miscellaneous).

The greater portion of the Infantry, Cavalry, and Field Artillery regiments are organized into nine Infantry and three Cavalry divisions. They are, however, lacking in many important units, with the result that no one division is complete.

Panama Canal Department: 2 regiments Infantry, 1 battalion Field Artillery, 2 regiments Coast Artillery, 11 squadrons Air Corps (6 combat and 5 base and headquarters).

Hawaiian Department: 4 regiments Infantry, 1 tank company, 3 regiments Field Artillery, 4 regiments Coast Artillery (harbor defense), 1 regiment Coast Artillery (antiaircraft), 13 squadrons Air Corps (8 combat and 5 base and headquarters), 1 division which includes the Infantry and Artillery units shown above.

Puerto Rico: 1 regiment Infantry.

Alaska: 1 battalion Infantry.

Philippine Department: 1 regiment Infantry, 2 regiments Coast Artillery, 5 squadrons Air Corps (3 combat and 2 base and headquarters), 1 division Philippine Scouts which includes 2 regiments Infantry (Philippine Scouts), 1 regiment Field Artillery (Philippine Scouts), 1 regiment Cavalry (Philippine Scouts), 2 regiments Coast Artillery (Philippine Scouts).

This comprises the present Regular Army of approximately 165,000 men and at the end of the fiscal year 1939, 12,760 officers.

National Guard, continental United States: 83 regiments Infantry, 18 tank companies, 19 regiments Cavalry, 62 regi-

ments Field Artillery, 14 regiments Coast Artillery (harbor defense), 10 regiments Coast Artillery (antiaircraft), 19 squadrons Air Corps (observation).

The greater portion of the Infantry, Cavalry, and Field Artillery regiments are organized into 18 Infantry divisions and 4 Cavalry divisions. The Cavalry divisions are far from complete.

Hawaiian Department: 2 regiments Infantry.

Puerto Rico: 2 regiments Infantry.

Coming now to the very important question of airplanes for the Air Corps, I think I may safely say that none of the minority members of our committee are panicky or apprehensive as to the possibility of attack by bombings of important localizations on our western or eastern seaboard.

To be sure, we were privileged in committee to hear the expert testimony of our Ambassadors to Great Britain and France and of the high ranking officers of the War Department and the Air Corps. We were not, however, permitted to receive any information from our Ambassador to Germany, who is in this country, nor was our request to hear the testimony of the Assistant Secretary of War, Mr. Johnson, granted.

I refer to the latter particularly because through the press and otherwise he is reputed to be the public exponent of the President's original proposal for rearmaments, insofar as planes are concerned. This was looked upon up to as high as 10,000, 15,000, or even 20,000 additional planes. Moreover, there have been and still are current rumors that within this plan was a proposal to take over all aviation manufacturing plants; furthermore, that some of them be relocated or that additional plants be built in other sections of the country. Suffice it to say that we have never been able to obtain an accurate report of the original urging. I believe it may be truthfully stated, however, that in connection with this entire program we find the War Department manned by professional soldiers asking for less than the Executive head of the Government, a civilian. In other words, the figure for airplanes, many of which are to be in reserve, probably represents some compromise.

Referring to the specific provisions of this bill: Therefore, in committee we supported an amendment, which was adopted, reducing the authorization from 6,000 to 5,500 planes as this provision of the bill now reads. Transmitted into appropriations this reduction means a saving of over \$31,000,000.

We are not, however, in agreement with that provision of section I having to do with the authorization permitting the immediate purchase of all the airplanes. Therefore, we submitted in committee the following amendment on page 2, line 3, after the word "therefor," to insert the following:

Providing that other than airplanes now on order, or to be on order under the provisions of the War Department appropriation for the fiscal year 1939-40, not more than 1,000 airplanes may be contracted for during any one fiscal year, except in the event of the declaration of a national emergency.

This amendment, which I will offer on the floor tomorrow, was defeated in committee by a vote of 14 to 11.

Pertinent to a consideration of this amendment, we call to your attention the following figures covering the situation having to do with airplanes for the Air Corps—these based upon testimony of Brig. Gen. W. G. Kilner, Assistant Chief of the Air Corps and from other sources:

Number of airplanes	
Authorization for airplanes prior to June 24, 1936.....	1,800
Public, No. 785 (74th Cong.), approved June 24, 1936, increase in authorization.....	2,320
Total authorization present time.....	4,120
With the passage of H. R. 3791, authorized.....	5,500
Airplanes on hand Dec. 31, 1938.....	1,797
To be rendered obsolete or unserviceable by the Secretary of War.....	351
Total net.....	1,446
On contract Dec. 31, 1938.....	558
To be on contract current War Department appropriation bill 1939-40.....	464
Total on hand, on order, or to be ordered.....	2,468
Balance to be ordered under authorization, this bill.....	3,032

The amendment outlined above would in effect limit the number of this balance of airplanes to be ordered, 3,032, to not more than 1,000 in each fiscal year and would, it is carefully estimated, stretch the contracts, labor load, production, and acquisition program for this number of airplanes over 3 years instead of ordering them all immediately. This limitation would have nothing to do with those airplanes now on order, or those to be on order in the coming regular War Department bill and those which from time to time may be rendered obsolete. Even with the adoption of this amendment the War Department would be able to secure an appropriation for and order 2,022 planes this year, with orders in each of the subsequent 2 years for 1,000 more.

We quote herein from the testimony of General Craig:

The number to be procured is 3,032. Of the final total of 5,500 planes that will be on hand in 1941, under present provisions of the bill, 2,163 are to be in reserve. One thousand three hundred and thirty-five of these reserve planes will be combat, and I must call attention to the fact that for these particular planes there will be no trained personnel.

We stress the importance of our suggested amendment because of the ever-present problem of obsolescence. Its adoption would increase opportunity to take advantage of research and experimentation within the Air Corps and otherwise. Unless the amendment is adopted it is the testimony of the Air Corps that the entire 3,032 additional airplanes would be ordered this year under frozen specifications.

It has been frankly admitted by officials in authority before the committee that one of the reasons for the program is to stimulate activity within the general airplane industry. Moreover, it has been indicated that the general attitude of the Air Corps and industry as well is to take as much as they can get now in the thought that within another year or two it might not be possible to secure the necessary appropriation for another thousand planes.

In connection with the desire to stimulate our aviation industry, may we point to the large current increases being made in their purchases in this country by France and Great Britain. Moreover, a report to the Congress by the Secretary of State for the Bureau of Munitions Control confirms the fact that at the present time the American aviation industry to the extent of approximately 40 or 50 companies have foreign contracts for planes, motors, or parts with upward of 50 foreign governments. In addition to France and Great Britain, among these may be listed: Argentina, Australia, Belgium, Bolivia, Brazil, Czechoslovakia, Denmark, Bulgaria, Canada, Chile, China, Costa Rica, Finland, and many others. Even Germany and Italy have been on our lists for some parts. Also, the Navy Department is placing orders.

We feel sure that most of the industries involved would favor an insured 3-year program of activity with resulting steadier employment of labor rather than what would ensue under the present provisions of the bill. Obviously the suggested amendment would make for less strain on the annual budgets, a very important consideration, each 1,000 planes representing an expense of \$56,000,000. In addition it would be of tactical advantage in what will have to be a rapid training of personnel. May we also call attention to the fact that in the great scientific field specific new metals and alloys thereof are being developed in both this country and in Europe, which is bound to result in great improvement and even redesign of airplanes. At the present time advantage of such developments is being taken by several foreign governments.

It is essential that our Government keep itself in position to take full advantages of scientific research from year to year rather than commit itself to the production now under frozen specifications of the balance of the 3,032 planes in this authorization and I commend the proposed amendment for you favorable action tomorrow.

In conclusion, the Republican Party is committed to the proposition that the American people are determined to direct their energies, not toward war but toward peace.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. ANDREWS. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is there any provision in the bill which will protect the mechanical secrets of our War Department from people who come here from foreign governments trying to learn these secrets?

Mr. ANDREWS. I think that is covered by the provisions of the National Defense Act, under the authority of the War Department. There is nothing specific to that effect in this bill.

Mrs. ROGERS of Massachusetts. Does the gentleman believe it might be advisable to offer an amendment to further safeguard the mechanical secrets of these airplanes?

Mr. ANDREWS. I think it would be unnecessary.

Mr. MAY. Will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Kentucky.

Mr. MAY. In connection with a statement in the report of the Special Committee on National Defense, of which the gentleman from New York is a member, since he is the ranking minority member on the Military Affairs Committee, may I ask him with respect to this particular statement in that report? It is stated:

We entertain serious doubts as to the necessity or wisdom of extending our line of defense as far west as the island of Guam.

Is there anything in this bill having to do with the fortification of Guam in any respect?

Mr. ANDREWS. There is nothing in this bill that would have to do with that question, which is one entirely for the Committee on Naval Affairs at the present time.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield myself 2 additional minutes.

Mr. CULKIN. Will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from New York.

Mr. CULKIN. Will the gentleman tell the Committee what it will cost to service these 5,000 planes on the ground and in the air? Can the gentleman give us an estimate of what that might cost annually?

Mr. ANDREWS. I am unable to give the gentleman an accurate statement on that.

Mr. CULKIN. I have seen the figures stated as \$1,400,000,000. Does the gentleman know whether that is correct or not?

Mr. ANDREWS. I do not. We have been unable to get a definite statement with reference to what the increased cost of maintenance for this program will be.

Mr. ENGEL. Will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Michigan.

Mr. ENGEL. General Arnold testified before the War Department Subcommittee on Appropriations on my questioning that it will cost \$230,000,000 a year to operate, maintain, and replace an air force of 5,500 airplanes, 2,200 in reserve and 3,300 in service; that it costs \$50,000 a year to keep each airplane in the air, not including replacement cost.

Mr. RANDOLPH. Will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. In connection with the cost of maintenance of aircraft for defense purposes, it may be well at this time in the debate to point out that the cost of maintenance for a single battleship of this Government is more than two and a half million dollars each year, so, comparatively, the cost of maintenance of aircraft is not out of line with the cost of maintenance of battleships.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein certain tables giving the sizes of the armies of the world.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. THOMASON. Mr. Chairman, the Committee on Military Affairs for more than a month has sat nearly every day except Saturdays and Sundays in the consideration of this bill. Judging from the comparatively small number of Members on the floor, as well as the lack of controversial issues in the bill, it seems almost everyone expects to support the bill. This also seems to me to furnish very good evidence that this is a matter of patriotism rather than of politics. I believe, on the whole, this is a very fine bill or it would not be receiving such unanimous support. It is sane, conservative, and reasonable.

I am always interested in what the gentleman from New York [Mr. WADSWORTH] has to say on any issue, and I am happy, too, that my other friend from New York [Mr. ANDREWS], who is the ranking minority member of the committee, and the other members of the minority on the committee, have come to the viewpoint of the gentleman from New York [Mr. WADSWORTH] and the majority members of the committee on this national-defense program because, as far as I know, except for the staggering of the airplane program, the gentleman from New York [Mr. WADSWORTH] has but expressed the views of the majority almost from the introduction of the bill. I am glad the Republicans have at last agreed with the Democrats about something.

It may be that when the bill is taken up tomorrow for reading under the 5-minute rule amendments will be offered either to strike out or change some language or to add language, but boiled down to its essence I know of nothing controversial left in the bill except the question of whether or not we are going to have 5,500 airplanes within the next 2 years or within the next 3 years.

At present we have a total authorization of 4,120 planes. Of course, we had an authorization last year of approximately 2,300 planes. As I understand, there are now about 1,800 serviceable planes and there are on contract and not yet delivered—although they will be delivered by July 1, 1940—an additional 558 planes. This means that when the present authorization is met we will have under that authorization 4,120 planes; thus we are increasing the program by only 1,380 planes over the next 2 years in addition to what is now authorized. It seems to me comparatively unimportant whether or not you have these additional planes within the next 2 years or the next 3 years.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from New York.

Mr. WADSWORTH. Has not the gentleman omitted from his calculation the obsolete and obsolescent planes, which would be dropped out?

Mr. THOMASON. Yes.

Mr. WADSWORTH. This would make necessary the manufacture at some time or another of 3,000 new planes and not 1,300.

Mr. THOMASON. Yes; in the course of time. At present, as I understand from the testimony before the committee, there are 351 obsolescent planes.

Let me tell you how I feel about this matter. I am not an Army man and do not profess to have unusual knowledge on the subject, but I am willing to accept the advice of experts. I was a little bit sorry to hear my other friend from New York [Mr. ANDREWS], whom I esteem highly, inject into this discussion just a little note of what appeared to me to be politics. As far as I know, the committee as a whole has been inclined to follow the recommendations of the War Department. There have been no politicians before the committee. If you will read the hearings carefully you will find the testimony on this bill comes almost exclusively from Army officers on the General Staff, and also the Chief of Staff.

I may say in passing that I believe I voice the sentiment of the House Committee on Military Affairs when I say there is no man in this country, in or out of the Army, who is held in higher regard by those who know him and whose judgment is more highly respected on military affairs than General Craig, the Chief of Staff. [Applause.] The testimony you will find in the hearings is not only by the Chief of Staff

and his deputy but by the other members of the General Staff.

In this connection I am going to give you what I know are the views of the War Department itself, and the representatives of the War Department, I believe, are the ones we should follow in this important matter. They have no profession but the Army and are only interested in the necessary defense of our country.

On the question of whether or not we are going to have contracts let and these planes manufactured within the next 2 years or the next 3 years, let me say that the question of procuring 3,000 airplanes within a specified time depends upon several important factors:

(a) Initial cost; (b) the effect on the aeronautical industry; (c) the purpose of this program; and (d) maintenance.

I repeat, Mr. Chairman, I am sure I voice the exact sentiments of the War Department on this very important question.

The initial cost. The cost of an airplane is materially reduced if bought in large quantities. If the order is placed initially for all required of a particular type, a production program will be set up for this amount. The same number, if ordered in 3 separate years, would result in three separate and smaller production schedules. The additional cost would be 25 percent, all factors being taken into consideration.

As to the effect on the aeronautical industry, the capacity of the aeronautical industry to produce airplanes after "M" day is a major and vital factor of our war reserve. If we buy 3,000 airplanes at one time, such an order will require the aeronautical industry to adopt quantity-production methods of manufacture and should put all idle aircraft factories to work. The industry is capable of producing these airplanes within the 2-year period, which fact was testified to by all of the high officers in the War Department.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from New York.

Mr. ANDREWS. The airplane industry is credited with being able to turn out 5,500 planes a year at the present time. Does the gentleman realize how many planes would be on order if we were to order only 2,200 planes this year, in view of the number of planes that would be on order for the Navy and that are on order by foreign governments?

Mr. THOMASON. I do not know the exact total, but I have the feeling that in view of world conditions today there is a peculiar psychology in this matter in addition to the speeding up of industry and the setting up of proper machinery for mass production of airplanes. We should follow the advice of the War Department, because I believe they know more about the matter and look at it more expertly, although no more patriotically than the rest of us. However, they certainly know what it is all about, as you will find if you attend the executive sessions of the committees dealing with military and foreign affairs. They are in a better position to know world conditions than we, and I am sure we are all agreed that our house should be put in order.

The purpose of this program as announced by the War Department is this:

The proposed 5,500 airplane program is intended to insure the establishment and equipment of an adequate air arm as soon as possible and provide for the essential war reserve. A true war reserve for the Air Corps does not consist of airplanes alone—

And I would like to impress this upon you—

In addition to reserve personnel, it requires an adequate research and development program and an industry which can produce aircraft in quantity.

Maintenance: It is planned that all combat units will be formed within the 2-year period of the program. The airplanes should be available, therefore, to maintain these units at full fighting strength. The additional cost of the reserve combat airplanes will be offset to a large degree by the lower cost of the airplanes initially and by decreased maintenance costs resulting from the rotation of the reserve airplanes through the combat units as spares.

If you listened to the statement made by the chairman of the committee about the number of airplanes that some of the European countries have, plus the testimony that has been provided before the committee that Germany

is capable right now of turning out 1,200 planes per month, I say it is high time that we accept the suggestion and advice of the gentleman from New York [Mr. WADSWORTH] that we be prepared to meet this condition.

Of course, nobody wants war, and I am sure most of us hope and believe we are not going to have any war, but we are not preparing for war, we are preparing against war.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman.

Mr. LUTHER A. JOHNSON. Will the gentleman tell us the number of planes these other warring countries have at this time?

Mr. THOMASON. The gentleman from Kentucky [Mr. MAY], I believe, has provided those figures, but if the gentleman will bear with me a moment, I have them here.

Mr. LUTHER A. JOHNSON. The gentleman can put them in the RECORD later.

Mr. THOMASON. I can give them hastily to the gentleman.

Germany right now has 9,800, and I believe I am quoting official figures on this. Great Britain has 7,100, Russia, 5,500; Italy, 4,000; the United States, both Army and Navy, 3,500; Japan, 3,100; France, 2,700; and I may say, too, that while the United States only has 3,500 and Germany today has 9,800, with Germany having the capacity to turn out 1,200 a month, while we are turning out about 200 a month, how do you expect the industry to get keyed up for mass production if we do not let contracts or let them know by some positive evidence that they are going to get contracts big enough to justify them tuning up for mass production?

I do not know that we are facing a crisis just at this moment, and I hope we are not going to face one, but if we expect to let the other nations of the world know, not that we are preparing for any aggression, because ours is purely a defensive program, you have got to show it by your works and you have got to authorize the building of sufficient airplanes and other munitions of war so that they may know we mean business if any one wants to come over here and attack us.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Georgia.

Mr. PACE. Our friends across the aisle certainly seem somewhat concerned about the matter of obsolescence. If our new planes should become obsolete, is it not equally true that the enormous quantities that the other countries have will become obsolete at the same time?

Mr. THOMASON. Yes, I think the same rule would hold in all parts of the world.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman.

Mr. GIFFORD. I am sure the gentleman will pardon the little realm of doubt we are in, in view of the enormous number of planes some of the foreign countries have, whether any of them are manufactured under specifications which would allow them to come over here and bomb us and then go back again.

Mr. THOMASON. While I do not speak with authority on that subject, I will say that they do not have them now, in my judgment, but at the rate at which they have been increasing their speed and power, I, like the gentleman from New York, do not know what we may expect. So I think we ought to build so that we may be able to meet any emergency.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. ENGEL. In answer to the question asked by the gentleman from Massachusetts, I may say that General Arnold testified before the War Department Subcommittee on Appropriations that while Army bombers went down to Brazil they traveled stripped. He also testified upon my questioning that there is not a bomber built today that can go over 800 miles, locate its target, drop its load, and return home. This is the testimony of General Arnold, Chief of the Air Corps. In face of these facts and in view of what has been said with regard

to an unbalanced program, upon what ground can the gentleman justify the building of 3,000 planes within a 2-year period?

Mr. THOMASON. I know General Arnold wants these planes as soon as he can get them.

Mr. ENGEL. It is in the record. This testimony was given before the War Department subcommittee of the Appropriations Committee, and it is a matter of record.

Mr. THOMASON. I do not dispute that, and I hope it is true. I hope the time never will come when they will develop planes big enough, fast enough, and powerful enough to fly across either one of the two oceans that constitute our boundaries and bomb us and return to their base. We are very fortunate in having the Atlantic and Pacific Oceans on our two sides.

Mr. ENGEL. The gentleman would not question the word of General Arnold?

Mr. THOMASON. Of course not. I think he is one of the finest and ablest men in the Army; but I know that he said to our committee that in his judgment this very airplane program and the building of those planes within the next 2 years is absolutely necessary for the adequate proper defense of this country. That is what I am pleading for, and I hope you go along with us. [Applause.]

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. Yes.

Mr. MAY. In connection with the remarks of the gentleman from Michigan [Mr. ENGEL] on the question of cost and economy, it will be regulated by the Committee on Appropriations, of which the gentleman from Michigan is a member, in the end, will it not?

Mr. THOMASON. I am sure that the gentleman from Michigan will have a lot to do with it.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. Yes.

Mr. GIFFORD. I am with the gentleman, and of course I am for this, but I must realize that he used the proper term when he spoke of this "peculiar era of psychology" that we are in. This is not exactly practical, but it is psychology.

Mr. THOMASON. I admit to the gentleman that there is an element of the dramatic about this airplane situation and I do not think we ought to get hysterical, but in answer to the gentleman will say, I do not believe that we need any 10,000 or 15,000 planes, and when men like General Arnold and General Craig appear before the committee and say that they have made a study of world conditions and know how inadequate our Army is, I am willing to follow them, because I have not forgotten the fact that when General Pershing took our boys across the sea to engage in a world war, about the only munitions they had was some rifles, and they had to wait 17 months before he could get the American troops into action. I am one of those who do not want to see that happen again. [Applause.] The only way to do that is to provide, first, the munitions of war, as I view it. And while I am for the airplane program, yet I am one of those who believe, as the gentleman from New York [Mr. WADSWORTH] said, that airplanes have a terrifying effect upon the populace, but if airplanes bomb a city, somebody has to hold it, and, boiled down to its last analysis, that is done usually by the doughboys. I want to stress the munitions and matériel part of this program.

Mr. GIFFORD. And there is no lack of a certain idea in some quarters that we better build these planes because France and England could use them.

Mr. THOMASON. Yes; I believe in selling them to France and England—all they can buy and all we can manufacture. Let them come and get them and put the money on the barrel head.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. Yes.

Mr. MAHON. I was very much interested in that portion of the President's message of January 12, in which he recommended the appropriation of some \$10,000,000 for training some 20,000 civilian air pilots in our colleges. I recognize that this bill does not cover that particular item, but I

would like to know if the gentleman, who is more familiar with the program than I am, feels it would be well for Congress to follow the recommendations of the President and appropriate some \$10,000,000 a year for the purpose of carrying on that student program in our colleges.

Mr. THOMASON. Yes; I am for that program. I must say, however, frankly, that there is nothing of that kind in this bill, and that is a matter we must leave for later consideration, when we consider the activities of the Civil Aeronautics Authority or whatever agency may be in control of it. I agree with the War Department about that, if I may digress a moment from what I intended to say in completing my remarks about the airplane situation as I view it, and that is that you will find in this bill, if you read it carefully along with the report, how the War Department expects to obtain its personnel for the manning of these additional airplanes, and it does offer a lot of encouragement to the deserving and competent young men of the country, not through the Civil Aeronautics Authority but through accredited schools of the War Department.

I know in a general way from the press and, perhaps, from the message to which the gentleman referred, that there has been an intimation that the Civil Aeronautics Authority designates certain colleges throughout the country for the initial training of some pilots, but when it comes to this program here itself, this additional personnel is to come from the air schools already accredited or soon to be accredited by the War Department. These are schools, however, that are already equipped for the training of aviators and mechanics.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. In a moment. The new officers under this program are to come from young Reserve officers and the Army Flying School at Randolph Field. There is going to be an increase in this program, along with the planes that have been mentioned, of a little more than 2,000 officers in all branches and perhaps some 25,000 enlisted men.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. ENGEL. Has the gentleman any evidence before his committee showing how many of these French and British planes are modern, up-to-date, effective planes?

Mr. THOMASON. No; but my information is comparatively few.

Mr. ENGEL. Has the gentleman any idea at all?

Mr. THOMASON. No. I cannot give the gentleman authentic information.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. VORYS of Ohio. With reference to the World War analogy which the gentleman used a few moments ago, is there any purpose, secret or otherwise, which is not being disclosed here, that this is preparation for another expeditionary force in 17 months or in any other time?

Mr. THOMASON. Absolutely not. There is not the slightest justification for any such inference. If the gentleman will read the hearings before this committee, he will find that except when a high Army officer said, "No; that might involve a military secret, and I prefer to give it in executive session," there has not been one word given in secret in the testimony before the Committee on Military Affairs. I hope the gentleman will carefully read the hearings. I will add that I would not be surprised to see war in Europe in the next 17 months, and with some wild men running loose, I want this country prepared for any emergency. It would be the best life-insurance policy I know anything about.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MASSINGALE. I would like to have a little enlightenment in view of the remarks that have been made here about frozen plans for battleships or airships. Do I understand it to be the practice of the Department, if it wants to get an authorization for 100 airships in 1939 and those ships are not completed and delivered until 1941, that we have got to take an airship of the model of 1939?

Mr. THOMASON. No. I am quite sure not.

Mr. MASSINGALE. That is the impression I have received.

Mr. THOMASON. Of all the progressive industries, I think the airplane industry is the most progressive. I think it is safe to say that if they have orders as of 1939 for the building of 100 planes, as the gentleman suggests, and the planes were not even under construction in 1940 or early in 1941, and some new patent had come out and some new device that would make a better plane, I assume that upon the request of the War Department they would certainly adopt the most modern plane. We must take our chances on that, but the War Department is efficient and can be relied upon to do what is best.

Mr. MASSINGALE. Well, I would think so.

Mr. THOMASON. I think that is the common-sense view of the situation.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MILLER. Was there any testimony on the part of the industry as to the speed with which they could step up their production?

Mr. THOMASON. No direct testimony from anyone speaking for the industry, but the substance of General Arnold's testimony was—and that is one of the objects of authorizing the construction of these planes within the next 2 years, so that the orders would be big enough to justify them to tune up and get their plants in proper condition for mass production if that is necessary. I think the committee unanimously agreed that was a wise conclusion. General Arnold has surveyed the industrial situation and knows what he is talking about.

There are one or two other things I would like to mention. One is in connection with personnel, another the Panama Canal, and another the educational orders. The last subject, educational orders, I am going to leave to our colleague from Connecticut [Mr. SMITH], who has done more than any other one person that I know of to build up this sentiment for educational orders. I hope the people in New England and in his district appreciate the very fine and constructive work he has done in this matter of educational orders, of jigs and dies and things like that, so that we will be prepared in the event of any kind of an emergency. [Applause.]

The gentleman from New York [Mr. WADSWORTH] has also stressed the matter of the importance of the Panama Canal, but along with the Panama Canal, which, of course, is our life line, as he calls it, and we also need a great deal more munitions, coast artillery, and especially anti-aircraft. That is all provided for in this program.

I come back for a minute to this question of personnel. I believe the committee feels deeply on the subject of giving these young Reserve officers of the country an opportunity to get into the service.

[Here the gavel fell.]

Mr. MAY. I yield the gentleman 2 additional minutes, Mr. Chairman.

Mr. THOMASON. The present set-up is to take graduates from the United States Military Academy at West Point, and then from the enlisted men and warrant officers who can meet the requirements. In addition to young Reserve officers, under an act that happens to bear my name, we provide that honor graduates of the senior R. O. T. C. schools of the country are eligible for permanent commissions. We are all proud of West Point, but everybody cannot go to West Point. In the past about the only way a man could get a commission and get into the Regular Army was to go to West Point. I want to enlarge the opportunity for young Reserve officers

and R. O. T. C. honor graduates to get permanent commissions. The Reserve officers of the country constitute in themselves a great peacetime army.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. The gentleman will recall that General Gasser, who has more information with regard to the personnel than any other man in the War Department, said it was the purpose of the War Department to select the best men from all those sources.

Mr. THOMASON. Oh, yes. That seemed to be the unanimous opinion of the War Department and of the committee. General Gasser is the best authority on this subject that I know and is also one of the best officers in the Army. He has been of great help to our committee.

So I am happy to say, Mr. Chairman, that there seems to be no opposition to this bill. I do, however, hope, in view of the specific request, not only as covered by the testimony but as followed up by the War Department, that if we are going to put on this airplane program we will not quibble over whether it is 2 years or 3 years, and they want it in 2 years. Give the War Department what it says it needs and they will defend this country against all enemies. [Applause.]

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Chairman, this bill which we have before us today is the result of careful study by the Military Affairs Committee of the House on the recommendations contained in the President's message of January 12, 1939, on national defense. As a member of that committee I am vitally interested in this piece of legislation and its passage. Our whole approach to this bill must and will be, I trust, considered entirely from the angle of providing only for an adequate national defense. I do not think that it should become necessary for any Member of this Congress to question any other Member's patriotism or loyalty to country if he to a degree has an honest difference of opinion as to how we might best arrive at gaining the objectives of this plan. Neither should anyone be condemned for calling attention to the pertinent fact that what we do now will be our guide for the next few years.

It might be interesting to the House membership to know that practically all the evidence brought before our committee was through witnesses from the War Department. In these gentlemen we must and do place our greatest confidence. However, at the very beginning it is significant that the Ambassadors to England and France were sent, and I say that advisedly, to appear before a joint session of the Military Affairs Committee of the Senate and House. Although this meeting was supposed to be executive, the greater part of the testimony appeared in the press the next day.

It is sufficient to state that these ambassadors painted a gloomy picture indeed of the situation which exists in France and England now. Immediately the thought struck me that here again was another case of both England and France "missing the boat" and by getting this information to us, as outlined by the Ambassadors, they would be anxiously awaiting what America's reaction might be to their own deplorable conditions. Strange, it seems to me, that our present Ambassador to Germany, Mr. Wilson, who now and at the time of the hearings was in or near Washington, was not permitted or sent to appear before our committee. Neither was anything offered to our committee from our representatives in any other foreign country as to our need for rearmament. Where was the Honorable Louis A. Johnson, Assistant Secretary of War, who runs all over this country talking on national defense? Why did he not come before our committee, on invitation, to give us the basis of his many arguments on why America needed this program immediately? I for one never heard a single bit of testimony before our committee, and I attended all the sessions, as to the basis or foundation of the line of reasoning which caused this bill to be brought up so speedily. My conclusions as to why we need to spend this

money now are based on my knowledge of world affairs as they exist at the moment, this knowledge gained through reading of articles of all descriptions, following the day-by-day maneuverings of the East and in Europe, my conversations with the officers of the War Department, and the frank knowledge that at this very moment we are sadly lacking in supplies, matériel, and implements of war of most every description to even sufficiently man and equip our present peacetime authorized strength of 165,000 enlisted men and 12,760 commissioned officers. Among the major powers of the world our military establishment, as to numerical strength, is way down the list. But back of this I would like to know if there might possibly be some other intent or purpose, some thought that we might be preparing for more than a mere adequate defense. Are we sure that is all we are doing?

All indications at the moment force us to the conclusion that the majority of the American people feel the present request for national defense is a reasonable one and might well be undertaken, providing that the Congress use its own best judgment. The country wants all hands above the table when the defense cards are being dealt. They want the whole Congress to sit in on the game and each one take his turn dealing. The American people have a right to know what dangers are threatening our national security and to know just how far our Government is committed to foreign nations. More light should be thrown on the subject, with less heat and loose talk.

The newspapers of a day or so ago carried a picture of one of 250 of the latest type airplanes being shipped from this country to England. True, American airplane manufacturers may sell their products abroad under certain conditions, but is our own national defense in any way being jeopardized or are we in any danger of becoming involved in Europe. The recent crash in California of one of the latest type military airplanes, in which a French representative was involved, brings to mind that perhaps we do not have any military secrets worth protecting. The American people are paying the freight, and on Congress rests the duty of how and when expenditures for national defense should be made.

There can well be differences of opinion in this body on some of the methods of procedure under this bill. As one who signed the minority report, I have no desire to oppose or delay our getting under way the necessary steps to build up needed defense. I do feel, however, that we might well consider the slowing down to a certain degree the procurement of the total number of planes contemplated in this bill, to expand that program over a period of 3 or 4 years, and I am not motivated by a desire to hamstring, cripple, or delay the War Department in any manner or form. On the contrary, it is an honest and sincere wish on my part to have at hand at the conclusion of any such program as this, airplanes of the latest type and design, made possible only through further research, experimentation, and study. Airplanes can only be procured at a certain rate per annum under conditions now existing in the airplane industry. Stretching this program out over a longer period will afford the manufacturers the necessary time to equip themselves to turn out better and even better planes without the necessity of seeing specifications frozen, were all new planes ordered at once. Some day every last one of these planes will be obsolete and will have to be replaced. Are we then going to replace them all at one time in order to maintain the strength that our military experts tell us is so necessary. For my part I would like to see more of the money to be authorized under this bill set aside for additional research and development of the airplane.

I agree with the statement of Mr. Hull, Secretary of State, that—

The American people are convinced there are no international differences which cannot be settled, with far greater benefit to all concerned, by mutually fair and peaceful adjustment than by armed force.

Also I concur in what Mr. Lippmann writes:

For my own part, I do not believe that war is inevitable, and, from what I can learn, this is the view of the men here and abroad who have the best means of knowing the actual situation

in the world. If the governments, with the backing of public opinion, are sufficiently cool, clear-sighted, and resolute, the peace can still be saved by diplomacy.

Notwithstanding strong talk on the part of some of the dictators, I doubt seriously if they have any intentions of casting covetous eyes in our direction, I cannot subscribe to a policy of warning totalitarian powers that we will meet any attack upon our national and international interests by a determined defense and resistance. Of course we will resist and defend; but what is the use of shouting to the housetops that we will do so? To my mind that is not diplomacy. Every country in the world capable of defending itself, will never willingly submit to the usurpation of its rights and territory by another. Let us slow up in taking sides and making loud talk with an accusing finger pointed here or there.

Due to our many advantages, chiefly our geographical location, I do not feel that it should ever become necessary for America to find herself drawn into another war. Much, of course, hinges on our attitude toward and carrying out of the ideas embodied in the Monroe Doctrine of December 1823. I have only recently read and reread that doctrine, and I wish every Member of this House would do likewise. Let me quote a little part therefrom:

Our policy in regard to Europe, which was adopted at an early stage of the wars which have so long agitated that quarter of the globe, nevertheless remains the same, which is not to interfere in the internal concerns of any of its powers; to consider the governments de facto as the legitimate government for us; to cultivate friendly relations with it, and to preserve those relations by a frank, firm, and manly policy, meeting in all instances the just claims of every power, submitting to injuries to none.

But in regard to those continents, circumstances are eminently and conspicuously different. It is impossible that the allied powers should extend their political systems to any portion of either continent without endangering our peace and happiness; nor can anyone believe that our southern brethren, if left to themselves, would adopt it of their own accord.

It is equally impossible, therefore, that we should behold such interposition in any form with indifference. If we look to the comparative strength and resources of Spain and those new governments, and their distance from each other, it must be obvious that she can never subdue them.

It is only when our rights are invaded or seriously menaced that we resent injuries or make preparations for our defense.

We owe it, therefore, to candor and to the amiable relations existing between the United States and those powers to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety.

It is still the true policy of the United States to leave the parties to themselves in the hope that other powers will pursue the same course.

In building our national defense let us keep free from all tangling alliances or secret agreements. Let us attend to our own business at home, concerning which at the present time there is plenty for us to do. Let us not be drawn into another war by an empty cry to again "help make the world safe for democracy," realizing as we do today that in the short space of 20 years we have less democracy existent in the world than at any time in the last century. Let us not forget that those who would have us ally ourselves with them divided the spoils of the last war, while America, fighting for what at that time was clearly considered a sincere and honest principle, finds today that the very countries who were our allies only gave us a debt which they now fail to recognize. Let us not forget that these years of depression, need, and want found their inception in the World War, and today we are paying the price, with the end not yet in sight. Let us face the bare truth, that we might not be able to withstand another world war; and in the end, though win it we would, we might find liberty, freedom, our economic system, and even civilization itself destroyed. We can save our democracy and liberty in America regardless of what results eventually materialize in Europe.

In conclusion, let me call your attention to the following facts: When we entered the World War we had a national debt of approximately \$1,000,000,000. Today we have a \$40,000,000,000 debt. The last World War in money cost the United States over \$40,000,000,000. Add the cost of another and more expensive war to our present financial set-up, and we find we might easily be in debt to the tune of seventy-

five to one hundred billion dollars. Such a circumstance might be the beginning of the end of our great country.

In our endeavors to equip ourselves with an adequate national defense, let us keep our feet firmly on the ground and avoid all the dangers and pitfalls made possible by having placed in our hands, for defense, such instrumentalities of defense which this country has never known before, and which, pray God, this country will only and always use as a means to avoid, and as a deterrent to, any future war. I cannot forget the story of the three men: One who traveled about without weapons of defense, for he was not thinking about trouble. The second man carried one gun, for he thought he might encounter some difficulty and would be ready. The third man carried two guns, and feeling ready and strong, went out looking for trouble.

Somewhere I read the following four short lines in verse, which are so apropos to our situation at the close of the last war, in which position we never again want to find ourselves:

Disillusion came at dawning
When we paused to count the dead,
When we stood to view the wreckage
And beheld the clouds ahead.

Our duty to our country is to adequately prepare for defense, keep from foreign entanglements and alliances, mind our own business, procure plenty of powder, keep it dry, and keep it at home in the event of the coming of any nation who might not be aware of the fact that we are a great country, adequately prepared to defend ourselves. [Applause.]

Mr. MAY. Mr. Chairman, I yield 27 minutes to the gentleman from Ohio [Mr. HARTER].

Mr. HARTER of Ohio. Mr. Chairman, this happens to be St. Valentine's Day. If this House is about to send valentines to Herr Hitler and the other dictators of Europe, I believe its message with reference to the Western Hemisphere will be much more effective and more definitely understood if we follow the recommendations of the majority and authorize the entire air program at once.

The immediate objective of this bill is national security. Your committee brings this bill to the House after the receipt of the President's messages, after hearing first-hand from our Ambassadors to England and France of the situation in Europe, and after detailed testimony from responsible heads of the War Department and the Army. No war hysteria has motivated your committee or will influence this House in the passage of this bill. We are all going to keep our feet on the ground, look this problem in the face, and give sober and serious thought as to the very best way in which we can implement the Nation and preserve it from exterior force. None of us ever want the United States to be placed in a position where she must pay tribute or through fear of force be compelled to make an unconscionable settlement of international issues. We are resolved that our manhood shall not be utilized in fighting anyone else's war, nor shall we engage in any war of aggression.

When we talk about national defense and our plans for the protection of this country through our armed forces, we mean just what those words imply. With us defense means defense. The authorizations contained in this bill are what might be called the irreducible minimum of what should be done at this time. I need not tell you air power was decisive at Munich. For the first time in the history of the world nations with the most powerful armies and navies backed down to that nation having air supremacy. As a member of your Committee on Military Affairs I visited the Panama Canal and realize its defense needs. I have taken time to see many Air Corps fields and installations, the training center at Randolph and Kelly Fields, Tex. My inspection has taken me in the past 4 or 5 years to many of the plants of the aircraft industry—factories where planes, engines, propellers, and instruments are being produced. I have visited the laboratory at Langley Field of the National Advisory Committee for Aeronautics.

This bill is the legislative reply to the President's recommendations upon national defense to this Congress. It is our answer to the insistent demand of the people of the United

States that we put our house in order. The great majority of Americans are disturbed over recent happenings in Europe. They are uncertain as to what is going to occur there and are concerned over what we should do. There is no question about their desire to stay out of the quarrels of Europe. They are opposed to any alliances of any kind that might make it necessary for us to go to the assistance of some European power.

They do believe in maintaining the solidarity of the Western Hemisphere. They fear the totalitarian states will endeavor to establish themselves in the Americas. They view with alarm the situation abroad and are skeptical of the ability of our Government to keep this country from becoming embroiled in a war of major proportions in Europe. Our traditional plan or theory of national defense has in no way changed since the early days of the Republic. Our geographical position remains our greatest national-defense asset. Today our defense plans must be molded to the modern pattern. A new arm has been added to the offensive and defensive power of nations. Aircraft are of ever-increasing importance in warfare. Their speed and range annihilate space and distance, and they have become a horrible menace to the noncombatants as well as to the military forces of nations engaged in armed conflict. Spain and China are examples of the havoc and suffering of civilian populations under bombardment from modern aircraft. It will not be possible for me, in the short time I have, to discuss paragraph by paragraph the details of this measure. Suffice it to say that the two principal phases of national defense which your committee considers most important are covered by this bill.

First. There is the increase in the authorized air force of the Army. An authorization of only some 1,400 planes over the number formerly specified, although prior legislation limited acquisition of those authorized to 2,320 planes. It was expected that this program would be fully completed by June 30, 1940. Now we propose to increase the Air Corps by additional planes so that we will have not to exceed 5,500 planes by midyear of 1941.

The second principal objective of this legislation is to arm with modern equipment what is considered the initial protective force. This consists of the Regular Army and the National Guard with a peace strength of approximately 400,000 men and a war footing of something over 700,000. The authorizations included in this bill will not provide for this force when mobilized on an emergency basis, but will help materially in properly equipping the 400,000 men that would be immediately available. In view of the tremendous expenditures that have been made for national defense in recent years, it hardly seems possible that we are so lacking in modern equipment. Yet when we take the principal items included in last year's War Department appropriation bill for military purposes, we find the bulk of Army expenditures are for other than armament and munitions. For instance, appropriations for this fiscal year include \$40,000,000 for pay of civil personnel, \$168,000,000 for pay of the Army, \$30,000,000 for subsistence, nearly \$13,000,000 for transportation, including purchase, maintenance, and operation of equipment; \$13,000,000 for clothing, \$10,000,000 for new construction; \$12,000,000 for maintenance and repair of posts and stations, \$1,000,000 for medical purposes; \$89,000,000 for aviation and munitions, \$6,000,000 for sea coast defense, \$61,000,000 for cost of civil components exclusive of the item above of pay of civil personnel.

These items of more than \$440,000,000 of the total appropriations of \$460,000,000 have in the main little to do with increasing our armament with, perhaps, the exception of the Air Corps appropriation. We have few anti-aircraft guns. Only about half of our field guns, 75-millimeter, are equipped with modern mobile carriages. We have scarcely any anti-tank equipment, and our small arm is the Springfield rifle brought out in 1903.

This bill envisions bolstering our coast defenses, spending considerable money at Panama, including quarters for an adequate garrison. Most of us realize that it is the duty of

Congress to make the Panama Canal impregnable. We must keep our defense lifeline between the oceans open.

The Monroe Doctrine has become once more a very important policy of the United States. Hemisphere defense necessarily is a selfish doctrine with us. Its prime modern consideration is the successful defense of the Panama Canal and the prevention of the establishment of military bases in the Americas by hostile powers. Our ability to utilize the Panama Canal at all times means that we can defend twice as much coast line with half as many battleships. It enables us to concentrate all of our attacking naval force in either one of two directions, an advantage that no enemy of ours or any combination of enemies could ever have. One has but to glance through the pages of our history to realize that the American people have never believed in any considerable standing Army, nor do we now need a large Army for defense. However, we have continuously through the years neglected our small land forces and their preparation and equipment has never been adequate at the outbreak of any of the major wars in which we have engaged. We do not need to worry today about personnel, the men and officers that constitute our Regular Army and likewise the National Guard. We have, also, under the wise provisions of the National Defense Act, established the organized Officers' Reserve, the volunteers who now number nearly 100,000, and who give unselfishly of their time and effort and who will be available for the training of any civilian army that might have to be formed in the future. Their ranks, as you all know, now consist in large part of the graduates of our colleges and universities, who have had the advantage of advanced Reserve Officers' Training Corps instruction. In the event of any major national emergency we shall depend, as we always have in the past, upon an Army recruited from the young manhood of our country coming from civil life. We do need to worry, however, about the equipment of our initial protective forces, which would have to be utilized in defending the United States until a civilian army could be gathered together and equipped. At present the fire power and mobility of our small Army are most deficient. We have models of weapons that are said to be very efficient as far as world standards are concerned, and in this connection we refer to mobile carriages for guns, the automatic rifle, anti-tank guns, mechanized equipment, including tanks and other modern equipment, but we have scarcely any of these articles. Our Atlantic coast defenses are most deficient. We are providing minimum needs in anti-aircraft guns, together with searchlights and fire-control equipment, and other tremendous steps forward will be taken when appropriations are made under this authorization. The placing of experimental orders with scores of firms in private industry, so that important factories will be equipped to turn out in increasing quantities those articles which are most needed in time of war will help our Army greatly. Much highly developed equipment is so complex, so delicate, and made with such precision that without experience it is most difficult even in a thoroughly industrialized country like America to hastily change from the arts of peace to the necessities of war.

You will find in the copy of the hearings before the Committee on Military Affairs, beginning on page 4, the statement of Gen. Malin Craig, Chief of Staff; his detailed explanation of the expenditures contemplated by this authorization is both clear and convincing. I am sure that you will be well repaid by reading General Craig's testimony.

Personally, I would like to see more money spent upon aeronautical research. The President's recommendation of utilizing the facilities at Sunnyvale, Calif., as well as the laboratories at Langley Field for the National Advisory Committee for Aeronautics, is promising. One of the most important factors in Germany's bid for military air supremacy has been her devotion to the cause of scientific aeronautical research. Tremendous physical facilities have been made available to German scientists and many of them have been engaged in research of this nature since Germany started its air program in 1933. If we are to keep abreast of the most modern developments in aircraft, we must make ample

provision for research. Let me return to a discussion of military aviation, because doubtless in the minds of the American people this is the most important part of this expansion program. There are many in this country who believe that all we need for national defense is a super and superior air force. They think any war could be won through mastery of the air. Knowingly and unknowingly they are the exponents of the great Italian general Giulio Douhet, who argued most convincingly that any war could be won through the air. To accomplish this Douhet maintained that an air-minded nation must not have mere temporary supremacy in military air operations but have such mastery of the air through its military aircraft that it could speedily bring about the complete destruction of all enemy aircraft, their plants for aircraft construction, their bases and sources of supply, their public utilities, and their industrial establishment, thus bringing the enemy to his knees in short order. Douhet's theory of warfare might well apply to Europe with nations in close proximity to each other. Who knows but that Douhet foretold what was to occur at Munich by reason of Germany's excellent air strength. However, we in the United States are not crowded in among the nations of Europe. Thousands of miles of ocean separate us from our nearest enemy and to operate successfully an air force of the size and strength sufficient to subjugate this country would mean the establishment of aircraft bases in the vicinity of our territory, which we should be able to prevent. A military base is not a mere landing field. There must be ample camouflage storage for hundreds of planes, tremendous supply maintenance and repair installations.

This brings me to a question which doubtless we shall have to face in the future under our system of separate administrations of the Army and the Navy, each with its independent air force, which is a necessary complement of other branches of the respective services. The Army is charged with coast defense, with the fortification and defense of the Panama Canal. Its planes are land-based planes, and I believe that it needs little argument to demonstrate that land-based planes can have greater range, greater striking power, and far more mobility than aircraft carrier-based planes. Let us largely confine long-range bombing missions to the Army Air Corps. It is quite apparent from the world figures upon the capacity of aircraft carriers that any nation or group of nations would have an insurmountable task in attacking this country through the medium of aircraft based on carriers. This presupposes that our fleet is not completely annihilated and that we maintain an air force of sufficient size and power.

At the present time the aircraft-carrier capacity of the leading nations is as follows:

Great Britain: 6 carriers with a total capacity of 225 planes; 5 carriers building with total capacity of 300 planes.

Germany: 2 carriers under construction, capacity of 80 planes; none available now.

Italy: No airplane carriers.

France: 1 carrier, capacity of 40 planes; 1 carrier under construction, capacity unknown.

Japan: 6 carriers with a total capacity of 240 planes; 1 carrier building, capacity unknown.

While I have already covered the major questions of policy which indicate the need for the expansion of our air forces, I think I should devote some time to the reasons which have led your committee to recommend that the total authorized strength of 5,500 planes should be set as an immediate goal, and that we should build up to this authorized strength as rapidly as possible. Some of my good friends across the aisle, who are ready to say that we need an air force of 5,500 planes for our Army, still seem to think that we should take 3 years to build these planes. Mr. Chairman, I cannot stand here on the floor of this House and tell you how many planes we will need 3 years from now.

I cannot tell you that in that period of time the aggressor nations of the world will have found a way to live at peace with other nations. I cannot tell you that within that period we will not be embroiled in a fight to the death for all that we hold dear, nor can any man stand before

this House today and tell you that the part the United States must play in every move to continue peace and prevent war within the next 3 years will not be strengthened by a manifest and determined effort, started now and prosecuted with the utmost vigor, to make our air power so strong that no nation can believe that it has the power to defeat us in conflict or force our submission through threats.

Air power is one of the most elusive forces on which peaceful nations must depend for their protection. Compared to other component parts of military strength, air power is a fickle mistress, whose affection cannot be won overnight or relied on unless constantly cultivated. Eternal vigilance, eternal research, eternal strengthening of our manufacturing facilities, and eternal training of personnel, each form a part of the price we must be prepared to pay for that superiority in the air which is our best guaranty of peace in this hemisphere.

Maj. Gen. Henry H. Arnold, Chief of the Air Corps, United States Army, in an address to the Women's Patriotic Conference on National Defense here at Washington on January 25 this year, made some very pertinent remarks upon the necessity of prompt action upon an increase in our aerial forces. General Arnold said:

One commentator who has been quoted widely of late has said that a nation should not build up an air force until it knows when it is going to war. My answer to that is that it is comparable to saying that no man should insure his house except in the year it is going to burn down, or no man should insure his life except in the year he is going to die. Our contention is that modern air forces of suitable size are the best national insurance against unwarranted aerial attack by ambitious aggressors. Since we cannot be definitely sure when those attacks are to come and when that aggression is to head our way, wisdom decrees that we take out that insurance with the least possible delay.

What would seem a well-founded objection to building an air force today is that it will be obsolete tomorrow because of the rapid changes that the aviation industry is making in airplane types. Our flying fortress was designed more than 4 years ago. We have had them in service for more than 2 years. They are still the best bombing airplanes in the world, and there is no prospect that anything being developed abroad will make them obsolete for several more years. Our present formula, and it is based on world experience, is that our fighter craft will remain efficient, usable, and entirely satisfactory for from 4 to 6 years. Our bombing planes developed to date will remain up-to-date and efficient weapons for at least 5 or 6 years, or perhaps longer, while our miscellaneous types, such as training and cargo, have a much longer useful life of from 8 to 10 years. Roughly, therefore, in order to keep our 5,500-plane program modern and up-to-date, we will need to replace not more than one-fifth of the planes each year, and those 1,000 airplanes should be procured annually in order to keep in being the aircraft industry, one of the most essential parts of our war reserve. You can see, therefore, that air forces do not of necessity present an alarming obsolescence rate; and bear this fact well in mind, that this obsolescence rate on our own air force is no greater than that of other air forces in the world.

We dare not wait to build up an air force until we can standardize on the best possible airplanes, for if we did we would never build an air force at all. When we go into production on any given airplane, there is a better airplane around the corner; there is always on the drawing board or in the laboratory undergoing test an experimental plane of superior performance to that which we are buying in quantity. Remember, though, that an experimental airplane is always at least 2 or 3 years away from production quantity, and remember this: Experimental airplanes, or drawings of superior airplanes, did not win for the Germans at Munich. The air forces which affect international negotiations consist of airplanes in being with combat and maintenance crews available and air bases in existence from which to operate them. It is also of importance to note that it requires about 2 years to select and train those highly technical men who make up combat and maintenance crews.

Speaking before the annual meeting of the National Aeronautic Association on the 16th of last month, the commanding general, General Headquarters Air Force, Gen. Frank M. Andrews, made the following significant statement:

No one knows better than you gentlemen that air power is not a commodity that can be procured in the open market, no matter how much gold and silver may be available. Money will not buy it; desire will not create it. Timely foresight, based upon an intelligent conception of the potentialities of air power and its effect upon the destiny of nations, is the only formula that can assure its development.

The ability of a nation's industry to build airplanes and the existence of superior manpower available for training as pilots, navigators, mechanics, etc., do not make air power. They do

constitute potential air power. However, it must be realized that it takes time to build a force of modern military aircraft, and further time to train the men to fly those airplanes and maintain them on the ground.

The existence of potential air power is important if it is utilized to create actual air power before the necessity arises to use it. The most fertile agricultural regions would be of no value to save a people from starvation unless they were sown with crops and those crops harvested before the spectre of famine presented itself.

So it is with potential air power. Unless developed before the emergency occurs it will be of little value afterward; not only because of the time factor involved, but also because aircraft factories and engine factories are early objectives of a hostile air force.

I repeat, adequate air power cannot be created after the necessity for its need has arisen. Like a navy, it takes years to build an air force.

I quote again from General Andrews:

As we study the development of air power today, and as we project ourselves into the very near future and realize its possibilities, it seems to me that there can be little doubt in the minds of any citizen of this country that the United States must lose no time in building up an air force.

As much as all of us would like to find a formula for universal peace, history has proven beyond doubt that the ability to defend one's self has always been the deciding factor in the security and life of a nation.

Air power is imperative for the security of this Nation and its policies. Its possession by this country, in adequate decree in our military organization, will constitute strong insurance that no hostile army will ever approach either coast for the purpose of landing on our shores; and that no hostile nation will ever establish air bases in this hemisphere. It will provide additional freedom of action to our Navy.

With the passing of each year, air power will become more and more vital in the shaping of the policies of nations.

These words come from one of our keenest students of military tactics. General Andrews knows that the present relative weakness of England and France in air power is due to the fact that these countries did not start soon enough, and did not have time to properly plan the development of their aircraft manufacturing programs. For us to make the same mistakes, which have cost them so dearly, would be tragic, and would provide the most tangible form of encouragement to dictators who already boast that democracies are too inefficient and disorganized to provide for themselves the necessary forms of self protection in our modern world. On the other hand, the successful accomplishment of the program which our committee has recommended, will do more than any other single thing to show enemy-watching nations that we mean to defend ourselves and our liberties against any and all threats, and that we are ready, willing, and able to do so.

A few moments ago I stated that no man could tell this House what air power we might need to command for our protection 3 years from now. To say that we will take 3 years to fill the needs we know exist today is to admit that 3 years from now we will still be far behind. It will likewise be interpreted by unfriendly nations as an admission that we are unable to repair our weaknesses at a more rapid pace.

Mr. Chairman, our responsibility for the safety and security of this great Nation cannot be discharged by building only 1,000 planes a year for the next 3 years. We are faced with a situation in which we must use every bit of available trained manpower and every tool and fixture in every airplane manufacturing plant in this country, and we must stretch every sinew in our aircraft industry to build and make ready for use the full measure of air power provided in this bill. Potential air power is not enough. We must provide actual air power in the form of modern fighting aircraft and all necessary personnel and bases. I anticipate considerable criticism through lack of understanding of the planes which are to be placed in reserve. These will number in excess of 2,100. One thousand three hundred and thirty-five of those in reserve will be various types of combat planes. These reserve planes will be distributed to depots and tactical units. They constitute in reality a rotating reserve. For instance, the reserve planes with tactical units will be placed in operating commission at any time any operating plane is undergoing repairs at the station of the units. Likewise, those planes in reserve at depots will be ready to instantly replace airplanes of the operating forces that are sent there for major overhaul or in

event the planes are washed out. In other words, these reserve planes will be ready for instant service in creating new units in event of emergency, and in peacetime as a constantly rolling reserve in replacement of damaged or washed-out planes.

Several hundred of these planes in reserve will be used by National Guard units and for the training of Air Corps Reserve officers of inactive-duty status. There are 25 stations where Army Reserve pilots may fly in such a status. There are but 124 planes in the 3,000 active planes in this program or but 5 per station; the remainder are in the reserve of 2,000 planes. Thus it is clear that the elimination of the planes in reserve in the program will eliminate much of the training at our reserve stations scattered widely over the country—one of the strong links in our defensive structure. These reserve planes are to be used also to replace losses in National Guard plane strength. The air elements in our civilian components will suffer irreparable damage by the elimination of these planes listed as in reserve in this program.

In reality they constitute not more than a safe reserve, which is recognized as approximately 50 percent of operating planes, and that ratio is maintained today by the Navy in recognition of its mission, which requires instant readiness for service.

Fortunately for this Nation, we have an aircraft industry that is ready to undertake the program authorized in this bill and carry it forward to completion with a minimum of delay. The Air Corps and the industry have developed planes that will fill our needs and are ready to be put into quantity production. The industry as a whole is now using only about one-third of its available production capacity, which means that idle men and idle plants will be put to work in this program, and we will be providing employment at the same time we are providing air power for our security. Before I conclude these remarks, may I emphasize again the great importance of carrying out this program in strict accordance with the recommendations of your committee. One thousand planes a year will not accomplish the objective we have sought. We have recommended a program we are sure the Air Corps and the aircraft industry can accomplish. We know that the completion of this program in the time allotted will not only greatly strengthen our air power but will show every other nation in the most convincing manner possible that we can and will protect our vital interests. We know also that should we be so unfortunate as to be forced into armed conflict in our own defense, our aircraft industry would be geared up to meet the heavy demands that would fall on it in such an emergency. Finally, we know that the per-plane cost to the Government will be at least 20 to 25 percent less than it would be under the 3-year plan.

For these reasons, Mr. Chairman, I urge, with all the force at my command, that this program be adopted as recommended by your committee and set forth in this bill. Peace for the United States and for the Western Hemisphere under honorable terms which protect our liberties and vital interests is the objective we have sought, and which we believe this bill will go far toward accomplishing.

It is the duty of Congress to recognize its responsibility for protecting our borders and preserving peace. The struggle between our way of life and that imposed on an increasing number of Europeans is of tremendous proportions and importance. If our institutions are to survive, if we are to continue to exist as a nation wedded to those principles of government for which our forefathers fought and died, we are but doing those things which are most necessary in the passage of this bill.

Let us definitely remember that all of our military advisers from the Chief of Staff down, including the Chief of the Air Corps, advise the immediate purchase of the additional planes authorized rather than the staggering of their purchase over a 3-year period.

Mr. ANDREWS. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, before proceeding with any statement which I have prepared I would like to mention

one or two things which have already been taken up in connection with this bill. The debate has proceeded on the assumption that there is no emergency under which we are acting. It is said that Gen. Malin Craig, the Chief of Staff, is anxious for this authorization to go through at once, but if you turn to the top of page 3 of the hearings you will see that he said that he urgently recommended that \$50,000,000 of the \$300,000,000 be made available at once for the purchase of military aircraft.

Many statements have been made this afternoon as to the productive capacity of our present aircraft plants. It is true, as pointed out by the gentleman from Illinois [Mr. ARENDT], that not a single person connected with the industry has been before the committee. The chairman of the committee stated in answer to a question that the productive capacity is between 10 and 30 planes per month; other Members say it is from 30 to 40 a month. Right after the President issued his message in connection with his program, Leighton W. Rogers, president of the Aeronautical Chamber of Commerce, said in making public the results of a survey just completed—and this is taken from an article that appeared in the New York Times on Friday, January 13, 1939—that the aircraft manufacturing industry of the United States can double its current production with the present plant space.

Mr. Rogers' report stated that the industry could deliver 5,500 military planes a year with existing plant area.

The American factories—and there are plenty of them—are not so poorly equipped. As to whether they can turn out 30 or 40 airplanes a month, this statement shows that in 1938 the industry's production aggregated approximately 3,675 planes of all types. Of that production there were 150 transports, 300 private and business planes, 1,425 light planes, and about 1,800 military craft, including those produced for export.

He goes on to state that, contrary to popular belief, the industry is nowhere near capacity production and that some of our important plants have practically no business. The survey showed, Mr. Rogers reported, that the 1938 average of 150 military planes a month had been stepped up toward the close of the year to an average of about 200 craft.

He goes on to state:

Some plants which have heretofore produced only commercial planes would be available to participate in such a military program.

No important factory expansion will be necessary for either the military or commercial manufacturers, although there might be minor additions in some cases.

Mr. Rogers' report also stated that experience had shown that about 6 months were required for training labor and 8 or 9 months for tooling up and jig installation. This does not mean that 6 months would be required to start production, but deliveries of most models could start immediately because they are already in production on present orders. As the plants completed their tooling operations, deliveries would increase progressively until at the end of 8 or 9 months full production would be reached. According to him, that does not require much plant expansion.

Let us now turn to the testimony of General Arnold, Chief of the Air Corps, whose arguments are supposed to be behind this program. On page 9 of the hearings he tells us why we are getting this program at this time in one of his early sentences:

This present program has been made possible by the sympathetic attitude of the public, the change in the world conditions, and the message of the President to Congress.

I do not believe any of us think there was any other reason than the fact that the President was willing to have this program come forward at this time. Then let us turn to page 10. General Arnold there states:

The labor employed in American aircraft factories is somewhere in the neighborhood of 27,000. That figure is almost a constant figure.

He goes on to state that this "total has been almost standard at about 27,000 for the last 2 or 3 years."

Turning to the next page, we find the statement that if we put this program into effect, "the 27,000 men we now have will probably be doubled or even trebled." New labor that goes into these plants must be trained.

Then let us turn to page 17 and find out about this emergency proposition. No one so far has argued that there is any emergency, but General Arnold stated at that time in answer to a question by the gentleman from Texas [Mr. THOMASON]:

In my opinion, it is a question of whether you think we have an emergency here confronting us. If we have an emergency confronting us, then we must use emergency measures during the period of the emergency to get maximum production of planes.

On the next page he says he thinks there is such an emergency.

The gentleman from California [Mr. COSTELLO] got down to the nut of the proposition when he asked General Arnold, on page 23, the purpose of this program. Major General Arnold answered:

It has a double reason. First, to get airplanes; secondly, to try for once—

He says "for once," remember—

to see just what productive capacity this country is able to build up, and to build up a reserve in case of emergency of war planes as part of our reserve and to treat them as such.

I do not think a good program for this country is one that involves seeing how many planes these airplane factories can produce in any one year. Who is going to be left holding the bag? As I understand the situation at the present time, we have 1,797 planes, of which 351 are obsolete. We have 1,022 planes on order at the present time or to be ordered under terms of the current War Department appropriation bill. If we provide for 5,500 planes under this program, Major General Arnold or the War Department will be in a position to order 4,054 planes at once. That is, those already on order, 558, plus those in the current appropriation bill, 464, plus the 3,032 more provided by this program. We will then have 4,054 planes immediately on order, and to be delivered at staggered times, true, but 4,054 on order, and presumably all of them to be built in the next 2 years.

The Army will go to the airplane factories, some of which are busy on French, English, or other foreign or local machines. Their owners will see the picture on the wall and will not care to expand. They will then give these orders to the factories which are idle. What will be the result? We have only 27,000 men capable of producing airplanes at the present time. Everyone of them is presently employed and has been steadily employed, as a matter of fact, for the last 5 years. This being so, they are going to treble this force, according to Major General Arnold, and we will then have 75,000 to 81,000 men so employed. This is an addition of some 50,000 men to this industry.

These men will be employed right up until July 1, 1941, and perhaps for a few weeks or months thereafter, but from that date on they will be dropped. What is going to happen to the airplane manufacturers who have been busy with their expanded plants, with their new machinery, all ready for mass production to go right straight along, when they have to discharge 50,000 men out of their factories and close down, because on the face of the situation there will not be any more military work for them at that time? The answer, of course, is that back will come the Air Corps asking for the right to order 4,000 more planes to keep the plants going for an additional 2 years, or else the Navy will take its turn and ask for 4,000 planes.

I have a particular reason for mentioning this fact. I believe the amendment to be offered by the gentleman from New York [Mr. ANDREWS] in which he would require a limitation to be placed on the number of planes built in any one year, is a sound one. Major General Arnold, in his testimony, states that airplanes become obsolete in 5 years. In other words, he states that every airplane built 5 years ago is now obsolete. Perhaps some may be good for transport service, or some may be used for training purposes, but as fighting equipment every one of them has gone by the

board. Having that for a background, we ought to go mighty slow and we should give a lot of consideration to the amendment to be offered by the gentleman from New York [Mr. ANDREWS].

Under the proposed amendment, to be offered by the gentleman from New York [Mr. ANDREWS], the Air Corps is not shut off cold by any means. It has on order at the present moment, or almost certain to be ordered, 1,022 planes and it can still go ahead and ask for 1,032 more planes, or a total of 2,054 planes and have them all on order by June 30 of this year or shortly thereafter. In view of the fact that General Arnold states that a 5-year program is the proper kind of an air program, I will ask anyone if it is not reasonable to assume that we ought to provide for a straight, steady program of 20 percent every year, plus replacements?

If we will refer back to the act of 1926, we will find that at that time a 5-year program was entered upon. A limitation was placed upon replacements in Army planes to 400 a year, so that what the gentleman from New York [Mr. ANDREWS] proposes is not new. We are going to continue a provision of a law that is now in force, but we step it up from 400 to 1,000, with the exception that we do not allow the Air Corps to jump up to the maximum number at once. We do give them the right to build 2,054 planes this year, or at least have them on order, and then provide for 1,000 a year thereafter. So long as we have a program covering 5,500 planes as the maximum, I feel the program suggested by the amendment to be offered by the gentleman from New York [Mr. ANDREWS] is absolutely sound. If we do not adopt some such program, we are going to have a sick industry in 1941 when it is expanded to treble its present capacity, with no place to go after that time.

It is certain that France and Great Britain will be out of the market in 1941 unless they are engaging in a war then. By that time we know that both Great Britain and France will have built up their factories to their needed capacity and will have available an airplane fleet of such numbers that it will not be necessary for them to come over to the United States and pay high prices, putting American workmen to work in American-owned factories. It is not sound business, and it is not sound politics.

Mr. Chairman, when I started to speak I had in mind the President's program. Briefly, there were five phases to it, the first of which was that the War Department should have the right to expend \$32,000,000 for educational orders to prepare industry to meet urgent wartime needs; second, \$110,000,000 to equip our Regular Army and National Guard, our so-called initial protective force of 400,000 men; third, \$6,539,287 for fortifications in Panama, Hawaii, and the United States; fourth, \$27,000,000 to increase the permanent garrison of the Panama Zone; and, fifth, \$300,000,000 for airplanes, men, and facilities for the Army Air Corps. This program requires authorizations in regard to only the first, fourth, and fifth numbers. Insofar as the \$110,000,000 to equip the Army and the \$6,500,000 for coast defenses are concerned, they do not come under this bill.

To me the most important item in the bill is not the airplanes, but the \$110,000,000 to equip the initial protective force. During our hearings on this bill it has been stated again and again that airplanes will never win a great war. The victory falls to the ground forces. The initial protective force is small and inadequately equipped. The Air Corps is more spectacular than the other branches and too likely to receive undue consideration, so the Congress must keep an adequate check on its development.

This bill was drawn by the War Department and if it passes without the Andrews amendment it will take away from the House for many years to come the salutary effect of hearings before the Committee on Military Affairs which follow requests for authorizations. Thereafter the only check would be the amount the Committee on Appropriations would recommend, based upon the unlimited authorization under 5,500 planes contained in this bill, for any kind of an annual program the Air Corps might sponsor.

I believe we can afford to follow a reasonably slow pace at this time with our air force while authorizing 5,500 planes. A little more money might be spent on the coast defenses. The estimates for the coast defenses were cut \$4,400,000 by the Director of the Budget. Or the money might be spent on artillery and other equipment for our ground forces so they might be able to fight on equal terms against a modern army. We should have learned our lesson from the World War. Gen. Malin Craig testified, as is shown on page 6—

That in the World War General Pershing was forced to procure practically every item of his matériel, except the rifle, from the French and English, and this for an army which did not concentrate on the battlefield until 17 months after the declaration of war.

That is the lesson of 1918. The question is, Shall we profit from it? [Applause.]

Friday night, I heard the commentator, Fulton Lewis, tell of an interview on that day with General Craig. As I heard it, he stated that Germany had more than 90 divisions in her Army, while we have parts of 4 divisions in our Army, and that our men have only 8,000 rifles. I presume he referred to the new and very effective Garand semiautomatic rifle made at the Springfield Armory. The American people should know that more than 2,000,000 rifles left over from the World War, which are in good condition, are immediately available. However, the Garand rifles should be placed in the hands of all our regular soldiers and members of the National Guard at once. The President's program provides for them. Mr. Lewis pointed out that we have a shocking lack of artillery. In the case of a general war on this or any other continent we would be many, many months in putting an effective Army of great size in the field, unless allies like Great Britain and France could again supply our men with matériel.

All of the items in the President's program, except the Army Air Corps, have not required any "build-up." Upon the clear, concise evidence given at the hearings by such of our Army experts as Brigadier General Tyner, Assistant Chief of Staff, and Maj. Gen. C. M. Wesson, Chief of Ordnance, on whom we have every right to rely, I am satisfied that the program as to these items should be fully carried out. Twenty years have elapsed since the last war. The equipment we had then is largely obsolete, or so deteriorated as to be of slight value. Therefore, these items are absolutely necessary insurance premiums on our adequate national-defense policy.

Our national defense has cost this country an average of more than \$1,000,000,000 a year for the past 4 years. For next year it is proposed that we expend more than \$1,600,000,000. Why this enormous increase? With that in mind it behooves us to look carefully at the program of the Army Air Corps and the reasons for it, a program which when it is carried out will require \$230,000,000 annually to maintain.

On page 16 of the report a brief summary of figures which concern Army airplanes is set forth. On December 31, 1938, the Army had 1,797 planes, of which 351 are obsolete. At that time 558 planes were on contract, and under the appropriation bill for 1939-40, 464 more will be ordered, so that on June 30, 1940, the total number of planes on hand, on order, or to be ordered will be 2,468. The Air Corps is completing its present program during the coming year, under which they sought to have 2,320 planes. We are, therefore, starting out with a new program at this time.

By the act of July 2, 1926, the Air Corps was authorized to secure 1,800 planes—page 5 of the report—subject to the provision "that the necessary replacement of airplanes shall not exceed approximately 400 annually." Two thousand three hundred and twenty more planes were authorized under the act of June 24, 1936. Therefore, the number of planes which the Air Corps is authorized to secure at the present moment is 4,120. Without this supplemental program, and without unusual appropriations, the Air Corps expects to have 2,468 planes on June 30, 1940. That will still leave them 1,652 planes in addition to replacements which they can purchase or contract for at once under the present law, which is a far greater number of planes than

they have ever secured in any one year since the World War.

If the authorization is lifted to 5,500 planes and no limitation is placed upon the annual increment, then the Air Corps, if it saw fit, could contract at once for 3,032 more planes in addition to all other planes now under contract, provided they can secure the necessary appropriations. I am willing to accept the opinion of the air chiefs that our program should be extended to 5,500 planes, but I am opposed to giving the Air Corps a blank check of authorization to build the additional planes in any 1 year or at any one time without first explaining to the Military Affairs Committee their reasons for so doing. The House operates on the proposition that the Appropriations Committee shall not legislate, but shall recommend appropriations. Once this bill becomes law the legislative check will have been removed for a great many years from the Air Corps. I believe that check is of vital importance. It was included in the act of 1926, when a limitation of 400 planes in any one year for replacements was set forth. The experts still maintain that our policy should be under a 5-year program, as in 1926. The authorization will have been increased from 1,800 to 5,500 planes under this act. Therefore Mr. ANDREWS by his amendment has raised the limitation to 1,000 planes.

While training planes and bombers may last somewhat longer than 5 years, General Arnold has testified in effect that airplanes built on 1939 specifications and ordered during the fiscal year ending June 30, 1939, will for the most part be obsolete in 1944. If orders are placed now these planes could not be delivered for 2 years, at the end of which time, due to new inventions, new instruments, new alloys, and new discoveries, some of these planes might well be far inferior to foreign planes of 1941, if not actually obsolete. Therefore the Congress should by law limit the annual increase in the number of planes to prevent any unusual hump in new planes in any one year. Suppose the Air Corps should, on the plea of a great emergency in the world today, secure appropriations for all of these planes and actually have 5,500 planes on hand on June 30, 1941. Suppose that in 1941 some foreign nation again is a menace to the world and through some new invention known not only to them but to us has built an airplane far superior to any of our planes. The Air Corps will be right back with us demanding funds and authorizations for several thousand more planes to meet the 1941 menace. We must therefore go slowly and be ready to apply the brakes on any unnecessary expansion. We should remember that we are not going to stop building when 5,500 planes have been secured. Fifteen percent to twenty percent will have to be replaced each year thereafter, and the maintenance of the Air Corps on a basis of 5,500 planes will be \$230,000,000 annually. Such a burden should be placed on our country only after great deliberation.

One can read the entire hearings without finding any reason whatsoever for undue haste at this time so far as defense of the United States and its possessions are concerned or, for that matter, the defense of the principles of the Monroe Doctrine. Unless we are to assume that this expansion from the present authorized strength of 4,120 planes to 5,500 planes is based upon some secret understanding with other powers and is for some purpose other than the adequate defense of territory of the United States and within the Monroe Doctrine, the amendment proposed by Mr. ANDREWS should be adopted in the interest of a sound Army policy.

If this increase is sought for some purpose not brought out in the hearings, the bill should be recommitted in order that further evidence may be submitted in support of the bill as written. We should not act upon a basis of possibilities or probabilities of a great war between nations, other than the United States, unless the House is fully advised of the needs of the Air Corps in the light of the testimony made available to every Member of Congress.

As it would be 3 years before the present 4,120 planes now authorized would be contracted for at the present rate of increase in the Air Corps, I have tried to figure out from the testimony the reason why this section of the bill has been brought up at this time. Three reasons appear:

First. A statement of General Arnold, page 17 of hearings, when asked about doing away with competitive bidding, to the effect that "it is a question of whether you think we have an emergency here confronting us."

Second. In order to maintain as many aircraft-manufacturing plants in production in the United States as possible, the Air Corps should be permitted to place orders for an unusually large number of military craft at this time, without the restriction of competitive bidding.

Third. On the policy of "take it when you can get it," page 17 of report.

Taking up the first reason, I might say that I was surprised that the foreign policy of the United States and the places where our planes might be used in the immediate future were matters not taken up at these hearings. No witness appeared for questioning who was competent to discuss policies. I tried to find out where the airplanes might be used, but without success. The hearings were inaugurated by the presence of Ambassadors Kennedy and Bullitt in a joint meeting with the Senate Military Affairs Committee. Perhaps the world tension which was so marked when they created much publicity, but produced no new information, according to one of the Senators present, will gradually taper off, if not subside. I found it most interesting to read Mr. Kennedy's denial that he had ever predicted a European war just before he sailed for England last Friday. The hearings disclosed that if we get the planes at once we have no air fields on which to base them. Likewise, we have not sufficient personnel to man them, and it will take years in order to train properly the large number of new pilots and mechanics needed for such an expansion of program. Instead of proceeding along in an orderly manner under the present authorized program, this "must program," written by the War Department and not by the committee, is dumped here before us today. Every time we put a plane in the air it is estimated that it will cost \$50,000 a year to keep it there, which is another reason why I think Mr. ANDREWS' amendment should be adopted.

Let us track down this emergency further. These planes presumably are going to fly around the United States and its outlying possessions, or wherever the application of the Monroe Doctrine might take them. Does anyone believe that more than the number of planes we are now authorized to maintain, 4,120, will be required to ward off any attack during the next 3 years on the United States, or, for that matter, on any nation in the Western Hemisphere? If so, the facts have not been presented to the House Military Affairs Committee. If our enemy comes by sea, we would have an additional force of not less than 2,000 Navy planes to supplement the 4,120 Army planes to protect us. In figuring our needs we must not lose sight of the Navy air force, which must be turned aside before the Army planes would see much action from across the Atlantic or the Pacific. The President has recently stated our foreign policy in terms indicating that the United States has not entered into any foreign entanglements. On the evidence we do not need an increase in authorization at this time. To be on the safe side, in view of world conditions, I am willing to vote for authorization for 5,500 planes for the Army. That number, with the Navy air force, will adequately defend the United States. Such a force will not be necessary unless war actually breaks out. Until then the Andrews amendment should be a part of the law.

The second reason for this program, as indicated, is the need to furnish orders to airplane plants now idle, without competitive bids. Not a single manufacturer or representative of the aircraft industry appeared as a witness. No comprehensive figures concerning the industry were presented, merely the names of five companies which are not particularly active. From one who should know, however, Leighton W. Rogers, president of the Aeronautical Chamber of Commerce, a statement appeared in the New York Times following the President's message. I have quoted from it above.

Certainly, on the basis of recent large orders placed by foreign governments, the conditions of the industry as a whole are bound to improve this year. To allow the Air

Corps to ignore the present law, which requires Government aircraft to be purchased on competitive bidding, would be to open the way once again to scandal and to raids upon the Public Treasury. Surprising as it may seem, some of the planes cost up to \$600,000, the initial planes in particular classes. To award a contract for a plane at a cost of \$200,000 to a company which was idle, when another company which was in full operation would build that plane for \$175,000, would open up again the old question of subsidies. Anyone who reads the testimony will be satisfied that no sufficient evidence has been produced to warrant any change now in the present law.

The real purpose for bringing forward the first section of this bill at this time is, in my opinion, based largely upon the third reason, "Take it when you can get it." Let us give the Air Corps the \$50,000,000 recommended by the President for the purpose of placing immediate orders for new airplanes. Then let us stop, look, and listen. Let us not be parties to any further unusual increase in our annual Budget just because some Army officials may believe that the American people have already become tired of reckless and wasteful spending, and that succeeding Presidents and Congresses will not be so easy to handle as the Seventy-sixth Congress. General Arnold testified that "in drawing up this program—for the Air Corps—there was just enough pie there to go around." Another general stated that the idea was to "take it when you can get it." In other words, there is no sound reason behind the War Department's demand that the Air Corps be given another blank check on the United States Treasury, free from congressional restraint.

I believe that it is the duty of each Congressman to see that this program, if adopted, is carried out properly and reasonably, both in the number of planes ordered in any one year and in the amount of money expended. For that reason, I feel that we should support the Andrews amendment, which would require that the Air Corps is to be limited to not more than 1,000 airplanes during any one fiscal year after June 30, 1940, except in the event of the declaration of a national emergency or by a further act of Congress.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from West Virginia [Mr. EDMISTON].

Mr. EDMISTON. Mr. Chairman, I first wish to call attention to a statement that has been made on the floor of this House once today and once a few days ago by my good friends and fellow colleagues on the Committee on Military Affairs the gentleman from New York [Mr. ANDREWS] and the gentleman from Illinois [Mr. ARENDS], who seem to be rather perturbed because Assistant Secretary of War Louis Johnson did not appear before the Committee on Military Affairs on this bill. Assistant Secretary of War Johnson happens to be a distinguished constituent from my district. He is a past national commander of the American Legion and an officer of the World War with a distinguished-service record. I know personally that Assistant Secretary Johnson was not invited by the committee to appear before it, and if these gentlemen had wanted him at any time and had extended an invitation to him he would have been there to answer any inquiries they might have cared to put to him.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield to the gentleman from New York.

Mr. ANDREWS. I may say that the minority on the committee on three occasions asked the chairman of the committee to invite Mr. Johnson to come before us.

Mr. EDMISTON. I know nothing of the request of the minority to the chairman. I do know The Assistant Secretary would have been glad to come if he had been asked.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield to the chairman of the committee.

Mr. MAY. I may say in response to the remark of the gentleman from New York that the matter was mentioned a time or two, but no formal request was made to have Mr. Johnson come before the committee. The reason he was not called is that he is to be called later in connection with another bill which is to be considered by the Committee on

Military Affairs. At that time, if the gentleman wishes to find out from Mr. Johnson anything pertinent to the pending legislation, he can ask him about it.

Mr. EDMISTON. Mr. Chairman, I wish to call attention to one provision in the bill. The language beginning at the bottom of page 5 after the "Provided further," and extending on page 6 down to and including line 13 is an amendment I offered in committee which was adopted by the committee. I shall not take time to read the language, but the effect of the amendment is to place all officers whether under the classification of Reserve, National Guard, Regular Army, or any other classification, on the same basis as to pensions, compensation, and retirement pay as officers of the Regular Army, if and when called into extended duty, and that is defined in the amendment as 30 days or more of service. The Navy and Marine Corps in the World War made no distinction between Regular officers and any other officers serving with their forces. The Army always has made a distinction. I believe this provision is a very just and fair inclusion in this bill.

Under the provisions of this bill, 3,000 Reserve Corps officers may be called into active duty. If these officers are called into active duty and are performing the same duty as Regular Army officers, they should be accorded under all circumstances the same treatment as their fellow officers. If two Air Corps officers are flying in the same ship and that ship happens to crash and they are injured to the same extent or killed in that crash, there should be no distinction between the Regular Army officer and the Reserve officer when both of them are performing the same duty under identical circumstances.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield to the gentleman from Connecticut.

Mr. MILLER. I believe that under section 3 of the bill, at the bottom of page 3, you do not grant benefits to a student who is injured.

Mr. EDMISTON. May I explain to the gentleman why that is. These students are not in the Army. They are attending air schools operated by private individuals, to which the Government may lend officers or enlisted men as instructors. However, those students are in no way under the control of the Service or in it while attending school. After completing the course of instruction at such school and then going to Randolph Field these men are in the Army, and under this amendment would be on a par with all other cadets, or enlisted men.

Mr. MILLER. Does not the gentleman believe it would be better to have all the training under the direct control of the Army?

Mr. EDMISTON. That would be a matter of opinion. This bill does not make such provision. The students must finish a course of instruction in one of these schools to get into Randolph Field.

Mr. SMITH of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield to the gentleman from Connecticut, a distinguished member of the Military Affairs Committee.

Mr. SMITH of Connecticut. Is there not a provision in the bill that these students will be taken in under existing authorization as flying cadets and will go to the civilian schools as flying cadets who are detailed to the civilian schools under the amendment to existing law which allows the detail of a small portion of the enlisted and officer personnel today? So they will have the status of an enlisted man as a flying cadet, although their pay status is somewhat different, their status is that of an enlisted man, but they enlist as a flying cadet and will be detailed to these civilian schools for instruction and they will be on an Army status or an enlisted status as flying cadets at that time, as I understand the present plan which is contemplated in this bill.

Mr. EDMISTON. My understanding is different from that of my colleague from Connecticut with respect to their status

in that until they finish at the school they are not in the military service.

Mr. SMITH of Connecticut. Under section 2 of the bill, when the Army facilities for instruction and training are deemed by the Secretary to be insufficient, he may, under such regulations as he may prescribe, detail personnel of the Regular Army as students. It is my understanding that this includes the students in the civilian flying schools and that they are first enlisted in the Army as flying cadets, which is an enlisted status, and then detailed under section 2 of this bill.

Mr. EDMISTON. I think the gentleman is perhaps correct and I missed that thought in reading the bill.

Mr. MILLER. If that is so, and they are enlisted men assigned as flying cadets, why should they be exempt or why should their widows or dependents be exempt from any benefits that may now be available to any other enlisted man?

Mr. EDMISTON. I do not think they should be.

Mr. MILLER. Does not the gentleman notice, as he turns the page of the bill there, that their dependents are entitled to no benefits in case of injury or death?

Mr. EDMISTON. I will check that when I have the time. I missed the connection there, but if that is true, I am sorry it is true.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield to the gentlewoman from Massachusetts, who is always interested in protecting the interests of her Reserve and National Guard constituents.

Mrs. ROGERS of Massachusetts. Is it not true that this has been done before? Some years ago provisions were made by law that would take care of the Reserve pilots who were killed or injured.

Mr. EDMISTON. What the gentlewoman from Massachusetts refers to, I presume, is that when we passed the bill providing for the cancellation of air-mail contracts and called Reserve Air Corps officers into flying the mail we provided in that act that they should be treated in all respects the same as Regular Army officers performing the same duty. So this is not a new idea, particularly for hazardous service.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield to the gentleman.

Mr. MAY. The gentleman agrees, of course, that the provision which he has been discussing was placed in the bill by an amendment of the committee without any hearings whatsoever on that subject; and the gentleman also knows, as a matter of fact, there was an additional bill—H. R. 3220—to take care of this subject. Does the gentleman know the millions of dollars of additional cost of putting in this amendment?

[Here the gavel fell.]

Mr. EDMISTON. I will be pleased to answer the gentleman if he will yield me 2 more minutes.

Mr. MAY. I yield the gentleman 1 additional minute.

Mr. EDMISTON. No one can estimate what the cost of this will be, because no one can foresee how many of these Reserve and National Guard officers may be cracked up or killed. The cost will be proportionate to how many are injured or killed; and regardless of what it costs, if we injure or kill these American boys while performing a patriotic duty, in my opinion, they should all be on the same basis and should all be treated alike. [Applause.]

[Here the gavel fell.]

Mr. RUTHERFORD. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER of Michigan. Mr. Chairman, I am going to vote for this legislation. It is good legislation and it has been based on testimony, good common-sense testimony given by our Chief of Staff and other high Army officers who have refused to become alarmed by certain stories that have been brought back here from Europe by some of our foreign envoys. At the outset I want to say that I believe one of the cheapest and best ways to promote peace and to adequately defend our Nation would be for us in Congress to find some way to padlock the lips of some of our war-

mongering Cabinet officers and prevent them from going around the country making very inflammatory remarks and inviting trouble. [Applause.]

There is no reason on earth for the Congress or the Nation to be frightened into a frantic expansion of our national defense by the stories we hear about the imminence of war and the inevitability of our being drawn into it.

After listening to testimony before the House Military Affairs Committee it appears highly significant that the alarmist attitude of our foreign envoys—Mr. Bullitt and Mr. Kennedy—does not agree with the attitude of Gen. Malin Craig, our Chief of Staff, and other high Army officers who have testified at the hearings.

It seems to me that we should give due consideration to the fact that not only are these military authorities just as concerned with adequate defense for this country as anybody could be, but they are in a better position to know the requirements of that defense than anybody else possibly could be. It is their business. They are trained in these matters. And it cannot be denied that our military and naval agencies of intelligence and information are equal to any in the world. These men who are educated and experienced in the business of protecting the United States and advising the Congress in the requirements for defense, regard this whole question with a dispassionate and unemotional attitude which is exceedingly important in a time like this. I have yet to hear one of them say that an emergency exists.

Even so, if this were the first emergency, or the first crisis that we have ever faced in this country in the past 6 years, then there might be some reason for our becoming so alarmed as to engage in a frantic expansion of our national defense and the building of thousands of airplanes, and the neglect of all considerations of upkeep after the defense mechanism is created. But the fact is emergencies and crises have become about the commonest things in America in the last 6 years. Every time the administration wants a bill passed in Congress it reaches into its well-stocked cupboard of emergencies and crises and drags out a couple. Then for a time they make the headlines on the first pages of newspapers, only to evaporate, one after another, after the measures have been passed or defeated, as the case may be.

So, then, this is just another case of crying "wolf"—and "wolf" has been cried out too many times for us to regard the alarm too seriously.

BEST METHOD

There is no doubt that there are certain requirements necessary to bring our national defense up to that state of efficiency and capacity which would provide the insurance that we ought always to maintain against any possible contingencies of the future. I, for one, however, am wholly inclined to go along with the cool, dispassionate, and thoroughly-considered views of the military officials and not the alarmist views of our foreign envoys, who come back here saturated with the psychology of Europe and with their hides filled with the talk of the imminence of war, and who are sent up here on Capitol Hill by the administration as high-pressure salesmen to scare the Congress into what may well be a wholly extravagant and unnecessary expansion of the national defense.

We have to keep in mind also the standpoint of the taxpayer—who, apparently, has become the forgotten man—that the first cost of national defense is not the big cost. It is the upkeep that hurts the taxpayers over the years.

Of course, the Panama Canal should be made impregnable, if it is possible to do so. We should neglect no single feature of our national defense that our Army officials regard as vitally necessary. And we should continue our policy of the Monroe Doctrine. But we should do it, not in a state of hysteria or frenzy, but in a state of cool, calm sanity that will not lead us to make mistakes which might easily precipitate, rather than avoid, a world war.

I think we may well recognize the fact that when our Ambassadors, Messrs. Bullitt, and Kennedy, and others, come

back home bearing tales of terrors and messages of alarm, none of them, and nobody else, knows what is in the mind of Adolph Hitler or Benito Mussolini, or other rulers of Europe. Nobody knows whether they mean to make war next spring, or whether they mean to make another bluff. Nobody knows what they intend to do.

We cannot, in a year or two, try to create a defense which will anticipate any possible eventuality that might take place in the world, because we have seen realignments occur since the last year and we will see realignments occur again. Do not forget that in the last World War Italy was pitted against Germany. Today she is an ally of Germany.

This question of a united front for democracies, still a very ardent one to which we are devoted in this country, might turn out to be one to which some foreign nations might not be so devoted. Politics plays a great part in the affairs of the Old World. Their diplomacy has no conception of open covenants, openly arrived at. We must keep all of these things in mind when we begin to expand our defense mechanism.

We have been told—and I believe it—that no foreign government possesses bombing planes that can go farther than 800 or 900 miles, drop their bombs, and return to their home bases. The Atlantic and Pacific Oceans are still somewhat more than 800 or 900 miles wide.

Lincoln once said that the nations of Europe, with all the treasure of the world except ours and with Napoleon Bonaparte for a leader, could not take a drink of water from the Ohio or make a track in the Blue Ridge in a thousand years. Mr. Lincoln may not have envisioned all of the modern methods of transportation such as airplanes, but I am inclined to think that his statement still stands. Who is there who believes that any nation or any combination of nations in Europe could subdue or subjugate this country with airplanes? They might, of course, damage some of our coastal cities, but even that is a remote possibility which we would want to avoid. They might actually demolish some of our outlying territories, which we would want to avoid if possible. But we must remember at all times during these stressful days that there is a vast difference between a defense that is within a couple of hundred miles of its home shores and an offense that has to cross stormy oceans and maintain a line of communication in order to operate in a foreign country. We had a taste of some of those difficulties during the last Great War.

So, then, I hope we will keep our feet on the ground and our heads out of the clouds of fear while we are considering this problem of national defense.

Now, as to the question of how rapidly we should build the aircraft provided for in this legislation. The logical view which seems to be held by our military and naval authorities, as well as others, is that it is more important for us to have the facilities by which to turn rapidly to adequate volume production of airplanes when they are needed rather than build up a vast supply of airplanes to become obsolete before they are needed. For that reason I find myself constrained to support the amendment, which, I understand, will be offered tomorrow to provide that the airplanes authorized in this act shall be built at a rate of not more than 1,000 per year.

The question arises at this point as to whether or not, if we are to continue to do it, we can provide the democratic countries of Europe the quantities of planes they need and actually build as many as 1,000 planes a year for ourselves. In any event, we have been told that the construction of these planes for England and France will rapidly build up our manufacturing capacity to the point where we will be able to go into mass production very quickly if the emergency arises. We are also told that England and France are going to pay for the mistakes, engineering and otherwise, which will be made in building up this airplane-manufacturing capacity.

I am not sure as to the ethics of letting our friends, the overseas democracies, pay for our mistakes, but the administration seems to think it is both ethical and good business. At any rate, I shall not be willing to vote for the construction

of more than 1,000 airplanes per year until the general staffs of the Army and Navy tell the Congress that a production above that is a vital necessity.

To what extent the administration is using this so-called emergency of national defense to cover up the failures of the New Deal on the economic front at home is open to debate. There is nothing new to the political device of distracting public attention from one's failures by directing that attention to distant horizons. It is the oldest technique in politics, but in the case of our national defense it would be an extremely costly technique so far as the taxpayers are concerned, because of the necessary upkeep of the defense mechanism after it is created.

The President himself has said in times past, and it is true, that any temporary prosperity based upon war activities would be the most disastrous mistake that this country could make. We do not have to take the President's word for it either. Look at our experience after the last war. This Nation is now paying, and will continue to pay for the next 100 years, for the folly of having thought it had emerged into new levels of prosperity by reason of the activities of the last war. Another war will be destructive and horrible beyond conception. It will be vastly worse than the last war. I think I am safe in saying that there is not an economist or statesman worthy of the name who does not realize today and say that the aftermath of another war would bring such a depression in the United States as to make the one in which we have been struggling for 9 years look like a wave of prosperity.

The whole history of the United States, as shown by economic charts, is that after every war and the boom accompanying such a war, there was a descent into a depression. I say that, without exception, this is the history of this Nation. It would be so after the next war. It is also true that over a history of 150 years every depression following every war has been deeper than the preceding depression following the preceding war, and the depression following the World War is far greater than ever before was experienced in the world.

Now, if we are to profit at all by the history and experience of the past, then we must anticipate that another war would throw us into a depression the depths of which we cannot even conceive. That would mean in this country, in all probability, such a confusion and disintegration of national unity as to make probable some form of fascism or communism or other form of dictatorial government.

The old rallying cry of Bunker Hill is still a good motto for us: "Keep your powder dry and don't fire until you see the whites of their eyes." [Applause.]

Mr. RUTHERFORD. Mr. Chairman, I yield now to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, of all the bills that will come before this Congress providing for our national defense, this one is the least objectionable. The main purpose of the bill is to increase the air forces of the Nation from 2,468 ships to 5,500 ships, and properly train officers to handle them. In addition to this, the bill provides \$110,000,000 for procurement of new equipment for the modernization of available equipment for the existing units of the Regular Army and the National Guard. The 3,032 planes are to cost \$170,000,000 or approximately \$56,000 for each plane.

Here in the National Capital there seems to be increasing fear that some country, somewhere, is about to land an army here and lead us all away as slaves to waiting ships. Candidly, I do not know of a single nation that has any idea of making war upon us. If we attend to our own business, no one will make war on us. If we allow England and France to inveigle us into defending them on the theory that a sister democracy should defend a democracy, we may have trouble with the enemies of England and France. My answer to this propaganda of defending the democracies of England and France is that neither one of them is a democracy. How a hereditary monarchy like England can be called a democracy is a contradiction of history. How France, where the people do not elect their congressmen, can be

called a democracy is another contradiction. There is not the slightest reason on earth why we should be concerned with the so-called democracies of England and France. Since the last war these two countries have made no honest attempt to pay us the money we loaned them. If we were to collect that money today, without interest, we would have close to \$8,000,000,000; and if we could collect at the same rate of interest which the farmers are forced to pay in the United States, the debt due us from England and France would amount to \$18,000,000,000. That is what we received in the World War for our interest "in democracies."

The chairman of this committee has just told you that we should increase our national defense to compare favorably with the defense provided by England. That is absolutely no argument. England in itself means nothing in territory, but the British Empire is quite another thing. The sun never sets on British soil. England is a nation beyond the seas. She needs a navy and a well-equipped war machine because of her great extensive empire. As a nation she is leading a precarious existence in the defense of her dominions. She would never be able to defend them unless she edged her way into help from other nations. She did that in the World War with this country. It was easy for her to accomplish that purpose because she controlled our markets of wheat and cotton and was then, as she is now, our financial adviser. There is absolutely no question today but what England has had more to do with drumming up a war scare in this country than any other contributing factor.

A reasonable outlay for air defenses of the modern type is proper, but this program looks like a preparation for war. We do not know whom we are going to fight. We do not need to know that, yet England will tell us in due time.

We are afraid some nation will land an army here. We should stop and realize that the enemy of this great democracy has already landed an army here more dangerous to our existence than the armies of the combined nations of the world—the army of the unemployed. This Congress will not appropriate money enough to feed this great army. The Congress reduced the absolutely necessary amount for this purpose in the sum of \$150,000,000, and all of the conservative elements among the Democrats and Republicans supported this cut. But today, when someone brings up this war scare, we find these same conservative elements among the Democrats and Republicans embracing each other in the aisles of Congress in their combined eagerness to defend this country. Patriotism never flows faster in the veins of these patriots than when someone objects to building more national armies here until we first feed the army of the unemployed.

The worst side of the whole picture is that unemployment will increase and not decrease as long as we allow this private enterprise of interest clipping to continue by the private control of the money that belongs to all the people. How absolutely foolish and absurd it is to talk of national defense when the same Government that desires to be defending is foreclosing in a wholesale manner on thousands and thousands of our home owners daily. How foolish to appropriate money for national defense when we have over 60,000,000 of our population in distress.

My advice is, and I am as patriotic as any man in this House, or any man who ever sat in this House, to take the load of debt off the backs of our own people and open up an opportunity for them to work for themselves and their families. Let them have a home to defend and they will defend it. Let us put our own house in order first and that is the only road to a sound national defense. If war came today we would have more trouble feeding the people behind the lines of battle than we would those engaged in it. We are not ready for war and we will not be ready until we give our own people a chance to enjoy what this Government promised them—and the only purpose for which this Government was formed—life, liberty, and the pursuit of happiness. We are capable of bringing these blessings to all our people, but we shall never accomplish this much-prayed for existence until we stop a few individuals from grabbing all while the many suffer.

The patriots here in Congress deplore the fact that there are Communists in the United States. Of course there are Communists here—Communists always appear when there is a diseased government. When they appear we ought to know that something is wrong in the way we are operating this Government. Our job is not to chase down Communists but to correct the mistakes of government. Pain is a good thing for the patient and the doctor. Pain tells where the trouble is. The pain can be relieved by any skillful doctor of medicine, but the organic disease will continue. We had better understand our pathological condition and go to the source of the trouble in this Government and cure it. Let the people live as our forefathers planned, and all the "isms" will disappear.

My philosophy is, protect the people of the United States now when they need protection, and if, some time, war is brought to our shores, these same people will protect the Government. Make the great mass of the people of the United States understand in their hearts that we have a country worth defending, and our ingenuity, our resources, our manpower, our inventive genius, and patriotism for a land we love will defend this Nation, located as it is, against the combined forces of the world. [Applause.]

Mr. RUTHERFORD. Mr. Chairman, I yield 3 minutes to the gentleman from Maine [Mr. BREWSTER.]

Mr. BREWSTER. Mr. Chairman, I do not want to seem to be going into ancient history, but I do feel warranted in this discussion of the expansion of our air program in reading a somewhat prophetic contribution which I made to this discussion nearly a year ago in connection with the discussion of our naval program. With the permission of the Committee, I should like to read those words into the RECORD now, as it seems to me they very forcibly call to our attention—and did even a year ago—the imperative necessity of expanding our air forces. This is found in the report of the Naval Affairs Committee submitted to the Congress on March 7, 1938, on our defense plans. In the course of an expression of the views of certain members of the committee we asked, "Why limit our aircraft?" and then went on as follows:

WHY LIMIT OUR AIRCRAFT?

The evidence before our committee emphasized the extreme flexibility of aircraft in the defense of the American continent where aircraft can be available in either ocean within 24 hours.

The Congress may also most profitably read the evidence before the committee as to the amazing advances in aircraft even in the past 2 years since the Inskip report was published. Each day witnesses new achievements by aircraft.

The disconcerting aspect of the proposed legislation in regard to aircraft is its imposition for the first time of a limit on the number of aircraft the Navy may possess.

Insofar as aircraft are concerned, this legislation limits the existing authorization.

Under the Vinson-Trammell Act it is provided that "the President is hereby authorized to procure the necessary naval aircraft for vessels and other naval purposes in numbers commensurate with a treaty navy."

The Navy decided that this meant 2,050 planes, but this limit rested solely in Executive discretion and could be altered at will.

The authorization was unlimited so far as Congress or treaty was concerned.

The proposed legislation now, for the first time, imposes a limit of 3,000.

Yet England has just presented an air program providing 12,000 planes and placed air defenses on a parity with the Army and the Navy in the amount of the appropriations. This is in startling contrast to the American allocation, although America seems ideally adapted to emphasize air defense.

I concluded:

This bill limits aircraft when the importance of aircraft for defense is increasing with revolutionary rapidity and other nations are spending 10 times what we are for experimentation in aircraft development for defense.

This paragraph is now incorporated for emphasis on the words that called the attention of Congress to this situation nearly 1 year ago.

As a result of that protest the limitation was stricken out of the naval bill on the floor after the limitation had been submitted by the Navy Department and approved by the Naval Affairs Committee.

Two thousand new planes for the Army this year, in addition to those now authorized and provided for the Navy,

and 1,000 more in each of the next 2 years for the Army, in addition to what the Navy may require, are sufficient to expand American plane production to a most gratifying extent.

Any idle plant facilities will certainly be fully occupied, and both plants and personnel will be expanded to meet the requirements, civilian and military, at home and abroad.

Having lagged too long behind, it is well that now we should not go to the other extreme and produce in a single year planes that will be soon and uniformly obsolescent and planes for which, according to General Arnold, of the Air Corps, there will be no trained-pilot personnel.

This explains my sympathy with the Wadsworth-Andrews amendment.

Mr. MAY. Mr. Chairman, I yield now to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, if the chief issue over this bill—and it seems to me it is—is whether the War Department shall build 3,000 planes in something like 2 years or less, or shall spread the program out over 3 years, it is a very happy situation in the House with respect to the national defense; and if the War Department builds these 3,000 planes within 3 years, it will be a very happy situation for the national defense in the country, because that will be just exactly 3,000 more combat planes than we had in France at the end of the World War, and the same thing was true of artillery and about all our fighting equipment. This was characteristic of the American people.

The American people are not war-minded. Their whole record shows this. As soon as a war ends they demobilize and throw away their arms and uniforms and go back to the pursuits of civil life. There is no danger of making the American people military-minded. The difficulty is to keep them sufficiently military-minded to maintain an adequate national defense.

The American people are not imperial-minded. They dream of no world empire. Any other nation but this would now own Cuba. Any other nation but this would keep the Philippines. This was the only Nation that returned to China its share of the Boxer indemnity. We are the only Nation which refused mandates out of the World War. Instances could be multiplied. There is no country on the American continent or beyond the continent that can honestly say that it fears that the United States covets a foot of its territory.

American lack of military and imperial ambition is basic in our national lives. It has marked our whole history as a people. It is the national philosophy. But this philosophy, fortified by our geographic isolation from the other great nations of the world, appears to have built up an attitude regarding the national defense which is no longer justified in the light of revolutionary changes in transportation and communication and in weapons of war, which bring the whole world to the doorstep of every nation.

I recall once standing on this floor advocating the expansion of the Navy, but not of the Army, on the ground that any war in which we might engage would be fought on the high seas; that no other nation could undertake to invade this Nation, and that this Nation would undertake to invade no other nation. Six years later we had an Army of 2,000,000 men in France and 2,000,000 more in course of preparation.

A controversy has been raging over an alleged private remark of the President that the frontier of America is on the Rhine. Whether he said it or not, the frontier of America has been on the Rhine, and beyond. An American Army has trod the soil of Germany. The American frontier has been on the coasts of Europe, of Africa, and of Asia, when those coasts were vastly more distant from ours than they are today. We have had naval engagements on all those coasts.

The overwhelming majority of Americans now agree that we should build up and maintain an adequate national defense, but when it comes to blueprinting that proposition we are as far apart as the poles. A retired major general of Marines visited Colorado last fall and in discussing the national defense said, in so many words, to applauding audi-

ences, that we ought to have a Navy which we could let out on ropes during the day and haul in at night. It is well nigh unbelievable. There is some of that attitude in Congress. It was in evidence in speeches on the Ludlow war referendum resolution and the naval program of the Seventy-fifth Congress.

The controversy wages around what constitutes a defensive navy. Some gentlemen would draw imaginary lines in the Pacific and Atlantic Oceans and say that we want a Navy which is capable of defending us behind those lines, and no farther. They want a Navy that can defend us at Honolulu on the west and Puerto Rico on the east. If we build a Navy capable of fighting beyond these imaginary lines it is a Navy for offense, for aggressive action against other nations. Such views would be funny if it were not for the fact that they are expressed by national representatives supposed to be capable of sound judgment on questions vital to the safety of this Nation, and having a vote on these questions.

Perhaps long adherence to a viewpoint is calculated to cause one to give it undue weight, but it has always been my viewpoint that a navy which is not capable of taking the offensive is not capable of maintaining the defensive. It is my viewpoint that a navy adequate to the defense of the United States—and that means the defense of the continent of America—is a navy able to go wherever the water is deep enough to float it. Any lesser navy would be a provocation to war, not an insurance against it.

There is no sure way to avoid war. But the surest way is to be so ready that the other fellow cannot start. Nothing would be so dangerous to the peace and security of our country as a belief on the part of war-minded nations that we were not ready and were not willing to take any measures whatsoever requisite to preserve the sovereignty, the integrity, and the peace of America.

It has always been my conviction that the thought in the mind of the German high command that this country would not and could not enter the World War on the side of the Allies, their contempt openly expressed for our military ability, was responsible for the ruthless conduct which forced us into that war. I have hoped that the tremendous achievement of this country in the World War would serve as a permanent reminder to war-minded nations that this country is willing and able to fight; but if the World War taught the world anything, apparently it has been forgotten, and today there are marked trends in world affairs of which we must take cognizance and against which we must prepare. It would be the height of national folly to disregard these developments and their possibilities as they may affect us.

The slogan invented by Wilson "to make the world safe for democracy" was an inspiration of genius which welded the world together against the Germanic allies, but I know in the bottom of my heart that at the back of this since much-criticized slogan was the purpose to make the world safe for the United States. I felt then what I hardly dared say, that unless the United States stopped Germany in France we would some day have to stop her in South America. It seems less wild now that we still may have to do that. The surest way not to have to do it is to be ready to stop it.

I shall be agreeably disappointed if the final outcome of the Spanish war does not advance the frontiers of Germany and Italy toward the continent of America. I greatly fear that the satisfaction of those who have favored the Fascist rebellion in Spain will be short-lived. I cannot envision the Fascist dictators turning Spain over to France and England, or relinquishing the military advantages won by Fascist blood and money in Spain. They are on the march and they must continue.

There are other eventualities in the making on the map of the world which behoove us to be prepared. They are in the Pacific. It is as certain as sunrise that when Japan has completed her program on the Asiatic mainland and consolidated her gains and gotten under her control the material resources, she will face the question mark overhanging the Pacific. Now we are in a controversy over the suggested fortification of Guam. I am not ready with the answer.

I am ready, however, to say that it must be fortified soon or abandoned later.

If we could draw that imaginary line in the Pacific from the tip of the Aleutian Islands to Australia, and get an unbreakable guaranty that the line would stay there for even 30 years, I would be willing to relinquish what is on the other side of it. But if anything has been proved in the last 30 years it is that international guaranties are absolutely worthless; the neutrality of Belgium was worthless; the Nine Power Pact was worthless; the Washington naval disarmament agreement was worthless, the agreement, in the execution of which, as Will Rogers aptly said, "We sunk our ships and England sunk her blueprints."

There is no assurance whatever in treaties of peace, and there is none in neutrality acts. We have passed three neutrality acts in the past 4 years, and all of them not only unworkable, but dangerous. We have found that you cannot blueprint a future course of international conduct today and have it fit the picture tomorrow.

International friendship is a diplomatic myth. It shatters under very slight provocation. We are not blameless. If it is even suspected that the President is making a gesture of friendship to the democracies of England and France against the fascist dictators of Europe, the outcry goes over the land, in the language of the late Herbert Hoover, that "the President is leading the country down the road to war."

We have chosen a policy of isolation and we must be able to defend it against the world. It has been well said that neutrality is a good thing if you are able to defend it. We need a stronger defense than if we had an alliance with England and France: A Navy and an air force equal to the best, with a margin of safety in case of doubt; a military establishment such as is contemplated in the pending legislation; arms and munition plants capable of rapid expansion to large production; and constant research in the field of improvement in arms and munitions.

Some opponents of such a program here on Capitol Hill say we already have such an establishment. I hope they are right. Unfortunately for me, some of the gentlemen here on the Hill who specialize on foreign policy and the national defense are peculiarly unconvincing. There is a marked note of unsoundness running through everything they say. The more they talk the more I thank God they are not in a position to do anything else.

Two Members of this body who are very vocal along these lines, as recently as last October proposed to impeach the President for his failure to enforce the Neutrality Act and lay an embargo against Japan, notwithstanding all the other signatories to the nine-power pact under which Japan guaranteed the inviolability of China, were refusing to act. To my ears, their views on the national defense and foreign policy are as "tinkling cymbals and sounding brass." They do, however, serve to muddle the mind of the country, and make more difficult the great responsibilities devolving on the President. It is reassuring to note that the press, regardless of politics, is criticizing them and supporting the administration.

Democracies are at one great disadvantage as compared with dictatorships. Democracies have no secrets. They have to conduct their business touching the national defense and foreign policy on the town-hall plan, with an international hook-up. It is demanded that the President and the Secretary of State come up to Congress and tell the world just what they are doing, and why. A whisper in Washington echoes in Berlin and Tokyo the same day. Perhaps it makes little difference whether state secrets are spilled at open hearings or relayed from congressional committee rooms. There is one secret I hope they will all ultimately possess fully, the secret that we are ready, willing, and able.

If we are asked where we are going to get the money for a great armament program, there are two answers: One is, we are still the richest Nation on earth, with a superabundance of everything. The other is, money is not necessary. Three comparatively small, impoverished nations, with meager natural resources, are remaking the map of the

world. There is an aspect of Germany worth considering. Ten years ago she was prostrate and helpless. Today Germany is the most feared power in Europe, with Hitler building a greater empire than Bismarck. So let us not worry too much about the cost.

My ideas of foreign policy are sketchy and changeable, although I would prefer an axis of democracies against the dictatorships. My ideas about neutrality acts are about as muddled as the acts themselves, but I am consoled by the reflection that if I could write a perfect law it would not work either. But in one field I am disturbed by no doubt whatever. In five Congresses I have voted for every dollar carried in every bill for the national defense and I shall do so in this Congress.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SMITH].

Mr. SMITH of Connecticut. Mr. Chairman, the gentleman who just preceded me mentioned the situation we were in at the time of the last war in regard to equipment in France, and I think that brings up perhaps the most important part of this whole program. It is not a spectacular part of our program, such as the air-defense part of it, but it is something that is essential to preparedness, and that is the furnishing of the equipment for our troops. In this program the Army has laid out a proposition to furnish equipment for what they call the initial protective force, the force that they would call upon first to defend this country if attacked.

That force is nothing more nor less than the present standing Regular Army and National Guard, augmented to some degree by the Regular Army Enlisted Reserve. It would amount to a total of some 400,000 men, when we have in the Enlisted Reserve the total number which we expect, over the period of the next 3 or 4 years. At the present time it would not reach 400,000 men, but we hope to get it up to that figure. It is the peacetime standing Army and National Guard of the country. Today we are very deficient in weapons and in ammunition merely for that force. We do not have modern rifles; we do not have sufficient ammunition even for war-time rifles and artillery for that force itself.

In this program—although not included in this bill, because the present authorizations will allow its manufacture if we furnish the funds this year, but in this year's extraordinary national-defense program—we provide \$110,000,000 to bring up to a better condition the ammunition and weapons of that initial protective force of our Regular Army and the National Guard. As the gentleman from Massachusetts [Mr. CLASON] said, I think that is about the most important, although not the most spectacular, part of this program. That will not furnish those 400,000 men the necessary equipment and ammunition to carry them over until we can start bringing in ammunition in quantity, if they are engaged in war, under our present set-up. It would take about \$430,000,000 to properly equip that force of 400,000 men. With \$110,000,000 we can furnish some of the most important items, however, such as the semiautomatic rifles, modernization of the artillery, and completion of most of our antiaircraft regiments.

There is another program which we entered into last year, for which we carry \$32,500,000 additional authorization in this bill, which will go a long way toward making it possible for us to produce, if we should be in war or a national emergency, the ammunition and equipment to furnish this initial protective force and the troops which follow it with ammunition and equipment, as I have said. That is the educational orders program. It takes a long while to manufacture those items of military equipment. Most of them are not manufactured in peacetime on any commercial basis. Even those which were turned out in great quantities during the World War cannot be made now, because in most cases the tools have been destroyed, in some cases the plants have gone out of business, and in all cases the men who made them have largely gone out of the industry today. So that it takes anywhere from 4 to 18 months, on the average, to tool a plant to start to get into production of these war munitions. Even with regard to the smaller munitions, such

as ordinary steel shells, it takes a long time to get the plants tooled and actually into production.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SMITH of Connecticut. Last year we entered into a program to place small orders with commercial plants to allow them to tool-up to turn out munitions in peacetime. We did not do that to furnish any physical reserve of those munitions. The peacetime production of munitions is still in our arsenals, but we wanted to equip private plants with the machinery and with the experience, so that in case of war they could go into production after a reasonable length of time, so that we would not be held up as we were during the World War, 17 or 18 months, before we could get into production.

In this program we included 55 critical items—items which the War Department considers absolutely necessary. The program of educational orders, of training the industry, will cut down the time it will take to get these items in quantity on an average about 8 months. It will run from 4 months' saving in time on some items to 11 months on others, and the average saving will be about 8 months. We know from experience that actually we are not going to build up a great physical reserve of munitions which we will need in case of war. We do not appropriate the money to do that.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. MAY. I wish the gentleman would explain to the membership of the committee just the difficulty that the evidence disclosed was encountered in the matter of providing the necessary tools and implements, and whether or not there are probably two or three thousand different kinds in some different machines necessary to the manufacture of certain parts of munitions.

Mr. SMITH of Connecticut. Many of these items are complicated and difficult to manufacture and require a great many aids to manufacture. The 50-caliber machine gun, for instance, requires some 4,500 different tools, jigs, dies, and fixtures to set up one production line for the production of that one instrument. It is not the most complicated, but it is one that we need in time of war, and one which our arsenals cannot turn out in large quantities. It would take many months to make those tools to set up a production line in any private industry.

Mr. MAY. Mr. Chairman, will the gentleman yield further?

Mr. SMITH of Connecticut. I yield.

Mr. MAY. The provision in the bill providing for educational orders deals with products that are entirely noncommercial in their nature and which do not go on the commercial market at all.

Mr. SMITH of Connecticut. That is entirely true. The noncommercial nature of the items is the thing which makes it impossible to secure them on short notice in case of emergency. We need some such preparation.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. MURDOCK of Arizona. Does this bill provide, as part of our preparation, for laying up a further stock pile of critical materials such, for instance, as manganese?

Mr. SMITH of Connecticut. This bill does not provide for any such stock-pile reserve. I believe the regular War Department appropriation bill will carry an item providing for part of the necessary stock pile of some of these items.

Mr. MURDOCK of Arizona. For the last 2 years the Navy Department bills have provided for such stock piles.

Mr. SMITH of Connecticut. But they have been very inadequate.

Mr. MURDOCK of Arizona. Is it not the gentleman's opinion that it might be well to provide for the production of this critical material within our own country, as a further safeguard?

Mr. SMITH of Connecticut. In those cases and where it can be done at a fairly reasonable cost and where the quantity would be adequate to be of value to us in case of emergency.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mrs. ROGERS of Massachusetts. I am told that I introduced the first educational-order bill that was ever introduced in Congress. At that time I was told that unless these jigs and dies, and so forth, were made and the work kept up we would lose the men skilled in such fine machine work and that in a short time it would be impossible to make them without long delay because of the absence of skilled workmen.

Mr. SMITH of Connecticut. Although there are many machine-tool men out of work today, it is true that war-time needs would create a great and serious shortage of that type of skilled workmen. The War Department has been seeking to inaugurate such a program ever since the World War, and we finally started on it last year. As I say, \$32,500,000 additional authorization for educational orders is carried in this bill and will cover some 55 critical items. [Applause.]

[Here the gavel fell.]

Mr. RUTHERFORD. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I want to speak a few words on behalf of the aeromechanic, who will become a very important factor under this bill.

The aeromechanic is not trained in a day or two; he is a man who has arrived at his position in the airplane industry through long training and experience. It has been found that those who enter the airplane industry from other types of production parallel to it, such as the automobile industry, do not readily grasp the methods of production in the manufacture of planes. If we conduct this program in such a way that at one time there is large production and at another time small production, we shall vitally affect the welfare of these mechanics. I believe the thing to do is to adopt the program of constant airplane production proposed by the minority so that the mechanics may be well trained and continue in the industry rather than float off in other directions.

Another subject I would like to mention and bring to the attention of all those present is that one of the most important items of national defense is a smooth-running, prosperous industry and commerce all over the United States. This, I believe, is the very foundation of a true national defense. Secondly, we discovered in the World War that probably the first line of national defense was our agriculture. This is not the time to go into this subject, but I hope that in considering the legislation now before us, and bearing in mind throughout the session the needs of national defense, the Members will recognize that when we so restrict our crops that it is necessary to import a great quantity of agricultural products we are not developing our own agricultural resources against the day when we may need them. To have true national defense we must not be faced with the necessity of importing foodstuffs but must grow them at home; we must be freed of dependence on a merchant marine to bring us agricultural products from foreign countries. [Applause.] The merchant marine must be otherwise engaged if war should come.

These are merely points that have to do with our national defense. I shall not enlarge on them at this time, but will do so at a later date.

Mr. Chairman, I yield back the balance of my time.

Mr. MAY. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. BOREN].

Mr. BOREN. Mr. Chairman, I ask unanimous consent to extend my own remarks and to include therein a copy of a letter from the national president of the Workers' Alliance of America.

The CHAIRMAN. The gentleman would have to submit the request to include other matter when we go back in the House.

Mr. BOREN. I withdraw that part of my request for the moment, and ask unanimous consent to revise and extend my own remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BOREN. Mr. Chairman, I think this bill is a very fine piece of work. It covers the field in splendid fashion.

MILLIONS FOR DEFENSE; NOT ONE CENT FOR DEFIANCE

The construction of war planes is an evident necessity for our national defense. More than a year ago the International News Service carried the expression of my views on this subject in relation to a program of aviation training similar to the present program of Reserve officer training in the United States. On the naval bill of last year I was one of those who expressed a wish to see one less battleship built and the use of that \$60,000,000 in the construction of airplanes. I am not unaware of the need of the country for the other equipment for defense, but I am convinced that the next war—and I am dreadfully afraid that the next world war is an almost certain event—will find aviation a far more important factor than we have recognized in our expenditures for the national defense. I recognize the need for an adequate navy, but I remember all the experts before the Naval Affairs Committee last year agreed that one ship near its base was equal to three ships the width of an ocean away from their base; and so if it would take three American ships to defeat one British ship in British waters, the converse is true, and our program should be directed accordingly. I think the determining factor as to what we should do on this and subsequent bills, at least by title "for the national defense," should be based on a clear and definite determination as to whether or not our armaments are to be used on this side of the Atlantic and the Pacific or on the other side. I, for one, am determinedly opposed to the use of our armaments for any purpose other than strictly defensive purposes for the American continents and the insular possessions of the United States.

I would remind you that the price of one battleship would pay the cost of 250 of the largest war planes known to human invention, and it would be hard to convince me that I could not send 250 war planes to the Philippines to sink a single battleship and still be certain of the return of a good proportion of those ships after the destruction of the foe defined.

Our preparations for the national defense cannot be intelligently directed until we first determine the lines of that defense. I am willing to spend millions for the defense of the Americas but not one cent nor one life as a sacrifice to European or Asiatic entanglements. I want the American military branches shod with impregnable materials for defense, but I do not want to give our military establishments seven-league boots with which to step across the Atlantic or Pacific to perpetuate an imaginary diplomatic line of defense, unrecognized by the people of America as their objective and defined by the diplomacy of secrecy and a policy of saber-rattling, unwanted and disapproved by the elected representatives of the people of the United States.

What we want in America is peace. We want to go about our ways unmolested. We want peace built on the quiet self-assurance of our unquestionable ability to defend ourselves against aggressors or invasion of our rights and realms.

Let us once and for all discard the ancient and futile theory of secrecy. Let us define in unquestionable terms what our objectives are; what we will and will not do; what we will and will not permit; let the world and the American people have a frank understanding. We here in the Congress should guarantee to the people of America that the perpetual war taxation in time of peace shall be directed only to the certain arrest of lawless operations against American realms or American rights and liberties. There is no question but that every straight-thinking man, woman, and child in America wants peace. We should let the world know that. There is also no question but that every thinking man, woman, and child in America has the courage and the determination to give his life and his property for the defense of our country if necessity should arise for the physical expression of that courage and determination. The Amer-

ican philosophy is simple and understandable. If I came to your house tonight and you should insult me and order me out of the house I would go without question and without combat. If you should come to my house tonight and insult me and order me out of my house, by the eternal, there would be a different story. This simple philosophy is applicable to the position of the United States in reference to all other countries in the community of nations.

Let us remember that the greatest evil connected with rival armaments is that they destroy the strongest motives for peace. Surely, the World War has given to America some idea of the predisposing power which an immense series of preparations for war has in actually begetting war. Armaments familiarize ideas which lose their horrors. They feed an inward flame of excitement which, when it becomes habitual, produces a loss of consciousness for peace.

Just as I am determined to protect the sanctity of my home, even though I lose my life in that determination, I am determined to protect the security of America and am willing to take all the steps for the security of the Nation which I would take for the security of my home under similar evidences of need, but I must be certain on every piece of legislation that arises here that the adequacy of preparation is determined on the basis of protection insurance only. We are spending this year twice as much in armaments as the war year of 1917-18, and I am obliged to consider whether this war taxation is not required for circumstances and objects far different from those which a time of peace requires.

The evident need for a growth in our military establishments does not convince me that these establishments should become overgrown. I fear that this headlong rush for preparation is seeking military armaments in a proportion which belongs to a state of war rather than a state of peace.

The probability of a World War is evident, and the historic lessons of war must certainly convince us that no matter what result, nothing of any practical value to mankind will be gained by war. I am reminded of Robert Southey's reminiscences on the Battle of Blenheim.

"Now tell us what 'twas all about,"
Young Peterkin, he cries,
And little Wilhelmine looks up
With wonder-waiting eyes—
"Now tell us all about the war
And what they killed each other for."
"It was the English," Kaspar cried,
"That put the French to rout;
But what they fought each other for
I could not well make out."

And again I remember that Alice Corbin says:

If war is right, then God is might
And every prayer is vain.

Yet we went into the World War in the belief that the war was right. Our entrance was popular in America. We fought in the delusion that the war would make the world safe for democracy, and I repeat today the indisputable fact that nothing of any practical value to America or to mankind was gained by our entrance into that war. The belief that animated the people was that western civilization was threatened in its essential conceptions of individual and political liberty and now, in 1939, as it was a little more than 20 years ago, the same voice is raised with the same cry. Surely the lessons of the last great war are worth a moment's consideration. Do we have to discover many times over again, as we must learn after a war, that little or nothing has been gained by all the fighting?

The Crimean War is an outstanding example of the stupidity of the so-called world diplomacy. Multiplied thousands of lives and multiplied millions of dollars were spent to maintain the mythical balance of power. History has not failed to remind us, also, that wars have been fought to preserve holy places on the theory that there is no better way than using gunpowder and bayonets just to show a Christian nation's religious fervor.

The doctrine of the balance of power has become a tradition of so-called diplomacy and, let me say once and for all,

that I do not care a tinker's dam about maintaining the balance of power in Tunisia or in Hong Kong if it means that we must fortify the island of Guam, shoot another \$20,000,000,000 into hell, and sacrifice another 100,000 lives on the fields of battle. Another thing we have greatly overestimated is the importance of great armaments to see to it that certain capitalists "have a place in the sun" and that the missionaries we do not need at home shall not lose their lives abroad.

The responsibility of America to maintain the balance of power between the so-called democracies and the so-called totalitarian states is simply a new assertion of the ancient myth called balance of power. Millions of lives in many ages have been sacrificed in battle to help pay the bill for maintaining the balance, and now we are told that America must come quickly to the aid of England and France to maintain the balance of power. We sacrificed thousands of lives and spent billions of dollars for England and France some 20 years ago, but I do not see anything in the world that was preserved or maintained as a result of that war to be worth that sacrifice. The balance of power has been constantly shifting, unbalanced throughout the centuries. Never was such a wobbly thing invented to inflict so much misery on mankind.

Let us here today indict the perpetrator of the crime of war. Let us connect so-called diplomacy with the horrors of war, which is diplomacy's premeditated crime. I want it clearly understood that these remarks are not directed against any individual and particularly have no intent to disparage our great Secretary of State, who, in my judgment, is one of the ablest and wisest men that has ever held that high post. Such men, ministers and secretaries of state, are here today and gone in the cycle of tomorrow, but the upstree of traditional diplomacy remains. The utterly false idea that the term diplomacy is synonymous with peace has crept into the minds of the people and there remains. We, in America have accepted the ridiculous propaganda that foreign policy is something too complicated for the understanding of an ordinary citizen. So the machinations of our so-called diplomats seldom reach the mind of the majority of our people. A little while ago the propagandists cited the great achievements of the Lima conference. I feel certain that anyone who is under the impression that the unification of the Americas was accomplished in that conference is greatly misled. I am, personally, of the opinion that the tangle and wrangle of that conference was equal to the quarrels of a pack of fishwives with the exception that there was some suppression and disguise of attitudes and motives.

I believe a great idealism gave birth to the doctrine of collective security and has promoted the subsequent trade agreements of the good-neighbor policy; but, while America has given full faith to these programs, even to the favored-nation endowments, the actions and methods of other countries in relation to us in those agreements are comparable to the old first Mondays in which all the horse traders came to the swapping place and, in this instance, as sometimes occurred there, all profited on an unlearned and unsuspecting buyer. I challenge anyone to show that the bargains of the so-called trade agreements have in any instance satisfied either the seller or the buyer. I am of the opinion also that in the drives of 1940-41, or of whatever period the next great outbreak comes, these treaties will go up in a whirlwind as so many more scraps of paper.

We are about to engage in another great carnage with the whole world, dedicated to the idea that a Hitler or a Mussolini must be subdued because he is a danger to the peace of the world and a menace to democracy. A little more than a century ago the vast majority of the millions of Europe believed it was absolutely necessary for nations to sacrifice thousands of lives and millions of dollars in subduing Napoleon because he was a danger to the peace of the world and a menace to democracy.

A constant carnage and destruction through a score of years covered fields extending from Moscow to Africa and at last the monster was subdued, but the nations did not beat

their swords into plowshares, nor decide battleships would be required no more. If it is our purpose to destroy Hitler or Mussolini, we might direct our efforts against the individual rather than against a nation. Is it not just a little bit silly to remember that millions of people were engaged in an attempt to arrest and bring to justice the Kaiser, who was a danger to the peace of the world and a menace to democracy, and, though the blood of American youth was poured out on European battlefields, that arch criminal lives in peace and quiet, enjoying the comforts and the luxuries of his castle at Doorn?

When all the periodicals and the speakers in America start telling the people that they must fight again for the protection and in the interests of the people, remember that that is what they told us in the World War, while the Kaiser was telling the German boys the same thing, the Czar was telling the same story to the Russians, and the French Government was telling the French people that they should all be slain for their own benefit. Soon they will be telling us that same story. Hitler will be telling it to Germans, Mussolini to Italians, Stalin to Russians, and the French and British Governments to their own people. Just this moment they are repeating the horrid lie that arms in themselves mean peace—a lie that is as old as the ages and that has robbed labor and industry in every nation of the world. It has become a parent to the orphan and consort to the widow of every land and clime.

So-called democracies have always fought presumably for the principles of democracy, and I agree that they are worth fighting for, but I think we could better be putting these principles into practice and in due time the principles will fight for themselves. Let us remember that little more than 100 years ago Great Britain said of Napoleon what she had said of predecessors of Napoleon. Let us remember that a little more than a score of years ago Great Britain said of the Kaiser what she had said of Napoleon, and let us realize that today Great Britain is saying of Hitler what she said of the Kaiser. Let us also remember that Great Britain's seizure of territory throughout the world followed very much the same course in other days which has been followed by these totalitarian states in more recent times. The whole theory of justice to Great Britain seems to be based on the theory that possession is nine points of the law, since Great Britain has taken possession of India, Egypt, and other portions of the globe too numerous to mention.

I doubt if there are any religious persecutions in the world which would justify our militant concern. Let us remember that a great many of those leaders of religious bodies did not hesitate to identify themselves with the business of warfare and its dividends just 20 years ago.

It is well that America consider very carefully the ghastly proportions and possibilities of another war. There never was a single year when Napoleon's government voted even the price of one present-day battleship for total naval purposes. Today a street urchin could tell Napoleon things about explosives and submarines that would make his hair stand on end. Our Americans cannot conceive of the differences of the proportions of war between the time of Napoleon and the present day. It is beyond my imagination to grasp the fact that the total cost of the Revolutionary War, which gave us the land and liberties which we hold dear, was spent in blood and in money in just 4 minutes of the last World War.

And what is the result of these unimaginable costs? The situation of America at the successful close of the World War is worthy of observation. Did peace bring us security? Did peace bring us retrenchment? Did peace bring us relief from burdens? Did peace extend our commerce? Did peace bring us the friendship of the very powers for whom we fought? Did peace bring us wealth, prosperity, and employment?

Of all the countries, the chief one against which we fought has come out of the contest with the least harm.

Now, my colleagues, I wish it were possible for us to put the finger of certainty on our responsible agents, to have every man with any power to entangle us internationally responsible directly to us, who are the selected Representatives of the people of America and who, in turn, are amenable to

their constant wish and are directed to the constant service of their welfare. Let me remind you that we, the elected Representatives of the people, do not even know if there is an alliance between this country and France. When Ambassador Bullitt said last year that the United States and France were ineffectively united in peace or in war, I wired the Secretary of State, and the subsequent events in that connection speak for themselves. Every American citizen has the right to know every action of this Government in relation to foreign powers. We do not know what secret scraps of paper exist or what secret understandings. You know there has never been anything like "a scrap of paper" for bringing nations at each other's throats either to keep the scrap of paper whole or to tear it to shreds. England and France have always talked big to the United States and have done little. I am of the opinion that had I been a Czechoslovak I would have fought for the independence of my country, but it is also reasonably clear that the imaginary advantage to the world of maintaining the integrity of Czechoslovakia was scarcely of more importance than the peace of Europe.

We fought a war to give some nations illegitimate birth and those nations that were born from the womb of the World War do not necessarily commit the world to war for their preservation, for, fundamentally, they were created by diplomatic deals of which the people of America knew little and cared less. I think if the American people could detach themselves to cool and calm consideration they would prefer peace to the strict observance of treaties made by men who have never consulted the people of America. Another war would simply mean signing away other peoples' rights and the handing of people themselves to a new-born state to which they owe no allegiance.

I have heard a great deal of maintaining diplomatic honor. The value of diplomatic honor in a game that is carried on without the participation of the people means very little to me. America's prestige and honor has been toused a good deal in the course of its history through diplomatic deals unsought by the American people and unappreciated by the other countries affected. To strike straight at the heart of the problem in America today, we must point out that American diplomacy carries on its work in secret and that our foreign affairs are removed from the notice of the general public.

Even Members of Congress, when considering some foreign policy or some act of our Government in international affairs, are often silenced by the reply that "it would not be to the public interest to give out the information." We have built up mysterious walls around our State Department and it sounds damn silly to me to say that the American people have any interest that is best kept unknown to them. It is like the manager of a department store saying to the owner of the firm that he feels it is for his interest not to know what sales are made that day, but at the same time urges the owner to spend a great amount of money in the new purchase of supplies. I am of the opinion that there is a vast danger in allying ourselves with France who, undoubtedly, would be glad to drag us into war with Italy or Germany and who certainly will, sooner or later, take part in a blaze that will sweep all of Europe in a great conflagration. We have loaded our Nation with debt and taxes and sacrificed the lives of thousands of Americans and desolated the homes of thousands of families for France. The result of that profligate expenditure in the last war: On one end of the social scale, millionaires; on the other end, mendicants and multiplied unemployed.

It is debatable whether one generation has the right to impose the obligations of war on the next generation and we have not clearly differentiated between international affairs that directly affect the true interests of the American people and the traffickings which are done in the name of the people without the people's consent. The grave question of our neutrality is in the minds of the statesman and the man in the street. Undoubtedly, we have already departed from strict neutrality, and it is time now that we make a decision as to whether or not we want to guarantee to the American

his place in America or whether we want to assign him to a place in a foreign trench. That decision should be made now and our future actions suited to that decision. As for me, I have decided; I am for defense, not defiance. Millions for defense but not one cent to support foreign entanglements.

This country must not be fettered by secret understandings. We must not have our neutrality destroyed by predilection. I am impressed with the notion that we are committed up to the hilt to support France if she is attacked by a third power. If this is true, our position as a so-called neutral power is ridiculously absurd. Our position appears to be one of secret agreements covered up by diplomatic subterfuge and pretense. The American people are not asses to be hoodwinked by touting diplomats. The policy of the State Department that will permit secret agreements is a most sinister menace to the peace of America. If there are no secret agreements, tacit understandings are equally sinister agents of the historic force known as diplomacy. The American people will support the things that are open and aboveboard and right, but we do not want to be duped.

We are confronted with the most momentous decisions of our generation. No sanctimonious lifting of hands to heaven as though heaven were a colony of America established for the residence of American diplomats can camouflage the truth to my satisfaction. Everybody knows that the people of America have no say as to whether they go to war or not. I do not believe that a popular referendum on that subject is workable, at least not under present facilities for such a referendum and considering conditions that might arise in theoretical circumstances. But certainly, elected representatives of the people should exercise some power over whether this country goes to war or not, because those representatives know what the people of America want and, as a body, will undoubtedly serve the wishes and the welfare of the constituency represented. As I say, everybody knows that the people of America have no voice in whether we go to war or not, but everybody does not know that the representatives of the people, the Congress, has no voice in whether this Nation goes to war or not. You, in the Congress know, though, that we are voiceless on that question. You know that the declaration of war is a formal farce after a state of war already exists. And you know that that state of war is always the result of the actions of the Executive of the Nation and of the State Department? I have a very great admiration and respect for our great President and great Secretary of State. I have confidence in them but that does not mean that I want to abdicate to them on questions of international affairs.

I believe that the people in the Fourth Congressional District of Oklahoma want me to decide in keeping with their interests on questions of international policy. I believe that the people of that great district want national defense but are opposed to entangling us in another European war. I had a good deal of admiration and respect and confidence for Woodrow Wilson, another great President, and William Jennings Bryan, another great Secretary of State; but we all know that the Congress was powerless in the development of those circumstances; we all know that Congress has no voice in the real determination of war or peace. We must either have a determining voice in foreign affairs or we would be better off to abolish the State Department and the systems of so-called diplomacy.

We are in a mad rush of preparations for war. All these preparations parade under the guise of preparations for peace but certainly clear thought can see beyond that mirage. Some of the bills brought in here to increase our national armaments I shall vote for, as I have voted for this bill today to increase the strength of American aviation, but a number of the bills brought in here to expand our armament programs I shall vote against because, as I say, I am willing to spend millions for defense but not one cent for defiance.

While I am thinking about the cost of a battleship, I must necessarily think about the cost of work relief and I must remember the infant mortality, insanity, social diseases, and

unemployment which have been increased by the spending for armaments that led us into the last war, and that the army which we muster into service, battalions for war, leave battalions of unemployed in every town in the land when war is over. I am willing to give careful consideration to the battalions needed in an increased military establishment but I must also think of the battalions in the ranks of the American unemployed.

Mr. Chairman, in my home town there are some 2,000 boys on the verge of maturity. Seminole, Okla., at her own expense, has cared for their health, has nurtured and developed them with difficulty and sorrow, has fed them up to manhood, has invested in their education, has trained them to their crafts and trades; and Seminole needs the income from that investment. It needs their services and their productive activity. It needs the work of their brains and their hands.

I presume, sir, that in some village in Germany there are today 2,000 other youths on the verge of maturity. The village, at her own expense, has cared for their health, has nurtured and developed them with difficulty and sorrow, has fed them up to manhood, has invested in their education, has trained them to their crafts and trades, and this village needs the income from that investment. It needs their services and their productive activity. It needs the work of their brains and their hands. And soon we will have to make a decision as to whether this 2,000 shall meet that 2,000 in deadly combat. Presuming that we dressed our 2,000 in khaki and shipped them away at the public expense 3,000 miles to the shores of the Rhine, and at that same spot they are placed in position opposite to the 2,000 from the German village, and in the combat of war they are destroyed, we must bury them with the tears and the heartaches of the mothers who sacrificed for their birth and development, and instead of 2,000 useful craftsmen for Seminole and 2,000 useful craftsmen for the German village, the world has 4,000 corpses and 10,000 broken hearts. Do these men have any quarrel? Not the smallest. They are the entrest of strangers, and the only relation that exists between them is some mutual helpfulness born of commerce. They are destroyed because of simoleon governments, and such is the history of war.

Do you suppose, Mr. Chairman, that anyone in these Halls has such little regard for the welfare of the communities he represents as to vote for sending these boys from their communities into the situation which I have pictured here? Do you suppose, sir, that the diplomats of the world believe that the peoples of the nations would agree to their perpetrating such a system?

I realize, Mr. Chairman, that in these rambling remarks I have dipped here and there in many phases of the general question of international relationship, but I hope that these somewhat disjointed and unorganized remarks will have reflected at least some glimpses of the thoughts that permeate my days, that haunt my nights, and that burden my prayers in the face of the responsibilities here connected with the close approach of war.

Mr. Chairman, I am voting for this bill because I believe it is money spent for adequate defense but I will vote against any measure that goes beyond the purposes of defense because I am opposed to defiance and aggression.

And may I close these remarks with the reminder that I seldom rise to speak on the floor of the House and that I have no wish to bandy words in the waste of time. What I have said today comes from a heart made heavy by my mind's prophecy of another war, and I hope that my words and actions may contribute something toward directing this Nation away from war.

I charge every American to acquaint himself with the facts that the diplomatic relations of America and of most all the nations of the world are conducted absolutely without responsibility to the peoples of the nations of the world or to their elected representatives, and America is no exception in any sense or application. Our foreign affairs are conducted by agents who have absolutely no tangible responsibility to the people or the representatives of the people of the United States. It is a bad system, so bad that we would be better off to have it destroyed rather than to have it as it is.

Mr. Chairman, I think we are headed for war, but not with my consent, and every step that we take in that direction will be taken over my protest and opposition. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, had come to no resolution thereon.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the business in order on tomorrow, Calendar Wednesday, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

There was no objection.

CLEVELAND NATIONAL FOREST, CALIF.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that the bill (H. R. 2728) to add certain lands to the Cleveland National Forest in Orange County, Calif., previously referred to the Committee on Agriculture, may be withdrawn from that committee and re-referred to the Committee on the Public Lands. I may say I have the consent of the chairmen of both of those committees in making this request.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. SHEPPARD]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what does that bill cover?

Mr. SHEPPARD. It is a bill having to do with acquisition of additional forestry property.

Mr. MARTIN of Massachusetts. The chairmen of both of these committees have agreed?

Mr. SHEPPARD. Both chairmen have agreed to this request.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. SHEPPARD]?

There was no objection.

EXTENSION OF REMARKS

Mr. BARRY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech on Abraham Lincoln made by one of my constituents, Mr. William D. Bosler, who is an authority on Abraham Lincoln's life.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. BARRY]?

There was no objection.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the pending bill today may have 5 legislative days in which to revise and extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. ANDREWS]?

There was no objection.

Mr. BOREN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein transcript of a conversation between myself and Mr. David Lasser, president of the Workers' Alliance; also a letter from David Lasser to myself in reference to my action in condemning that organization.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. BOREN]?

There was no objection.

Mr. ELIZALDE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement issued by President Manuel Quezon, of the Philippine Commonwealth, with reference to Jewish refugees.

The SPEAKER. Is there objection to the request of the Resident Commissioner from the Philippine Islands?

There was no objection.

The SPEAKER. Under a special order of the House heretofore entered, the gentleman from Montana [Mr. THORKELSON] is recognized for 30 minutes.

Mr. THORKELSON. Mr. Speaker, on August 18, 1920, the sixteenth amendment became a part of the Constitution of the United States. This was, if you recall, at the end of President Wilson's administration, a Democratic administration. Similar to many other measures enacted under the present administration, the sixteenth amendment was "love's labor lost."

The sixteenth amendment is unusual because it was not needed, and it accomplished only one purpose—that of prohibiting the issuance of tax-exempt securities.

The power to lay and collect taxes has always been a part of the Constitution. I quote article I, section 8, paragraph 1:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

And I quote for comparison amendment 16:

Congress shall have power to lay and collect taxes on incomes from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Under section 8 the power to collect taxes is entirely in the hands of Congress, and so is the power to issue tax-exempt securities; but under the sixteenth amendment "taxes on incomes from whatever source derived" conflicts with section 8, because it specifies income, and more or less makes it mandatory upon the Federal Government to collect taxes on incomes from whatever source derived; and in such income we may include all securities which have been tax-exempt. Section 8 leaves Congress free to lay taxes for the general welfare of the United States, while amendment 16 ends in a blind alley.

INTERPRETATION OF H. R. 3790

Mr. Speaker and Members of Congress, on January 19 Congress was informed, in the President's message, that legislation should be enacted to stop the Treasury Department from levying retroactive income taxes on salaries of innocent offenders. On January 30 and February 7, in a discussion before the House, I said the sixteenth amendment did not contain power for retroactive taxation, and that salary was not the same as income, and therefore not subject to income tax. On February 9, H. R. 3790 was introduced and enacted. The bill cancels retroactive taxes on State employees in all departments. If the President was right and believed his own statement, he approved and recommended the passing of an unconstitutional measure.

This bill—H. R. 3790—provides for mutual taxing power between the Federal Government and all the States.

SEC. 3 The United States hereby consents to the taxation of compensation after December 31, 1938.

The States, however, are not asked to give their consent to such unconstitutional invasion of their rights, but it is instead given for them by their own Representatives in Congress. Forty-eight States were sold out to the Federal Government on February 9, 1939.

Since the enactment of H. R. 3790 I can now understand why we are submerged by a mass of ridiculous laws, archaic and incomprehensible. After watching the House enacting a most contemptible and unconstitutional measure into our Nation's law, I can foresee only national dissolution from the sheer weight of such legislative stupidity.

Congress alone will be responsible and so held by every American citizen. Opinions expressed on this floor as to the responsibility of Congress astonish me. It appears to me that some Members of this body accept the philosophy that the only duty of Congress is to appropriate money and enact legislation. They seem to forget that Congress is responsible to the people for all Government operations. Congress alone has the power to appropriate money, which is a further evidence of its power, for money is needed to pay the Federal Government's expenses.

Congress should, however, bear in mind that the money appropriated is not earned by the Federal Government but is instead earned by the business people in our country, the people whom Congress represents. They are the same people the Congress is dispossessing of property and the right to earn a living therefrom by placing the Federal Government in direct competition with them. Congress is also responsible for enacting legislation which is now used to dispossess our people of their Government and of their constitutional rights, and which is gradually converting a republican democracy into a totalitarian state.

Congress will also be responsible when this Nation becomes involved in internecine conflict—when we become involved in massive strikes and internal revolution.

Congress will be guilty of an unforgivable crime when our children must fight and die to restore a republican democratic government. I say this because there are too many intelligent men and women in the United States who will not tolerate a dictatorial government. I now say that such plans, while reasonably well camouflaged, are contemplated by someone, and it is the duty of Congress to recognize that threat now. Private corporations now owned and operated by the Federal Government are a part of this plan. H. R. 3790, which was enacted here last Thursday, February 9, is another move to obtain control by the Government. The next and necessary step is to establish control of, and to socialize, or communize, medicine. Federal ownership and control of this well-regulated organization is necessary to establish centralization. Such Federal power of regulation and control enhances its appeal for public support through offers of free medical care and free treatment. That, however, is not the real intention of the secret council, the advisers behind this move. It is more insidious and far-reaching than that. Control of medicine opens private homes to dissemination of false and misleading information, and offers an unparalleled opportunity for propaganda. My colleagues, of course, know that the Federal Government is employing immense publicity organizations in many departments for no other purpose than to shape public opinion.

No one can stop this but Congress, and if my colleagues fail to recognize danger, as they failed last Thursday when they voted "aye" for H. R. 3790, we cannot but betray the American people.

There is not a Member of this House who would not resent the invasion of his home by local government, and fight to keep it free from such intrusion. That is your constitutional right. Last Thursday you denied that right to the States when you enacted H. R. 3790, as requested by the President.

Every State in the Union will resent invasion and destruction of its sovereign rights. No State will capitulate without fighting to protect the liberties and rights of its people and the honor of the State. That is the State's constitutional right. Those who forced the enactment of H. R. 3790 helped to destroy that much-cherished States' right, which is the bond that binds our Union.

Last Thursday the Republican Party and a few Democrats fought bitterly every step against the enactment of this legislation only to meet overwhelming defeat by the New Deal party majority. After fighting a losing battle some of those who had helped in the fight voted for the passage of the bill, not because they believed in it but to please their constituents at home. I was obligated, with the others, to oppose retroactive taxation, but I shall never obligate myself to destroy constitutional government.

Congress has no power to enforce legislation which destroys the rights of the States and which threatens the sovereignty of the States. Realizing this, I voted "no" to H. R. 3790, to protect not only my own State but every State in this Union, and that is the duty of this Congress.

I shall now call my colleagues' attention to the President's message of January 19, 1939. The first eight paragraphs of this message deal generally with the taxing of Federal, State, or municipal obligations. From paragraph 1 of the President's message I quote:

I urged that the time had come when private income should not be exempt either from Federal or State income tax simply

because such private income is derived as interest from Federal, State, or municipal obligations, or because it is received as compensation for services rendered to the Federal, State, or municipal governments.

H. R. 3790 did not touch upon this phase of taxing, and under the sixteenth amendment, all income from Federal and municipal bonds is still taxable under the sixteenth amendment. This cannot be changed by any act of Congress or decision of the Supreme Court. It can only be changed by a constitutional amendment. Note, however, that retroactive taxes cannot be levied or collected under the sixteenth amendment.

Title II of H. R. 3790 sets aside retroactive collection of taxes on the salaries of State employees only, before January 1, 1938. It did not change or influence the sixteenth amendment in any manner, but is instead an amendment to section 22 (a) of the Revenue Act of 1938, an act which in itself is unconstitutional.

I said in a previous discussion before this House that the sixteenth amendment does not provide for taxation upon salaries but only upon income from whatever source derived. If this is not true, why is special reference made to tax on salaries in the Revenue Act of 1938 and in H. R. 3790? The title of H. R. 3790 is: "That this act may be cited as the 'Public Salary Tax Act of 1939,'" and I now quote section 22 (a) of the Revenue Act of 1938, as amended:

"Gross income" includes gains, profits, and income derived from salaries, wages, or compensation for personal service (including personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing), of whatever kind and in whatever form paid, or sales, or dealings in property, whether real or personal, growing out of the ownership, or use of, or interest in such properties; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever. In the case of Presidents of the United States and judges of courts of the United States taking office after July 6, 1932, the compensation received as such shall be included in gross income; and all acts fixing the compensation of such Presidents and judges are hereby amended accordingly.

The sixteenth amendment reads:

The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumeration.

If the sixteenth amendment had read "taxes on incomes and salaries from whatever source derived," section 22 of the Revenue Act of 1938 would have been unnecessary.

In the President's message to Congress January 19, 1939, he said—paragraph 8:

Unless the Congress passes some legislation dealing with this situation prior to March 15, I am informed by the Secretary of the Treasury that he will be obliged to collect back taxes for at least 3 years upon the employees of many State agencies and upon the security holders of many State corporate instrumentalities, who mistakenly but in good faith believed they were tax exempt. The assessment and collection of these taxes will doubtlessly in many cases produce great hardship.

Paragraph 9:

Accordingly, I recommend legislation to correct the existing inequitable situation, and at the same time to make private income from all Government salaries hereafter earned and from all Government securities hereafter issued subject to the general income-tax laws of the Nation and of the several States. It is difficult for almost all citizens to understand why a constitutional provision permitting taxes on "income from whatever source derived" does not mean "from whatever source derived."

If "income" is synonymous with "salary," and so held by the Constitution, as the President and Secretary of the Treasury claim to believe, why did Congress enact the Revenue Act of 1938, and, if the sixteenth amendment has retroactive taxing power, as the President and the Secretary of the Treasury claim it has, why did the President recommend the passing of H. R. 3790 to cancel such retroactive taxing power, a clearly unconstitutional procedure? As a matter of fact, no one should get very much disturbed about it because the sixteenth amendment never had retroactive taxing power, and it has not been changed by this act.

The title of H. R. 3790, which is "Public Salary Tax Act," should be changed to read, "The Internecion Tax Act," for

it is that and nothing else. First, when the Federal Government and State governments begin to tax each other, the end of free government is near. It can only terminate in vicious taxing between governments, and no doubt will end in dissension, strife, and even loss of life. Second, it is a direct attack on the sovereignty of the States by Federal invasion and taxing of all State employees, a clear violation of amendments 9 and 10 in the Bill of Rights.

Contrary to the President's opinion many people understand the Constitution. They should because it is for their own protection. The people understand that the President obligates himself to "preserve, protect, and defend" their law, the Constitution. And they also understand that the President "shall take care that the laws be faithfully executed."

In paragraph 8 the President referred to those "who mistakenly but in good faith believe they were tax exempt." The people are not mistaken, but the Government is. For tax-exempt securities are issued to the people by the Government so Congress can borrow money on the credit of the United States. I realize that exemption of such income is in violation of the sixteenth amendment, but it cannot be blamed on the people.

To force bills through Congress is easy because of its personnel and the position its Members take in relation to the President. It is hazardous for a Member to question constitutionality without inviting ridicule or patient toleration for every one lives in dread of the opinion of the Supreme Court. Yet the Supreme Court is by no means infallible. Its split decisions are evidence of that. The proper thing, of course, would be for Congress to pass on the constitutionality of all legislation. But how can anyone expect a Member to interpose his own opinion when some day he might otherwise be eligible for a district or Supreme Court judgeship?

The psychology of Congress favors the passing of all legislation if it is recommended by the President, the Attorney General, or some department having access to proper advice. It seems to be easier to do that than it would be to look up the constitutionality of the proposed measure, as should be done by every Member of Congress. I can find no better example nor more recent one than H. R. 3790. Whoever drafted this resolution endeavors to prove its right of existence, not upon the Constitution but, instead, upon a decision rendered in the case of *Helvering v. Gerhardt* (304 U. S. 405). This decision is incorporated in H. R. 3790, and is used to establish the right of retroactive taxing. No further evidence is required than this to show that Congress relies upon decisions of the courts to prove constitutionality instead of upon the Constitution itself.

Many seem to forget that decisions involving a constitutional question must not be based upon previous decisions, but, instead, upon the Constitution itself. If everyone adhered to that, no doubt there would be only a few split decisions on this issue. It would certainly be a blessing to the American Nation, because we are overburdened with unconstitutional laws, and that in reality is the cause of our trouble today. We have a massive legal structure, too cumbersome and too costly to administer, full of restrictions, so that our own people become victims of persecution by their own laws.

Let us review the past so as to get straight on this issue. All of you, of course, are aware of the tremendous publicity bureau which is operating in Washington to shape public opinion in favor of the administration. I cannot but compliment this organization on its success. Early last year information leaked out inadvertently, as is customary, that the Treasury Department contemplated taxing back salaries of State employees. They, of course, became more or less disturbed about it, and rightly so, because their salaries cannot withstand such extra taxes. The purpose of this propaganda was to start a flow of resolutions to Representatives in Congress against such law. I received many of them and I am sure that others were equally well supplied. Members of Congress immediately stepped up in front and said, "We are opposed to it. Don't you folks at home worry about it, because we will fight against it." This is the beginning. On

January 19, 1939, the President in his message said that if a law were not passed to stop it the Secretary of the Treasury would be forced to collect back taxes for at least 3 years. That was all. Some more resolutions came in and powerful support was indicated in favor of the enactment of legislation against retroactive taxation.

Now, another pause and a measure comes to the House in the form of H. R. 3790, not to stop retroactive taxation, except as a gesture, but instead to tax the salaries of all State employees, who had never been taxed before. That was not all. It knocked the sovereignty of the States into a cocked hat, and I do not believe a State in the Union will submit to this measure.

If the Members of Congress had read the Constitution, I do not believe the measure would have passed; but the stage was set by the secret propaganda council and the President favored the passage of the bill. It was enacted by a large majority. But remember, it did not change the retroactive taxing power for that never existed in the sixteenth amendment or anywhere else in the Constitution. It did violate the ninth, tenth, and the sixteenth amendments. It violated the ninth and tenth because the Federal Government invades the States' domain and the sovereign rights of the States. It violated the sixteenth amendment because it repealed retroactive taxes on the salaries of State employees. The Government has not observed the sixteenth amendment because it has failed to collect taxes on income from whatever source derived; namely, Federal, State, and municipal bonds, the so-called tax-exempt securities held by private investors.

Today the newspapers are full of war news and the State Department is beating the war drums. The State and other departments talk about foreign governments and meddle in their affairs, while their own Government is tottering and wobbling on the mountain of unsound policies. Congress sits here and lays golden eggs for the wonder boys who run the Government by graphs, charts, and statistics. They are the boys who make the profit on paper and balance budgets by borrowing more money on the credit of the United States. We seem to be unable to determine whether legislation is constitutional, and the Supreme Court fails to do any better, judging by the mass of unconstitutional and unsound legislation now in force.

Can we reach a department head on the phone? No. They are either too important or too busy to be bothered with Members of Congress. They seem to live in a world of their own and are using the Representatives in Congress for a convenience to them. It is even difficult to reach the third and fourth assistant secretaries of the various departments and multitudinous bureaus. The best the Members of Congress can do is to talk to the telephone operator in the office, and she does not know what it is all about. We have a vacuolated Capital, swarming with jaywalkers. One wonders where they all came from. Congress is stampeded into acquiescence by some unknown force and enacts unsound and unconstitutional legislation of which H. R. 3790 is an example. The majority in Congress seems to believe that it is representing the President and the New Deal party instead of the people in the United States, who are not only paying the salary of Congress but all other expenses as well. It is my desire to warn this body that if Congress does not take an interest, the Nation is going to explode, and for that no one will be responsible except the Congress of the United States.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HOOK, for 4 days, on account of important business.

To Mr. CHANDLER, for 2 days, on account of official business.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.), pursuant to the order heretofore made, the House adjourned until tomorrow, Wednesday, February 15, 1939, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Wednesday, February 15, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building, Washington, D. C.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs in the committee rooms in the Capitol, Wednesday, February 15, 1939, at 10 a. m., for the consideration of H. R. 3655—classification and grading of Foreign Service personnel.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, February 15, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill. Mr. John N. Beall, a representative of the American Trucking Association, will be the witness.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Naval Affairs Committee of the House of Representatives on Wednesday, February 15, 1939, at 10:30 a. m., for the purpose of continuing the consideration of H. R. 2880, "To authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes," carrying out partially the recommendations of the Hepburn report.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 446, House Office Building, Wednesday, February 15, 1939, for the public consideration of bills H. R. 805 and H. R. 2846.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Wednesday, February 15, 1939, at 10:30 a. m., in room 328, House Office Building, to consider H. R. 2184, H. R. 2317, H. R. 2957, H. R. 2958, H. R. 2959, H. R. 2960.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Thursday, February 16, 1939, at 10:30 a. m., to hold hearings on the report on Calumet-Sag Channel, Ill., and Indiana Harbor and Canal, Ind.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads in room 213, House Office Building, Thursday, February 16, 1939, at 10 a. m., for the public consideration of H. R. 3230.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Tuesday, February 21, 1939, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice,

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

417. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States; to the Committee on Mines and Mining.

418. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to extend the authority of the Secretary of the Interior to grant privileges, leases, and permits to all lands and buildings under the jurisdiction of the National Park Service, and for other purposes; to the Committee on the Public Lands.

419. A letter from the Acting Secretary of Commerce, transmitting the draft of a proposed bill to amend the act of March 2, 1929, entitled "An act to establish load lines for American vessels"; to the Committee on Merchant Marine and Fisheries.

420. A letter from the Acting Secretary of the Interior, transmitting a report of the withdrawals and restorations contemplated by the act authorizing the President of the United States to withdraw public lands in certain cases; to the Committee on the Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 2200. A bill to dispense with particular allegations as to renunciation of allegiance in petitions for naturalization and in the oath of renunciation of foreign allegiance, by omitting the name of "the prince, potentate, state, or sovereignty" of which the petitioner for naturalization is a subject or citizen; with amendment (Rept. No. 40). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3617) granting a pension to Calvin J. Pope; Committee on Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 2615) granting a pension to Venia Moody; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2473) granting a pension to Elizabeth B. Kemp; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3891) granting a pension to Elvira M. Birkner; Committee on Pensions discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 2465) granting a pension to Herman Acty; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2472), granting a pension to Fred B. Tawes; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2448) granting an increase of pension to Mertie Lorain Anderson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 1550) granting an increase of pension to Christopher C. Popejoy; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 651) granting a pension to Laura B. Poore; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS:

H. R. 4073. A bill to create the office of military secretary to the General of the Armies of the United States; to the Committee on Military Affairs.

By Mr. BOLTON:

H. R. 4074. A bill to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga*; to the Committee on Naval Affairs.

By Mr. BULWINKLE:

H. R. 4075. A bill to amend paragraphs (1) and (3) of section 15 of part I of the Interstate Commerce Act (U. S. C., title 49, sec. 15); to the Committee on Interstate and Foreign Commerce.

H. R. 4076. A bill to amend section 2 of the act entitled "An act to save daylight and to provide standard time for the United States" (U. S. C., title 15, ch. 6, sec. 262); to the Committee on Interstate and Foreign Commerce.

By Mr. COLE of Maryland:

H. R. 4077. A bill to amend paragraph (2) of section 13 of part I of the Interstate Commerce act (U. S. C., title 49, sec. 13); to the Committee on Interstate and Foreign Commerce.

By Mr. D'ALESSANDRO:

H. R. 4078. A bill to provide for the erection of a monument in Baltimore, Md., in honor of Gen. Casimir Pulaski; to the Committee on the Library.

By Mr. DIMOND:

H. R. 4079. A bill to amend sections 4353 and 4355 of the Revised Statutes of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. DISNEY:

H. R. 4080. A bill authorizing an appropriation for payment to the Osage Tribe of Indians on account of lands sold by the United States; to the Committee on Indian Affairs.

By Mr. HOUSTON:

H. R. 4081. A bill to reduce the rate of interest on loans secured from the Government on Government life-insurance policies; to the Committee on World War Veterans' Legislation.

By Mr. IGLESIAS:

H. R. 4082. A bill to amend the act of August 14, 1935, entitled "Social Security Act," to extend titles I, V, VI, and X to Puerto Rico; to the Committee on Ways and Means.

By Mr. KENNEDY of Maryland:

H. R. 4083 (by request). A bill to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938; to the Committee on Claims.

H. R. 4084 (by request). A bill to provide for the reimbursement of certain personnel or former personnel of the United States Navy and United States Marine Corps for the value of personal effects destroyed as a result of a fire at the marine barracks, Quantico, Va., on October 27, 1938; to the Committee on Claims.

H. R. 4085. A bill for the relief of certain disbursing agents and employees of the Indian Service; to the Committee on Claims.

By Mr. MAGNUSON:

H. R. 4086. A bill to amend sections 811 (b) and 907 (c) of the Social Security Act; to the Committee on Ways and Means.

By Mr. MAY:

H. R. 4087 (by request). A bill to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920, so as to confer on the commanding general, General Headquarters Air Force, the same retirement privileges now enjoyed by chiefs of branches; to the Committee on Military Affairs.

By Mr. PACE:

H. R. 4088. A bill to amend the Commodity Exchange Act, as amended, to extend its provisions to fats and oils, cottonseed, cottonseed meal, and peanuts; to the Committee on Agriculture.

H. R. 4089. A bill to amend the Railroad Retirement Act to provide annuities for individuals who are totally and permanently disabled and have completed 20 years of service; to the Committee on Interstate and Foreign Commerce.

H. R. 4090. A bill to amend the Social Security Act to standardize the amount to be contributed by the United States for old-age assistance; to the Committee on Ways and Means.

By Mr. RISK:

H. R. 4091. A bill to authorize the erection of a United States Veterans' Administration neuropsychiatric hospital and domiciliary facility within and for the State of Rhode Island; to the Committee on World War Veterans' Legislation.

By Mr. SIROVICH:

H. R. 4092. A bill to establish a Board of Civil Service Appeal and to amend an act entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field service," approved March 4, 1923, and for other purposes; to the Committee on the Civil Service.

By Mr. WHELCHER:

H. R. 4093. A bill to fix the compensation of substitute employees in the Postal Service, and for other purposes; to the Committee on the Post Office and Post Roads.

H. R. 4094. A bill to amend an act known as the Tennessee Valley Authority Act of 1933 so as to provide that the Tennessee Valley Authority reimburse certain county, or counties, in the United States for loss of taxable values by reason of the purchase of the electrical properties of the Tennessee Electric Power Co.; to the Committee on Military Affairs.

By Mr. HORTON:

H. R. 4095. A bill to authorize the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the admission of Wyoming into the Union as the first State guaranteeing equal suffrage to women; to the Committee on Coinage, Weights, and Measures.

By Mr. O'CONNOR:

H. R. 4096. A bill to credit the Crow Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Crow Reservation, Mont.; to the Committee on Indian Affairs.

H. R. 4097. A bill to authorize the use of certain facilities of national parks and national monuments for elementary school purposes; to the Committee on the Public Lands.

By Mr. SWEENEY:

H. R. 4098. A bill relating to making the Government-owned motor-vehicle service a permanent branch of the Post Office Department; to the Committee on the Post Office and Post Roads.

By Mr. CALDWELL:

H. R. 4099. A bill to authorize an appropriation for the construction of various projects at Fort Barrancas, Fla.; to the Committee on Military Affairs.

By Mr. McCORMACK:

H. R. 4100. A bill to amend the naturalization laws in relation to an alien previously lawfully admitted into the United States for permanent residence and who is temporarily absent from the United States solely in his or her capacity as a regularly ordained clergyman or representative of a recognized religious denomination or organization existing in the United States; to the Committee on Immigration and Naturalization.

By Mr. CHANDLER:

H. R. 4101. A bill to amend sections 211, 211 (a), 213, 216, 216 (a), 223, 225 (c) and (d) of chapter 6, title 28, of the Code of Laws of the United States, as amended, relating to the United States Circuit Courts of Appeals; and to amend chapter 10, title 28, of the Code of Laws of the United States, as amended, by adding thereto section 403; and for other purposes; to the Committee on the Judiciary.

By Mr. HAVENNER:

H. R. 4102. A bill to provide for the coinage of fractional minor coins; to the Committee on Coinage, Weights, and Measures.

By Mr. LEA:

H. R. 4103. A bill to amend section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended; and for other purposes," approved February 28, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. SACKS:

H. R. 4104. A bill to establish a Racing Board in the District of Columbia; to provide for the licensing of horse-racing meets where the pari-mutuel system of wagering thereon may be conducted; and to levy a license fee and tax on same; to the Committee on the District of Columbia.

By Mr. WEAVER:

H. R. 4105. A bill to amend an act entitled "An act to codify, revise, and amend the penal laws of the United States, approved March 4, 1909" (35 Stat. L. 1134), and an act which is an amendment thereto, approved March 4, 1921, amending sections 232, 233, 234, 235, and 236 of such act to codify, revise, and amend the penal laws of the United States, approved March 4, 1909, which supplementary amending act was approved March 4, 1921, by amending section 233; to the Committee on Interstate and Foreign Commerce.

By Mr. TOLAN:

H. R. 4106. A bill to amend the act of March 2, 1929 (45 Stat. 1512); to the Committee on Immigration and Naturalization.

By Mr. KRAMER:

H. R. 4107. A bill to authorize the President of the United States to include in annual budgets for the Government expenses an annual appropriation for adult education in evening colleges or evening high schools; to the Committee on Education.

By Mrs. NORTON:

H. R. 4108 (by request). A bill to provide for the transfer of United States Employment Service records, files, and property in local offices to the States; to the Committee on Labor.

By Mr. FENTON:

H. R. 4109. A bill to provide for the rehabilitation of the anthracite coal industry by providing for the establishment of a research laboratory in the Pennsylvania anthracite region for research studies relating to the development of new uses, markets, and outlets for anthracite coal, and matters pertaining thereto; and to further provide for the safety and health in anthracite coal mining; to the Committee on Mines and Mining.

By Mr. BURDICK:

H. J. Res. 166. Joint resolution defining the term "gratuity" when used in connection with offsets of the Government against Indian claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. IZAC:

H. J. Res. 167. Joint resolution relating to the employment or maintenance of unemployed veterans of the Spanish-American and World Wars; to the Committee on Labor.

By Mrs. ROGERS of Massachusetts:

H. J. Res. 168. Joint resolution to authorize the admission into the United States of a limited number of German refugee children; to the Committee on Immigration and Naturalization.

By Mr. WOLCOTT:

H. Res. 93. Resolution providing that the Senate be requested to return the bill H. R. 3790 to the House of Representatives for such further consideration as the House of Representatives may deem proper; to the Committee on Rules.

H. Res. 94. Resolution raising the question of the privilege of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Nevada, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 5, with reference to S. 1030 and S. 1049 concerning lands and buildings; to the Committee on Public Buildings and Grounds.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to consider their House Resolution H with reference to embargo; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 1 with reference to national old-age pension; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution No. 7 with reference to farm legislation; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution No. 8 concerning appropriations under farm-forestry acts; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 7, with reference to the beet-sugar industry in Montana; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 1, with reference to the Townsend plan; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 4, with reference to General Welfare Act of 1939; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Assembly Joint Resolution No. 7, with reference to Federal old-age pensions; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States to consider their House Resolution No. 24, with reference to the Dies committee on un-American activities; to the Committee on Rules.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to consider their Senate Joint Memorial No. 5, with reference to the Coronado Cuatro Centennial Celebration; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to consider their Senate Concurrent Resolution No. 6, concerning solemn tribute to the memory of the Honorable Frederick Steiwer; to the Committee on Memorials.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Missouri:

H. R. 4110. A bill for the relief of Pasquale Miceli; to the Committee on Military Affairs.

By Mr. BARRY:

H. R. 4111 (by request). A bill for the relief of Rolph J. Lackner; to the Committee on Naval Affairs.

H. R. 4112. A bill to authorize the cancellation of deportation proceedings in the case of Joseph Pellon; to the Committee on Immigration and Naturalization.

By Mr. BARTON:

H. R. 4113. A bill for the relief of Maude Sullivan; to the Committee on Claims.

By Mr. BLAND:

H. R. 4114. A bill for the relief of Willie Johnson; to the Committee on Claims.

H. R. 4115. A bill for the relief of W. C. and James Latane; to the Committee on Claims.

By Mr. DEMPSEY:

H. R. 4116. A bill for the relief of Irene Polos; to the Committee on Claims.

By Mr. DISNEY:

H. R. 4117. A bill to provide for the payment of attorney's fees from Osage tribal funds; to the Committee on Indian Affairs.

By Mr. EBERHARTER:

H. R. 4118. A bill for the relief of Superior Iron & Wire Works; to the Committee on Claims.

H. R. 4119. A bill for the relief of Robert John Williams; to the Committee on Military Affairs.

H. R. 4120. A bill for the relief of Mike Mozernik; to the Committee on Claims.

By Mr. ENGLEBRIGHT:

H. R. 4121. A bill for the relief of C. W. Robbins; to the Committee on Claims.

By Mr. LELAND M. FORD:

H. R. 4122. A bill granting an increase of pension to Minnie Wetmore Cole; to the Committee on Pensions.

By Mr. GEYER of California:

H. R. 4123. A bill for the relief of Capt. Charles E. Gerlach; to the Committee on Claims.

H. R. 4124. A bill for the relief of Hilbert R. Hall; to the Committee on Military Affairs.

By Mr. GILLIE:

H. R. 4125. A bill for the relief of Leslie J. Frane; to the Committee on Claims.

By Mr. GUYER of Kansas:

H. R. 4126. A bill for the relief of Warren Zimmerman; to the Committee on Claims.

H. R. 4127. A bill granting an increase of pension to Perry O. Buck; to the Committee on Invalid Pensions.

By Mr. HARNES:

H. R. 4128. A bill granting a pension to Sarah E. Goine; to the Committee on Invalid Pensions.

By Mr. JOHNSON of West Virginia:

H. R. 4129. A bill granting a pension to Josie Sebrell Rayburn; to the Committee on Pensions.

By Mr. JOHNSON of Indiana:

H. R. 4130. A bill granting an increase of pension to Emma F. Davenport; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Maryland:

H. R. 4131 (by request). A bill for the relief of Melvin Gerard Alvey; to the Committee on Claims.

H. R. 4132 (by request). A bill for the relief of Andrew J. Crockett and Walter Crockett; to the Committee on Claims.

H. R. 4133 (by request). A bill for the relief of Joseph N. Thiele; to the Committee on Claims.

By Mr. McLEOD:

H. R. 4134. A bill for the relief of Frank Peters; to the Committee on Military Affairs.

H. R. 4135. A bill for the relief of Edward B. Weidner; to the Committee on Military Affairs.

By Mr. McREYNOLDS:

H. R. 4136. A bill granting an increase of pension to Frank V. Griffith; to the Committee on Pensions.

By Mr. MAAS:

H. R. 4137. A bill for the relief of John R. Holt; to the Committee on Claims.

H. R. 4138. A bill to refund to the Railway Mail Mutual Benefit Association certain taxes erroneously collected; to the Committee on Claims.

By Mr. MAGNUSON:

H. R. 4139. A bill for the relief of the Puget Sound Bridge & Dredging Co.; to the Committee on Claims.

H. R. 4140. A bill for the relief of Harry Comber; to the Committee on Claims.

By Mr. MONKIEWICZ:

H. R. 4141. A bill for the relief of Celia Press, Bernard Press, Ethel Press, and Marion Press; to the Committee on Claims.

By Mr. NICHOLS:

H. R. 4142. A bill for the relief of Mary Reid Hudson; to the Committee on Claims.

By Mr. O'CONNOR:

H. R. 4143. A bill for the relief of George Francis Burke; to the Committee on Military Affairs.

By Mr. OLIVER:

H. R. 4144. A bill for the relief of Vincent and Gladys Gowen; to the Committee on Claims.

By Mr. O'TOOLE:

H. R. 4145. A bill for the relief of Sanford N. Schwartz; to the Committee on War Claims.

By Mr. PIERCE of New York:

H. R. 4146. A bill granting a pension to Ida M. Hoyt; to the Committee on Invalid Pensions.

H. R. 4147. A bill granting an increase of pension to Harriet A. Holmes; to the Committee on Invalid Pensions.

By Mr. RANDOLPH:

H. R. 4148. A bill for the relief of Mary S. Arthur, as executrix of the estate of Richard M. Arthur, deceased; to the Committee on Claims.

By Mr. RISK:

H. R. 4149. A bill for the relief of Manuel Soares; to the Committee on Claims.

By Mr. SCHAFER of Wisconsin:

H. R. 4150. A bill for the relief of Ilija Rasheta; to the Committee on Military Affairs.

By Mr. SHANLEY:

H. R. 4151. A bill for the relief of Mary Egan; to the Committee on Claims.

By Mr. SNYDER:

H. R. 4152. A bill granting a pension to Flora Turner; to the Committee on Invalid Pensions.

H. R. 4153. A bill granting an increase of pension to Emma Duncan; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado:

H. R. 4154. A bill for the relief of Dr. W. Claude Copeland; to the Committee on Claims.

By Mr. TOLAN:

H. R. 4155. A bill for the relief of Mary A. Brummal; to the Committee on Claims.

By Mr. VAN ZANDT:

H. R. 4156. A bill granting a pension to Maude E. Boyden; to the Committee on Invalid Pensions.

By Mr. WEAVER:

H. R. 4157. A bill authorizing the appointment of John Sneed Adams as a second lieutenant in the Army; to the Committee on Military Affairs.

H. R. 4158. A bill for the relief of J. A. Cearly; to the Committee on Claims.

H. R. 4159. A bill for the relief of L. M. Brendle; to the Committee on Claims.

H. R. 4160. A bill for the relief of Burt Savage; to the Committee on Claims.

H. R. 4161. A bill for the relief of Thelma Carringer; to the Committee on Claims.

H. R. 4162. A bill for the relief of Angel Hospital and other parties; to the Committee on Claims.

By Mr. WELCH:

H. R. 4163. A bill for the relief of Frederick Rush; to the Committee on Military Affairs.

H. R. 4164. A bill for the relief of Charles Donaldson Cameron; to the Committee on Naval Affairs.

By Mr. WOODRUFF of Michigan:

H. R. 4165. A bill for the relief of John R. Parkhurst; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1058. By Mr. ANDERSON of California: Assembly Joint Resolution No. 7, relative to memorializing the President and Congress to enact legislation to secure all aged citizens against want or poverty by means of a system of Federal old-age pensions; to the Committee on Ways and Means.

1059. By Mr. BARTON: Petition of Mrs. G. Strumpend-Darrie and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1060. Also, petition of Helen Lloyd and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1061. Also, petition of Harry Ferguson and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1062. Also, petition of Willis Browne and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1063. Also, petitions of Brigid Lee, Edward J. Lee, Ellen Hollenbeck, B. Farrey, Mary E. Bonn, Mary Shanahan, Helen C. Hayes, Margaret Hughes, and Mary E. Mulligan, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1, 1937; to the Committee on Foreign Affairs.

1064. Also, petition of Ruth Slavin and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1065. Also, petition of Martin and Mary Burns and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1066. Also, petition of Joseph McInerney and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1067. Also, petition of Edward Clutterbuck and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1068. Also, petition of Mary Daly and other residents of New York City, urging the adherence by the United States to

the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1069. Also, petition of B. J. Cassidy and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1070. Also, petition of R. J. Keegean and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1071. Also, petition of Louis Vitiello and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1072. Also, petition of Joseph Paul Thompson and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1073. Also, petition of Theodore McGinley and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1074. Also, petition of John Fitzpatrick and other residents of New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1075. Also, petition of Albert L. Weissenger and other members of the Republican Club of 1819 Broadway, New York City, urging the adherence by the United States to the general policy of neutrality contained in the act of August 31, 1935, and to retain on the statute books the further principle contained in the act of May 1937; to the Committee on Foreign Affairs.

1076. By Mr. BATES of Massachusetts: Petition of 1,200 residents of the town of Marblehead, Mass., believing that the underlying principles of House bill 4199 of the Seventy-fifth Congress and the conversion of those principles into law by the Seventy-sixth Congress will go a long way toward a solution of the national economic and welfare problems; to the Committee on Ways and Means.

1077. By Mr. BURDICK: House resolution H of the twenty-sixth legislative assembly, State of North Dakota; to the Committee on Foreign Affairs.

1078. Also, senate concurrent resolution No. 67 of the twenty-sixth legislative assembly, State of North Dakota; to the Committee on Agriculture.

1079. Also, senate resolution No. C of the twenty-sixth legislative assembly, State of North Dakota; to the Committee on Agriculture.

1080. Also, senate concurrent resolution No. 64 of the twenty-sixth legislative assembly, State of North Dakota; to the Committee on Ways and Means.

1081. By Mr. CHIPERFIELD: Petition of 706 members of the Soldiers and Sailors Home, Quincy, Ill., urging legislation for a pension sufficient to enable them to live anywhere they choose and thereby eliminate Government homes for veterans; to the Committee on Appropriations.

1082. By Mr. CROWTHER: Petition of citizens of Schenectady, N. Y., urging lifting of the Spanish embargo; to the Committee on Foreign Affairs.

1083. By Mr. GEYER of California: Resolution from Cannery Workers Union, No. 20147, American Federation of

Labor, Evelyn Hills, secretary, asking that a marine hospital be constructed in the harbor area of Los Angeles, Calif.; to the Committee on Merchant Marine and Fisheries.

1084. By Mr. GROSS: Petition of Townsend Club, No. 5, and Townsend Club, No. 14, of York, Pa., signed by President Charles M. Hershey and President August F. Herman, respectively; to the Committee on Ways and Means.

1085. By Mr. HAVENNER: Petition of the Assembly of the State of California, memorializing the President and Congress to enact legislation to secure all aged citizens against want or poverty by means of a system of Federal old-age pensions; to the Committee on Ways and Means.

1086. By Mr. LUTHER A. JOHNSON: Petition of the House of Representatives of the State Legislature of Texas, favoring the enforcement of Federal immigration laws, and prevention of the settlement of penniless, homeless, and destitute aliens in the United States; to the Committee on Immigration and Naturalization.

1087. Also, petition of R. L. Wallace, of Coolidge, Tex., favoring House bill 2842, which has to do with telephone exchanges having 1,000 or less subscribers, and modifies the wage and hour law so as to make it possible for these small exchanges to continue to employ telephone operators as they have in the past; to the Committee on Labor.

1088. By Mr. KRAMER: Petition of residents of Los Angeles, relative to neutrality; to the Committee on Foreign Affairs.

1089. Also, petition of the Senate and Assembly of the State of California, relative to naming the lake to be created by the construction of the Shasta Dam at Kennett, Shasta County, Calif., "McColl Lake"; to the Committee on Flood Control.

1090. Also, resolution of the Tulare Chamber of Commerce, Tulare, Calif., relative to amending the Bankhead Act of 1934; to the Committee on Agriculture.

1091. Also, resolution of the Senate and Assembly of the State of California, relative to exemption from taxation of bonds issued by governmental agencies; to the Committee on Ways and Means.

1092. Also, resolution of the Senate and Assembly of the State of California, relative to the protection, use, and development of the natural resources of the State of California; to the Committee on the Public Lands.

1093. Also, resolution of the Senate and Assembly of the State of California, relative to amending the California Indian Jurisdictional Act of 1928; to the Committee on Indian Affairs.

1094. Also, resolution of the City Council of the City of Long Beach, opposing the adoption of Senate Joint Resolution 24; to the Committee on the Judiciary.

1095. By Mr. KEOGH: Petition of 287 residents of the Ninth Congressional District, Brooklyn, N. Y., concerning the Patman anti-chain-store bill; to the Committee on Ways and Means.

1096. By Mr. LEWIS of Colorado: House Joint Resolution No. 3, of the Thirty-second General Assembly of Colorado, petitioning enactment of Senate bill 800; to the Committee on Coinage, Weights and Measures.

1097. Also, House Joint Memorial No. 4 of the Thirty-second General Assembly of Colorado, urging the Congress to consider General Welfare Act of 1939; to the Committee on Ways and Means.

1098. By Mrs. NORTON: Petition of 51 members of St. Anthony's Holy Name Society, Jersey City, N. J., petitioning Congress, for as long as we shall adhere to the general policy of neutrality as enunciated in the act of August 31, 1935, to retain on our statute books the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1099. By Mr. ROCKEFELLER: Petition of Rev. William T. F. Dooley, Holy Name Rectory, Kingston, N. Y., and 300 citizens of Ulster County, N. Y., opposing the lifting of the embargo on Spain; to the Committee on Foreign Affairs.

1100. By Mr. SCHAEFER of Illinois: Petition of Local No. 548, International Hod Carriers' Building and Common La-

borers' Union of America, Nashville, Ill., Charles Wilkey, Jr., secretary, urging Congress to adopt the Townsend plan as proposed in House bill 2; to the Committee on Ways and Means.

1101. By Mr. SHANLEY: Petition of Russell Council, No. 65, of the Knights of Columbus, New Haven, Conn., concerning the embargo on Spain; to the Committee on Foreign Affairs.

1102. By Mr. THOMAS of New Jersey: Resolution passed by both the Assembly and Senate of the California State Legislature, urging the Secretary of Labor of the United States to settle the existing uncertainties as to the citizenship status of the said Harry Bridges without further delay, by making a full report upon this subject to the President and to the Congress of the United States, and to instigate in the matter such appropriate action, if any, as may be indicated to be proper by the findings set forth in such report; to the Committee on the Judiciary.

1103. Also, resolution unanimously adopted by the members of the New Jersey State Association of Chiefs of Police, at a regular meeting held at the courthouse, Newark, N. J., February 2, 1939, urging that the Dies committee be authorized to continue the activities and investigations heretofore accomplished, and that said committee may be given not only necessary financial aid to efficiently carry out this great work but that it should also receive the patriotic approval and support of the American people to the end that these persons, interests, and groups whose efforts and desires are designed to promote discord, impair the efficiency of our Government, to create class hatred, or to do any and all which are inimical to the best interests of the people and Government of the United States, shall be destroyed or driven from our shores; to the Committee on Rules.

1104. Also, letter from John A. Logan Council, No. 6, Junior Order of United American Mechanics, Maspeth, Long Island, N. Y., commending the good work of Congressman J. PARNELL THOMAS in regard to the investigation of Secretary of Labor Perkins; to the Committee on the Judiciary.

1105. Also, resolution of Dupage County executive committee, the American Legion, Department of Illinois, endorsing the demand of the national commander of the American Legion that the Secretary of Labor be impeached for causes incident to the failure to deport Communist Harry Bridges; to the Committee on the Judiciary.

1106. Also, letter from H. L. Harms, commander, Santa Barbara Post, No. 49, American Legion, Department of California, with a membership of 800 World War veterans, congratulating Congressman J. PARNELL THOMAS for courageous action in bringing impeachment proceedings against the Secretary of Labor and her aids for their absolute neglect of their constitutional oath by protecting convicted aliens who are illegally in this country and who advocate the overthrow of our country by violence; to the Committee on the Judiciary.

1107. By Mr. VAN ZANDT: Petition of the Fort Fetter Post, No. 516, Hollidaysburg, Pa., American Legion, favoring the construction of a canal across Nicaragua, so as to permit protecting our shores on both oceans; to the Committee on Foreign Affairs.

1108. By Mr. WELCH: Joint Resolution No. 10 of the California State Assembly, relative to Federal appropriations for relief in California; to the Committee on Appropriations.

1109. By the SPEAKER: Petition of the American Medical Association, Chicago, Ill., petitioning consideration of their resolution with reference to the Army Medical Library and Museum at Washington, D. C.; to the Committee on Military Affairs.

1110. Also, petition of the American Indian Federation, Miami, Okla., petitioning consideration of their resolution with reference to un-American activities in the United States; to the Committee on Rules.

1111. Also, petition of the Aviation Defense Association, Inc., Washington, D. C., petitioning consideration of their resolution with reference to Aviation Day; to the Committee on the Judiciary.

1112. Also, petition of Jesies Ramos, Bayamon, P. R., and others, petitioning consideration of their resolution with reference to neutrality; to the Committee on Foreign Affairs.

1113. Also, petition of C. W. Caylor, of Empire, Calif., petitioning consideration of their resolution with reference to the Townsend plan; to the Committee on Ways and Means.

1114. Also, petition of C. E. Cook, of Denai, Calif., petitioning consideration of their resolution with reference to the Townsend plan; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 15, 1939

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most gracious Father, we praise Thee that the light of another day has broken on our mortal vision. Duties await us; responsibilities are upon us. May the words of our mouth and the meditations of our heart be acceptable in Thy sight, O Lord, our strength and our Redeemer.

Our Father, who art in heaven, hallowed be Thy name; Thy kingdom come, Thy will be done on earth as it is in heaven. Give us this day our daily bread. And forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil, for Thine is the kingdom and the power and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, the morning press carries the account of the meeting of the executive council of the American Federation of Labor at Miami, Fla., on yesterday, at which time they issued what is to my mind a momentous statement on the economic conditions of the country. The American Federation of Labor, long a potent factor in advancing the cause of the workers of America, represents the great conservative opinion of American labor. The statement of Mr. Green representing the council follows hereafter. I was particularly impressed with his statement that it is the duty of the Government to remove "fear, lack of confidence, and distrust from the path of industrial expansion." Also the statement "we cannot accept the reasoning of those who maintain that we must prepare to maintain constantly an army of unemployed as the wards of the Government." Mr. Speaker, this statement coming from the ranks of labor is significant. It is also fundamentally true.

In line with this sentiment, I take the liberty of quoting from a speech I made in the House of Representatives on April 4, 1938, when the House had under consideration the reorganization bill. I quote a brief paragraph from that speech:

Increased costs of Government mean an added burden to every citizen of our land from the highest to the humblest. Every workman bending under the burden of the costs of living; every housewife as she goes to market; every farmer as he strives to overcome a disjointed economic order, pays tribute to the tax gatherer as he passes among us to collect his toll. Nothing we could do would so quickly bring back confidence and start anew the wheels of progress as to make a real serious effort to set our financial house in order. Nothing we could do would bring such a sense of security to our workers as to reassure business and industry that we meant what we said about reducing the burdensome costs of Government.

Events which have transpired since the date of this speech convinces me that nothing we can do would be so helpful to American labor as to set about seriously to stabilize our economic conditions so that the workers would be called back to

regular and permanent employment and not be forced to rely for their daily bread upon a hand-out from the Government. The statement of the American Federation of Labor executive council is, in part, as follows:

We are firmly convinced that various forms of Government spending, either in the distribution of relief or in the development and maintenance of work projects designed to supply relief wages to unemployed, can only serve as temporary measures and cannot and do not provide a permanent solution for unemployment.

The market for the sale of goods and services can be increased and enlarged only through the application of a sound, economic policy whereby there is placed in the hands of the masses of the people a buying power which will enable them to buy, use, and consume the manufactured goods and services which private industry is prepared to supply.

This leads to the inevitable conclusion that private industry and business generally should be stimulated so that the facilities of production may be increased and millions more working men and women may be employed.

What can be done and what should be done, therefore, are the problems which, at the moment, call for consideration and a proper solution. We do not believe that the Nation has reached the maximum in production or consumption of manufactured goods. For that reason we cannot accept the reasoning of those who maintain that we must prepare to maintain constantly an army of unemployed as the wards of the Government. We must turn to private industry for the solution. It should and must serve the Nation. Our national interests require that private industry be accorded the widest opportunity to do so. Obviously, the next step must be the establishment of credit and the will and purpose, on the part of the owners of industry, to risk, invest, build, and construct. The basis for such procedure must be found in the creation of a favorable state of mind. Fear, a lack of confidence, and distrust in governmental, social, and economic procedure, should be removed. A political and economic state of mind should be created which would enable all financiers and the owners and management of industry to face the future with confidence, willing to risk in the expenditure of funds for the development of industrial enterprises and in the manufacture and sale of manufactured products. * * *

Some strong, powerful, and influential representatives of private industry maintain that in order that private enterprise may go forward it is necessary that the rules and laws under which industry should operate should be more definite, clear, and understandable. * * *

The executive council is firmly of the opinion that this issue should be met squarely. All should understand that no new rules or stipulations will be promulgated by some administrative bureau other than the rules and regulations definitely set forth in regulatory statutes enacted by the Congress of the United States. Such action will serve to help business, labor, and the people generally. Under such a plan industrial management would be accorded the widest opportunity to render service in the solution of our unemployment problem.

SUSAN B. ANTHONY

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, it is with distinct pride, as well as with an appreciation of responsibility, that I rise on this occasion to pay tribute to a great American woman—Susan B. Anthony.

It is not necessary for us to ask what it is that makes a nation great, or what makes America outstanding among the nations of the world. It is not, after all, her enormous and hidden wealth. It is not her landscapes—beautiful and attractive as they may be. It is not her cities, with towering skyscraper buildings, or the immense industries that she has builded. It is not alone her schools or her institutions of learning, that prove the advancement we have made in our civilization. These are of vast importance—but, in addition to these, and of still more significance—America is great because of the splendid record of her noble men and women who have given—yes, even sacrificed—their lives for their country, which we call our own.

In each generation, there are certain men and women who stand out among the mass of our people—men and women who not only have more than ordinary talents—but who are willing and eager to use those talents and sacrifice their very lives in order to give their country and the world certain outstanding contributions that will live through generations to come.

And so today we honor the memory of a great woman. Not alone because she was an illustrious character. Not so

much because of her unusual talents, and not only because of the principles which she advocated—but also because of certain basic concepts and beliefs to which she adhered and ever remained steadfast.

Susan B. Anthony was born in Adams, Mass., of Quaker parentage, on February 15, 1820. She was nurtured and reared in the atmosphere of those surroundings, and impressed with the homely virtues of right thinking, right living, thrift, and industry. She had the advantage of a thorough education in accordance with the conditions of the times, and she made the very best possible use of her training. After her graduation, she became a teacher in the schools, and as a young woman—she determined to give her life to champion the cause of woman's rights.

From that time until her death at the age of 87 years—she worked unceasingly for the cause of woman's suffrage. Many books could be written about her half century of pioneering amidst persecution for the emancipation of women, and her crusade for the equal rights amendment to the Constitution, which was proclaimed the law of the land more than 50 years later.

I think it is not unfair for me to digress for a moment, to express appreciation on behalf of the people of my State of Kansas, for the influence of this great woman who came to our commonwealth when Kansas was in its infancy. Miss Anthony spent a considerable amount of time in Kansas. She lectured there in the very days of our statehood. She lived there for a while. Her brother was one of our outstanding Governors. Another brother was one of our early and leading editors. Her nephew represented one of our Kansas districts in this Congress in later years. And so, as a Kansan, I am especially proud of having a part in paying tribute to her this afternoon.

Susan B. Anthony appeared on the horizon at a time when the cause she championed was not only unpopular among men but among women as well. It was for her to kindle the spark of public opinion in favor of the cause of woman suffrage. It is said that public opinion is the greatest factor in America, and when it is refined by the fire of full and free discussion it becomes a wholesome expression of the views of the people.

Susan B. Anthony was encouraged by meeting obstacles and overcoming them. She was strengthened in her cause by her disappointments. For half a century she fought what appeared to be a losing battle. She died at the age of 87 years, seeing her cause only partly achieved, but sincerely believing that righteousness would triumph in the minds of men and women.

And so today we are honored on this occasion by paying tribute to a great woman who belongs with the history makers of this Republic. While she did not begin or end woman's struggle toward equality with man she left upon the whole movement the stamp of her imperishable personality. America is different, is ennobled and enriched, because of the indelible influence of her great character. We honor ourselves today in honoring this distinguished woman. Her life was dedicated to a splendid public service. She is exemplified in the beautiful thought that—

We live in deeds, not years,
In thoughts, not breaths,
In feelings, not in figures on a dial,
We should count time by heart throbs.
He lives most who thinks most,
Feels the noblest—acts the best.

EXTENSION OF REMARKS

Mr. CUMMINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a sworn statement made at Scotts Bluff, Nebr., regarding the amount of money paid per day to beet growers.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein an address of the vice president of the Senate of Puerto Rico regarding the last 5 years of the economic life of Puerto Rico under Governor Winship.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the Record by including therein a letter from a constituent regarding the interest rates charged veterans on Government insurance.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE MEANINGFUL STAR-SPANGLED BANNER

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, while Congress weighs the impregnability of our shores and looks to our national defenses, it is by an odd and evil twist of fate that a famous member of the Metropolitan Opera Co. should arrive in Washington and declare that the words of our national anthem are meaningless to our people.

As the echo of marching feet, the drone of fighting planes, and the cries of persecuted minorities roll across the Atlantic from dictator nations to our free shores, it is shocking to learn that an American citizen finds no meaning in those sacred words:

'Tis the star-spangled banner: oh, long may it wave
O'er the land of the free and the home of the brave.

The man credited with the outburst of feeling against The Star-Spangled Banner is Frederick Jagel, American-born tenor, who is appearing in Washington tonight to sing the title role in Lohengrin.

His philosophy is quoted in yesterday's Washington Times-Herald as follows:

The words of that song—it's really not a song but a "glee" written for three voices—mean nothing to an American. They were written on the inspiration of a battle.

And we, in our great land, have no need to glorify battle. * * *

The average person does not know the words of our anthem—and little wonder.

The reason for this is that the words mean nothing in our daily life. * * *

Thus an American opera star, who received considerable of his training in the dictator countries, vociferates nefariously against something near and dear to every school child in the land.

I can take Tenor Jagel into the Eight Congressional District of Michigan, which I represent, where 95 percent of the people, including their Congressman, have never witnessed an opera, and give him a visual lesson on the meaning that song has to those red-blooded citizens.

I can take him to any public school in my district, any Grange hall, church, town building, or other public meeting place, and show him a thrill in those words "This be our motto, 'In God is our trust,' and the star-spangled banner in triumph shall wave o'er the land of the free and the home of the brave," not to be found or compared to anything in Lohengrin, even at \$3.30 per head, which people will pay to hear Mr. Jagel tonight.

Mr. Jagel may be famed for hitting the high notes in Aida or La Boheme, but he has struck a new low note in disrespect for an anthem that has thrilled Americans for a century and a quarter, if he made the statement published.

From the lips of a country schoolmaster I learned that The Star-Spangled Banner was written to glorify a victory and the glorious sight of the stars and stripes waving in the sunlight following a jittery and desperate night in which the future of the Nation hung in the balance.

Furthermore, this opera star appears to be distressed by the fact this famous poem is sung to the tune of a song made famous by a club founded in a London coffee house half a century before the British raid on Baltimore's Fort McHenry. Numerous contradictory claims have been made, but, granting it to be the case, shall we likewise discard our laws because they are founded on old English laws?

Whose tune was used when music was applied to the historic poem is beside the point, for it appears that by common consent Americans adopted that particular arrangement of musical notes and have applied them lustily in proclaiming to the world their pride in The Star-Spangled Banner for many, many decades. The musical arrangement is not the worst part of Mr. Jagel's complaint.

The resolvable phase of his utterance is the implication the words of the song are meaningless.

With the crumbled ruins of tottered democracies strewn on the face of the earth today, place yourself in a position similar to that of Francis Scott Key in a night of anguish during which you knew not whether the morrow would find your land of freedom manacled once again by a foreign power or whether out of the confusion would come some symbol that bravery prevailed and that the Nation was preserved.

Feel the thrill that coursed the veins of Francis Scott Key when time reached the threshold of dawn on that memorable day and he and members of his party strained their eyes to peer through the fog suddenly to see the first beam of sunlight flash on our flag waving above those ramparts so gallantly defended. Would you still say these are meaningless words? Hardly so.

Mr. Speaker, to this proposal to streamline the national anthem may I affix a thousand times "no," and as for my choice between The Star-Spangled Banner and some other scheme of song proposed by the Metropolitan Opera star, give me the song inspired by Old Glory at Fort McHenry.

COMMITTEE ON WILDLIFE CONSERVATION

The SPEAKER laid before the House the following resignations from committees:

FEBRUARY 15, 1939.

HON. WILLIAM B. BANKHEAD,

Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I hereby respectfully submit my resignation as a member of the Select Committee on Conservation of Wildlife Resources.

Sincerely yours,

LEO E. ALLEN.

FEBRUARY 14, 1939.

HON. WILLIAM B. BANKHEAD,

Speaker, House of Representatives, Washington, D. C.

MY DEAR SPEAKER BANKHEAD: I hereby tender my resignation as a member of the Special Committee on Conservation of Wildlife.

Sincerely yours,

ALBERT E. CARTER.

The SPEAKER. Pursuant to the authority conferred upon the Speaker by House Resolution 65 and House Resolution 90 of the Seventy-sixth Congress, the Chair appoints the following minority Members of the House to fill the existing vacancies on the Special Committee on Wildlife Conservation: MESSRS. HOLMES, of Massachusetts; ANGELL, of Oregon; and KEEFE, of Wisconsin.

NATIONAL DEFENSE

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3791, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

Mr. MAY. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Chairman, I wish to discuss just one or two features of this bill in the few minutes allotted to me. In the beginning I may say I am heartily in favor of this entire measure as it is written. I believe it is a wholly helpful and needed plan, a conservative program for affording to the United States an adequate national defense.

It has been mentioned in the debate here that as the bill was originally introduced it provided for an authorization of

6,000 planes, and that this figure was later cut to an authorization of 5,500 planes. That is true. The original bill did provide an authorization of 6,000 planes, but when the officials of the War Department testified before our committee and showed that the entire program was pitched upon an authorization of 5,500 planes, the gentleman from Texas [Mr. THOMASON] offered an amendment cutting the authorized strength to 5,500, and that amendment was supported unanimously by the committee. I do not recall that there was a single dissenting vote.

Something has been said here about the failure of The Assistant Secretary of War, Mr. Johnson, to testify before our committee, and some intimation has been made that he had advocated a much larger number of planes. I have followed rather closely the newspaper accounts relating to this program; I have followed the speeches that have been made, particularly by Mr. Johnson, relating to this program; I have talked with Mr. Johnson about this program, and I have seen mimeographed copies of his speeches, and I do not believe anyone can point out any speech Mr. Johnson ever made in which any number as large as 10,000 or any other number larger than what we are authorizing in this program was referred to by him.

The first time Mr. Johnson spoke on this program was at a meeting at some point in New England which I do not now recall. In this speech—and I have seen later speeches in which he has repeated the same thought—he said that in order to give us an adequate defense in the air it would be necessary to increase greatly our present air strength. He said it would be necessary to double our air strength, triple it, or perhaps even quadruple it. If we should quadruple our air strength, which is the very maximum he set, we would not have as many as 6,000 first-class fighting planes under this program, and that is the very extreme prediction that Mr. Johnson or, as far as I know, any representative of the War Department, has ever made in regard to our air-defense program.

This authorization is not for an extravagant number of planes. It is a conservative number, and I may say that this program should not be restricted by any such amendment as is proposed by the minority. If I read that amendment aright, it means that our Government would not be authorized to contract for more than 1,000 planes in any one year.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman.

Mr. ANDREWS. If the amendment was adopted, the Government would be able to contract during the first year for 2,022 planes.

Mr. SPARKMAN. That includes those that are already on order or proposed to be ordered out of the regular appropriation.

Mr. ANDREWS. But they would, within 1 year, contract for more than 2,000 planes.

Mr. SPARKMAN. In the first year?

Mr. ANDREWS. That is right.

Mr. SPARKMAN. But as I read the amendment it states that for the fiscal year 1939 and 1940, in addition to those under order now or those that will be under order for the first fiscal year, not more than 1,000 airplanes may be contracted for during any one fiscal year except in the event of a declaration of an emergency.

Mr. ANDREWS. The gentleman is quite correct. Actually, as it would work out, it would mean we would only be restricted to ordering 1,000 planes during the 2 years following this year.

Mr. SPARKMAN. That is correct; in other words, you propose, as I understand, to spread the program over 3 years, but what are you going to do about the obsolete planes you are going to have to throw out during that period and those that are washed out or destroyed in crashes? Your 1,000 would certainly include that number and would not be an adequate authorization.

Mr. ANDREWS. If the gentleman reads section 1 carefully, he will see that is provided for in another provision of the section.

Mr. SPARKMAN. Yes, but under your proposed amendment you are specifically limiting the contract during any one fiscal year to 1,000 planes.

Anyhow, be that as it may, that is a matter of difference of opinion between the majority side and the minority side, and it is about the only point, as I understand it, in controversy in this program.

I now want to take just a few minutes to discuss one item in this bill and to say that I am happy to see it included, and that is the proposal to spend \$27,000,000 on our Panama defenses. Of this sum, \$23,500,000 is to be used for construction and \$3,500,000 for subsistence, equipment, maintenance, and transportation.

It was my good fortune to be able to visit Panama during the past summer and to have an opportunity to visit and inspect the various installations there. I was greatly interested in them, but I was astonished to find a condition that I considered absolutely deplorable in any defense set-up of the United States. I found, first of all, to my surprise, that there was a wholly inadequate road network; that there is no road crossing the Isthmus; that we have a great many guns, searchlights, and other installations placed out in the jungle that during the rainy season, extending from May to December, are absolutely inaccessible except to men on foot. In some instances these men would have to struggle for hours to get up these trails in order to carry gasoline to operate the motors necessary to keep the equipment in good shape, and in some instances the installations actually had to be removed prior to the onset of the rainy season, due to the fact that it would not be possible to get to them to give them the care and attention that is necessary to keep them in good condition during the rainy season.

I am pleased to note that this program provides some funds for the building of this road network which is absolutely necessary for the adequate defense of this key defense possession of the United States. In time of peace the highly necessary routine of service to the anti-aircraft defense installations during the wet season is seriously hindered. Servicing parties struggle on foot for hours through the mud, carrying gasoline and oil to reach an installation which could be reached in minutes were the road hard-surfaced. In time of emergency it is even more essential that the defenses be quickly accessible, not only for immediate defense purposes but also for the supplying of food and equipment and the possible evacuation of the wounded. The vital anti-aircraft defenses of the Panama Canal department should be rescued from the mud.

I found housing conditions that I could not believe existed anywhere in the Army of the United States. I found millions of dollars worth of property housed in buildings that are nothing but firetraps. I found double-deck bunking in that tropical country not suitable for the Tropics. I found men living in tents the year round, using old, discarded railroad cars for dining rooms and kitchens. I found employees of the Army living in buildings that had been found unfit for the employees of the Panama Canal and had been condemned for use by them, and yet our Army employees were living in those buildings. I found in one of the Army posts 111 men living in a building that had a capacity of 88, and in another one I found 88 men living in a building with a capacity of only 52. At one place I found 179 men with only 10 washbasins and mirrors to service all of those men and with only 16 toilet stools. There were narrow stairways, and only a few years ago a man was killed trying to get out of the building when we had an earthquake tremor. Companies have to feed in double shifts because of lack of space. This condition is more or less typical in several of the posts in that key defense position. I am glad to see some relief given to these conditions that today exist in Panama.

There is just one other thing I want to mention, and this program falls far short of it. This, to my way of thinking, is not a complete program. Out of all this money only six and a half million dollars is provided for our seacoast defense; and should the time ever come when our Navy is cut off from the Atlantic or from the Pacific seaboard, and the Panama Canal should be endangered or should be closed,

then our other seacoast as it exists today will be practically defenseless. I believe our program will not have been completed until a much larger and more adequate provision is made for our seacoast defenses and our harbor defenses, where heavy guns and antiaircraft material and personnel are needed. Great metropolitan areas, such as the city of New York, for instance, find themselves today defended by nothing more than what amounts to a corporal's guard—simply caretakers of our guns in our harbor defenses. Six and a half million dollars is simply a start, and is far short of an adequate program in providing necessary equipment for these posts and for these defenses, to say nothing of the increased personnel that will be required to build these defenses up to what they ought to be. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. ANDREWS. Mr. Chairman, I yield 18 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, again my position on the Committee on Expenditures of the Government serves as a slight excuse for my entering the discussion. No one wishes to oppose this bill, but the minority advises that a reasonable approach to the problem be made and has given you such good reasons therefor that you should go along with them, I am sure. This discussion has been unusually harmonious. I said recently that the best rampart is a sound Treasury and that a vast public debt is not a good rampart for national defense. To spend money unnecessarily or unadvisedly is wrong. To build a great many planes at \$50,000 each that will so soon become obsolete and saddle upon ourselves the maintenance of them is not good sense. I asked the question yesterday of the gentleman from Texas [Mr. THOMASON] whether the specifications of any plane yet owned by a foreign nation are such that they could come over here, bomb our shores, and return home again. He said, "Of course, not"; and we all know that. So we should not become hysterical as to any immediate danger. I asked him again why these planes are being built and whether it was possible that we were building them to sell to France and England. Evidently that will be the place where they will be used. He said in effect, "I believe that France and England should buy as many planes as they desire if they will put the cash on the barrel head." He approved of that. I think many so approve, but perhaps we had better not say so. There are very weird stories abroad today about our foreign policy.

I do not suppose that what a mere Congressman says would amount to anything. The President determines our foreign policy, and the blustering Ickes, representing the President, may also supposedly have an inkling as to what that foreign policy is. But we are still kept in the dark. As far as France and England are concerned, perhaps we, in our deep sympathy for democracies, fully endorse what the gentleman from Texas says. I did not ask him, because I feared he did not want to yield further, and I did not wish to embarrass him, but I did want to ask if he thought we ought to sell to Germany, in the event that Germany also put the cash on the barrel head. What do you suppose he would have said?

In view of what has been said and written, lately, of course it may have been only a phrase maker who said that our frontier probably is the Rhine. But he was no "boob." It was an apt phrase and can hardly be criticized, especially since it served to bring the whole situation to the attention of the country. And when the epithet "liar" was hurled at United States Senators, that was an example of petulance deserving of notice, and a cause for anxiety over the state of mind in high places. We recall that the press was exonerated and finally the leak or misconception was placed at the door of the United States Senators.

Like the gentleman from Colorado [Mr. MARTIN], who said the other day that he sometimes likes to take a ringside seat and laugh his head off, I was similarly affected, yesterday I wanted to laugh my head off when the gentleman from Massachusetts, my friend, Mr. McCORMACK, tried to justify the withholding of information that at least could have been presented to the great Committee on Ways and Means by a com-

mittee of their own advisers, highly able, highly paid, to whom they usually turn for advice. Do not tell me that they did not know that advice was ready for them, or I shall indeed laugh my head off. So strange that so many knew it several days before. After months of study, how suddenly the report appears for use in another body!

The gentleman from Massachusetts [Mr. CLASON] in his admirable address yesterday, said no one had been before the Military Affairs Committee to explain, or touch upon, our foreign policy. No one apparently knows what it is. But perhaps that is an incorrect statement as we can now guess fairly well what that foreign policy is. It would, of course, be unwise to have it stated since the lack of a statement thereof may be our real safety. Of course we do not actually know, but from what we read and hear we have a right to assume what our foreign policy is to be. Actions speak much louder than words, and when we have no definite statement of policy we must form our opinion, and certainly can assume what it is when asked to vote large sums for military operations.

We heard some months ago that certain nations ought to be quarantined. Those are fighting words. They cannot be forgotten. Certain nations have abused us roundly since that utterance. When we show eagerness to sell airplanes to democracies, and unwillingness to sell to totalitarian nations, the inference is dreadfully plain that we may be willing to ally ourselves with countries with which our leaders are in sympathy, and that we are about to entangle ourselves by such procedure. We do not say so, but our actions point to it. There is certainly not a lack of suspicion that our neutrality policy, which we adopted, is gradually being undermined in order that the President may name the aggressor, and the victim, and thereby prepare our people for what he has termed "practical" assistance.

Accumulation of expressed opinions will lead us to a point where we can safely assume the policy desired by the administration. We may well assume that these planes we will now build are not to meet any enemy planes which could not reach our shores, but that they may be extremely useful to our friends, even if a little later, for that would be only one step further, they would be unable to put the cash on the barrel head.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield. I wish to yield. Shed some light on this, will you?

Mr. MAY. I just wanted to ask the gentleman, in addition to agreeing with him on the question that France and England should put the cash on the barrel—

Mr. GIFFORD. Did I say I agree to that?

Mr. MAY. I think you said you were in favor of their putting the cash on the barrel. I would like to ask the gentleman if he objects to their rehabilitating our idle plants by giving them business, and paying cash for it?

Mr. GIFFORD. Oh, my deep sympathy is for democracies; but I am not saying so, and you ought not say so. [Laughter.]

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. HOPE. Does the gentleman know for certain that we are getting cash on the barrel head for the planes that have been sold? There has been nothing brought to my attention that indicates for certain that we are.

Mr. GIFFORD. No. I cannot vouch for that, but I have the word of the gentleman from Texas [Mr. THOMASON] that if the cash is on the barrel, it will be all right.

Mr. THORKELOSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. THORKELOSON. Is it not a fact that we are exporting airplanes, engines, and so on, war machinery of different sorts, and we are importing all agricultural products? Is not that true?

Mr. GIFFORD. Oh, of course, it is true. The whole situation on all fronts, under the guidance of this New Deal party, has gone haywire. At this time I want to remind you that on that side of the House not a single so-called

conservative Democrat has this year ventured to take the floor in opposition to the criticisms and attacks and the lesson of the last election. They have been sufficiently baited. It has been left for two or three of your enthusiastic new dealers to defend indefensible Presidential appointments and party policies. Oh, why so reticent? It is so unlike last session's hilarity. I often speak for you, because you lack willingness to speak. You agree with me so perfectly, I do appreciate it. [Laughter.]

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MASSINGALE. I have a great deal of confidence in the gentleman from Massachusetts.

Mr. GIFFORD. How about your President? Have you not confidence in him, too?

Mr. MASSINGALE. Yes. I have confidence in him, and I have confidence in you. I believe you are frank and that is the reason I am asking you this question.

Mr. GIFFORD. It is strange I should ever be reelected, is it not? Probably too much frankness.

Mr. MASSINGALE. I do not know your constituency, but I should think they would show good judgment in sending you back here.

Mr. GIFFORD. I thank the gentleman.

Mr. MASSINGALE. The question I wanted to ask is this: The gentleman is criticizing, indirectly, the sale of airplanes to France by our manufacturers.

Mr. GIFFORD. Was I?

Mr. MASSINGALE. What I want to know is, what is the gentleman's idea of the moral distinction, if any, between selling airplanes to France and selling scrap iron and other war materials to Japan?

Mr. GIFFORD. Why, the gentleman is bringing his own indictment; is he not?

Mr. MASSINGALE. Well, I am asking you the question.

Mr. GIFFORD. Oh, the gentleman has suggested his own criticism. He now brings to your attention the fact that we have sold perhaps 10 times as much scrap iron as formerly to Japan to murder Chinese, when his sympathy is probably with the Chinese as the victims, rather than with the Japanese, the aggressors. The gentleman does not need me to enlarge upon that. I thank the gentleman for the suggested criticism.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. ALLEN of Illinois. Many people in the United States feel that England is a Shylock. They resent the fact that England is supreme on the seas, yet they ignore the fact that through the expenditure of billions of dollars on the British Navy the British have given the people of the United States much security. My question is: In the event certain dictator nations in Europe went to war with England and sank the British Navy, or took it over, what effect would that have on the security of the people in the Western Hemisphere?

Mr. GIFFORD. The gentleman does not need to ask me or anybody else that. I know, living where I do, that our coast defenses need airplanes. I am glad to vote for this bill. We are simply criticizing the number and the amount that may be manufactured each year. We know what, if England were overcome, our danger might possibly be, but that is not an immediate danger. Does the gentleman think it is?

Mr. ALLEN of Illinois. I was asking the gentleman that question.

Mr. GIFFORD. I am unable to visualize that as an immediate danger. When I vote for this bill it will be taking a reasonable attitude. I am depressed and shocked when I think of the vast sums that have already been expended considering the results attained. Under permission to extend my remarks I shall set forth further facts in this regard for I have them here; large sums spent yearly and culminating this coming year in an expenditure of \$1,600,-

000,000. During the blank-check period for the W. P. A. purposes, notice the large sums diverted by the President from relief funds for the Military Establishment:

1933-34	\$540,356,000
1934-35	709,931,000
1935-36	921,684,000
1936-37	935,114,000
1937-38	1,027,841,000
1938-39	1,119,810,000
1939-40	1,668,283,000

Total 6,933,019,000

Each year the President has spent not merely the sums appropriated by Congress for national defense, but also many millions which he has allocated from recovery and relief funds. The amounts are very great. Here they are by years:

1933-34	\$60,663,000
1934-35	176,335,000
1935-36	147,246,000
1936-37	79,004,000
1937-38	53,735,000
1938-39	77,604,000
1939-40	50,726,000

Total 645,313,000

About these allocations two very significant features appear. First of all these are sums not appropriated by Congress, but appropriated by the President himself. Thus, in 1935, Congress appropriated \$553,596,000 for national defense. But Congress has been turning over to the President billions each year to spend as he likes. And in 1936 he appropriated another \$176,000,000 for national defense.

The gentleman who preceded me caused me to marvel at the facts he disclosed. Despite the huge expenditure of W. P. A. funds for housing he found it necessary to stand up here and indict the housing conditions of our Military Establishment as being so deplorable. What have they done with the money?

Mr. THORKEKELSON. Mr. Chairman, will the gentleman yield to permit me to answer the question asked by the gentleman from Illinois?

Mr. GIFFORD. I yield.

Mr. THORKEKELSON. I may say to the gentleman from Illinois that in the event of that happening which he outlined in his question, the United States would have to take care of the British possessions. That is why we need a navy.

Mr. THILL. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes; but my time is running, so I ask the gentleman to be brief.

Mr. THILL. Does the gentleman know of any nation anywhere that might want to attack us in the near future?

Mr. GIFFORD. Certainly not. Hemmed in by potential enemies of their own, all of those "brigand nations," as Ickes calls them, have their hands full; economically they have their hands full. That they seek war with us is a ridiculous assumption. Our foreign policy at the moment is seemingly, indeed, a weird one. South America is probably the answer; Mexico, loving us so much, expropriating our properties, depends upon our silver policy and our Navy. But we have agreed to protect them. Mexico and Brazil, when they speak of the United States Navy, call it "our Navy." We know that we are building largely because of them. And I have read that "while we do not want to meddle in the affairs of Europe at the present time when she is so out of her senses, when she comes to her senses we shall need not meddle with her."

Mr. PIERCE of Oregon. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. PIERCE of Oregon. If the gentleman had had the power, would he have prevented the sale of the airplanes to France?

Mr. GIFFORD. I thought I told the gentleman that I have very deep sympathy with that operation, but I did not feel it was quite wise to go on record, either the gentleman or I, lest Hitler hear of it.

Mr. PIERCE of Oregon. I believe we should feel thankful that our airplane factories are of such outstanding character that France is willing to send her gold here for their airplanes.

Mr. GIFFORD. And I will ask the gentleman if he thinks it is a good idea to sell airplanes to Germany? Is he willing to sell them to Germany? The gentleman asked me a question; I now ask him one.

Mr. PIERCE of Oregon. No; I would not; I would not.

Mr. GIFFORD. It now appears that the party was no "boob" who said that the Rhine is our frontier.

Mr. PIERCE of Oregon. Mr. Chairman, will the gentleman yield further?

Mr. GIFFORD. Yes.

Mr. PIERCE of Oregon. I do not regard Germany as being in the same category with England and France. I, as a Representative from a Western State, feel sorry for the fate I fear stands waiting for France and England, which may flow from the extremes to which the autocratic powers I fear will force her.

Mr. GIFFORD. The President is evidently being very successful in shaping the opinion of this House. His foreign policy is seemingly already meeting with approval.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 3 additional minutes to the gentleman from Massachusetts.

Mr. GIFFORD. I often speak seriously and frankly, as one gentleman has stated. Certainly I do not want to appear to be too critical, but I am, indeed, greatly worried about our own financial condition, especially our huge national debt. I feel that it is incumbent upon me to take the floor of this House often to portray this situation and comment on the consequences thereof. I dread to think of the constant stream of recommendations from our President to spend borrowed money. I had hoped we were getting away from extravagant expenditures.

I have for several years been greatly amused when he would thank Congress for its cooperation. It was not cooperation at all, it was submission, rubber-stamp business. [Laughter.] I thought it rather sarcastic to thank us for cooperation.

We must hesitate to enter into any foreign alliances although our sympathies may well go out to so-called democracies. In closing, having touched on our very costly needs and experiments, I would add a pleasantry—in making costly alliances when we are unable to meet our expenses, I offer the following: "I cannot marry you," he said, "because I am not making my expenses." She said, "Marry me and I will make plenty of expenses." [Applause and laughter.]

Mr. Chairman, I yield back the balance of my time.

Mr. MAY. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. PACE.]

Mr. PACE. Mr. Chairman, I think it might be helpful if we go back to school for a few minutes and study our history and geography. We have before us the pending bill. Next week we will have the Navy bill, which will be followed by the supply bills for the Army and Navy.

I want to preface my remarks by stating that I do not favor this Nation forming any entangling alliance with any other nation on earth; neither do I favor sending our boys to a foreign country to participate in a war. On that premise I want to address myself to the statement that we Americans are safe so long as England and France stand, and we will be in immediate danger should they fall.

Mr. Chairman, I should like to direct attention to this world map. Let me go back to 1918 and to the Versailles Treaty. Under this treaty Germany was compelled, according to the terms of peace, to yield every colonial or outlying possession. May I point out some of the territory that Germany surrendered? She surrendered this territory here in Africa [indicating on map]. She surrendered this section in Africa [indicating]. She surrendered this section in Africa [indicating] which she is raising Cain about now and the one she is most anxious about. She surrendered this section right in here just below Ethiopia [indicating]. More important than that, she surrendered these islands here,

which are now a mandate of the Japanese. You see this border line here [indicating]. She was required to surrender every island within this border except the island of Guam, of which you have heard so much today. All of these are under Japanese mandate [indicating]. Rumor has it that contrary to the mandate agreement, the Japanese have fortified one or two of these islands.

Mr. Chairman, this section over here in Europe [indicating] can be likened to a keg of dynamite, and several people have a match in their hand ready to light the keg.

We must remember that every implement of war which Germany has today is modern. All of the old materials were taken from them. Consequently, all of their guns and planes are up-to-date and modern. If Germany intends to strike, it is to its interest to strike soon, while it holds the mastery of the air and while it has such a well-equipped army. It is my candid judgment that Hitler is holding back today only for two reasons: One is to complete his submarines in order to handle the British shipping and the other is fear of the United States.

Here is the section that Mussolini right now is demanding [indicating]. At this time Germany maintains a plane service to South America. These planes leave here [indicating], and I am not sure but I think they go down to the Canary Islands under an agreement with Spain, land there, come across here [indicating], go down to Buenos Aires, come across, and go up here [indicating], gradually extending their line up to here [indicating].

Forget for a minute whether or not you like the President of the United States. Let us assume that war comes in Europe and that it comes sometime during the spring. Let us assume further that this time Germany and its allies are victorious. God forbid, but let us assume they should be. Mr. Chairman, do you not think that under these circumstances Germany would demand of England and France not only the return of its own colonial possessions but would also demand the surrender of many British and French possessions? Mark me, I began by saying that so long as England and France stand we are safe. The moment they fall we are in danger.

Let us assume that the terms of the next treaty will require exactly what England and France required of Germany. You see that dot right there [indicating]. It is 600 miles from our shores; it is the Bermuda Islands. You may say that you are not going to let Germany take over the Bermuda Islands, you would not let any hostile nation do that; but if Germany secures Bermuda under the terms of a treaty, it secures that possession in a peaceful manner, and when we dash over to keep Germany from taking possession of the Bermuda Islands we are the aggressor, are we not?

Here is another point over here [indicating] right off the coast of Florida, the Bahama Islands belonging to Great Britain. There is a little section over here in Central America, Honduras, which belongs to Britain. There is British Guiana in South America. There is French Guiana in South America. Well, you say, no unfriendly nation will take those, because we will not let them. I do not think we will, either. But that is war, is it not? I ask the distinguished gentleman from Massachusetts now, in connection with the discussion involving the question of the sale of planes to England and France, is it not better that we sell England and France for cash the planes they need for their defense than for ourselves to go to war with whoever is the conqueror in the event England and France should go down?

Mr. BENDER. Will the gentleman yield?

Mr. PACE. I yield to the gentleman from Ohio.

Mr. BENDER. The gentleman makes the point of France and Great Britain against Germany. What happened in connection with the Czechoslovakian business, at the time of the Munich Conference? Did not France and England then have an opportunity to demonstrate their love for democracy? What happened?

Mr. PACE. I may say to the gentleman I do not think they had the opportunity, for this reason: Here is Czechoslovakia over here [indicating]. The attitude of Russia was

unknown. England and France in order to get to Czechoslovakia would have to cross over Germany, and all they could furnish were planes. At that time, as well as at the present time, Germany had 10,000 modern planes.

England had probably 1,500 modern planes and France about 500. What chance does the gentleman believe England and France would have had to aid Czechoslovakia with 2,000 planes crossing over a country with 10,000 planes? The evidence is that England and France would not have had a plane in the air inside of 7 days.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Kentucky.

Mr. MAY. If as a matter of fact France and England permitted the emasculation of Czechoslovakia as a means of appeasement or to secure the continuation of peace with Germany, might they not be put in a position to concede the bases the gentleman has been describing in the Western Hemisphere as another means of appeasement?

Mr. PACE. They might; but, of course, I hope they will not.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Ohio.

Mr. BENDER. Is it not true that since the Munich conference it has been revealed pretty generally that Hitler was bluffing and they yielded to his bluff?

Mr. PACE. No; I think the fact has been developed that Mr. Chamberlain thought Hitler was bluffing until he made his first trip to Munich, and then he found out Hitler was not bluffing.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Michigan.

Mr. ENGEL. The gentleman from Texas made the statement yesterday that the United States stands fifth in number of planes.

Mr. PACE. Yes; I have those figures.

Mr. ENGEL. He also stated that England had 7,000 planes and France had 4,000 planes. The gentleman gave these figures as an argument that we ought to increase the number of our planes. Now, however, the gentleman from Georgia states that France has 500 planes and England 1,500.

Mr. PACE. No; I said 500 modern planes; and let me tell the gentleman his own nation has only 500 modern army planes.

Mr. ENGEL. I am only reconciling the statement of the gentleman with the statement of the gentleman from Texas.

Mr. PACE. We have today approximately 1,700 Army planes in this Nation, but the testimony is that we have only 500 modern planes, planes that could stay in the air against an enemy. The same is true of France, and that is the reason France yesterday placed an additional order for 500 American planes in an attempt to obtain modern planes.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. In discussing the relationship of countries like Germany with the nations they possibly might conquer and thus acquire bases of operations, a real threat might come from the annexation of Mexico by Germany, which would afford entrance into the United States?

Mr. PACE. The Mexicans are good neighbors, and I hope they will have regard for our welfare. You can talk about no one being able to attack us, and say it cannot be done, but all an attacking fleet needs is a landing place, an overnight base. If they should be tempted, Mexico could give an enemy a temporary landing place. It may be said an attacking fleet could not come here and return, but it could come nearby, land, refuel, strike, and go; there is no question about that.

This little place known as the Panama Canal is the key to the defense of this Nation. Why? We must get our fleet across this strip of land. We cannot maintain a fleet large enough to defend both the Atlantic and the Pacific. We must keep this Canal open. Two or three well-placed bombs would destroy the Panama Canal as far as getting ships through it is concerned. The testimony before the committee is that the modern planes and the modern antiaircraft guns we have at the Canal would have exactly 20 seconds within which to

shoot down an enemy plane going from 300 to 350 miles an hour. Our forces would have 20 seconds to get that plane, and 20 seconds is not very long. Consider what would happen if a foreign country should as a result of peace terms following a war take possession of any of this territory that belongs to Britain and France, Bermuda, for instance, or any of these islands here. This is the one hundred and eightieth meridian, at which the Republican policy committee has recommended we stop our defense. You may say these British Islands are too far away, but we are committed to defend this entire area, North and South America, and the Canal is not too far from South America for bases to be established here.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from New York.

Mr. ANDREWS. It strikes me the gentleman is proceeding rather rapidly and pointing out the very dangers into which we are going to be brought as the result of a war. Possibly the gentleman has more definite information than those on the committee have received as to the imminency of an attack by Germany and Italy on England and France. I heard nothing in the committee to that effect. I wonder if the gentleman would mind telling us what he believes Germany intends to do next.

Mr. PACE. I can give the gentleman no official opinion, of course, but only a summation of all that the gentleman and I have read and studied. I believe Germany today is ready to strike.

Mr. ANDREWS. Did the gentleman say "strike"? Where?

Mr. PACE. They could demand the Ukraine tomorrow.

Mr. ANDREWS. Would England object? Would anyone object?

Mr. PACE. You and I do not know. Italy can demand Tunisia tomorrow.

Let me point out, in speaking about planes, that I believe we ought to get all these planes right now. We are committed to defend Canada. I believe the whole American people applauded the President when he told the people of Canada that if they got in trouble we would come to their aid, and we should, because I believe if we got into a death struggle they would come to our aid. In addition, for selfish reasons we could not afford to let any enemy get into Canada. Do you know how many planes Canada has? Forty.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. In speaking of Mexico, I hope it is not inappropriate to say that I might invite the attention of the committee to the fact that in the United States of America today there reside between 300,000 and 400,000 Mexicans who have not declared their intention of becoming citizens of this land.

Mr. PACE. They are a potential danger.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman does not mean to imply he would favor our going to war to join Great Britain, who had been joined by Canada in some European conflict. The gentleman confines that statement to an invasion for the acquisition of Canada.

Mr. PACE. I mean to convey the idea that if Canada is attacked it is to our purely selfish interest, in the matter of our own defense, to go to their assistance.

Mr. MAHON. If Canada is attacked in Canada.

Mr. PACE. That is correct. I prefaced my remarks by stating I did not favor going into a foreign war.

I want to make this statement. I do not think the President of the United States said, in fact, I know in my own mind he did not say that our frontier is on the Rhine. He may have said, and in my judgment he could have well said, that our first line of defense is England and France, and I repeat to you that whenever we see England and France go down we, as a nation, are in immediate danger.

Unfortunately, there is nobody in this world who loves us. We are either hated or we are the object of the envy of every

person outside of our own people. Hidden yonder in the valleys of Kentucky is practically two-thirds of all the gold in the world, and with our rich oil fields, mineral deposits, our fertile fields, we are the object of either envy or hate of everybody and it is my judgment, and my candid judgment, while we should never go over there with our boys, yet when England and France are in trouble, it'll become us to sit here and make objections when they come here with the cash money and put it on the barrel head to get something with which to defend themselves. [Applause.]

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PACE. Certainly.

Mr. SMITH of Ohio. I am a new Member in Congress, and I do not understand a lot of these things, but I should like to get this clear for myself and my constituents: Is this program one to defend America—

Mr. PACE. Solely.

Mr. SMITH of Ohio. Or is it a program to attack one particular nation—Germany?

Mr. PACE. This program, I may say, so far as my knowledge of it is concerned, is to try to modernize the American forces; to try to secure for the American forces what the War Department has been recommending for the last 15 years; that is, to give our boys in the National Guard and the standing Army, numbering 400,000, some modern guns, which they do not have now, and to give them a supply of ammunition to last for 30 days, to equip them with gas masks and uniforms and shoes, and to build sufficient anti-aircraft guns and airships to defend this Nation for the first 30 days, and that is all.

Mr. SMITH of Ohio. May I ask the gentleman one further question?

Mr. PACE. Certainly.

Mr. SMITH of Ohio. The gentleman has made the statement that no nation loves us—

Mr. PACE. I do not think so.

Mr. SMITH of Ohio. Then, should not our policy be to prepare for defense against possible enemies from anywhere?

Mr. PACE. That is right, exactly. I agree with the gentleman thoroughly.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield to the gentleman.

Mr. ARENDS. If my colleague has any information along this line, would he tell us what percentage of hits he thinks would be possible at the Panama Canal with airplanes traveling 350 miles an hour, where we have only 20 seconds within which to fire?

Mr. PACE. Of course, it would depend upon the number of planes. I think you would get about 1 hit out of 20 or 30, possibly. It would be a very small percentage.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, in the few minutes available I should like to make a few general observations on this question of national defense, raise a question on certain sections of the bill which are perhaps not clear to me, and mention one or two parts with which I disagree.

I have been pleased that thus far the debate has been absolutely nonpartisan and I hope that the day will never come when we will allow partisanship to affect our judgment on matters relating to national defense. [Applause.]

I am deeply interested in the question of national defense, and I express the wish that some Congress prior to 1917 had given like consideration to our aviation needs. [Applause.] If that had been done I might not today be speaking to you from a wheelchair.

It seems to me that our air industry in many ways has been stifled. I had the opportunity just last December to go through one of the larger factories manufacturing airplane motors, and I want to say that I have nothing but praise for the men who are operating our aircraft industry and for the employees in our aircraft factories. You can go to any factory or any industry in the United States and

you will not find a higher type of man than those who are turning out the aircraft that our Government and the world need.

It seems to me that the hand of our own Government has been rather heavy on this industry. The gross profits have been limited under one act; the Wage and Hour Act has placed certain restrictions on the industry that have prevented young and enthusiastic engineers from devoting desirable time to the study of the problems affecting the aircraft industry. All of this raises the question of where the money is going to come from for necessary research in this industry. One of three things will happen. The industry must be given the opportunity to earn money to spend in research, the Government can provide that money, or we are going to drop behind the other nations of the world in the matter of aircraft and air-motor production.

There has been a great deal of discussion, at least in the cloakrooms and through the press, about moving some of the national defense equipment factories to the interior. It is true that I live near the coast, and I am interested in the State of Connecticut, and in a district of that State in which are maintained two very important factories turning out material for our Army and Navy; but leaving that one thought aside, I cannot become much disturbed about the possibility of enemy aircraft bombing factories that are turning out supplies for our Government. I submit this question. If it were possible at the present time, and I am sure it is not, for an enemy bombing plane to come over here and plant its load, I raise this question: Would they pick out an aircraft factory, a munitions factory along the coast, or, for the effect it would have on the United States and the people of the United States, would they go on to the city of New York or even to the Capital here in Washington? I think that is something about which we need not be greatly concerned.

Another reason why I think it is very dangerous to consider moving these industries is that many of the men who have developed this industry have inherited their ability to work with fine tools. I do not believe that the money that is being appropriated or that will be appropriated for aircraft can in any sense of the word be considered wasted money. It seems to me it is practically the same as paying an insurance premium. We do not feel badly if we do not die within 6 months after we pay our first life-insurance premium, and I am willing to spend enough to give us the protection we need and hope to God that we never have to use it. An additional thought: One factory alone in the aircraft industry is today buying materials from and furnishing work for 68 different firms, employing 54,410 employees.

So much for general observation. I would like to mention now just a few of the sections of this bill, starting with section 13, which relates to the procurement of gages, jigs, and so forth. In this connection I pay my respects and compliments to my colleague from Connecticut [Mr. SMITH], who worked so hard for a period of years to bring this important matter to the attention of Congress, and I hope that when this bill is enacted he will feel that his efforts have been well repaid. [Applause.] It is a mighty important section of the bill. To go to the other end, section 8 of this act replaces section 8 of the 1936 act. The provision is not to exceed 5,500 serviceable airplanes and such number of airships and free and captive balloons as the Secretary of War may determine to be necessary. In my humble opinion, 5,500 serviceable airplanes, including training ships which do not become obsolete as fast as pursuit ships, is not an exorbitant request. I believe it is a very reasonable request. The question has been raised and very ably presented that we should perhaps limit this program to not more than 1,000 planes each year. I believe that will be offered as an amendment. When I first heard of that proposal I felt it was sound, and then I read the testimony of General Arnold offered before the Military Affairs Committee; I talked with people who were interested in the aircraft industry.

It seems that both they and the War Department feel they should be allowed to go ahead and build these 3,000 planes, if that is the number, and do it as fast as they can, in order to find out, if we can, where the bottle necks are in the aircraft industry, so that should there be an acute emergency we will know just how long it will take the industry to turn out a given number of planes in a given time. [Applause.]

Section 2 provides for the utilization of civilian flying schools, and provides that the Army may detail personnel to assist and to instruct the instructors of these civilian schools. I dislike to pit my limited knowledge against the judgment of some who testified before the committee, but I think it a very radical departure, and in some ways it seems, from my limited experience in the Air Service, a dangerous precedent. I see no value in training young men to fly commercial ships: I realize that the War Department will be asked and will make available military ships, and that there is nothing in the act to prevent these schools from giving their primary training on civilian ships. In that I see a great danger to the lives and necks of many students, because if these men get primary training on slow commercial ships and then try to do things with fast Army ships there will enter into it a large element of danger.

Mr. COSTELLO. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Certainly.

Mr. COSTELLO. The purpose of allowing the civilian instructors from the civilian schools to go to Randolph Field is to obviate that thing. In other words, training instructors at Randolph Field will teach them the practices and methods of the Army in training the flying cadets. They will install those methods at the civilian schools. The Air Corps, under section 4, will loan Army aircraft, parts, and matériel to the civilian schools, so that they will use Army ships and Army equipment in their training. They will not use any civilian equipment at all.

Mr. MILLER. Can the gentleman assure us that they will not? I understand section 4 provides as the gentleman says, but is there anything in the act that will prevent them from giving their primary training, in order to speed this thing along, to allow them to get their primary flying in civilian commercial ships?

Mr. COSTELLO. No. If the student does not qualify, he is dismissed and does not go to Randolph Field at all. Unless they can qualify for the War Department specifications, as will be laid down by the Secretary of War, the graduates of those schools at the end of 3 months will not go to Randolph Field at all. The primary training will be wasted as far as they are concerned. In 3 months they will not learn enough about aviation to even be qualified for civilian flying.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield the gentleman from Connecticut 5 additional minutes.

Mr. MILLER. I raised the question on section 3 and I have had an answer to the question that was in my mind, that I could not find in any of the testimony, and I thank the gentleman from California [Mr. COSTELLO] for his information.

Further, in section 3, I call attention to the fact, and I raised it in asking a question of one of my colleagues speaking yesterday afternoon, that the latter part of the section provides that no pension, compensation, and so forth, shall be paid in the event of personal injury. I submit that in this period of primary training, whether it is on War Department ships as we are told it will be, or on commercial planes, it is the most dangerous period of any pilot's training—when he makes his first solo hop. I cannot understand why that provision is written in to prevent them from receiving benefits in case of permanent injury, or their dependents in case of death.

Mr. SMITH of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. SMITH of Connecticut. The gentleman is making a very fine statement on this act, but I would like to point out

that this section 3 applies to men who are instructors in the civilian schools, who are being brought to the Army training centers to standardize their methods of instruction. It does not apply to the students who are coming in as flying cadets and will go to the Army schools and become Air Corps officers. It applies to those civilian instructors only, to give them a brush-up course, to standardize their methods of training with the Army methods. They are paid by civilian schools. They are professional instructors, and for that reason, because they have no status in the Army, in section 3 they were not provided with any protection against injury. They have to provide that themselves. Their schools provide for their pay and any protection they get. That section, as I understand it, is limited only to those civilian instructors.

Mr. MILLER. May I ask further in that connection, section 3 provides for the enrollment of students in the Air Corps. When they go to Randolph Field, having completed their primary training, will they be entitled to the same protection as any air service cadet?

Mr. SMITH of Connecticut. They are enrolled as students at the training school, but not in the Air Corps.

Mr. MILLER. And they will not be entitled to any of the benefits while taking training?

Mr. SMITH of Connecticut. Does the gentleman refer to these civilian instructors?

Mr. MILLER. No; I mean the students.

Mr. SMITH of Connecticut. Oh, the students will be enlisted men under the same provisions as the flying cadets today; with the same protection that they receive today, as flying cadets. There is no change in that. The authorization is in existing law for the flying cadets.

Mr. MILLER. I thank the gentleman. My colleague has answered two or three questions on which I had notes, but I also want to refer to section 3, and I assume it is covered by the same provision the gentleman has outlined. It provides that the Medical Corps and hospitals will be made available in case of injury, but there are added the words "not including medicines or supplies." That provision rather puzzled me. If one of these fellows should crash, they would be put in a hospital, but they would have to send down to the corner drug store for a shot of antitetanus.

Mr. SMITH of Connecticut. I assume that would be paid for by the civilian school, because section 3 applies only to civilian instructors who are being given additional instruction.

Mr. MILLER. May I make this observation, that it seemed rather bad to set up anything that might cause delay at a time when no delay should be allowed. Whether these men are civilians or instructors or students, if they have a crash there should be nothing in the regulations that will prevent them from getting medicine and supplies if they are needed. I hope that at the proper time we can move to strike out those four words and clear up any possible misunderstanding in such cases.

Mr. SMITH of Connecticut. I have not thoroughly studied that language. It strikes me that the phrase "including medicines and supplies" is intended to be an exception for which the Government shall not be charged.

Mr. MILLER. It would appear so, but it does seem like very unkind treatment to a person who has crashed.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Connecticut and wish to ask him a question. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. ANDREWS. I am wondering if the gentleman from Connecticut, in connection with his proposed amendment to section 1, realizes what the adoption of the amendment suggested would do? We still have in process this year on order over 2,000 planes. An additional 2,000 planes on top of orders from foreign governments would utilize practically the total productive capacity of the entire aviation industry of this country as outlined in the report of the retiring president of the Aeronautical Chamber of Commerce.

Mr. MILLER. I am aware of that; the gentleman is correct. This will require a total of almost 5,000 planes to be built in a year. I understood from the testimony of the Air Corps, however, that they wanted to find out what the industry could do. I provide the opportunity. I may say in this connection that I have seen the clause in the contracts relating to the manufacture of airplanes and motors for France, which provides that if any procurement officer of the United States sets up the claim that the foreign order or orders interfere with production for the United States, the needs of the United States must be given the right-of-way.

I think it is our duty to find out what the capacity of the aviation industry is, whether it is the 5,000 a year they claim. I want to give them a chance to show what they can do or if they can do what they say they can.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Certainly.

Mr. RANDOLPH. You were one of those who flew in the World War—and I pay tribute to you. Is it not a fact that today we are recognizing that the Air Corps is going to be increasingly more important to us in the successful prosecution of any war in which we may engage?

Mr. MILLER. I believe so very definitely. I read a very interesting article by the French Air Minister in which he said that, regardless of the Army and the Navy, their future defense must come from the air. The same thing may apply to us. It depends on what they do for their air service. [Applause.]

Mr. THOMASON. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, we have in the world two kinds of armies: One is the conscripted army—large in numbers, poorly paid, and rather poorly trained, the other is the small voluntarily enlisted army—we might call a professional army, highly trained—and comparatively well paid. We of the United States maintain the latter kind of army because it is in accord with our national policies. We as a nation object to a large standing army. We desire to menace no one, but we are determined to protect ourselves and our national interests wherever or whenever such protection may be necessary.

In our Army we have what is known as the initial protective force, that is a force composed of the Regular Army, the National Guard, and the Reserves of the Regular Army. This protective force is believed to be sufficient in time of an emergency to protect this Nation until the final protective force has been formed. This initial protective force consists of approximately 400,000 men. The final protective force will consist of 600,000 additional men, which will make our forces at that time 1,000,000 men. Then, under the protection of this force, will be inducted, trained, and equipped the army necessary to take care of the situation at hand.

In order that we may preserve our national traditions in a military sense, and in order that we may protect American interests wherever they may be and whenever the necessity arises it is necessary that we be able to expand our system of national defense in the face of emergency to a point where it is capable of taking care of whatever demands that may be made upon it. For this reason and the others I have mentioned we prefer to have in our Regular Establishment and in our National Guard as high a class of men as possible, because in time of emergency when we go to expand our forces, we must use the organizations we have in existence as a skeleton on which to build the final protective force and the forces to follow. This is possible because of our system of voluntary service in time of peace.

Our needs in the matter of national defense are calculated upon the protection of the continental United States, our possessions in the Caribbean Sea, the Panama Canal Zone, Hawaii, Alaska, and the Aleutian Islands; and our initial protective force is composed of the components of our system of national defense in all of those areas.

The question has been raised here several times about the foreign policy of the United States in connection with this

program. I want to speak a little bit about this foreign policy and its relation to the present program. As everyone in the United States knows, regardless of the remarks of some of our professional isolationists who seek to capitalize upon their positions in order to make their presence upon the lecture platform more valuable, our position in regard to foreign affairs today is just the same as it has been ever since we have been a nation. Ever since we have been a nation our position in regard to our foreign policy has been that we are going to defend the United States of America and our direct possessions, and that we are going to protect American trade and American interests throughout the world. We have never had any other foreign policy, except, of course, the Monroe Doctrine. The Monroe Doctrine has been definitely defined and fixed, but in all other respects and under all other conditions our foreign policy has been flexible enough to meet whatever the demands in order to protect American trade and American interests. Regardless of what may be said, regardless of what may be inferred, our foreign policy today is the same as it has always been. I want to call to the memory of the Members of this Committee the fact that at one time we found it necessary to send a force to Africa to put down the Barbary pirates in order to protect American commerce. That was our foreign policy at that time.

I suspect there were ancestors of the gentleman from Massachusetts [Mr. GIFFORD] who at that time were engaged in the shipping business out of the New England States. I imagine those men welcomed the use of the American Navy under a flexible foreign policy when it was sent over there to suppress the depredations of the Barbary pirates, and maintain the prestige of a growing nation.

Later it was necessary in the interest of trade to send some American gunboats to Naples. Later on, if you will remember, the American Navy opened up the ports of Japan to American trade. Later on, under the administration of the Republican Party, we undertook a program of imperialism. We took the Philippine Islands, and we have them today. That was our foreign policy of that day. Later on, under the administration of a great Republican President, it was found to be expedient to interfere with a war between two great powers in the East—Japan and Russia. Later on, under the administration of a Democratic President, it was found to be expedient to engage in the World War. Never in all of our history has it been deemed wise to formulate our foreign policy in the public square or cry it from the house-tops. Why should we do so today?

Mr. Chairman, I want to say that we are a commercial nation, and we live by commerce. The commerce of this Nation is the commerce of the people of the Nation. It is not the commerce of the Grundys, the Mellons, or the Rockefeller. It is the commerce of all the people. It is not alone the commerce of Wall Street. It is just as much the commerce of Main Street and the streets across the railroad tracks. It is the commerce of the men who work in the mines and in the mills and on the farms. If you would shut us up within the boundaries of the United States of America and do away with that small percentage of goods that we export every year we would have an internal revolution. We cannot and must not become isolationists.

After all, when we adopt a policy of national defense, it is absolutely necessary that we adopt a policy which will be able to take care of the exigencies of whatever situation may arise in regard to our commerce and our rights as citizens of the world. Is there any man of responsibility in the United States of America today who would advocate in case of war that we abandon our traditional freedom of the seas? Is there any man, in case of war any place in the world, who would accept a mandate from any nation that would say, "Your ships must stay in your own ports"? You only have to go back in American history to the time preceding the War of 1812 and see what a disastrous effect an embargo on American commerce had within the Nation. As unpopular as the War of 1812 proved to be in certain sections of the United States, as that war went on and trade lanes were

opened up once more for American commerce, the war became popular in that section of the country.

Mr. Chairman, war is like any other contest. It is waged with an object in view. Wars are fought for the control of markets, for the control of trade lanes, or for the control of raw materials. Wars are but commercial contests appealed to the court of last resort in this world—the court of Mars. So, wherever trade lanes converge, wherever commercial interests conflict, whenever great supplies of raw materials lie undeveloped, there lie the seeds of warfare, and any nation which is to remain a prosperous and a mighty nation in this world must be prepared to protect its interests and maintain its national prestige.

This is a program which applies principally to the expansion of the Air Corps. It can by no means be called a program which might make for aggression or conquest, because there is no possible chance of conquest anywhere by an air corps. An air corps is not a self-sufficient unit. It cannot seize and hold territory. Although you might cross the sea with an air corps and create tremendous damage in the territory of an enemy, you could not seize and hold one foot of their territory by the use of airplanes. The only mission an air corps can be used for is to protect this Nation from invasion by a hostile air corps or to assist the mission of the land or water forces; and we are increasing those forces only very slightly.

Mr. Chairman, I want to leave with the membership of this Committee one thought. In the use of an air corps to repel an invasion, it would not be possible to keep that air corps within the continental limits of the United States in the hope of meeting an invading air force if one should come. An air force operates in three dimensions. There is a great deal of space in the air and before an air corps can afford sufficient protection to a nation it is necessary that it seek out the air force of the enemy, wherever it may be, and bomb or destroy the installations of the enemy's air corps before it can come to the shores of this Nation. To await the arrival of the enemy will be too late. Once on the way, the air corps of the enemy will discharge their load of bombs before turning back.

At the present time there is no possibility that any nation in the world could invade us from the air, unless they would acquire bases somewhere near this Nation, or unless they would use an airplane carrier to transport their planes at least a large proportion of the way across the ocean. No one knows, however, what range the planes of tomorrow may have or what air bases any foreign nation may procure. We must be prepared for any eventuality. The bomber is the capital ship of the Air Corps, just the same as the battleship is the capital ship of the Navy. The pursuit plane, the observation plane, the reconnaissance plane can do almost no damage. The bomber is the engine of destruction.

I am glad, therefore, that this program carries in it a large percentage of bombers, the ship of the air that can go out, meet, and destroy the airplane carriers of any foreign nation that intends to invade us, the ship of the air that can go to some base which an enemy nation may establish in this hemisphere, and destroy its airplanes before they can take off and reach this Nation.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FADDIS. Mr. Chairman, the program is drawn with the idea of furnishing us, when it has been completed, with a well-balanced system of national defense, one that will leave us in a position to carry on a method of training that will build a sufficient program of national defense to take care of whatever needs we may have in wartime. There is almost no additional personnel connected with this legislation, except the additional personnel for the Air Corps and a little personnel to take care of the needs of the defense of the Panama Canal.

Anyone who will look over this program and consider the entire program will see that there is nothing in it that will enable this Nation to be an aggressor nation at any time.

None of the components of national defense included in this program will enable this Nation to go abroad or seize any territory of any nation whatever. This is a program designed purely and simply for national defense, a program incapable of being diverted to any other purpose, so far as our foreign policy is concerned and there is no possibility that this program can be used to promote any different kind of foreign policy than the one we have had throughout the entire history of our national existence. [Applause.]

Mr. ANDREWS. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. MARTIN.]

Mr. MARTIN of Iowa. Mr. Chairman, there is very little that I can add to the very splendid discussion of the older members of the Committee on Military Affairs who have already presented their views so ably and clearly.

I wish to commend the witnesses who appeared before the committee for their very fair statements regarding the needs for adequate national defense. The War Department has been very, very sensible in what it is asking. It has kept its feet on the ground and held steady in the face of all alarms. It has asked just enough to bring our initial defensive forces, the Regular Army and the National Guard up to date in matériel.

The committee has done a good job, too, in holding strictly to the defense aim. There is only one hump in the program which I think should not be there—the immediate authorization for a total of 5,500 planes. For that reason, I joined in the minority report signed by 11 members of the committee, recommending that the authorization of 5,500 planes be limited to the extent that not more than 1,000 planes may be procured each year, in addition to those now on order or to be ordered under the current War Department appropriation bill for 1939-40.

In case of a declared emergency, the minority report provides that the full 5,500 planes be immediately authorized.

One object in recommending the 3-year period was to avoid overexpansion of plane factories, followed by a possible lull in which there would be no United States Government market for planes of the types needed for military purposes.

The plan recommended by the minority report would provide a more stable, long-range program for building up the airplane industry.

Another object is to prevent acquirement of a lot of planes built on frozen specifications, which would quickly become obsolete, and which obsolescence would prove very costly. In addition to giving our Army the advantage of further improvements that may be developed within the next 3 years while expanding to the total authorization of 5,500 planes, a major consideration for spreading the authorization over a 3-year period is, of course, economy. It has been estimated that the Committee on Military Affairs, in reducing the total authorization from 6,000 down to 5,500 planes, effected a saving of more than \$31,000,000; and when we consider that each 1,000 planes represents an expense of approximately \$56,000,000, it is easy to see why a Congressman representing an agricultural district with depression prices for agricultural products still prevailing is in sympathy with any reasonable and practical modification in the direction of economy.

With that background, I have carefully studied the evidence presented before the Committee on Military Affairs, and I have joined wholeheartedly with the minority group in recommending a proposal that should be a more helpful guide to the Appropriations Committee in shaping the appropriation bill than a blanket authorization in excess of apparent immediate needs.

All members of the committee have the same general objective—to provide an adequate and reasonable defensive protection for the Nation. That objective is sound and worthy of the support of Congress.

My distinguished colleague from Michigan [Mr. SHAFER] yesterday made the comment on the floor that every emergency that has been conjured up or pulled out of the hat by the present national administration during the past 6 years has evaporated into thin air. I would like to call

attention to one emergency that the present national administration has not dramatized in the headlines and one which will not evaporate quickly. That emergency monster lurking back of nearly every bill we consider is the forty-four and one-half billion-dollar debt. Let us let the Army fly, but let us level off at a safe and sensible altitude.

There is one provision contained in H. R. 3791 to which I wish to direct a few remarks, particularly with a view to bringing to your attention a few of the questions that have been passing through my own mind and for which I do not have the answers. I refer particularly to the last provision in section 5 starting on page 5, line 25, and continuing to the end of section 5.

This provision would extend retirement rights to officers and men of the National Guard, Reserve Corps, or any other armed forces of the United States who serve more than 30 days and incur disability in line of duty. By the terms of this bill, retirement is provided these men on the same footing as to pensions, compensation, retirement pay, and hospital benefits as officers and enlisted men of the corresponding grades and length of service of the Regular Army. Knowing nothing of the background of this provision, which was hastily added in the concluding half hour of committee consideration without a word of testimony before the committee, I have a few questions to ask, which I hope will bring before the House a better background for consideration of this measure than I myself have at this time.

I am asking these questions not in opposition to the idea of retirement or other adequate protection to officers and men who are not members of the Regular Establishment. I am submitting these questions for your consideration in perfecting this measure to a more workable form if possible.

(1) Will this bill give retirement exclusively on the basis of disability to perform line duty in the armed forces, even though the disability may not interfere with ability to return to and engage in his civilian occupation?

(2) Does the bill give any consideration to the much less fortunate situation confronting the Regular Army officer who has been separated from any civilian occupation so long as to make it well-nigh impossible for him to take up a civilian occupation without extended training, and then only if he is in a position to afford and to undergo that training?

(3) Will the award of retirement for disability impose upon those retired under this bill any of the restrictions or liabilities governing retired officers and men of the Regular Establishment?

(4) Does the provision contemplate granting of retirement in the grade in which the officer or enlisted man is serving, regardless of total length of service?

(5) Does the length of service include any part of the period of service during which active duty of less than 30 days was performed?

(6) To whom is the administration of the bill delegated?

(7) Who are eligible to serve on the retirement boards?

(8) Will those retired under this bill be restricted concerning future occupation and pay such as that now imposed upon the retired personnel of the Regular Army?

(9) Will those retired be subject to call to active duty in emergency?

(10) Will they be subject to the Articles of War?

(11) Will they be tryable by courts martial?

(12) What constitutes the "armed forces" as that term is used in the bill?

(13) How many men are affected by the bill in the initial protective force, in a mobilization force, in a force of four and one-half million men if and when they may ever be called to duty?

(14) Has the War Department any estimate of the probable cost of this measure?

It seems to me that these questions are deserving of an answer, and it seems to me that Congress has the right to expect an answer to these questions from the members of the Committee on Military Affairs before being called upon to enact the measure into law.

Not knowing the answers to these questions, I can only close my remarks with an expression of hope that the members of

the Military Affairs Committee and other Members of Congress who may know the answers will volunteer to answer these questions fully and completely before Congress is asked to vote on the passage of this bill. [Applause.]

Mr. ANDREWS. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, we are all for adequate defense for our country, but the question that is giving me concern is, Just what does this defense plan contemplate? Is it a part of a larger plan that may be all-embracing? It seems to me there is a lack of definite policy on the part of this administration, not alone in its dealings with foreign countries but as to the question of defense and also on domestic problems. Just how far are we going to go? How far east will our first line of defense extend, how far west, and how far south? That will make all the difference in the world. You can hold a short line with a regiment but if the line is extended far enough many divisions may be required.

I ask you, just whom are we arming against? It would seem that the time has come for the administration to take Congress into its confidence. I fear we are placing altogether too much emphasis on the dangers that lie without and at the same time ignoring most vital problems at home.

Mr. BURDICK. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from North Dakota.

Mr. BURDICK. If I do not have my history mixed up, I believe the gentleman is the only Member of the present Congress who voted against this country's entry into the World War when the matter was brought up on the floor of the House in April 1917.

Mr. KNUTSON. That is true.

Mr. BURDICK. At that time was there not a great deal of propaganda throughout the Nation that was very similar in character to what we hear now about war?

Mr. KNUTSON. Let me say to my good friend from North Dakota that we are now paralleling the history we enacted back in 1916 and 1917. If we follow that course we shall be drawn into another war just as sure as the rising of tomorrow's sun.

The distinguished gentleman from Georgia [Mr. PACE] told us at some length how the powers of the world envy and hate us. I believe that is true, and it leads to but one conclusion, that the "good neighbor" policy of this administration has bogged down. We have given vast sums of money to other countries. We have given them our home market. I ask you, in all sincerity, what else can we give them in order to get their good will? Would the President have us go over there again to make the world safe for democracy?

Mr. Chairman, the danger to the Republic lies within rather than without, with ten or twelve million men and women out of work, with over 3,000,000 families on relief, and with the small-business men facing bankruptcy. I received a letter this morning from one small-business man who stated that the taxes we have piled upon business are gradually squeezing out their lifeblood. Agricultural prices are at an all-time low when measured on a gold basis.

Mr. BURDICK. Mr. Chairman, will the gentleman yield again?

Mr. KNUTSON. Yes.

Mr. BURDICK. Does the gentleman have in mind any information as to who disseminated the war-scare propaganda during the World War? Who was behind it?

Mr. KNUTSON. Most of it came from London and Paris, and we are getting another barrage from there now. The same old propaganda mills are grinding now that were grinding 22 years ago.

We sit here and waste our time setting up straw men to knock down. Do you realize that in the last 6 years one farm out of every five has been lost either through foreclosure or tax delinquency? Our national debt is at an all-time high, and the country is gripped with fear and uncertainty.

Let me call to your attention the mounting cost of government in this country. I hold in my hand an outline map of the Republic, the continental United States. The cost of government in this country consumes the equivalent of the entire income of every State west of the Mississippi River except Louisiana. Think of it! We are spending \$18,000,000,000 a year for government in this country. The cost of government takes all the oil of Oklahoma and Texas, all the gold of California, all the silver of Nevada, all the copper of Montana, all the wheat of Kansas and the Dakotas, all the corn of Iowa, all the manufacturing of St. Louis and Kansas City, all the aluminum bauxite of Arkansas, all the dairying of Minnesota, all the hard toil of the Nebraskans, all the coal of Colorado, all the potatoes of Idaho, all the ranches of Wyoming, all the apples of Washington, all the lumber of Oregon, all the sugar beets of Utah, all the mines of New Mexico, and all the desert produce of Arizona. Think of it! All those things we are spending on government. Where is the promise you new dealers made to us back in 1932 that you would reduce the cost of government 25 percent when you got in office? Instead you have increased the cost of operating the Federal Government from \$5,785,000,000 in the fiscal year 1933, when you took over the Government, to \$11,361,000,000 for the current fiscal year. In other words, you have doubled the cost of government instead of reducing it as you promised. Is that playing fair with our people? Where is your promise made back in 1932 that you would put the idle back to work, reopen the factories, and put this country back on a prosperous basis? Words, words, empty words—just promises that you had no idea of keeping, and when I say "you" I am talking of your leaders, promises your leaders had no idea of keeping. They were merely uttered to get votes.

I may tell you my friends, this country is honeycombed with festering sores of economic ills which, if not cured soon, will destroy the Republic. We sit here and fiddle with airplanes while ten or twelve million men and women are walking the streets looking for work and over 3,000,000 families are on relief. We are fiddling while Rome is burning. My God, have you lost your sense of perspective?

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes; briefly.

Mr. STEFAN. Does the gentleman know just exactly how much money we are going to spend under this bill? The bill is not clear in that respect, but I understand it is about \$375,000,000.

Mr. KNUTSON. I do not believe anybody knows for sure.

Mr. STEFAN. Does the gentleman know whether it is \$375,000,000 or more?

Mr. KNUTSON. The \$375,000,000 is merely a start. Can the gentleman recall an appropriation this Congress ever made that was sufficient? This is but the beginning of a military program that may crush us in time.

Mr. STEFAN. Well, of course, Government business is the highest-priced business in the world.

Mr. KNUTSON. Especially under the New Deal.

Mr. STEFAN. The gentleman knows that in national defense it is also very important to have food. Did the gentleman recently hear that there will come out a statement today from the Department of Agriculture that the price of lard is going to go down to 5 cents a pound? Does the gentleman also know that we are annually importing into this country about a billion pounds of foreign fats and oils, and that the excuse for running the price of lard down is that we are raising too many hogs and too much corn? Does the gentleman believe in that sort of psychology?

Will not the gentleman agree that our food supply is our first line of defense and will be indispensable to us in the event of war?

Mr. KNUTSON. I agree with my friend from Nebraska 100 percent. It may be that we are raising too many political hogs. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. Brooks].

Mr. BROOKS. Mr. Chairman, a great deal of discussion has already ensued in reference to this very important bill. It is, therefore, not my purpose to go into the technical features of the bill, but rather to outline my own attitude in reference to the measure and what I believe to be the attitude of the other members of the committee with reference to this matter.

Over a month ago the Committee on Military Affairs took up the consideration of this national defense bill. We have heard witnesses from the Military Establishment of the United States. Our testimony has been confined almost exclusively to this type of witness. The committee has received the very best there is in the way of expert testimony throughout the country and I believe the committee and the Congress likewise are armed fully with all the facts necessary to decide this important question.

I may say, parenthetically, on behalf of the committee that as I sat there from day to day and watched the attitude of the men of the committee, both on one side and the other, I believe that each and every man on the committee was sincerely in earnest and honestly trying to work out the problem of national defense as the situation presents itself to us, and in presenting this bill to the House of Representatives, I believe it embodies a sincere effort on the part of the entire committee, except in reference to the proposed amendments, to present and solve our present difficulties.

My own attitude is that what we need is a good defensive bill. I believe the country as a whole wants whatever is necessary for absolute protection of this Nation, and I believe, as expensive as armament is, the country is willing to pay the necessary cost of protection against any foreign invasion as well as protecting our shores adequately.

Now, taking up two features of the bill, the first of which is the Canal Zone. As I sat in the committee I represented a prudent businessman of this country passing upon what was necessary and what was economical for us. Here was the Panama Canal located to the south and slightly to the west of the Capital of the Nation. On the one shore we have the Pacific and on the other the Atlantic. This Canal, as has aptly been said here today and yesterday, is the lifeline of the Republic. Through that narrow confine must pass the battle fleets of this Nation from the west to the east and back again. When peril approaches from the west, the fleet must be on those shores for protection. When it approaches from the east, it must be on the eastern shores for the same purpose. So this line, the Canal, must be kept open at all costs. It must not be closed even for a day or a fraction of a day if the Nation is to be adequately protected, and when the question under consideration was the appropriation for additional fortification of the Canal Zone it impressed me that this was a vital and an economical appropriation. The only way to get around keeping the Canal open is to increase the size of our Navy so that we may have an adequate naval force on both coasts at the same time. In the alternative, there is nothing to do but to maintain the Canal open, free to ingress at all times by our fleet and by our merchant marine. So from the viewpoint of national defense and from the viewpoint of a prudent businessman, representing a constituency that believes ardently in peace, that believes ardently in doing away with all absolutely unnecessary wars, representing, as I do, a constituency that believes in maintaining peace except to protect against invasion, I say that this item is fundamentally necessary.

We come now to the question of additional airplanes.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. Yes.

Mr. KEEFE. The gentleman has very properly, perhaps, indicated that the Panama Canal is our so-called life line. I have listened intently to all of the arguments that have been advanced here, and they have struck out generally at the peril that may come to democracies from three nations, Germany, Italy, and Japan. What would the gentleman suggest if the peril came from the west and from the east at the same time?

Mr. BROOKS. That is what has been termed in newspaper parlance a squeeze play, that is, to force the issue on

both sides at the same time. I am not a naval man, but the Navy is presented there with a problem of either dividing the fleet or placing it on one coast alone.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. Yes.

Mr. MAY. The question that the gentleman from Wisconsin has just propounded to the gentleman from Louisiana is answered properly by saying that that is the very situation which makes necessary the program that we find in this legislation.

Mr. BROOKS. I thank the gentleman for his observation.

Mr. PACE. And is it not also true that the policy probably would be under these circumstances—the reason the Panama Canal is so important—to concentrate the fleet in one ocean and try to annihilate the enemy and then go to the other ocean.

Mr. BROOKS. Yes.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. Yes.

Mr. WHITE of Idaho. Is it not a fact that in Panama today there is not a single road across the Isthmus except the railroad and the Canal, that it takes 9 hours for a battleship to go through the Canal, and if we were attacked on one side we have no facilities for getting our armament or forces across the Isthmus simply because there is a little profit to be made in running a monopoly like the little Panama Railroad. Does the gentleman know these facts?

Mr. BROOKS. I am told that is correct. Approaching the question of additional airplanes, when this bill was first presented to the committee it embodied the idea of 6,000 airplanes. The committee heard the testimony of our experts and considered the testimony very carefully, and finally, after complete consideration of it all, we found that 5,500 airplanes were all that were necessary, and so revised the terms of the bill to make it a 5,500-aircraft proposition.

Mr. THILL. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. In a moment. It is interesting to note that at the present time Congress has already authorized the building of 4,120 airplanes, so that the additional number of authorized aircraft under this bill will be 1,380 airplanes. Out of the additional 1,380 airplanes authorized, it is interesting to note that 1,335 could be termed combat planes.

It is interesting to note also that under the terms of this bill it is contemplated that we will have a reserve of airships of 2,163. This reserve is composed of some 800 to 850 training ships, to be used in training our pilots that go to the schools of the country, so that we may have a reserve of pilots. This reserve is also to be used in replacing damaged aircraft, used in ordinary drill and operations of the Army. The reserve is likewise to be used in keeping our ships in mechanical fitness so that when a ship needs to be repaired, immediately one from the reserve will be put into the line, so that our pilots may not be idle at any moment.

In conclusion, in reference to this bill, I want to say that I have studied it carefully, not from the standpoint of foreign policy but from the standpoint of home defense, and I think the members of the committee have studied it largely from this same viewpoint. Representing a defensive measure as this bill does, I think it is the minimum necessary to an adequate defense, and if we want to keep our country out of real, serious peril against foreign foes, the adoption of such a bill is fundamentally necessary.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. Yes.

Mr. KEEFE. The gentleman says that the present bill in its aeronautical provision provides justly and adequately for national defense. Is the gentleman's judgment on this question based upon the assumption of the airplane production at present available in Germany, Italy, and other countries against whom we are liable to have to defend ourselves?

Mr. BROOKS. Yes.

Mr. KEEFE. Then if we provide 5,500 airplanes to be built within the next 6 months, a year, or 2 or 3 years, will not that relationship between this country and those nations constantly be changing so that it will require a constant

demand on the Congress for a constantly increased air force, and where is it going to end?

Mr. BROOKS. Let me answer the gentleman's question. He is in error in assuming that this bill provides for an additional 5,500 airplanes, as he stated. The error comes about in this way. We have already authorized 4,124 planes to be built. This bill merely authorizes an additional 1,380 airplanes to be built for the United States Army. Those airplanes are the additional ones, and the act does not authorize the complete building of 5,500 additional planes. [Applause.]

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ANDREWS. Mr. Chairman, I yield myself 2 minutes to make a short statement covering that provision of the bill which has to do with flying schools and the Civil Aviation Authority. I do not believe this has been mentioned during the debate. At any rate, little seems to be known concerning it.

I merely want to say that within this bill there is an item of \$7,000,000 for instructional and equipment payments to the civilian flying schools. This is the minimum fund which would permit the War Department to meet the accelerated rate of mechanics' training and primary training for pilots.

It may be of interest to Members of the House to know that a complete list of the educational institutions selected to participate in the first phase of the civil aeronautics program under the direction of the War Department has been made. It consists of 11 schools of the country. They are as follows:

Purdue University, University of Alabama, University of Minnesota, University of Washington, Massachusetts Institute of Technology, Texas A. & M. College at Arlington, Tex., Georgia School of Technology, New York University, University of Michigan, University of North Carolina, University of Kansas, San Jose State College, and Pomona Junior College.

As I understand it, applications for training in this connection are to be made direct to Mr. Clinton Hester, Administrative Director of the Civil Aeronautics Authority.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I am glad to yield.

Mr. THOMASON. The list of colleges which the gentleman has given the committee are those announced by the C. A. A., are they not, but they are not the accredited schools of the War Department, covering aviation schools?

Mr. ANDREWS. They are schools in which there are scientific departments at the present time set up and devoted to applied aviation aeronautical training.

Mr. THOMASON. But that list is the one announced by the C. A. A. and is not the list, as I understand it, that has already been accredited by the War Department for aviation training.

Mr. ANDREWS. That is correct.

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. RUTHERFORD].

Mr. RUTHERFORD. Mr. Chairman, I am not going to bore you and the members of the committee with a rehearsal of the provisions of this bill. The subject matter of the bill has been fully explained by our illustrious chairman the gentleman from Kentucky [Mr. MAY] and the other members of the Military Committee who have preceded me in the discussion of the bill. As a member of the Military Committee, I simply want to publicly announce my approval of the bill, believing that it meets fully the needs of adequate national defense. The members of the committee were in general accord on all of the provisions of the bill, with the exception of section 1, which relates to the building of airplanes. I, as do the other members of the minority, believe that it would be better to spread the building of these planes over a period of years rather than to build them all in the period specified in the bill. The reasons for so doing were well set forth by my colleague from Massachusetts [Mr. CLASON], a member of our committee. What constitutes adequate national defense is largely a matter of each Member's personal

opinion after he has given the subject what he considers sufficient study. A great many persons feel that their own personal opinion and judgment cannot be improved upon. I have never followed that course. Whenever I got into a subject out of my regular line of business, I always found it better to consult the best authorities I could find on the subject involved. So in regard to the subject matter of this bill, I am taking the advice and suggestions given by the Chief of Staff and his associates as to what constitutes the needs for adequate national defense. These gentlemen are professional soldiers. They have given years of study to all questions relating to war and the measures necessary for the adequate defense of this country. They are honest, upright, intelligent, and patriotic and have the interests of this country at heart.

They came before our committee and thoroughly explained the provisions of this bill and stated that in their opinion the provisions of this bill provided the minimum requirements for adequate national defense. They have given us their best judgment in the matter and we in turn pass it on to the full membership of the House, and it is now up to Congress to accept or refuse it. When a person is sick he goes to a doctor whom he thinks understands his case. The doctor after making a thorough and careful examination of the patient advises him as to what he thinks is necessary to be done to effect a cure. It is then up to the patient to decide if he can stand the expense of such cure. Congress is in that position today. The men who understand this question best and who have given it long and careful study say that the provisions of this bill provide simply the minimum requirements for an adequate national defense; and who are we to dispute their professional judgment? Our province as Members of Congress is simply to determine whether this country can stand the present expense and future maintenance. This program is going to cost real money to start and a lot of real money to maintain in the future. But be that as it may, if we are going to exist as a first-rate power we must put this program over. Self-preservation is the first law of nations as well as Nature. First things must come first and the providing for an adequate national defense is the first duty of Congress. That being the case we must of necessity provide the funds sufficient to put this program over, but we also have to remember that we have a national debt of over \$40,000,000,000 and that if we spend money for national defense we cannot continue to spend money on a lot of other things no matter how meritorious they may appear to be. Mr. Chairman, I have found out that when you are heavily in debt and the house needs a new roof and the old furnace needs to be replaced and the victuals still have to be provided for the family that you cannot continue to buy Packard cars and take ocean trips every year, if you expect to maintain your self-respect in the community. The same rule holds true for the Nation. If we buy national defense we cannot continue to throw away the taxpayers' money for things that are not actually needed. [Applause.]

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, there is no question in my mind but that we need to and should expand our air force, but there is some question as to how fast we should carry on that work.

I think it is a settled fact that a plane that is built today in 1 or 2 years is obsolete. If we build our planes all at this time, by the time they are completed we will have to discard them and start building new again. I believe we should go forward rather slowly, but with an adequate corps.

Now, we are to establish training fields near certain colleges, which the gentleman from New York [Mr. ANDREWS] has just mentioned, that are proposed for these training schools. I regret the gentleman did not include one or two colleges in my own district in his statement. I want to call the attention of the House to Hartwick College at Oneonta, N. Y., and also New York Training School at Oneonta, N. Y., which is equal to a college. We have those two institutions located up there in the tablelands in the

central part of New York State. They are well located to establish training schools for pilots for airplanes.

We also have in this particular city of Oneonta a wonderful landing field with proper facilities to take care of planes that would care to land. We also have mechanics. This was a great railroad center until recently, and we have had trained mechanics there for many years. We have the mechanical forces there to do this work. So, if one of those training fields could be located at Oneonta, N. Y., it would be well located as a training-school base for those who want to take this course who are attending our colleges. We also have the mechanics to do the work, the facilities and fields for landing, and a good surrounding country to operate in.

It has been proposed that we use this new flying force for mail carriers. Throughout this section, where there is no force of mail carriers, we could well start out from Oneonta; and I call attention to the fact that the magnetos that are made for practically all Army, Navy, and commercial planes are made in Sidney, N. Y., in my district. They claim they are restricted too much under the 10-percent provision in profit. They can only make 10 percent profit, when oftentimes it costs them more than that in experiments and perfecting models so that our air forces can have the best planes in the world. We want to use these pilots for some useful purpose while they are training. We have the landing fields up at Binghamton, N. Y.; also at Norwich, N. Y. So that in this section we could well start from Oneonta with our flying forces and put them to carrying our mails, where we do not have the air service, and at the same time train them for the work they may be needed for, but for which we hope they will never have to be used.

I have a resolution from the Chamber of Commerce of Oneonta calling attention to all these facts. There is a small portion of that which I would like to include in my remarks. It will not take more than 10 or 12 lines in the Record.

Resolution

I, W. A. HOLLEY, Clerk of the city of Oneonta, N. Y., do hereby certify that the following is a true and correct transcript of a resolution duly adopted by the common council of said city on January 24, 1939:

"Because of the probability that a plan to train reserve forces of airplane pilots and mechanics will be instituted by the Federal Government in the near future, and the suggestion in conjunction therewith, that air-mail feeder lines be established, with airports at strategic centers, it seems fitting that the several advantages of the city of Oneonta as such a center, namely, its geographical location; its existing airport; its adaptiveness toward the training of pilots, through the availability of students attending Hartwick College and the State normal school; the very timely opportunity to obtain skilled mechanics, made available by the curtailing of employment in the local railroad shops, who can easily and quickly adapt themselves to the proper training, should be brought to the attention of the proper authorities: Be it

"Resolved, That a copy of this resolution be transmitted to Senator ROBERT F. WAGNER, Senator JAMES MEAD, Congressman BERT LORD, and the Civic Aeronautics Authority to respectfully request that these advantages peculiar to Oneonta be pointed out and considered if such a plan is authorized."

In testimony whereof I have hereunto set my hand and the seal of the city of Oneonta, N. Y., this 3d day of February 1939.

[SEAL]

W. A. HOLLEY, City Clerk.

Mr. Chairman, if we could establish this field, as I hope we may—and I hope this Committee will take notice of the facts I present and include this college town as one of the towns where this training shall be had—I believe it would be a great advantage to all of central New York, to all of our Nation in fact, for from this flying field they could reach out to New York City and all our Atlantic coast line should the time ever come when we move to defend ourselves. [Applause.]

[Here the gavel fell.]

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. THORKELOSON.]

Mr. THORKELOSON. Mr. Chairman, I appreciate the positions taken here today, and I appreciate the viewpoints of our constituents. There are other questions we ought to take into consideration in connection with national defense. We cannot shut our eyes to the fact that there is considerable tension throughout the world today.

As far as I personally am concerned, I am in favor of appropriating this money for the program of air defense, and my reason for it is this: In Japan today we see a spirit of aggression similar to that which existed some 400 years ago in China during the days of Genghis Khan and Kublai Khan. The Japanese are trying to get additional territory, and they need it. Excessive population in their own country and their desire to be a great world power are uppermost in their minds. The same situation exists in Germany.

We must bear in mind also in this connection the fact that the Japanese Army has been trained under the German Army for over 40 years and there is an intimate union between Japan and Germany.

Our problem today is not concerned so much with what we want to do as with what we may be compelled to do. There is no question in my mind but that war will break out in Europe, and I think that this year will decide it. The question of appropriation for our air force, the number of planes we should build, makes very little difference; because if war breaks out, no matter what provision we make in this bill, we shall have to protect ourselves. This attitude will be necessary not because we are going to be invaded but because we may have to defend ourselves by preventing an enemy establishing bases close to our shores. In the event of an attack on Great Britain—and it might happen—and if Great Britain should lose, the enemy naturally would try to establish bases on this side of the Atlantic. Suppose they tried to establish such bases in the Caribbean Sea, the West Indies, or Canada, whether we want to go to war or not, we would be forced to step in to defend those places in order to defend our Nation. These are factors we must bear in mind today as we discuss this defense program.

I think it is entirely reasonable to limit the amount of production as advised in the minority report. After all, that does not matter. It is not entirely within the sphere of Congress to handle the situation. If Great Britain is attacked, and, as I said, should fail to hold back the enemy, then we would have to speed up our own production. Another thing to bear in mind is that if Great Britain should be attacked, the airplanes that we are now sending to England and France might possibly be used against us; that is, if England should be unable to protect herself. We might have to meet attack from our own production of airplanes and also from other war machinery. These are things, of course, that must be taken into consideration at the present time. So I say the problem is much more far-reaching than it may appear to be as discussed here today.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield for a question?

Mr. THORKELSON. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman said that there is a possibility that the planes we are sending to England might be used against us.

Mr. THORKELSON. I said so; yes.

Mr. AUGUST H. ANDRESEN. Would the gentleman enlighten that for us a little? Would he tell us how that might come about?

Mr. THORKELSON. Suppose Germany attacked England; it is quite possible. The attack would not be by an army, but would be by an air force and their effort would be to destroy shipping to keep food supplies from reaching England. In the event of the success of such an undertaking, England might be forced to sue for peace, and with her armaments taken over, in such event, they would, of course, be used against us; that is, if Germany or the other powers intended to use them for that purpose. [Applause.] [Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, I abhor the thought of having to vote for large armaments, but in the present psychology of the world it seems to me to be the part of wisdom and patriotism to do whatever may be necessary to protect America. [Applause.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I would like to yield, but in 3 minutes I cannot; I am sorry.

Mr. Chairman, in the limited time vouchsafed to me I shall present for the consideration of the Committee an amendment to this bill I would like to see adopted; so if you kindly will, you may be giving it your thought before the bill is taken up under the 5-minute rule. It is an amendment which I know would be heartening to the friends of peace not only throughout the United States, but throughout the world.

I see no real reason why there should be any objection to it from any quarter, and I hope when I shall have explained it the gentleman from Kentucky [Mr. MAY] will agree to accept the amendment.

If you will turn to the last page of the bill, you will see that the final section is No. 13. I should like to see added to the bill another section, No. 14, reading as follows:

SEC. 14. The United States would welcome and support an international conference for limitation of armaments and in the event of an agreement of the world powers, to which the United States is a signatory, providing for such a reduction of armament, the President is hereby authorized and empowered to suspend so much of the program provided in this act as it may be necessary to eliminate in order to conform to said agreement.

I may say this is almost the same provision as adopted in connection with the naval expansion bill last year. It was agreed to by everybody then, and I hope the chairman of the Committee on Military Affairs will accept the amendment.

If this amendment is adopted, it will be the only glimpse of peace associated with this embattled bill. It would at least give the peace-loving people of the United States the satisfaction of knowing that the Congress, which is the branch of Government nearest to the people, has gone on record this year, as it did last year, on the proposition that the United States "would welcome and support an international conference" looking toward a mutual agreement that will check the mad race of armaments.

What are we going to say if we refuse to adopt this amendment this year, in view of the fact that we went on record in favor of a similar proposal last year? Are we going to leave the inference that Congress is of a different opinion this year, that we have grown more militaristic, that we are no longer in favor of an international conference to limit armaments? I deny that Congress has changed its view, and I know that the people of America have not changed their views. The people want us to keep out of the whole foreign mess. And while they will sustain an adequate program of defense, they would be mightily pleased if our Government would take the lead in a movement for an international conference, when representatives of the powers would get together like human beings around a table and decide to stop the foolish rivalry that is leading all of the nations to bankruptcy and the brink of war.

We have a very impressive precedent for the amendment I propose to offer. On March 18 last, Representative CARL VINSON, chairman of the House Committee on Naval Affairs, arose and offered a committee amendment to the naval expansion bill, which was adopted in substance as he offered it. That amendment became law, and is section 9 of the Naval Expansion Act, signed May 7, last year. Let me read to you the text of section 9, so you may see how similar to it my amendment is:

SEC. 9. The United States would welcome and support an international conference for naval limitations and in the event of an international treaty for the further limitations of naval armament to which the United States is signatory, the President is hereby authorized and empowered to suspend so much of its naval construction as has been authorized as may be necessary to bring the naval armament of the United States within the limitations so agreed upon, except that such suspension shall not apply to vessels and aircraft then actually under construction.

If my amendment is not adopted, we will be in the anomalous position of heralding to the world that Congress was in favor last year of a world conference for naval limitations but is silent this year in respect to a world conference on military limitations. We owe it to the millions of sincere people who believe in peace not to deny them the cheer and encouragement which my amendment would afford. To

them the future seems black enough, goodness knows. Let us not make it seem blacker by adverse action or inaction on this amendment.

I do not have any right to quote the Secretary of State, but I will say that it is my firm conviction that he would have no objection to this amendment. And I want to quote what the President said at a recent press conference when he enunciated his four-point program of foreign policy. One of the points in that program was as follows:

We are in complete sympathy with any and every effort made to reduce or limit armaments.

My amendment harmonizes absolutely with the views so often expressed by the President and the Secretary of State. I know that it expresses the inarticulate hopes and aspirations of millions upon millions of our people who fear that the world is on the road to war and that we are traveling with it. From the standpoint of the reassurance which our people so much need, it would be a great mistake, I think, to fail to adopt the amendment.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield to the gentleman from California [Mr. GEYER] such time as he may desire.

Mr. GEYER of California. Mr. Chairman, I rise to speak in support of the May bill (H. R. 3791). No man more deplores than I do the necessity of appropriating large sums for instruments of death and destruction at a time when our people's peacetime needs for housing, medical care, old-age assistance, social and unemployment security, and farm aid remain in large part unprovided for. But the world conditions which force us to spend for defense are not of our making. We may hate war, but we cannot deny that war threatens every nation today, including our own.

In the face of this clear and present danger we must, however reluctantly, provide adequate means of self-defense. In his opening message to this Congress, the President emphasized the interrelationship of the three arms of defense—rearmament, foreign policy, and national unity. I call your attention to the fact that those who, in the course of this debate, pose the question of choosing between expenditures for defense and for the social welfare of our people are ironically enough the same gentlemen who voted against the \$875,000,000 relief appropriation. They are the same gentlemen who in the last session fought against wage and hour legislation and block or try to whittle away every appropriation to provide adequately for the people's needs. They are the enemies of the Wagner Act, of antilynching bills, of a national health program, of the T. V. A. Thus they seek to weaken our defense by disrupting our national unity and denying to our people the domestic security which will make them strong and give them a working democracy worthy of their loyalty and devotion.

SOME SPEECHES SOUND LIKE HITLER

These same gentlemen oppose also the foreign policy of President Roosevelt, and seek to weaken us in the second arm of defense. They tell us that the war mongers of Rome, Berlin, and Tokyo mean us no harm. They tell us that it is that man in the White House who has conjured up the bogey of war and who will lead us into war. They do not seem to be abashed by the fact that it has become almost impossible to distinguish their speeches from the speeches of Adolph Hitler and the inspired press comments of Mussolini's poison-pen writer, Gayda. In Rome, in Berlin, in Tokyo, our great, peace-loving President is painted as the world's No. 1 war-monger. We have become used to the cynicism of those dictators whose planes and bombs murder the women and children of China, Spain, and Ethiopia. But as a people we are profoundly shocked to hear the cant of the war-making dictators echo in the Congress of the United States.

It has been charged by Members of this House that the President wants us to "police the world," and that that is why he is asking for more airplanes and battleships. But look at the past record of these present advocates of isolationism. Did the gentleman from New York [Mr. Fish] object to our policing Nicaragua in the interests of dollar

diplomacy? Would he object today to our policing Mexico in the interests of the Oil Trust?

THEY TELL US TO MIND OUR OWN BUSINESS

I am afraid that those who are so eloquent in telling us to mind our own business, in fact want us to neglect our business and mind the business of a few big industrialists and bankers instead.

OUR BUSINESS IS PEACE

Our business, the business of the American people, is peace. I would like to repeat to this House a challenge thrown down by a Republican, a very conservative Republican, and an anti-New Deal Republican. I quote from an editorial in the United States News of February 6 by David Lawrence:

Will the Republican Party take the position that it has no interest in keeping the British fleet from being destroyed by a Nazi air force? If it does so for purely political reasons, it will lose the support of the many fine Republicans in the rank and file who do not wish these United States to be made unsafe for democracy.

Will the Democrats who have been sniping at the President's foreign policy openly avow that they prefer a triumph of Nazi Germany in the world to an assertion of our sympathies with the democracies of the world?

For if either of these groups do feel that way, then the 1940 campaign will have a real issue—and it will not be war or peace. It will be an issue between those who would not lift a finger to keep the Fascist system from being imposed upon us and those who would make almost any sacrifice, including human life, to protect the democracy of the United States.

Mr. Chairman, I am sure that this bill will pass, and by an overwhelming majority. The gentlemen on the other side of the aisle will not dare to oppose this measure. But they have already made it clear that they will snipe at it, try to slow down the process of building an adequate air force, and above all use this debate for an attack on the President's foreign policy.

I ask them, and the Tweedledums on my own side of the aisle, to look around them, to read the newspapers, and face the facts. If they have any vestige of real patriotism, they cannot long continue to repeat the nonsense that "we have nothing to worry about, nobody will attack us, only the President will lead us into war, only the White House is the seat of the war danger."

CALIFORNIA IS WORRIED

I come from the great State of California, and I tell you that my people out there are worried, and it is not the White House that they are worried about. They can see, even if some Senators and Congressmen cannot, how every retreat before the aggressors, in any part of the world, has repercussions in other parts of the world and on our own hemisphere. It is a long way from California to Barcelona. But the fall of Barcelona and the loss of Catalonia to the Fascist forces in Spain had immediate consequences in the Far East, and so brought the war danger nearer to our western seaboard. Japan seized the island of Hainan. This act was of relatively little significance to the war in China, for China no longer depends on that route for supplies. But the seizure of Hainan strikes directly at the vital interests of France and Great Britain, and at the vital interests of the United States as well.

WE SHOULD HELP DEMOCRACIES

We could have prevented the seizure of Hainan and so strengthened our own defense. We could have done so without building one extra battleship, or firing one shot, or shedding one drop of American blood. We could have checked Japan by lifting the embargo against Republican Spain, and so changing the whole world situation by showing our intent to aid the victims of aggression, by placing our vast moral and economic power on the side of democracy and peace.

We could have stopped Japan in the Far East if we had not so tragically tried to "legislate neutrality"—with the result that we have strengthened and built up the aggressor nations. We could have stopped Japan by placing an embargo on arms, scrap iron, and all the raw materials of war, and by cutting off all imports from Japan which now provide her with needed foreign exchange.

The fall of Catalonia and the seizure of Hainan have had other consequences which strike perilously close to the safety of California and to the peace of the United States. Every victory for fascism in Europe and Asia emboldens the Fascists of Mexico and Latin America. I am told on good authority that in the past month the Fascist victories in Spain and the Far East have given rise to a new wave of Fascist activity in Mexico and other nearby Latin American countries. In Mexico the Fascists who are preparing to play the part of Sudetens have been openly demonstrating, celebrating the victories abroad and preparing for similar victories on this continent.

In the face of these very real dangers I cannot join with the advocates of disarmament, military, economic, social, or diplomatic.

On the contrary, I support the bill now being considered by this House. I support it because I am confident that our armaments will be used to defend our national security, our democracy, and peace.

At the same time I urge that we speed particularly our diplomatic defenses, and make our foreign policy a policy of clearcut resistance to fascism and Fascist aggression.

Imperative as is the need to pass this measure, even more imperative is it that we hasten the amendment of the present Neutrality Act, to make it a real instrument of peace. I have just read in this morning's New York Times that the Senator from Utah [Mr. THOMAS] has introduced a bill to amend the existing Neutrality Act. I have not yet had an opportunity to study his bill. But from what I know of the Senator from Utah, and from what I can judge of his bill as set forth in the newspaper account, I believe it is a step in the right direction. This bill would apparently permit the President and Congress to determine the aggressor, and defines the aggressor as one who violates a treaty to which the United States is signatory. It then provides for withholding aid to the aggressor nation and for furnishing aid to the victim of aggression. That is my present understanding of the bill, and that is, in my opinion, the principle on which our foreign policy should be founded.

I hope that the Foreign Affairs Committee of this House will soon receive and consider a companion bill to the one introduced by the Senator from Utah, perhaps with suitable amendments. I hope that we will move with all possible speed to strengthen our defenses, not only in the air and on the sea but through the adoption of a policy of aid to our sister democracies and resistance to aggressors, as well as through the expansion of the New Deal's domestic program, which unites our people in the struggle for security and opportunity.

Above all, I hope that the majority of this House will make the vote on the May bill a real demonstration of national unity and patriotism—a vote of confidence in the President and in his policies for peace. [Applause.]

Mr. ANDREWS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I think one of the most difficult things for any Member of the House to do is the right thing when a bill of this character, highly technical in its nature, relating to national defense, comes before the House. It is almost impossible to know where the line should be drawn when it comes to national defense. Certainly no patriotic American would want to be guilty of not having adequate defense; on the other hand, no man wishes to be a party in stirring up a feeling which might involve war, such as was done some years ago.

In order to appreciate just what bombing means to the various communities in the war zone, may I recall a vivid experience which I had? I was in London during the air raids of December 1917. I was a tenderfoot. I recall hearing the young Boy Scouts on the streets call "Take cover!" The city was in total darkness. A telephone call came to the room for everybody to come below, and, of course, we all went.

A hostile plane was flying over the city. There may have been several. At least one of them was finally trapped by

the English planes and brought down. But in the meantime vast quantities of high explosives were dropped. You could hear the explosions. You could feel the vibration in the buildings.

The next morning we went out with an official to see the devastation brought about. The bomb had dropped into a section occupied by the poor people of the city of London. Houses were utterly demolished. Hundreds of brick buildings were blown up. One bomb had gone through a schoolhouse, but fortunately no students were in it at the time. This bomb was imbedded in the floor of that schoolhouse.

Little children were standing around, innocent victims of the tragedy, with their hands mangled. People were standing around with bandages over their heads. They were homeless.

I remember one laundry was destroyed. I was not in Congress then, and neither was the man with me. An Englishman with a monocle had been showing us around. Of course those people felt and knew what war meant. My colleague said to the Englishman: "Do you know that the laundry was blown up last night, and my laundry was in it?" The Englishman adjusted his monocle and said, looking at him in supercilious disgust, "My word, what a tragedy."

We were tenderfeet. We did not realize what was happening. I remember also being in the city of Lyons one night when the call came to take to cover. There was a dugout provided. Men, women, children, army officers—all classes—who could get under cover were there. A few nights before the railroad station had been blasted to pieces. They had to conceal every light in the city. A lighted cigarette was not even permitted on the street. In those days planes were slow, but now a plane can go over from Berlin to London in 79 minutes. I can therefore understand why those people over there are greatly alarmed.

Mr. Chairman, there is one thing we ought to consider. There is no use becoming hysterical when it comes to a program of this kind. I believe the proposal of the gentlemen from New York [Mr. ANDREWS and Mr. WADSWORTH], to stagger the manufacture of these planes is a very sensible and a wise thing to do. If I am not misinformed, it would be absolutely impossible to get the raw materials necessary to go into the manufacture of these planes unless we are going to build inferior planes. Aluminum today is allotted to industry on the basis of a quota. There is a shortage. This means we ought to go along in a sensible, sane sort of way and stagger the manufacture of these planes. This will give ample time to turn out the men to man these planes. Not only that, but the art is being developed with great rapidity. I have flown a great deal, as some of you have, and I know you recognize the fact that during a period of even 2 or 3 months when you get aboard a plane you see marvelous improvements in the plane. What is the use of going ahead and building planes we cannot man and then have them absolutely obsolete by the time we are going to use them? I hope therefore that we can use a little common sense here today and not be hysterical at all and stagger the manufacture of these planes.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield to the gentleman from Montana [Mr. O'CONNOR] such time as he may desire.

Mr. ANDREWS. Mr. Chairman, I yield 4 minutes to the gentleman from Montana.

Mr. O'CONNOR. Mr. Chairman, I am for this bill; but I am also going to consider an amendment which I understand will be proposed.

In our consideration of the half-billion-dollar national defense bill, including among other items expenditures of \$23,750,000 for defense of the Panama Canal Zone, we must guard against steps which would lead us into another abortive attempt to end wars.

I am fully convinced of the necessity of providing ourselves with adequate national defense, but only to the extent of protecting ourselves and in support of the principles incorporated in the Monroe doctrine.

We as a Nation must not risk our national security by meddling in the domestic affairs of foreign nations. Other nations have the same right to choose their forms of government as we have to choose our form of government. I firmly believe that appointive officials of our Government would be following a much wiser course if they refrained from provocative utterances concerning the domestic or internal affairs of foreign nations.

The United States cannot afford again to send the flower of its youth to right internal wrongs in countries on the other side of our oceans. Surely we have domestic problems of sufficient import to demand the entire attention of our young men as well as our elderly men.

Mr. Chairman, we are confronted daily with predictions that a war between the most powerful nations in the world, including this Nation, is not too far distant. Coming events always cast their shadows. Where is there a shadow today that is being cast in this country to the effect that we may be attacked by any nation across the Atlantic Ocean? But we should remind those nations that they have not as yet settled debts incurred during the World War, which was ironically called the war to end wars.

We have paid our debt to France. France owes us \$4,000,000,000 as a result of debts contracted during the World War. France has paid on her indebtedness \$486,000,000.

England borrowed over \$4,000,000,000 from the United States to finance her part in the World War, and of this amount \$2,000,000,000 has been paid; but today England owes us more than \$5,000,000,000 in war debts, including interest on the principal, according to figures released by the War Department.

We have not forgotten, nor will we forget in our generation or in generations to come, that 119,956 men, of the finest strata of our Nation, gave their lives in the World War. We will not forget the 37,568 men who died in action. We will not forget the 12,942 men who died as the result of wounds received in action. And we will not forget the 69,442 men who died as the result of injuries, diseases, and other ailments incident to the World War. Neither will we forget the fact that in many of our hospitals throughout the United States there are soldiers still suffering from diseases and injuries they contracted or received during the World War.

Mr. Chairman, it is not the duty of the United States to police the world. As representatives of the people of our Nation we must prevent the United States from becoming a policeman of the world. That is not our business. I am for this bill only for the purpose of protecting this country and the countries of the Western Hemisphere against attack by foreign nations. [Applause.]

Mr. ANDREWS. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I was much interested in the remarks of the gentleman from Georgia [Mr. PACE]. I believe those remarks, supported by the chart of the world showing the possessions of the United States, Great Britain, and France were most fundamental and timely, expressing as they did, in my judgment, after a detailed, extensive, and intensive study of our problem of war and peace over a period of 20 years, one of two possible eventualities which may overtake our country during the next 3 years, and against which we must prepare.

After our very unsatisfactory and destructive experience of unpreparedness in 1917 and 1918, with which we are all painfully familiar, I am very much interested in the right sort of preparedness, preparedness to safeguard democracy and preparedness to safeguard the lives and property of our citizens.

I always feel, with most other people, that all these expenditures for war purposes are bad and should be voted down and the money expended in more constructive ways if we could only do it. But then again, when we consider the state of the world, with its military dictatorships and aggression transgressing all the laws of God and man every day, then we know that we must do something along the line suggested in the bill which is before us for consideration. We all certainly want to do the right thing in this respect,

so the question becomes, it seems to me, what is the right thing in terms of democracy and in terms of the precious lives of the sons and daughters of America?

If we could take a vote here today on the question of whether a majority of us feel there will or will not be a war forced upon us in the near future, whatever its cause and whatever its justification, I believe from the remarks which have been made that the majority feel that such a thing will come. Then is not the plain duty of all of us to take immediately every step to prepare and protect ourselves and our priceless heritages and our sons and daughters against that day which we see on the horizon? I believe so, and I must cast my vote accordingly. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

Be it enacted, etc., That the act approved June 24, 1936 (49 Stat. 1907), is hereby repealed. Section 8 of the act of July 2, 1926 (44 Stat. 780), is hereby stricken out and the following is substituted in lieu thereof:

"Sec. 8. The Secretary of War is hereby authorized to equip and maintain the Air Corps with not to exceed 5,500 serviceable airplanes, and such number of airships and free and captive balloons as he may determine to be necessary for training purposes, together with spare parts, equipment, supplies, hangars, and installation necessary for the operation and maintenance thereof. In order to maintain the number specified above, the Secretary of War is hereby authorized to replace obsolete or unserviceable aircraft from time to time: *Provided*, That the total number of airplanes and airships herein authorized shall be exclusive of those awaiting salvage or undergoing experiment or service tests, those authorized by the Secretary of War to be placed in museums, and those classified by the Secretary of War as obsolete. *And provided further*, That the total number of airplanes authorized in this section shall include the number necessary for the training and equipment of the National Guard and the training of the Organized Reserves as may be determined by the Secretary of War."

Mr. ANDREWS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDREWS: On page 2, line 3, after the word "thereof", strike out the period and insert a colon and the following: "*Provided*, That other than airplanes now on order, or to be on order, under the provisions of the Military Establishment Appropriation Act for the fiscal year 1939-40, or those which from time to time may be rendered obsolete, not more than 1,000 airplanes may be contracted for during any one fiscal year, except in the event of the declaration of a national emergency."

Mr. ANDREWS. Mr. Chairman, I think the provisions of the suggested amendment are fairly well understood in a general way, but in listening to the various speeches that have been made and in reading current statements in the press, it is obvious that the full intent of the amendment is not understood.

May I bring you back for a moment to the exact figures covering this situation? We have on hand today within the Air Corps, 1,797 planes. There are of that number to be rendered obsolete this year 351 planes, leaving us 1,446 planes as the net balance. I also want to remind you we have at the present time, or did have on December 31, 1938, 558 planes on order, and it is already proposed and approved by the Budget that in the coming Military Establishment bill for the fiscal year 1939-40 we will order 446 more. In other words, the Air Corps has now coming in or shortly to be under contract, over 1,000 planes.

The amendment which I have just offered has nothing to do with those 1,000 planes or even beyond those 1,000 planes that during the next year or two may be rendered obsolete. We merely say that beyond the 1,000 planes that the Air Corps now knows it is going to get this year, not more than 1,000 of the remaining 3,000 under this authorization may be ordered in one year. In other words, the War Department with, roughly, 1,000 planes coming in now, may in addition, even with the adoption of this amendment, order an additional 1,000 planes this year which would leave the Department in the position of having on contract for early acquisition over 2,000 planes in this year's business.

I want this to get home to you. All we ask is to stagger the remaining 3,000 planes so that not more than 2,000 planes may be contracted for or in process this year and next year you shall order 1,000 planes and the year following you shall order 1,000 planes.

Let me say a word or two about the situation as I believe it appeals to the officers of the Air Corps themselves and to the industry. I believe if we went to the head of any large aviation industry, and I have two fairly large ones in the district which I happen to represent, or even to the officers of the Air Corps, and if we would say to them, "Here is this amendment and we will guarantee that this amendment will be reflected in appropriations," they would say, "Certainly, that is the way to go at it."

Mind you, if this amendment is not adopted, it is the plan and the purpose and the policy to order all of the planes now under frozen specifications. So I only offer this amendment with the thought it will carry out, if translated into appropriations, what any reasonable, sound businessman knows would be for the good of his industry, for the good of his labor, for steady employment, and for a resulting balanced load over a period of 3 years instead of finding ourselves at the end of that time at the end of a big hump and out of soap, so to speak.

It seems to me this is the logical thing to do, and I offer the amendment in the thought that if it is adopted, then those on the Military Committee next year should see to it that the Air Corps at that time gets its 1,000 planes.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Georgia.

Mr. PACE. The matter of production can be controlled entirely by the Appropriations Committee, can it not?

Mr. ANDREWS. It can; but, nevertheless, we will be laying down a principle and a policy for them to follow if we adopt this amendment.

Mr. HARTER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Ohio.

Mr. HARTER of Ohio. Is it not a fact that the amendment the gentleman proposes destroys the recommendation and runs counter to the recommendation of the Chief of Staff and the Chief of the Air Corps of the United States Army?

Mr. ANDREWS. I do not believe so, if we could get a frank statement from them.

Mr. HARTER of Ohio. So far as the record is concerned, that is true, is it not?

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I wonder if we can reach an agreement with the gentlemen on the minority as to time for discussing the pending amendment.

Mr. MARTIN of Massachusetts. Mr. Chairman, I would suggest that the gentleman not become too hysterical in trying to push through this bill. This is one amendment which will require a little time and I would suggest that debate run along for a while.

Mr. MAY. I wonder if 30 minutes would be satisfactory.

Mr. MARTIN of Massachusetts. I do not see any reason for any limitation on the time. This is one amendment where we will have some real debate and I think it is a matter that should have some real consideration.

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the trend of the entire argument on this bill has been to the effect that we should follow the recommendations of the Chief of Staff, the Secretary of War, and their aids in respect of this entire program. I simply want to call attention to the fact now that the amendment of the gentleman from New York [Mr. ANDREWS], than whom there is no finer gentleman in the House, and to whom I accord credit for aiding very materially in this legislation, would completely set at naught his own argument. In other words, the gentleman has argued from the beginning of the hearings and from the beginning of the debate and still argues and still believes that we ought to keep the industrial plants that are adapted to the production of airplanes at work regularly all the while. Now he proposes in his amendment here to say that we will not let them build more than about 2,000 planes the current year, when the evidence before the committee disclosed clearly that the country has at present a capacity of 2,500 planes per year. At cross pur-

poses with his entire contention, shall we refuse to listen to the voice of wisdom in the face of approaching trouble? Shall we tie the hands of the men we shall have to follow in case of war? Shall we again send our soldiers to the battlefield with their hands tied and their lives to be sacrificed?

The figure he gives would reasonably cover the first year's production, but let us see what it would do to the next 3 years that he proposes to inject into the plan by this amendment. We would have developed the capacity of the plants to probably 3,000 a year, or 4,000 a year, or 1,200 a month at the end of the first year, and then he proposes to cut off orders and say you can have only 1,000 planes a year, and this proposes one-third of capacity for the next 3 years. So that his argument falls of its own weight. Furthermore, it has been proven in the hearings before the committee, and there is no serious question of the fact that by the allowance to the War Department under the supervision of the Secretary of War and the Chief of Staff and the Procurement Division, all of whom are very capable gentlemen, of the privilege of contracting for planes in mass production or in large numbers, that they can save multiplied millions of dollars in the purchase price of the material to be acquired under this program. Then, if gentlemen on the other side of the House are so much interested in economy as they say they are, and I am sure they are, why not give leeway to the War Department and let them contract for planes at, say, \$50,000 each, instead of \$100,000 each, by having a large number manufactured.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. REED of New York. I am interested in the remark the gentleman has made criticising the logic of the gentleman from New York, though I do not know whether he refers to Mr. WADSWORTH or Mr. ANDREWS. Has the gentleman taken into consideration the fact that large orders are being placed for planes abroad, and it may require the capacity of our industry to take care of these foreign orders coming in as well as the domestic production?

Mr. MAY. So far as I am concerned, I think it is a good idea, while we are not in war and are at peace with all of the world and hope to remain so, to let France and England pay the cost of the rehabilitation of our factories and get them ready to produce airplanes for us, but while doing that I would say this to the gentleman, that I have no idea that any nation can get a contract in this country to the exclusion of the American Government with any industrialist or with any department of the Government. The National Defense Act of 1920 confers upon the President ample authority to take over the factories in case of war and the existence of a necessity therefor.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. MAY. Yes.

Mr. MILLER. I am interested in the remark made about frozen specifications. I believe it is important. Can the gentleman tell us whether it is true that if a contract is let under this bill for 3,000 planes, improvements that come along in the industry in the United States in the 12 or 18 months cannot be added on to the planes before they are delivered?

Mr. MAY. I am thankful to my friend from Connecticut for asking that question.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MAY. Mr. Chairman, I ask unanimous consent that my time be extended for 1 minute, that I may answer the gentleman's question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAY. And I say to the gentleman from Connecticut that there was no evidence that these contracts were to be let under frozen specifications.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. MAY. But on the contrary it was specifically stated that the Procurement Division of the United States War Department would take advantage of every new invention, of every new scientific discovery, and we have included in the legislation authorization for an appropriation of several million dollars for that particular purpose, in order that they may explore the field of discovery and research so that we may have the advantage of every modern improvement to make our planes up to date in every respect.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SHORT. Mr. Chairman, I rise in support of the amendment. I move to strike out the last word and ask unanimous consent that I may proceed for an additional 5 minutes.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to proceed for an additional 5 minutes. Is there objection?

Mr. MAY. Mr. Chairman, I reserve the right to object. I do not intend to object, because the gentleman is one of my very best friends on the minority side of the committee, but I hope when he has concluded his remarks, which I am sure will be interesting to everybody in the House, we can reach an agreement as to the limit of time on this section and all amendments thereto.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SHORT. Mr. Chairman, my reason for asking for an additional 5 minutes is that out of deference to my colleagues on the committee I did not take any time in general debate on the bill. First, let me say that the members of the Committee on Military Affairs often argue and fight among themselves, but I think there is not a single member of our committee who would not fight for any other member of that committee. It is composed of a group of fine men, who have given serious thought and deep study to this particular problem. Recognizing the troublesome conditions throughout the world today, I think no one can close his eyes or bury his head in the sand like an ostrich and ignore the activities of other nations, and for that reason there is almost unanimity of opinion among members not only on the committee and of the House but, I think, of the American people as well, as to the necessity of America's increasing her armament at this particular time.

The only thing controversial in this measure is this amendment that proposes to stagger or spread the manufacture of these planes over a period of 3 or 4 years, instead of making them all at once.

I am rather surprised that most of the Members on the majority side could not accept this amendment in our committee. It seems to me there is every good argument for it. To begin with, there will be only 900 of these new planes put into the air. Thirteen hundred and fifty of them will be placed in more or less cold storage, without any personnel to man them. The first argument for spreading the program over a period of years, manufacturing not over 1,000 planes a year, is that it will give the War Department, the General Staff, and particularly the Air Corps additional time to train pilots and proper personnel to man these planes. That is the first argument for the pending amendment.

The second argument is it will lessen the strain on our annual Budget at this particular time. The sound financial condition of any country is its first line of defense. With 1,000 planes grounded, with no personnel to man them, the investment they represent, approximately \$56,000,000, is a huge sum of money that you must take into consideration when you think of the poor American taxpayers and our present alarmingly large and constantly increasing national debt.

The third reason this amendment should pass, and to my mind the most logical and convincing argument, is that it will give us the advantage of research and of experimentation, of supplying planes of the latest type, the most up to date and modern, that will not become obsolescent or perhaps obsolete by the time the last of the 3,000 are manufactured.

For these compelling reasons, I think the membership of the House should really adopt this amendment.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. REED of New York. Supplementing what the gentleman has said in regard to these planes and the obsolescence of those that will not be in the air, there is hardly any article of manufacture of a technical nature that does not have what they call "bugs." Here they will have a chance to work those out, instead of doing as the automobile companies have done sometimes, call in thousands of machines because of some "bugs" that did not appear when they tested them out on the testing machines.

Mr. SHORT. The gentleman is absolutely correct. I wish we might have had perhaps some of the leaders of our great manufacturing industries appear before our committee, but I am sure you will remember as vividly as I do the time of the World War when our shipyards worked day and night turning out transports and ships that rusted and rotted in the navy yards at the conclusion of the war—almost a complete loss to the American people.

Mr. Chairman, I know this bill will pass overwhelmingly. I think it should pass, whether or not this amendment is adopted, but I do hope and pray that the foreign press throughout the world, whether it is in London, Paris, Rome, Berlin, or Tokyo, will not interpret the passage of this act by the House of Representatives of the United States Congress today as any intent of this Nation's forming any alliance with any other power or of assuming the role of policeman to maintain order in the world or to settle the disputes of other countries. [Applause.]

I think it is a matter of deep concern and of even deeper regret that members of the President's official family, the Secretaries of the Interior and Agriculture in particular, should have made the inflammatory speeches they have made recently, because you know as well as I know that no good can come of it. I know that modern science and inventions and new methods of radio, transportation, and communication have reduced this world to a miniature province. I know that Lindbergh has pushed Paris up into our front yard and that Dr. Eckener and Howard Hughes have brought Tokyo, Moscow, and Bombay within, not weeks but only a matter of days or hours, the reach of New York, Chicago, and other great cities in our country. But the indisputable fact remains and it is a fact that is a very great comfort to me, that I reflect upon with a great deal of consolation, that 3,000 miles of deep, blue water lie between the United States and Europe; 5,000 miles of deep blue water lie between the United States and Japan and the Orient. I am here to say that the Father of his Country never gave sounder advice to his fellow countrymen and to posterity than when he counseled us above all else to remain neutral, avoid entangling alliances; bear in mind that Europe has a set of primary interests, whereas we have another set of primary interests. The quarrels of the nations of the Old World, with their intense jealousies, their historic hatreds, and their own selfish interests are not our concern, and this country has no business sticking its nose into other people's affairs unless we want to get our nose smashed. [Applause.]

Let us, as we vote for this bill, give the world to understand, in spite of some remarks of aggression that have been uttered in high circles, that the people of the United States, as well as the Congress of the Nation, are voting for this program of defense only to protect our own people; not to police the world; not to tell any other nation what form of government it must have; but to serve notice upon all alien, foreign "isms" that our only concern is with Americanism, our own Constitution, the bible of our freedom and the character of our liberties, and that we are going to stay home and mind our own business. [Applause.]

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. MAY. I agree with the gentleman's statement in quoting George Washington as being opposed to any foreign entangling alliances, but does he not think he was equally right

when he said, "Adequate preparation for war is the surest guarantee of peace"?

Mr. SHORT. I most certainly do, and I am sure the chairman of the committee knows that is my position. We believe in God, but still should keep our powder dry. May we never have to use it.

Mr. Chairman, I yield back the balance of my time. [Applause.]

Mr. MAY. Mr. Chairman, in view of the fact we have had 6 hours general debate on this measure and that we very mutually agreed to that, I wonder if we might not reach an agreement with the other side as to debate on this section?

Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 35 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. COSTELLO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, during the entire course of the debate upon this bill we have heard absolutely no opposition to the proposition that in order to establish an adequate air-defense program for the Army Air Corps we must have 5,500 planes. This has been agreed to by both sides of the aisle. The only objection that now comes is on the question as to when we should procure these planes. We have been told about the Baker Board, the Morrow Board, with their 5-year programs; and we know that although both these Boards prescribed a 5-year program for the enlargement of the Air Corps, at no time have we ever come up to the requirements of those Boards.

Here we are about to lay down a new 2-year program for the Air Corps. To judge from the arguments of our friends of the minority they would have us make of it a 5-year program. They say the contracts should be spread over a 3-year period. This means that the procurement of these airplanes would be spread out over a 4- or 5-year period, because it requires anywhere from 12 to 18 months after letting a contract before we can obtain delivery of the ships. Under the proposed legislation it will require 3 years at least if we are to obtain the necessary 3,000 ships to have a full air force of 5,500 planes.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. COSTELLO. I yield.

Mr. ANDREWS. Under this amendment all the planes are to be contracted for during 2 years.

Mr. COSTELLO. I understand from the wording of the gentleman's amendment that contracts could not be let for more than 1,000 planes in any 1 year; in other words, you would have to divide the contracts up into three sections. You could not tell a single manufacturer how much business he might expect except as to 1 year; and the very purpose of this legislation is to inform American industries that they are going to have to produce so many planes—3,000—and each contractor is to be told at one time the full number of ships that he is going to produce. In this way he can gage his production and, if his plant needs enlargement, he can enlarge it. But if you tell a manufacturer that he can have only one third of his contract now, and that he may or may not get another third a year from now, and that he may or may not get the balance in the third year, no member of the industry will be able to gage his production, and the price of these planes will be increased because of this fact.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. COSTELLO. Yes; I yield for a question.

Mr. TABER. Would not the gentleman figure that we should let contracts every year for 3,000 planes? It seems to me we are facing terrific obsolescence.

Mr. COSTELLO. That is not my purpose. The purpose of the legislation is to acquire immediately 3,000 planes to build up the strength of the Air Corps. It is admitted that the Air Corps should have this number of planes. They require them now, not 5 years from now, and the sooner we get them the better.

We have heard much talk about obsolescence, frozen contracts, frozen specifications. The fact of the matter is the Army would be getting 3,000 of the most up-to-date planes available, and every year subsequent to the completion of this program the War Department will acquire through the annual budgetary appropriations approximately 500 or 600 new planes to replace the old ships, the obsolescent ships. As a result of the annual replacements we shall be adding to the air force some 500 or 600 new planes—the latest type airplanes every year.

A question regarding these reserve ships has been raised. The statement has been made that 2,000 ships were to be held in reserve. When the Air Corps speaks of reserve ships they speak merely of planes without pilots. This does not, however, mean that the ships are stored in a barn. Eight hundred of these reserve ships are going to be training ships. They will be out at these schools. They will have no pilots. About 1,300 will be combat ships. At the present time with only 2,000 planes in the Air Corps some 240 ships are grounded for repairs and service requirements at all times. With an increased force of 5,000 planes, some 600 planes will be grounded at all times because of needing some type of repair or service. As a result, we must have a large group of reserve ships to replace those that are necessarily grounded to maintain at our various air fields the full complement required.

Mr. Chairman, I hope the amendment will be defeated.

Mr. WADSWORTH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am painfully conscious of the fact I am to indulge in some repetition in the few minutes I may consume in discussing this amendment. I endeavored to express my views upon it yesterday in general debate.

I would like to emphasize on this occasion one or two elements of the situation upon which I did not touch yesterday. In the first place, Mr. Chairman, we are not engaged, as I understand it, in an effort to expand our Military Establishment merely to meet some situation that exists today. As I understand it, we are engaged in an effort to establish something of a policy in relation to our Military Establishment which shall hold good and be effective for some time to come. The committee bill apparently is based upon the theory that we have to have 3,000 planes as fast as we can get them. I have not heard this theory defended. I agree with the committee that we need 3,000 additional planes, but I am convinced that as we produce them we should do so in such fashion that the total authorized strength of 5,500, which is the policy number, shall be as effective from year to year and year after year as it is possible to make it. Obviously if you make your 3,000 planes on the design of 1939 or the first half of 1940, you will put the whole problem through and get the 3,000. When that program is finished, your industry stops. When it is finished the planes will begin to go through the obsolescent stage and within a short period many of them will be totally obsolete.

You will have done nothing in the authorizing legislation to establish a policy. I conceive the proper and wise policy to be something of this sort: We decide what the total number of planes shall be. As we make this decision we hope it will last for a reasonable period of time. We know that in this art obsolescence overtakes the plane very quickly. It is the great enemy of an effective air force. If we could arrange this thing so that we would build so many planes per year, build up to the 5,500 maximum strength, drop off the obsolete and build the new, then again drop off the obsolete and build the new, we would always have as a matter of continuing defense something approaching 5,500 of the best planes in the world.

It is obvious if you manufacture three-fifths of your entire air-force planes on one design, or closely related designs, at the end of this period you will not have the best possible air force in the world. We are making policy here today in our effort to increase the force. A sound policy means that it shall be a continuing policy, not merely to meet some exigency of 1939 or 1940, but looking ahead to 1943, 1944,

and 1945 and seeing to it that as this thing goes on year after year never shall our air force be overtaken and put on the ground on account of obsolescence.

[Here the gavel fell.]

Mr. THOMASON. Mr. Chairman, I rise in opposition to the amendment.

Mr. SIROVICH. Will the gentleman yield for a moment?

Mr. THOMASON. I yield to the gentleman from New York.

Mr. SIROVICH. I was going to ask the distinguished gentleman from New York what is the period of time of obsolescence for a bombing plane, a pursuit plane, and a training plane?

Mr. THOMASON. I can answer that better by reading the testimony of General Arnold, who is, perhaps, the best authority in our country on that subject. If you will refer to page 13 of the hearings, you will find his answer as follows:

We consider the life of a bombardment plane to be longer than some of the others. Let us start from training planes. There is apparently no end to the life of a design of a training plane. A training plane can be used indefinitely because performance is not the determining factor. The determining factor is the ability to train people on that airplane.

The bombardment airplane has a much longer life than other types of combat planes. It may be that the life of a bombardment plane will be even 6 or 8 years. I doubt if it would ever be longer than 6 or 8 years. But 8 years is the absolute maximum.

An observation plane does not have to have high performance.

The pursuit plane, in order to be of any value at all, has to be better than any other plane that can be brought against it. And the life of that plane could not be much over 2 years; and 4 years is a maximum.

Mr. WADSWORTH. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from New York.

Mr. WADSWORTH. Does not the gentleman know that the bomber that today is 6 years old is utterly outclassed by the bomber of yesterday?

Mr. THOMASON. I expect the gentleman is right, but, nevertheless, we pretend at least to be following the recommendation of the War Department in this matter, and the officers of that Department are experts on the subject.

At the risk of repetition I must go back to the proposition that was made yesterday when I submitted the argument, the suggestion, and the recommendations of the War Department, when they said that the problems to be considered in this important program were four: First, initial cost; second, the effect on the aeronautical industry; third, the purpose of the program; and, fourth, the question of maintenance.

If I may refer briefly again to the question of the program, may I say that the War Department's own language on that subject is as follows:

The proposed 5,000-airplane program is intended to insure the establishment and equipment of an adequate air arm as soon as possible and provide the necessary war reserve. A true war reserve for the Air Corps does not consist of airplanes alone. In addition to reserve personnel it requires an adequate research and development program and an industry which can produce aircraft in quantity.

The War Department says that is necessary. General Arnold states that he needs this program in 2 years, and I cannot understand why we should fuss and argue here over the question of an additional year.

Mr. SHORT. Will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Missouri.

Mr. SHORT. But it was testified before our committee that the reason they wanted these planes now is because they feared perhaps in another Congress they would not get the appropriation.

Mr. THOMASON. The gentleman from Missouri—

Mr. SHORT. Was not that the testimony given?

Mr. THOMASON. That is the testimony, but the gentleman does not seem to be willing to admit that this is nothing in the world but an authorization.

Any man who reads the newspapers today must know world conditions, and when you add to the world situation the testimony of the representatives of our own War Department, I think we ought to take their advice instead of in-

jecting a political angle into the situation. We ought not to play politics with national defense. [Applause.]

Mr. SHORT. Let me say to the gentleman that no political angle has been injected at all. I asked General Arnold himself two questions:

General, don't you think before any foreign power could successfully attack the United States—

Mr. THOMASON. I yielded for a question, not a speech.

The gentleman from Missouri is an excellent and an eloquent speaker. I only wish the gentleman from Missouri would do as the gentleman from Connecticut [Mr. MILLER] and the gentleman from Minnesota [Mr. H. CARL ANDERSEN] have done, and give careful study to the hearings. The gentleman would find that not only General Arnold, the Chief of the Air Corps, but General Craig, and every man in the War Department and on the General Staff has said we need this program now. If conditions change next year we still have a Committee on Appropriations that can chop off the appropriations. This is a question of what our experts, our trusted advisers, tell us to do on this subject. As far as I am concerned, I am willing to follow them, and that is what I believe the House ought to do.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. Is it not a fact that 800 of the 3,000 planes will have practically no period of obsolescence since they are to be used as training planes?

Mr. THOMASON. Yes; I think that is true. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CLASON].

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from Missouri.

Mr. SHORT. The gentleman as a member of the committee will recall that I asked General Arnold two questions; first:

Don't you think before any foreign power could successfully attack this country it would be quite necessary for them to have bases either in Canada, Mexico, or some nearby land?

He added, "Or floating bases."

I said, "Absolutely." That is my opinion as well as the general's—

Do you think there is any great danger of immediate attack from any source?

He answered:

I do not think I ought to answer that question.

Although General Craig promised us that he would answer it, the question was never answered. The thought of America being attacked by any particular power at this time is so silly and ludicrous that it should not even be considered.

Mr. THOMASON. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I do not have the floor.

Mr. CLASON. Let me make my statement first.

Mr. Chairman, I wish to bring home to the House the fact that the Air Corps is asking the Seventy-sixth Congress at its first session to give it the right to order 4,054 planes out of 5,500, 3,032 planes beyond the 1,022 now on order or intended to be ordered under the regular Budget.

Mr. HARTER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CLASON. No; I do not have time.

I also wish to point out the fact that on page 5 General Craig told us that of the 5,500 planes to be built 2,163 are to be in reserve. The reason they are to be in reserve is that the Air Corps does not have pilots for them. The fact is they do not have airfields for them and it is going to take them 2 years to get the airfields. It is going to take them more than 2 years to get the pilots, according to the statement the gentleman from Texas [Mr. THOMASON] just read. It will be only 2 years until the pursuit planes, of which 1,335 are to be in reserve, will be absolutely obsolete,

under General Arnold's own testimony. What is the sense of rushing ahead with a program like that?

The amendment offered by the gentleman from New York [Mr. ANDREWS] simply provides in a reasonable manner that we will get up to within 2,000 of the 5,500 planes within a reasonable length of time. We will have 2,163 planes in reserve under this program without any pilots and without airfields for them. Now, let us be reasonable. Let us not order 4,054 planes in the first session of the Seventy-sixth Congress. Let us spread it over next year and succeeding years.

You will see, on page 17 of the report, just what the gentleman from Missouri [Mr. SHORT] referred to when he stated that a general before the committee stated that in his idea the whole argument behind this program is to "take as much as they can get now." That is the whole story about this program. Let us be sensible and adopt this amendment.

Mr. MERRITT. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from New York.

Mr. MERRITT. I believe the gentleman realizes from the hearings that we have enough airports to take care of 5,000 airplanes.

Mr. CLASON. I asked that question of General Arnold when he was on the stand, and he ducked and would not tell us where the airports were.

Mr. MERRITT. Does not the gentleman from Massachusetts know it is in the record?

Mr. CLASON. No; I do not know it.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from Louisiana.

Mr. BROOKS. Is it not a fact that we presently have authorization for 4,120 planes, and this is simply an authorization for 1,380 additional planes?

Mr. CLASON. That is true; it is an authorization for 1,380 more planes.

Mr. BROOKS. Is it not a fact that about 800 of these additional planes will be used as training planes and there will be no obsolescence in connection with them?

Mr. CLASON. I have no idea except what is in the evidence here as to how many are going to be used as training planes. What they tell us is that when a plane becomes obsolete they can use it as a training plane. On that basis we are going to pay for 1,300 first-class pursuit planes and 2 years from now when we get the pilots the planes will become training planes. Why not be reasonable and just buy what we need for military purposes at this time?

Mr. HARTER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from Ohio.

Mr. HARTER of Ohio. The gentleman understands the planes which are put in reserve will not be taken out of commission in the sense that they will not be used but will be assigned to the depots and tactical units of the Air Corps so they will be a reserve of planes which will be usable when other planes are taken out for major or minor repairs.

Mr. CLASON. Yes; but it is absolutely unnecessary on the testimony. [Applause.]

[Here the gavel fell.]

Mr. PACE. Mr. Chairman, I hope we will not play politics with the safety of our Nation. During the last 10 minutes there was handed to me by the International Press Service a dispatch just received from London. I would like to read it:

Plainly implying Great Britain's determination to go the limit in facing any threat to the Empire, the Government tonight issued an official White Paper announcing huge increases in rearmament expenses. The next budget for the fighting services will contain provision for expenditures of £523,000,000 sterling, approximately \$2,615,000,000, according to the White Paper which was issued simultaneously with the revelation that a new strain has been placed on Anglo-Italian relations by Rome's admission of heavy troop movements in Libya. The total expenditures will bring the total well above the \$7,500,000,000 originally estimated for the 5-year period from April 1937.

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Believe as you may, we stand here at this hour to argue whether or not this Nation shall be equipped with 5,500 planes in either 2 years, which it is admitted is necessary to build them, or in 3 or 4 years. For my part, for my Nation, for my boy, I want to say that the wheels of the factories cannot turn fast enough to provide this Nation with adequate defense at this time. [Applause.]

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. PACE. Yes.

Mr. COCHRAN. As a matter of fact, even if this bill carries a provision for 5,500 planes, only planes can be manufactured that the Committee on Appropriations appropriates the money for.

Mr. PACE. The gentleman is exactly correct.

Mr. COCHRAN. And if it is found when they go before the Committee on Appropriations that they cannot justify the construction of the 5,500 planes within, say, 1 year, the committee will not give them the money.

Mr. PACE. And even if the money is appropriated it will be 1941 before they can be delivered.

Mr. COCHRAN. This is simply an authorization and not an appropriation.

Mr. PACE. Nothing else.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. RANDOLPH. Aside from the practicability of the needed program of 5,500 planes, I feel sure it is the gentleman's conclusion that today, now, is the time for us to say to the other nations of the world that we expect to move forward in this respect, and properly prepare to defend our great Nation.

Mr. PACE. Exactly, that we intend to defend ourselves. [Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman and my fellow Members, I desire to congratulate this House upon the splendid debate, or rather upon the splendid arguments that have been made during the consideration of this bill, and the high plane upon which debate has been carried along. A few strains of partisanship have come into this discussion. Of course, we expect our friend from Missouri [Mr. SHORT] to always bring in more or less partisanship in any speech that he makes upon any subject at any time. [Applause.]

Mr. SHORT. I plead guilty to the charge.

Mr. RAYBURN. But I do feel proud of the House of Representatives for the general type and character of the speeches that have been made.

Much has been said about recognizing world conditions. A man would be more than blind in his eyes if he did not realize that there is a serious world condition. He would be less than far-seeing if he did not remember 1914, 1915, 1916, and 1917, when America was smugly sitting here with a great ocean on either side, believing that the allied armies would defeat the Germans within such a reasonable time that we would never be called upon to participate in that conflict. Conditions in Europe are more volcanic today than they were in the early part of 1914. The world is living closer together; and wherever the frontier of America may be—and we today are not compelled to name it—I believe I speak the mind of the inarticulate millions out there who expect us to speak for them when I say that wherever that frontier may be, the people of this land want America to be prepared to defend that frontier. [Applause.]

The amendment that is now pending would be amazing to me if it did not have the support of some of the gentlemen who have spoken for it. I especially refer to my good friend from New York [Mr. WADSWORTH], whose sanity I came to know well as a member of the great committee that I had the privilege to preside over. The gentleman does not seem to realize, however, that this is an authorization bill. I agree with him that this is a policy bill. Why say that we must build a thousand planes this year or never build them; why build a thousand next year or never build them? Why not commit this to the Congress to pass upon when appropriation

bills come into this House. It might not be necessary or it might not be feasible to build more than 500 planes the first year, and the second year it might be necessary for the defense of this country and for the peace of the world for the United States of America to build 2,500 planes. [Applause.] It might be necessary before the summer that faces us is over that America should set in motion the forces that will build the 3,000 planes in the next 12 months in order to let the world know that America in planes, in ships, in men, and in equipment for those men is ready to meet a world in arms, because, as a great Speaker of this House once said:

The American people are the most peaceable people in the world; but when aroused by injustice and by invasion of their rights, they become the most warlike people in the world, willing, if necessary to protect their rights and their liberties, to meet a world in arms.

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired. The question is on the amendment offered by the gentleman from New York [Mr. ANDREWS].

The question was taken; and on a division (demanded by Mr. ANDREWS) there were—ayes 127, noes 169.

Mr. ANDREWS. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. MAY and Mr. ANDREWS to act as tellers.

The Committee again divided; and the tellers reported—ayes 136, noes 183.

So the amendment was rejected.

The Clerk read as follows:

SEC. 2. When the facilities of the Army for instruction and training in aviation are deemed by the Secretary of War to be insufficient he may, under such regulations as he may prescribe, and without reference to any limitation contained in section 127a of the National Defense Act, as amended (10 U. S. C. 535), detail personnel of the Regular Army as students at any technical, professional, or other educational institution, or as students, observers, or investigators at such industrial plants or other places as shall be best suited to enable such personnel to acquire a knowledge of or experience in the specialties incident to aviation in which the training of such personnel is essential: *Provided*, That no expense shall be incurred by the United States in addition to the authorized emoluments of the personnel so detailed except for the cost of tuition at such educational institutions, and the cost of maintenance of necessary personnel who may be detailed as supervisors or inspectors and of the equipment assigned to them for their official use: *Provided further*, That the tuition for the personnel during the period of their detail may be paid from any funds made available for the procurement branches.

Mr. MAY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MAY: Page 3, line 10, after the word "funds", insert the words "which may hereafter be."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. The Secretary of War, in his discretion and under such rules and regulations as he may prescribe, is authorized to enroll as students at the Air Corps Training Center, for the pursuit of such courses of instruction as may be prescribed therefor, such civilians, upon their own applications, as may be selected from the instructional staffs of those civilian flying schools which have been accredited by the War Department for the education, experience, and training of personnel of the Military Establishment: *Provided*, That except for the furnishing of such supplies, matériel, or equipment as may be necessary for training purposes, the training of such students shall be without cost to the United States: *Provided further*, That in case of injury to or sickness of such students, hospital or medical treatment may be given in Government hospitals, but shall be without expense to the United States other than for services of Medical Department personnel and the use of hospital equipment, not including medicines or supplies: *And provided further*, That the United States shall be under no obligation in respect to payment of a pension, compensation, or other gratuity to the dependents of any such student who dies of disease or injury while undergoing such training, nor to any such student in the event of personal injury sustained by him.

Mr. MILLER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 4, strike out lines 4 to 9, inclusive.

Mr. MILLER. Mr. Chairman, some of you will recall that I referred particularly to this section in my address under general debate. My amendment is to strike out the proviso beginning in line 4, page 4. The explanation was made that this applies to instructors of civilian flying schools who are sent to the Army training center for training on war planes, so that they can go back and direct the training of students who will come into these private schools. No explanation has given me any good reason why, if these men are willing to give their services—and I note in section 3 they are to be given at no cost to the Government—they at least should have medicines and supplies if they should have the misfortune to sustain injury or even death while undergoing training in Texas.

Mr. COSTELLO. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. COSTELLO. If the gentleman's amendment should prevail, it would give to these civilian pilots the same pensions and compensation as members of the military personnel are now granted, and yet they would be merely civilian instructors temporarily detailed to Randolph Field for a short course in order to learn how the military is training their pilots for the Army. They are not members of the Regular Army, and yet if the gentleman's amendment should prevail, they would be liable to receive the same pension and compensation as a member of the Army.

Mr. MILLER. It seems to me that if they offer their services for this purpose, they should receive compensation. It may take only 10 seconds for an instructor to crash and become totally disabled. I believe there is an obligation on the part of the Government to care for them in that case.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. VAN ZANDT. Is it not true that when these men go to Randolph Field they have to accept the regulations of the Army?

Mr. MILLER. I assume so.

Mr. VAN ZANDT. And they are on the pay roll of the Federal Government.

Mr. MILLER. Yes. That is the question in my mind. The question is about what the other section means, that these services shall be given at no cost to the Government.

Mr. VAN ZANDT. Are they there at their own expense?

Mr. MILLER. Possibly.

Mr. VAN ZANDT. And they are supposed to return home and train pilots.

Mr. MILLER. Yes.

Mr. VAN ZANDT. Therefore I say they should be given the same consideration as the Army men.

Mr. SMITH of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. MILLER. Yes.

Mr. SMITH of Connecticut. My understanding is that the purpose of this section is to train men whose profession is now training pilots. They now have their own planes and are training pilots in these civilian schools.

The pilots are paying tuition. They are professors in these civilian schools, such as the Park School. Those men are being paid for their services by those schools. They are civilians. They are not connected in any way with the Government, but because the War Department under this bill will use these schools by sending students to the schools and paying the tuition of those students, they want the instructors to have an opportunity to improve their own ability to train the students. So they offer the instructors, at the expense of the instructors, the opportunity of taking part in the courses of instruction at the Army schools. They are in no way connected with the Army. They are not paid by the Army. They are not paid by the Army when they go back to instruct, except indirectly, because the school in which they are teaching is paid the tuition of the students who are there from the Army. They are professors in private schools. That is their status. They are offered an opportunity to improve their own ability to teach, by taking the course in

the Army school. They do not obtain any enlisted status. They are offered this opportunity in order to give them a chance to give better instruction in their private schools, as though they were professors in a university, if the university was paying them and not the Army.

Mr. MILLER. I grant what the gentleman says is true, but the gentleman will agree that they are undertaking a very hazardous occupation to aid the Government in developing this air program. It is essential. It is necessary.

Mr. SMITH of Connecticut. That is incidental, however, to their own profession. They are already flying instructors.

Mr. MILLER. Certainly. May I say the same thing applies to any cadet who goes to Randolph. He is there for training to possibly follow that as a vocation afterward.

Mr. SMITH of Connecticut. But they are not cadets.

Mr. MILLER. No.

[Here the gavel fell.]

Mr. SMITH of Connecticut. Mr. Chairman, I ask unanimous consent that the gentleman may have 3 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLER. I would very much prefer to yield my 3 minutes to the gentleman from Connecticut [Mr. SMITH]. I do not want to retard anything, but I want this clear. I will make this one statement: If these men are offering their services to go to Randolph Field to improve their technique and to make possible the training of these youngsters, I believe while they are there they are entitled to the protection of the Government. I yield to the gentleman from Connecticut for an answer to that.

Mr. SMITH of Connecticut. Those men are not covered by this section. Those men are professors in private schools. That is their regular profession. They are flying teachers not now connected with the Army. If they are offered an opportunity to improve their own technique in instruction, without cost to the Government, at their own expense by going to the Government school, does the gentleman think they still should be treated the same as the cadets who are in there under obligation to the Government when they enter into their contract of enlistment or when they accept a commission in the Army as officers?

Mr. MILLER. I must answer the question in the affirmative. I think they are, if they are going to devote their services to training these youngsters.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I rise in opposition to the amendment merely to suggest that if the words proposed to be stricken by this amendment were stricken out of the bill, the effect of other provisions of the bill would have the effect of adopting a new policy of paying pensions and compensation to civilians not in the Government service.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment. If this legislation is passed with those lines contained therein, Members of the House of Representatives will find it impossible to get approval of legislation that would provide for the compensation of dependents of men who may be killed or injured while acting under orders of officers of the Air Corps. The gentleman from Connecticut [Mr. MILLER] can speak eloquently on this subject. He knows what it means to have an accident occur when acting under orders of the United States Army. The gentleman from Connecticut [Mr. SMITH] spoke of comparative hazards. If those hazards are created by the order of an Army officer, it is my contention that the man who is injured should be entitled to compensation.

Some of you may remember that last year we found difficulty in passing a bill for the benefit of a widow of a Reserve officer who was in an Army plane, going up for practice purposes. He was killed, and it proved impossible for us to

enact into law a bill for the benefit of his widow. If this provision stays in the bill, it will constitute an objection that you will see cited in adverse reports upon private claims for the benefit of these instructors if injured.

Mr. SMITH of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. SMITH of Connecticut. I may say in reference to the question raised by the gentleman from South Dakota that the bill contains another provision for the compensation and retirement of Reserve officers on the same basis as Regular officers, but in that case the officer is under the control, as the gentleman has said, of the Army. These instructors would not be under Army control.

Mr. CASE of South Dakota. I call the gentleman's attention to the report which states:

The utilization of civilian training schools will materially reduce the time required for the expansion of our Air Corps.

In other words, this plan is for the benefit of the Air Corps. The instructors are to be given hospital care. If they die, why not be fair to their dependents? The bill itself by its provisions calls attention to the dangers faced by these civilians who place themselves under Army officers for training and subject themselves to the hazards of Army equipment. They may fly in experimental ships. They will be subject to identical hazards with men for whom we accept responsibility. So it seems to me the Government should recognize an obligation to assist these men in case of injury or their dependents in case of death. There is no cheap way to prepare for war.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was rejected.

The Clerk read as follows:

SEC. 4. The Secretary of War is hereby authorized, in his discretion and under rules, regulations, and limitations to be prescribed by him, to lend to accredited civilian aviation schools at which personnel of the Military Establishment are pursuing a course of education and training pursuant to detail thereto under competent orders of the War Department, out of aircraft, aircraft parts, aeronautical equipment and accessories for the Air Corps, on hand and belonging to the Government, such articles as may appear to be required for instruction, training, and maintenance purposes.

SEC. 5. Section 1 of the act entitled "An act to amend the National Defense Act," approved August 30, 1935 (49 Stat. 1028), is hereby amended to read as follows:

"That the President is hereby authorized to call annually, with their consent, upon application to and selection by the War Department, for a period of not more than 1 year for any one officer, for active duty with the Regular Army, such numbers of Reserve officers, in the grade of second lieutenant, as are necessary to maintain on active duty at all times not more than 1,000 Reserve officers of the promotion-list branches other than the Air Corps, not more than 3,000 Reserve officers of the Air Corps, and not more than 300 Reserve officers of the non-promotion-list branches: *Provided*, That in the non-promotion-list branches and the Judge Advocate General's Department, such Reserve officers may be in any grade not above captain: *Provided further*, That until July 1, 1949, the tour of active duty of Air Corps Reserve officers may, in the discretion of the Secretary of War, be extended not to exceed a total of 7 years' active service in all, and thereafter not to exceed a total of 5 years' active service in all: *Provided further*, That in the non-promotion-list branches and the Judge Advocate General's Department, the tour of active duty may, in the discretion of the Secretary of War, be extended not to exceed a total of 2 years' active service in all: *And provided further*, That nothing herein contained shall require the termination of active duty of any Reserve officer because of promotion to a higher grade after his tour of active duty begins. The tour of any Reserve Corps officer on active duty may be terminated at any time, in the discretion of the Secretary of War": *Provided further*, That all officers (including warrant officers) and all enlisted men of the National Guard, Reserve Corps, or any other armed forces of the United States, however designated, other than the officers and enlisted men of the Regular Army, if called into the active military service by the Federal Government for extended military service in excess of 30 days, and suffer disability or death in line of duty from disease or injury while so employed, they shall be deemed to have been in the active military service during such period and shall be in all respects upon the same footing as to pensions, compensation, retirement pay, and hospital benefits as officers and enlisted men of corresponding grades and length of service of the Regular Army.

Mr. MAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAY: On page 5, line 25, after the word "War", insert a period and strike out the colon and all the language down to and including the word "Army" on page 6, line 13.

Mr. MAY. Mr. Chairman, all I desire to say about this amendment is that the provision sought to be stricken out was inserted in the bill at the very close of the consideration of amendments by the Military Affairs Committee without any hearing whatever, and without any report from either the War Department or the Veterans' Administration. Upon further investigation and since the amendment was injected into the legislation, I have conferred with the War Department and procured an expression of views from them on the subject.

In addition to this, I call attention to one particular provision of the bill as contained in this amendment which I have moved to strike. The language on page 6, line 1, reads as follows:

All enlisted men of the National Guard, Reserve Corps, or any other armed force of the United States, however designated, other than the officers and enlisted men of the Regular Army, if called into the active military service by the Federal Government for extended service—

And so forth. Under this provision of the bill as written, with the amendment in it, the bill would be extended to the Navy of the United States, to the Coast Guard, and to the Reserve Corps, even when they are detailed to service in the Civilian Conservation Corps.

Not only that, but it goes so far as to set up retirement benefits, death benefits, and compensation to a group of men who may have been in the service not over 30 days as against men who do not have the same benefits under the present retirement law although they may have been in the service as long as 15 or 20 years.

I am advised by the War Department that if this language remains in the bill it will start the program off with an additional cost of approximately \$500,000 a year, and over the years will run into many millions of dollars. The Budget Director has not even been consulted about it.

There is pending before the House Committee on Military Affairs an unconsidered bill, H. R. 3220, which I introduced at the request of the War Department. The War Department has no disposition to mistreat any Reserve officer, but they think that to establish such a policy as that which would be established by this provision to which I refer in the pending bill would apply to both the War Department and the Veterans' Administration and make it very difficult to handle the subject of proper retirement and proper compensation to the officers of the Reserve Corps who are and will be entitled to compensation under existing law.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield for a question?

Mr. MAY. I yield.

Mr. CASE of South Dakota. Will the gentleman's amendment, then, take from this bill the protection for the Reserve officers which the gentleman from Connecticut [Mr. SMITH] told me the bill contained when I was speaking on the other amendment?

Mr. MAY. It will take that provision from the bill; and the purpose of striking it out is to enable the Military Affairs Committee of the House to hold hearings on legislation that is pending before them so that they can intelligently consider the matter after hearing both sides and make a proper report to the House of Representatives on legislation which carries not merely compensation and death benefits and injury benefits, but carries with it these vast retirement privileges not contemplated in existing legislation.

Mr. CASE of South Dakota. What assurance can the gentleman give us that the committee will report that bill favorably and give us a chance to enact a law that will grant benefits to those who crash while under orders of the War Department?

Mr. MAY. In my judgment, there is no sentiment against treating Reserve officers with the same justice as Regular

officers; and I am sure every Member of the House Committee will see that a fair hearing is had.

[Here the gavel fell.]

Mr. EDMISTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the committee has offered this amendment at the command of the War Department General Staff to strike out an amendment that was adopted by the Military Affairs Committee by a vote, as I recall, of 18 to 6.

The bill the gentleman from Kentucky refers to that is going to take care of these men that are cracked up when in training, these 4,300 officers of the Reserve Corps and National Guard, H. R. 3220, is a lot of bunk.

It puts an Army officer who is injured under the benefits of the United States Employees' Compensation Commission, and if any of you have ever had a constituent injured on a Federal project and got over 15 cents out of that outfit, I would like to see the record.

The chairman of the Committee on Military Affairs says this will apply to the Marine Corps and Navy. The Marine Corps and Navy already have the benefit. Why take the three main branches of our national defense and treat two of them in one manner and the Army in another?

Mr. MAY. Will the gentleman yield?

Mr. EDMISTON. I yield for a question.

Mr. MAY. Does the gentleman want me to answer the question? I will do so.

Mr. EDMISTON. All right; answer it.

Mr. MAY. The gentleman stated that H. R. 3220 is pure bunk.

Mr. EDMISTON. It is.

Mr. MAY. How is he going to find out whether it is bunk or not until we hold hearings on it?

Mr. EDMISTON. I say when any Army officer or enlisted man of the United States is injured in line of duty, or in the service of his country, he should not have to look to the United States Employees' Compensation Commission for compensation for his injury. You are putting him alongside of the fellow who gets hit in the foot with a pick on a W. P. A. ditch.

You are drawing 3,000 young officers into the Air Service. It is a hazardous service. When we used the officers to carry the mail and put them into that service of carrying the mail, we provided this same provision in that bill. That provision carried in the House and Senate in 1933. We recognized the hazards of the service then, and this is just as hazardous a service, if not more so, because those were trained officers, with no equipment to fly the mail. They were trained. These are youngsters who are going to be trained. You are going to crack them up and you are going to kill them.

Do you know what their beneficiaries would get under existing law? The most they could get if the officer is killed would be \$45 a month, and the most a widow may get would be \$28 per month.

Let us consider two officers, one a Regular Army officer and one a Reserve officer in the same plane, on the same mission and under the same orders. The plane cracks up and both of them are injured to the same degree. The Regular Army officer is retired for life on two-thirds of the pay of one grade in advance and the fellow officer in the Reserve or in the National Guard flying with him gets what he can out of the Veterans' Administration.

Mr. HARTER of Ohio. Will the gentleman yield?

Mr. EDMISTON. I yield to the gentleman from Ohio.

Mr. HARTER of Ohio. As I understand the import of the gentleman's proposition it is to place a Reserve officer who is called into extended active duty in the Air Corps on the same basis of retirement pay that a Regular Army officer draws in case of injury?

Mr. EDMISTON. That is exactly correct. The Army is the only branch of our national defense that does not now enjoy this privilege, and the War Department can give you no argument against this thing. The thing they are afraid of, and I want you to know this, is the cost. They say it

will cost \$500,000 the first year. It will not cost them a nickel if they do not crack up the boys or kill them.

Mr. MAY. Will the gentleman yield?

Mr. EDMISTON. I yield to the gentleman from Kentucky.

Mr. MAY. Did the gentleman even ask the clerk of the committee or the chairman of the committee or anybody in the War Department for a report on his amendment when he offered it in committee? Did he not offer it at the very last minute of the consideration of the bill?

Mr. EDMISTON. I notified the committee I was going to offer the amendment. I offered it and the committee agreed to it.

Mr. MAY. When did the gentleman give notice to the War Department that he was going to offer it?

Mr. EDMISTON. I do not pay any attention to the War Department. I know they are against it.

[Here the gavel fell.]

Mr. FADDIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in defense of the language proposed to be stricken from the bill of the amendment of the gentleman from Kentucky. The retention in the bill of this language is nothing more than simple justice.

A Reserve officer called to active duty in the Air Corps, or anywhere else, who is killed in the proper performance of that duty is just as dead as a Regular officer killed under the same circumstances. If he leaves a family, most likely he leaves the family under similar circumstances as that of a Regular Army officer of like grade and like length of service. Whatever may be the condition of his family, they are entitled to the protection of this Government just the same as is the family of a Regular officer.

Anyone in the Reserve Corps who comes out to serve his country, although it may be in a training period, does so very often at a sacrifice of his time and money. He furnishes the most unselfish service to his country of any man who serves the Nation. In his own time and at his own expense he goes through a period of training that is most valuable to this Nation, and by the unselfish service rendered to the Nation by such individuals it does away with the necessity of maintaining in this Nation an army such as we find maintained in foreign countries at tremendous expense. Largely because of the service of the Reserve officers, we are able to maintain a system of national defense with only a small standing Army. The Officers' Reserve Corps is the framework upon which we can build the Army we must raise in case of necessity. Therefore, if we are going to have an esprit de corps in the Officers' Reserve Corps, if we are going to have them give unselfishly in the future as they have in the past, we certainly should give them the same protection, if they are injured in the proper performance of their duty, as we extend to the Regular officers in connection with this service.

Mr. MAY. Will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman think it is fair to afford the same rights and privileges to a man who has been in the service for a day or two only and happens to get hurt as against a man who has been in the service for 10 years and has served for all these years?

Mr. FADDIS. I say to the gentleman, "Yes." I say to the gentleman that although this man may have been in the service only a few days he has come there to render to his Government just as much service as he is capable of rendering, and his life is just as valuable to him as the life of a man who has been educated at West Point is to him. His life is just as valuable to him, because he has paid for his own education, as if the Government had paid for it, and he is entitled to the full benefit of all the protection this Government can give him.

Mr. MAY. Mr. Chairman, will the gentleman yield further?

Mr. FADDIS. I yield to the gentleman from Kentucky.

Mr. MAY. Does the gentleman believe that a man who has been in the service for 3 days and has been hurt is as much entitled to retirement pay as a man who has served 15 years?

Mr. FADDIS. If he is in a war or engaged in any other hazardous duty; yes, indeed, he is.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not true that this service the men will be entering is an extremely hazardous service?

Mr. FADDIS. That is quite true.

May I answer the gentleman from Kentucky further by saying that this is a poor place to quibble about instances of that kind. It might have been written into the bill and properly taken care of in the proper time.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Massachusetts.

Mr. HEALEY. The gentleman mentioned the amendment of the gentleman from West Virginia [Mr. EDMISTON]. The situation now, however, is that this provision for the protection of these officers is in the bill.

Mr. FADDIS. Yes. The gentleman from West Virginia placed it in there in committee.

Mr. HEALEY. If we wish to keep the provision in the bill we will vote down the amendment of the gentleman from Kentucky.

Mr. FADDIS. Exactly.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Is it not true that this demand represents a feeling that has existed for years between the officers of the Regular Establishments of either the Army, Navy, or Marine Corps and the officers in the Reserve Corps?

Mr. FADDIS. I hope the amendment of the gentleman from Kentucky is defeated.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I find myself in accord with all the statements made by my friends on the committee, the gentleman from West Virginia [Mr. EDMISTON] and the gentleman from Pennsylvania [Mr. FADDIS] but this is not a question of how this proviso got in the bill but a question of just what it means and how wide its scope. If the gentleman from West Virginia would so amend the section which he offered in the closing minutes of the committee's sessions and state that all men brought into the service as a result of this particular act shall have the benefit of retirement pay and benefits, same would have my very cordial support. However, I invite the attention of the committee to the very, very broad language of this amendment:

That all officers (including warrant officers) and all enlisted men of the National Guard, Reserve Corps, or any other armed forces of the United States, however designated, other than the officers and enlisted men of the Regular Army, if called into the active military service by the Federal Government for extended military service for 30 days—

Mr. EDMISTON. Or more.

Mr. THOMASON. Or more, shall receive the benefits of the present Retirement Act.

The Congress in the past has had a good deal of experience with legislation regarding retired emergency officers, and some of it none too pleasant. I find myself in sympathy with the purpose the gentleman has in mind, but I also find myself in accord with my chairman, who states that a matter of this importance, concerning which the War Department through the Secretary of War and the Chief of Staff state there ought to be hearings both on the part of the War Department and the Veterans' Administration to see that justice is done not only to the officers and men but also to the Treasury of the United States, and such broad legislation should not be passed without hearings and deliberation.

I say this is not an unreasonable request, when the chairman of the Committee on Military Affairs comes on the floor of the House and says he will see to it that there will be hearings and that the matter will be decided upon its merits

and legislation adopted that will do justice to everybody. Therefore, I believe either this language ought to be modified to cover only the officers brought in as a result of this measure, or else we should have a full and fair hearing and come in here with legislation on the subject. This is the fair way to do it, as I view it, and in saying this I do not want to be understood as being in opposition to providing retired benefits for the young officers who are brought into the aviation branch of the service by reason of this act. In fact, I will support fair and just legislation to provide retirement benefits for all officers and enlisted men, but I want to be sure we do not go back to the abuses of the old days.

Mr. EDMISTON. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from West Virginia.

Mr. EDMISTON. Did we not hold hearings during the last session on this identical principle as embodied in the emergency officers' retirement bill? We spent weeks on those hearings.

Mr. THOMASON. The gentleman knows what happened to that bill.

Mr. EDMISTON. We passed it here, and the President vetoed it. That is what happened to it.

Mr. THOMASON. I know; but the bill did not become law.

Mr. EDMISTON. That still does not make it right.

Mr. THOMASON. No; perhaps not; but I say we ought not just absolutely open the floodgates here by a special provision inserted into what might be termed an emergency aviation and army bill. This is a national-defense bill. I hope we can bring in a special bill dealing with the subject of retirement that will be so fair and just that it will not be vetoed.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I am sure the gentleman would not want us to think this provision gives retirement pay without some cause for it. The provision requires that the officers must suffer disability or death in line of duty.

Mr. THOMASON. Certainly; but any legislation on such an important subject should not be discriminatory or all-inclusive.

Mr. CASE of South Dakota. Why should you discriminate between the Reserve officer and the Regular officer who might happen to be injured or killed in the same ship or under the same circumstances?

Mr. THOMASON. I do not draw that line. That is not the issue involved here. I believe the record will show that the Reserve officers do not have a better friend than I.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Does not the gentleman believe the Reserve officers should be given added protection? The Regular Army officers are in training every day, all their lives, while the Reserve officers do not have that opportunity of training to protect themselves.

Mr. THOMASON. I agree with you and I favor legislation on the subject, but I believe it ought to be seasoned legislation. Certainly, hearings ought to be had, including all interested parties, the Reserve Officers' Association, the National Guard, the Veterans' Administration, and the War Department, to the end that a bill may be worked out that will be fair not only to the officers who may be injured or killed in service but to the Treasury of the United States.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. I understand the statement has been made here that protection similar to that provided for in the so-called Edmiston amendment to the bill is now given to officers and enlisted men of the Navy and of the Marine Corps. Is that correct?

Mr. THOMASON. I do not know the details. I am sure there is some law that gives them some benefits, but I am also sure that it is not so general or far-reaching as this provision. I think we need legislation on the subject, and I will support it, but in my judgment this bill should only cover those brought in by this act. I hope the gentleman from West Virginia will so amend, and I will support it.

Mr. DINGELL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I am not entirely clear about what the provision referred to in the bill actually covers but if it is intended to protect Reserve officers who are injured while in the service, then I am most emphatically against the amendment to strike out, offered by my friend the chairman of the committee.

I know a specific instance where a Reserve officer, as fine a gentleman as ever lived and as patriotic an individual as ever served his Government, went up at Selfridge Field in what they call a 2-to-1 dog fight under orders, and was hopelessly and helplessly injured. A bill to make him a captain and to retire him was passed here, I believe, twice, but because the War Department reported on it adversely to the White House the bill was vetoed.

How long is this Committee going to stand idly by and permit patriotic citizens who are rendering a service to their Government, whether in the air or otherwise, to be maimed or crippled and made helpless for life without some provision being made for them? The War Department assumes the attitude that only the lives of Regular officers are precious. I am personally resentful about this matter, and I believe this House should once and for all determine this question and show the War Department that others are entitled to some consideration. If a private pension bill covering a meritorious case is passed by Congress, the War Department vetoes it by an adverse recommendation. Thus a superlegislative action overrides Congress.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Kentucky.

Mr. MAY. I suppose the gentleman heard my statement made awhile ago that the War Department had suggested legislation to take care of these very people, and that I had assured the gentleman that he should have a hearing on it.

Mr. DINGELL. The War Department for a long time has neglected its duty in respect of this matter and it is about time they recommended some remedy.

Mr. MAY. Does the gentleman think that far-reaching legislation involving the matter of retirement should be brought up in this way and considered without any hearing, or should be written on the floor here?

Mr. DINGELL. It should not be written here on the floor, but the Committee should see to it that these people are protected. Their lives and their patriotism are just as essential to the Nation as the lives or the patriotism of the men in the Regular Army. If the gentleman will assure me that he will go along in trying to correct some of the inequities of the present law and will seek to control the selfishness of the War Department, or rather certain individuals in it, then I could go along with him in his effort to strike out the section in order that legislation properly considered could be brought before the House at a later date.

Mr. MAY. The gentleman is now getting around to my position, because that is exactly what I want to do. I think we should have adequate hearings and give everybody a chance to be considered.

Mr. DINGELL. But I will say to my friend that I do not want to wait 10 years, because we are 20 years behind right now.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. I want to ask the gentleman this question: I am in sympathy with what the gentleman wants, but assuming the case the gentleman spoke of about the young man who cracked up on Selfridge Field and had only been called out for service for 10 days, under this provision

in the bill he would not get any retirement pay because it applies only to service in excess of 30 days.

Mr. DINGELL. I will answer the gentleman by saying that I think if he was in the service 1 day or if he went up in a plane for the first time and was killed or injured in 30 minutes, he should be compensated.

Mr. BULWINKLE. But we are dealing here with this particular provision in the pending bill.

Mr. EDMISTON. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. EDMISTON. I will explain the 30-day provision. That was to take out the Reserve officer who is called into the service for a 2 weeks' training period. This does not apply to him, but when they call upon him for extended duty of 30 days or longer, he goes in on the same basis as a Regular Army officer.

Mr. DINGELL. I am glad to have that statement from the gentleman.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman.

Mr. VAN ZANDT. Is it not true that if we were to adopt the policy incorporated in the pending bill, we would make a great contribution to national defense by encouraging these officers to keep their Reserve commissions with the Government?

Mr. DINGELL. I would think so, but there seems to be some controversy about the section and on the assurance of the chairman of the committee that proper legislation will be brought out, squaring with my ideas, I am considering I might vote with him.

Mr. EDMISTON. Have you not been waiting for it for 20 years?

Mr. DINGELL. I agree with that statement.

Mr. EDMISTON. You will never get it that way.

Mr. VAN ZANDT. The gentleman would assume that the same sentiment would exist when he grants hearings as exists now.

Mr. DINGELL. That might be his opinion.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think those who favor this legislation, who have been fighting for it for years, now that we have it in this bill, ought to keep it in the bill. [Applause.]

We are not trying to put an amendment into the bill. We are trying to stop the chairman of the committee from striking out a part of the bill as reported to the House. Therefore, we on both sides of the aisle, are supporting the committee report.

Now, my distinguished friend, the chairman of the committee, says we should introduce a separate bill. Oh, yes, I know he will give it a hearing, but if his committee were to report out a separate bill to reach the same objective, you and I know, as practical Members of the House, that the invisible opposition of the Department along the line would ultimately kill the bill. Also, with this provision in the pending bill we need not worry about any veto.

This provision is logical, this provision is fair, and the committee exercised proper judgment and good judgment in reporting the bill out with this provision in it. Do not let us take any chances on having a separate bill introduced, with separate hearings upon it, and then when that bill comes out, having it meet with invisible opposition along the line that such a bill will encounter. Let us keep the present language in the bill which the chairman of the committee now undertakes to strike out. Then, if it stays in the bill as it goes to the White House, we who have favored this legislation for years, with the hope of having it enacted into law, will have accomplished the objective we have so long sought.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MAY. Does the gentleman favor a policy of writing legislation by putting an amendment in a bill without hearings of any kind whatsoever or without consulting the vari-

ous agencies that are to enforce it, especially far-reaching legislation of this character?

Mr. McCORMACK. This matter has been considered for years.

Mr. MAY. By whom?

Mr. McCORMACK. Apparently when the committee reported this out the Members of the House were justified in assuming that your committee had given it consideration; otherwise it would not have been included in the bill.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. SPARKMAN. As a matter of fact, is it not only right and proper when a measure like this comes out proposing to bring into the active service several thousand young Reserve officers, that the same provision be made in the bill and adequate opportunity given them?

Mr. McCORMACK. A well-rounded-out program, as contemplated by this bill, should include a provision of that kind, and the committee is to be congratulated for having included it. Let us all support the committee by keeping it in the bill. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken; and on a division (demanded by Mr. MAY) there were—ayes 39, noes 149.

So the amendment was rejected.

The Clerk read as follows:

SEC. 6. Section 2 of the said act is hereby amended to read as follows:

"That for the period of 10 years, beginning July 1, 1939, the Secretary of War is authorized to select annually, to be commissioned in the Regular Army in approximately equal annual increments, in accordance with the provisions of, and from the groups described in, section 24e of the National Defense Act, as amended, such proportion of the total number of officers as, in the judgment of the Secretary of War, will be required to bring the commissioned personnel of the Regular Army to peacetime strength, as hereinafter provided, on June 30, 1949."

SEC. 7. Section 24e of the National Defense Act, as amended (41 Stat. 774), is hereby amended to read as follows:

"Except as otherwise herein provided, all appointments in the Regular Army shall be made in the grade of second lieutenant from the following groups: Group 1, from graduates of the United States Military Academy; group 2, from warrant officers and enlisted men of the Regular Army who have had at least 2 years' service; group 3, from honor graduates of the senior division of the Reserve Officers' Training Corps; group 4, from members of the Officers' Reserve Corps and flying cadets, who during the current calendar year have completed 1 year's active duty, under the provisions of this act, which duty may include service as a flying cadet in the Air Corps Training Center; and group 5, from officers, warrant officers, and enlisted men of the National Guard, members of the Enlisted Reserve Corps, and graduates of technical institutions approved by the Secretary of War: *Provided*, That, after all qualified members of group 1 have been appointed, appointments from the second, third, fourth, and fifth groups shall be made in accordance with such regulations as the Secretary of War may prescribe, from persons between the ages of 21 and 30 years: *Provided further*, That the number to be selected from each of the second, third, fourth, and fifth groups, and the number to be assigned to each branch of the service within the limits prescribed by law from all groups shall be determined by the Secretary of War in his discretion: *Provided further*, That until June 30, 1949, the total number of officers to be appointed annually from group 4, not including flying cadets, in the promotion list branches other than the Air Corps shall be not less than 10 percent of the total number of Reserve officers of such branches other than the Air Corps authorized to be called annually under appropriation acts, and in no event less than 50, and that any officers added to the Army under existing authorizations shall be within the total authorized commissioned strength of 16,719: *And provided further*, That immediately upon the effective date of this act, the President is authorized to commission not to exceed 300 second lieutenants in the Air Corps of the Regular Army, from among Reserve officers and flying cadets who have qualified for such appointment under existing laws. Any vacancy in the grade of captain in the Judge Advocate General's department, not filled by transfer or detail from another branch, may, in the discretion of the President, be filled by appointment from Reserve judge advocates between the ages of 30 and 36 years, and such appointee shall be placed upon the promotion list immediately below the junior captain on said list. Appointments in the Medical, Dental, and Veterinary Corps in the grade of first lieutenant shall be made from Reserve Medical, Dental, and Veterinary officers, respectively, between the ages of 23 and 32 years. Appointments in the Medical Administrative Corps shall be made in the grade of second lieutenant from pharmacists between the ages of 21 and 32 years who are graduates of recognized schools or colleges of pharmacy requiring 4 years of instruction for

graduation, under such regulations and after such examination as the Secretary of War shall prescribe. To be eligible for appointment in the Dental Corps, a candidate must be a graduate of a recognized dental college, and have been engaged in the practice of his profession for at least 2 years subsequent to graduation. Appointments as chaplain shall be made from persons duly accredited by some religious denomination or organization, and of good standing therein, between the ages of 23 and 45 years."

Mr. MAY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MAY: Page 7, lines 12 and 13, strike out the words "during the current calendar year" and insert after the word "completed" the words "not less than."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 8. On and after July 1, 1939, the peacetime commissioned strength of the Regular Army to be attained by approximately equal annual increments, as hereinbefore provided, shall be 16,719 officers, including 67 general officers of the line as now authorized by law. Commissioned officers, other than general officers, shall be assigned to the several branches as follows: Infantry, 4,184; Cavalry, 1,034; Field Artillery, 1,726; Coast Artillery Corps, 1,341; Air Corps, 3,203; exclusive of officers detailed from other arms and services for training and duty as aircraft observers and other members of combat crews; Corps of Engineers, 795; Signal Corps, 341; Adjutant General's Department, 131; Judge Advocate General's Department, 121; Quartermaster Corps, 1,016; Finance Department, 176; Ordnance Department, 417; Chemical Warfare Service, 124; Medical Corps, 1,424; Dental Corps, 316; Veterinary Corps, 126; Medical Administrative Corps, 16; and Corps of Chaplains, 152: *Provided*, That the President may increase or diminish the number of officers assigned to any branch by not more than a total of 30 percent: *Provided further*, That nothing herein contained shall affect the number of professors, United States Military Academy, as now authorized by law, or require the reparation from the service of any officer now commissioned in the Medical Administrative Corps. Subject to the authorized increase or decrease of 30 percent hereinabove provided, the number of officers detailed in the Inspector General's Department shall be 55.

Mr. HARTER of Ohio. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HARTER of Ohio: Page 10, line 5, after the word "three" where it occurs the second time in the line, strike out the semicolon.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 9. The act approved June 11, 1938 (ch. 337, 75th Cong., 3d sess.), is hereby amended by striking out the words "twenty-one thousand five hundred" in the last line thereof and inserting in lieu thereof the words "forty-five thousand."

SEC. 10. Nothing contained in this act shall be construed to affect the operation of the act of August 30, 1935 (49 Stat. 1028), with respect to the selection and commissioning, in accordance with the provisions of section 2 of that act, of Reserve officers now on active duty under the provisions of that act. Upon the effective date of this act, Air Corps Reserve officers who are then on active duty under the provisions of section 1 of the act of June 16, 1936 (49 Stat. 1524), shall be deemed to be on active duty under the provisions of this act: *Provided*, That on and after the effective date of this act no Air Corps Reserve officers shall be called to active duty under the provision of section 1 of the said act of June 16, 1936. Except as otherwise herein provided, nothing contained in this act shall be construed to affect the number of Reserve officers that may be called to active duty under existing laws, nor the conditions and the purposes for which they may be called.

SEC. 11. Section 2 of the act of June 16, 1936 (49 Stat. 1524), is hereby amended to read as follows:

"Any Air Corps Reserve officer who has not been selected for commission in the Regular Army shall be paid upon release from active duty following the termination of any period of active duty of 3 years or more in duration a lump sum of \$500, which sum shall be in addition to any pay and allowances which he may otherwise be entitled to receive."

SEC. 12. There is hereby authorized to be appropriated not to exceed \$23,750,000 to be expended for the construction, rehabilitation, and installation in the Panama Canal Department of such buildings, utilities, and appurtenances thereto as may be necessary to house antiaircraft, seacoast defense, and auxiliary units most urgently needed for defense of the Panama Canal.

SEC. 13. That section 4 of the act approved June 16, 1938, entitled "An act to provide for placing educational orders to familiarize private manufacturing establishments with the production of

munitions of war of special or technical design, noncommercial in character," be amended to read as follows:

"Sec. 4. That funds appropriated to accomplish the purposes of this act shall be available for expenditures incidental to the accomplishment of the procurements made thereunder, including production studies, factory plans, and other production data and the storage and maintenance of gages, dies, jigs, tools, fixtures, and other special aids and appliances procured thereunder. To carry out the provisions of this act there is authorized to be appropriated the sum of \$34,500,000, which amount shall be available during the fiscal years 1939, 1940, and 1941, and there is further authorized to be appropriated the sum of \$2,000,000 during each of the 4 fiscal years succeeding the fiscal year 1941."

Mr. LUDLOW. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LUDLOW: On page 13, after section 13, add a new section, as follows:

"Sec. 14. The United States would welcome and support an international conference for limitation of armaments and in the event of an agreement of the world powers to which the United States is signatory, providing for such a reduction of armaments, the President is hereby authorized and empowered to suspend so much of the program as it may be necessary to eliminate in order to conform to said agreement."

Mr. MAY. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill.

Mr. LUDLOW. Mr. Chairman, it is the same identical provision, in substance, which was held in order on the naval expansion bill, introduced in the last session. It would seem that a provision that was in order on a naval expansion bill would also be in order on a military expansion bill. I fail to see that the proposal is not in order on this bill. I had hoped that the chairman of the committee would not raise the point.

The CHAIRMAN. The Chair is ready to rule. The Chair is of opinion that to the bill pending before the House to provide more effectively for the national defense, the amendment offered by the gentleman from Indiana is not in order. The Chair is of opinion that the proposed amendment comes within the jurisdiction of another committee and is therefore not germane, and the Chair sustains the point of order.

Under the rule the Committee will now rise.

Accordingly, the Committee rose, and the Speaker having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, and that in accordance with House Resolution No. 88 he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the amended bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MAY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 367, nays 15, not voting 50, as follows:

[Roll No. 13]

YEAS—367

Alexander	Arnold	Beckworth	Bradley, Mich.
Allen, Ill.	Ashbrook	Bell	Bradley, Pa.
Allen, La.	Austin	Bender	Brewster
Allen, Pa.	Ball	Blackney	Brooks
Anderson, Calif.	Barden	Bland	Brown, Ga.
Anderson, Mo.	Barnes	Bloom	Brown, Ohio
Andersen, A. H.	Barry	Boehne	Bryson
Andrews	Barton	Boland	Buck
Angell	Bates, Ky.	Boren	Buckler, Minn.
Arends	Bates, Mass.	Boykin	Buckley, N. Y.

Bulwinkle	Gerlach	Ludlow	Rogers, Mass.
Burch	Geyer, Calif.	McAndrews	Rogers, Okla.
Burgin	Gibbs	McCormack	Romjue
Byrne, N. Y.	Gilchrist	McDowell	Routzohn
Byrns, Tenn.	Gillie	McGehee	Rutherford
Byron	Goldsborough	McGranery	Ryan
Caldwell	Gore	McKeough	Sabath
Cannon, Fla.	Gossett	McLaughlin	Sacks
Cannon, Mo.	Graham	McLean	Sandager
Carter	Grant, Ala.	McLeod	Satterfield
Cartwright	Grant, Ind.	McMillan, John L.	Schaefer, Ill.
Case, S. Dak.	Green	McMillan, Thos. S.	Schiffier
Casey, Mass.	Gregory	Maas	Schuetz
Celler	Griffith	Magnuson	Schulte
Chilperfield	Griswold	Mahon	Schwert
Church	Gross	Maloney	Scrugham
Clark	Guyer, Kans.	Mapes	Shafer, Mich.
Clason	Gwynne	Marcantonio	Shanley
Claypool	Hall	Marshall	Shannon
Clevenger	Hancock	Martin, Colo.	Short
Cluett	Hare	Martin, Ill.	Simpson
Cochran	Harrington	Martin, Iowa	Sirovich
Coffee, Nebr.	Hart	Martin, Mass.	Smith, Conn.
Coffee, Wash.	Harter, N. Y.	Mason	Smith, Ill.
Cole, Md.	Harter, Ohio	Massingale	Smith, Maine
Colmer	Hartley	May	Smith, Ohio
Connery	Havenner	Merritt	Smith, Va.
Cooper	Hawks	Michener	Smith, Wash.
Costello	Healey	Miller	Smith, W. Va.
Cox	Heinke	Mills, Ark.	Snyder
Crawford	Hendricks	Mills, La.	Somers, N. Y.
Crosser	Hennings	Mitchell	South
Crowe	Hess	Monkiewicz	Sparkman
Crowther	Hill	Monrone	Spence
Culkin	Hinshaw	Moser	Springer
Cullen	Hobbs	Mott	Starnes, Ala.
Cummings	Horton	Mouton	Steagall
D'Alessandro	Hull	Mundt	Stearns, N. H.
Darrow	Hunter	Murdock, Ariz.	Stefan
Delaney	Izac	Murdock, Utah	Sumner, Ill.
Dempsey	Jacobsen	Myers	Sutphin
DeRouen	Jarman	Nelson	Sweeney
Dickstein	Jarrett	Nichols	Taber
Dies	Jeffries	Norrell	Talle
Dingell	Jenks, N. H.	Norton	Tarver
Disney	Jensen	O'Connor	Tenerowicz
Douglas	Johns	O'Day	Terry
Dowell	Johnson, Ill.	O'Leary	Thomas, N. J.
Doxey	Johnson, Ind.	Oliver	Thomas, Tex.
Drewry	Johnson, Luther A.	O'Neal	Thomason
Duncan	Johnson, Lyndon	Osmer	Thorkelson
Dunn	Johnson, Okla.	O'Toole	Tibbott
Durham	Johnson, W. Va.	Owen	Tinkham
Dworshak	Jones, Ohio	Pace	Tolan
Eaton, Calif.	Jones, Tex.	Parsons	Treadway
Eaton, N. J.	Kean	Patman	Turner
Eberharter	Kee	Patrick	Van Zandt
Edmiston	Keefe	Patton	Vincent, Ky.
Elliott	Keller	Pearson	Vinson, Ga.
Ellis	Kennedy, Martin	Peterson, Fla.	Voorhis, Calif.
Elston	Kennedy, Michael	Peterson, Ga.	Vorys, Ohio
Engel	Kennedy, Md.	Pfeiffer	Vreeland
Englebright	Keogh	Pierce, N. Y.	Wadsworth
Evans	Kerr	Pierce, Oreg.	Wallgren
Faddis	Kilday	Pittenger	Walter
Fenton	Kinzer	Plumley	Weaver
Ferguson	Kirwan	Poage	Welch
Fernandez	Kitchens	Polk	West
Fitzpatrick	Kleberg	Powers	Wheat
Flaherty	Kramer	Rabaut	Whelchel
Flannagan	Kunkel	Ramspeck	White, Idaho
Flannery	Landis	Randolph	Whittington
Folger	Lanham	Rankin	Wigglesworth
Ford, Leland M.	Larrabee	Rayburn	Williams, Mo.
Ford, Miss.	Lea	Reece, Tenn.	Wolcott
Fries	Leavy	Reed, Ill.	Wolverton, N. J.
Gamble	LeCompte	Reed, N. Y.	Wood
Garrett	Lesinski	Richards	Woodruff, Mich.
Gartner	Lewis, Colo.	Risk	Woodrum, Va.
Gathings	Lewis, Ohio	Robertson	Youngdahl
Gavagan	Lord	Robinson, Utah	Zimmerman
Gehrmann	Luce	Rodgers, Pa.	

NAYS—15

Andersen, H. Carl	Curtis	Lambertson	Rich
Bolles	Hope	Lemke	Rockefeller
Burdick	Houston	Murray	Thill
Carlson	Knutson	Rees, Kans.	

NOT VOTING—50

Beam	Ditter	Hook	Seger
Bolton	Dondero	Jenkins, Ohio	Sheppard
Chandler	Doughton	Kelly	Sullivan
Chapman	Fay	Kocialewski	Summers, Tex.
Cole, N. Y.	Fish	McArdle	Taylor, Colo.
Collins	Ford, Thomas F.	McReynolds	Taylor, Tenn.
Cooley	Fulmer	Maciejewski	Warren
Corbett	Gearhart	Mansfield	White, Ohio
Creal	Gifford	O'Brien	Williams, Del.
Curley	Halleck	Robson, Ky.	Winter
Daly	Harness	Schaefer, Wis.	Wolfenden, Pa.
Darden	Hoffman	Secombe	
Dirksen	Holmes	Secrest	

So the bill was passed.

The Clerk announced the following pairs:
General pairs:

Mr. Warren with Mr. Wolfenden of Pennsylvania.
Mr. Mansfield with Mr. Dirksen.
Mr. Doughton with Mr. Holmes.
Mr. Cooley with Mr. Ditter.
Mr. Fulmer with Mr. Robson of Kentucky.
Mr. McReynolds with Mr. Taylor of Tennessee.
Mr. Sullivan with Mr. Secombe.
Mr. Collins with Mr. Hoffman.
Mr. Kelly with Mr. Jenkins of Ohio.
Mr. Darden with Mr. Halleck.
Mr. Secrest with Mr. Bolton.
Mr. Summers of Texas with Mr. Dondero.
Mr. Chandler with Mr. Fish.
Mr. Taylor of Colorado with Mr. Harness.
Mr. Beam with Mr. Seger.
Mr. Fay with Mr. White of Ohio.
Mr. Sheppard with Mr. Cole of New York.
Mr. Hook with Mr. Gearhart.
Mr. Curley with Mr. O'Brien.
Mr. Chapman with Mr. Winter.
Mr. Daly with Mr. Schaefer of Wisconsin.
Mr. Thomas F. Ford with Mr. Corbett.
Mr. Kocialewski with Mr. Williams of Delaware.
Mr. Creal with Mr. Maciejewski.
Mr. McArdle with Mr. Gifford.

The result of the vote was announced as above recorded.

EXPLANATION OF VOTE

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, four of the Members from Illinois, due to important business, are absent. If they were present, they would have voted "aye" on the bill. Those gentlemen are: Mr. BEAM, Mr. KELLY, Mr. MACIEJEWSKI, and Mr. KOCIALEKOWSKI.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. THOMASON. Mr. Speaker, the gentleman from Texas, Mr. MANSFIELD, is unavoidably absent. Had he been present when this vote was taken, he would have voted "aye."

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPENCE. Mr. Speaker, my colleague, Mr. CHAPMAN, is unavoidably absent. If present, he would have voted "aye" on this roll call.

Mr. ENGLEBRIGHT. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ENGLEBRIGHT. Mr. Speaker, my colleagues, Messrs. JENKINS, SECCOMBE, DONDERO, BOLTON, DITTER, WHITE of Ohio, WOLFENDEN, HARNES, CORBETT, DIRKSEN, HOLMES, HOFFMAN, and GIFFORD, are unavoidably absent, either through illness or on account of business. Had they been present they would have voted "aye" on the passage of the bill.

EXTENSION OF REMARKS

Mr. LORD. Mr. Speaker, I ask unanimous consent to extend my remarks and include a short resolution from the Common Council of Oneonta, N. Y., which contains about 17 lines.

The SPEAKER. Is there objection?

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, to include a letter on our foreign relations which I have received from the Secretary of State, Mr. Hull.

The SPEAKER. Is there objection?

There was no objection.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF THE FIRST CONGRESS OF THE UNITED STATES

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution—House Concurrent Resolution 8—which I have sent to the desk.

The Clerk read as follows:

House Concurrent Resolution 8

Resolved by the House of Representatives (the Senate concurring), That the first paragraph of House Concurrent Resolution 4 of the Seventy-sixth Congress is hereby amended to read as follows: "That in commemoration of the one hundred and fiftieth anniversary of the First Congress of the United States under the Constitution, begun and held at the city of New York on Wednesday, the 4th of March 1789, the two Houses of Congress shall assemble in the Hall of the House of Representatives at 12 o'clock meridian on Saturday, March 4, 1939."

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD to include an address which I delivered this afternoon at the United States battleship *Maine* memorial services, held at Fort Myer, Va., under the auspices of the United Spanish War Veterans.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Washington. Mr. Speaker, I ask unanimous consent to extend in the RECORD two statements which I made in support of the bill (H. R. 2) before the Committee on Ways and Means.

The SPEAKER. Is there objection?

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a speech I made.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a resolution from the National Student Legislative Council.

The SPEAKER. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that on Friday, February 17, 1939, immediately after the reading of the Journal and disposition of other matters on the Speaker's desk, I be privileged to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a Lincoln Day address by the Governor of South Dakota before the National Republican Club of New York.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my own remarks by including in the Appendix an address by my colleague, Hon. THOMAS E. MARTIN, Representative from the State of Iowa.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

Mr. SACKS. Mr. Speaker, I ask unanimous consent that leave of absence be granted to my colleague, Hon. JOSEPH A. McARDLE, on account of illness.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes. I have asked the permission of the gentlemen who have special orders.

The SPEAKER. Is that agreeable to the gentleman from New York [Mr. DICKSTEIN] and the gentleman from Georgia [Mr. PETERSON]?

Mr. DICKSTEIN. That is agreeable to me, Mr. Speaker.
Mr. PETERSON of Georgia. That is agreeable to me, Mr. Speaker.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WOLFENDEN of Pennsylvania (at the request of Mr. KINZER), for 1 week, on account of illness in his family;

To Mr. THOMAS F. FORD, for the balance of the week on account of illness.

DIRECT RELIEF AND WORK RELIEF

The SPEAKER pro tempore (Mr. CULLEN). The Chair recognizes the gentleman from New York [Mr. MARCANTONIO] for 2 minutes.

Mr. MARCANTONIO. Mr. Speaker, 8 days have elapsed since the President of the United States requested an additional \$150,000,000 for the Works Progress Administration. Only 44 days remain before approximately 2,000,000 people on the W. P. A. will be laid off.

The overwhelming majority of the American people demand action. Why is it that the Appropriations Committee is not acting on this request which is so vital to the welfare not only of the unemployed of this country but so vital to the welfare of the entire Nation? Why is it that the committee indulges in this delay? There can be no alibi or excuse for any delay. We face an emergency. The President stated in his message, "I ask that the Congress commence immediate consideration of these simple and alarming facts." Immediate consideration means now and not a month from now; today and not tomorrow.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, I do not see any member of the majority on the Appropriations Committee here at the moment, but I may say in fairness to them that the President said he would report to the Congress again the first week in March. This would give the Appropriations Committee plenty of time to make an additional appropriation for the 3 remaining months until July 1 if they so desire.

The SPEAKER pro tempore. Under the previous special order of the House the Chair recognizes the gentleman from New York [Mr. DICKSTEIN] for 30 minutes.

Mr. DICKSTEIN. Mr. Speaker, now that the committee presided over by the gentleman from Texas [Mr. DRES] has been reorganized and is ready to proceed with its work, I deem it my duty to address this House on the subject of the committee and on what I consider would be the important angles of inquiry to be pursued by it.

A few days ago, along with other Members of the House, I had occasion to speak of the work of the committee and its record up to that time, which was by no means inspiring. I then saw fit to point out some of its shortcomings, not by way of destructive criticism but by way of constructive suggestions as to how the committee might best serve the interests of the country.

After all, this is a committee of the House of Representatives, and all of us owe a duty to this House as well as to the country at large, a duty which must be discharged in an honest, straightforward, and patriotic manner, and I have no fear that a few suggestions might go a long way toward the achievement of that object.

It is unnecessary for me to tell you in detail as to my particular reasons for being so vitally concerned in the success of the committee's work. After all, the committee is my brain child and far back in 1933, when most of the Members of this House did not even know or suspect the existence of foreign propaganda, it was I, as chairman of the Committee on Immigration and Naturalization, together with eight members of that committee, who undertook to make a thorough study of this situation. After holding hearings during the recess of Congress, we obtained enough evidence

to focus the attention of the country upon the existing menace of foreign propaganda. It was only after earnest pleading with the Members of the House that I finally succeeded, on March 20, 1934, in obtaining the appointment of a committee to investigate subversive propaganda in the United States. This committee was created by House Resolution No. 198, reading as follows:

Resolved, That the Speaker of the House of Representatives be, and is hereby, authorized to appoint a special committee to be composed of seven Members for the purpose of conducting an investigation of (1) the extent, character, and objects of Nazi propaganda activities in the United States, (2) the diffusion within the United States of subversive propaganda that is instigated from foreign countries and attacks the principle of the form of government as guaranteed by our Constitution, and (3) all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

That said special committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States—whether or not the House is sitting, has recessed, or has adjourned—to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpoena or otherwise, and to take such testimony, as it deems necessary. Subpoena shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

The Speaker of the House of Representatives was authorized to appoint this special committee, and the then Speaker, the Honorable Henry T. Rainey, who is now deceased, promptly communicated with me urging me to accept the chairmanship of that committee. I declined this honor, feeling that my work would best be done if another Member of the House were to be selected as the chairman of that committee, and the Speaker thereupon appointed the gentleman from Massachusetts [Mr. McCORMACK] as such chairman. I was made a member of the committee and elected the vice chairman thereof. It was then that this committee conducted a very intensive and thoroughgoing investigation with a very small appropriation, \$30,000. Very carefully, prudently, and without undue publicity, the committee then pursued its task of obtaining for the benefit of this House and the country at large the knowledge of such facts as would enable the House of Representatives to pass remedial legislation to do away with subversive propaganda.

The situation was very serious. From the right and from the left pressure was brought on the American public to do away with our time-honored democracy and to reorganize our constitutional set-up by way of fascism or communism. The pressure from the right and the pressure from the left was beating on our democracy, and the business depression which had then been in existence for a number of years made this country a fertile ground for the reception of foreign "isms." It was at this stage of the world's affairs that our committee set itself the task to educate the people of our country to the dangers of intolerance and hatred. We tried to make the people realize that intolerance and bigotry could not help to lift us out of our depression, but on the contrary, would result in a feeling of suspicion and distrust engendered against our fellow citizens and ultimately would bring about a cleavage and division among the members of our citizenry which could bode no good to the continuance of our democratic institutions. Our investigation was conducted along constructive lines and we prepared a report which showed the dangers of both fascism and communism to the continuance of our democratic institutions. We did not subpoena *ex parte* investigators, but subpoenaed James Ford, Browder, and other Communist leaders. We did not slander or attack the reputation of prominent Americans without having any definite evidence as to their guilt. May I suggest that the Dies committee follow this line of procedure? It certainly does not enhance the reputation of the committee, nor does it result in having the committee held in esteem, if it attacks the officials of our home Govern-

ment and criticizes the conduct of our public officials who are doing their best to help eradicate from our midst any insidious attempts at the destruction of our form of government. We surely do not want to give aid and comfort to the enemy by attacking our own public officials. If the object of the committee is to show the dangers of foreign propaganda, let us not unnecessarily involve officials of our own Government who are the living exponents of our own democratic form of government.

In addition to foreign organizations, to which I will refer again in a moment, let me at this time briefly mention some of our domestic organizations which are as obnoxious to the maintenance of our democracy as are foreign groups working toward the same aim, that is to array citizen against citizen, or one group, one religion, one class, or one race against another. Among these dangerous and malignant groups are some 120 organizations. The committee presided over by the gentleman from Texas says there are some 60. A superficial examination of these organizations shows the diversity of the elements composing the sources of the assault upon our democracy. There are, as I said before, elements of the right as well as of the left, there are equally obnoxious and equally a necessary subject for investigation by this committee.

In addition to these organizations there are other sources of subversive activities in the United States. There are subversive groups of alien origin working in our navy yards, in our National Guard, and among the contractors employed by the agencies of our Government in the manufacture of munitions, airplanes and other scientific instruments. Those are the groups which seek to sabotage naval and military plans in the event this country should be drawn into war. Those are the groups which seek to obtain information about our national resources and our military and naval equipment. Those are the groups which communicate to foreign governments the result of their espionage activities.

The committee until the present time has not in any way submitted to the attention of the public any of these facts, nor has the committee made a study of the vast possibilities of destruction which face us if the activities of spies and saboteurs are allowed to go unchecked. For they eventually may result in another Black Tom or Kingsland explosion.

In March of last year one of my investigators made a study of the situation prevailing in the National Guard of the State of New York and found that there was a large number of aliens, both of German and of Russian origin, serving in the ranks of our State militia. It was with the cooperation of the Governor of the State of New York, to whose attention this matter was brought, that within 24 hours after advising the Governor about it an order was issued discharging from service every alien then serving in our National Guard, and requiring that hereafter only citizens should be eligible for service in our State militia. This is an instance of prompt official action when the facts were brought to the attention of the proper authority of our Government. It is such prompt action which should be imitated by this committee, and undoubtedly results will be just as effective. I do not know how many States in the Union suffer from the same situation at the present time, but perhaps a little activity on the part of the committee will ascertain the facts and cause the respective Governors of other States to take action similar to that heretofore taken by the Governor of my own State.

The German steamship lines have established a thorough system of bringing into this country tons of material used for vicious antidemocratic propaganda against our President, officials of our Government, and many groups of our citizens. This propaganda emanates from a totalitarian country, and the committee has done nothing to ascertain its sources or to stop its further operation. There are also uniforms for storm troopers, youth groups, and other totalitarian organizations being shipped on these boats, but nothing has been done by the committee to ascertain the origin of this type of propaganda. There are also books which have been withdrawn from circulation in this country because of their vicious

and un-American character, only to be reprinted in Berlin and other places and to be sent back to us on German boats. This has likewise been ignored by the committee and not been investigated.

I take it for granted, or at least wish to express my hope that when the committee resumes its activities it will make a thorough study of the so-called German-American Bund, and that it will ascertain its objects, purposes, manner of organization, and particularly the source of its funds. It is unthinkable that out of the meager contributions levied on German merchants in this country it should be possible to manage a totalitarian organization like the bund which not only keeps up a network of activities stretching from coast to coast, but also embraces the North American Continent from Canada to Mexico. These bunds maintain over 30 camps in various parts of the United States, camps which are nothing but the training grounds for military drills and for the organization of a private army in opposition to and contrary to our own Army and Navy. To permit a foreign group to maintain an army on our own soil is, to say the least, the height of complacency. We surely cannot permit such unchecked activity, and it will be up to the committee to make a thorough study of this phase of foreign activities.

There are also chemical laboratories to manufacture noxious gasses and bombs for the destruction of our Army and Navy. There are secret laboratories, to work out dangerous processes, conducted by men who had experience in the chemical-warfare service of other nations and who wish to utilize that experience against our citizens.

There are exchange students who ostensibly come to this country to study, but are really here to indulge in widespread propaganda against our democracy as has been more fully discussed by me in the CONGRESSIONAL RECORD of January 5, 1939. There are activities of a more insidious kind, which, taking advantage of diplomatic immunity enjoyed by consuls, center around the various consulates of foreign nations. Would an American consul in any foreign country be permitted to appear on the public platform and speak against the form of government of the country to which he has been accredited? And yet that is precisely what German consuls have been doing from time to time and are still doing. They appear on the public platform and openly, because we cherish the ideal of free speech, tell our citizens that our Government is no good.

I do not have to dwell too long on the spy activities which recently resulted in a series of convictions meted out in the city of New York, as well as in our Canal Zone, after an impartial judicial trial. But did the trial stop these activities? On the contrary, in the Canal Zone the German consul was brazen enough to denounce the processes of our American justice and to criticize our officials for doing their duty.

There has been a noticeable change in methods of propaganda in recent years. While in former years it was the practice of propagandists to be vociferous, and the tactics they used to convert the public was to be shouting from the housetops, today their methods are more insidious. The idea is to drop a hint here and there, to whisper a remark here and there, and to cause dissatisfaction and unhappiness wherever possible. A propagandist can only fish in muddy waters, and agitators who become experts in their field make it hard for us to find a proper method to combat their activities. For the guidance of the committee may I add that most of this propaganda originates in countries already committed to a Fascist ideology, but an important part comes from countries that have democratic governments. There are Irish, Swiss, Swedish, French, and other foreign groups that are carrying on through Nazi inspiration and assistance anti-democratic and anti-Semitic propaganda. Ukrainian organizations of the pro-Nazi variety are active here, as well as Japanese societies which are spreading pro-Nazi propaganda. Among other organizations to be mentioned here are the Arab Racial League, the Palestine-Arab Delegation, the Gold Shirts of Mexico, which organization carries on anti-Semitic propaganda not only in Mexico but also among the Mexicans in the United States, and several White Russian organiza-

tions lined up with the Nazis, namely, the Russian National Union, White Guard Russian troops, Russian National League of America, and the Ancient and Noble Order of the Blue Lamoo. There are also several Canadian groups active in spreading pro-Nazi and anti-Semitic propaganda not only in Canada but in the United States as well. Among them are the Montreal Women's Anti-Communist League, the Canadian Nationalist Party, the Thunderbolt, Canadian Union of Fascists, and similar organizations.

Among the English organizations operating in the United States from England are: British Union of Fascists and National Socialists, Boswell Publishing Co., Britons Publishing Co., Christian Aryan Protection League, Imperial Fascist League, Militant Christian Patriots, and the Universal Racial Alliance.

Fascist Italy, too, is carrying on a vigorous propaganda in the United States today and the Italian consuls and the Italian press in this country have been forced to join in this campaign. For example, there are such organizations as the American Italian Union, Italian Library of Information, the Lictor Federation, successor to the Fascist League of America. The Italian Historical Society, the Dante Alighieri Society, and the Italian Black Shirts.

Of course Nazi Germany, too, has set up numerous organizations, the purpose of which is to propagandize the United States. In addition to the travel and steamship agencies, the German consuls, the press correspondents, and the news agencies of Nazi Germany active in spreading pro-Nazi and antidemocratic and antisemitic propaganda, there are also the following organizations operating in the United States from Nazi Germany: Institute of Germans Living Abroad, the foreign organizations of the labor front, the foreign political office under Dr. Alfred Rosenberg, the People's League for Germanism Abroad, Nordic Society, German Colonial Society, Aryan Christian Alliance, Institute for the Study of the Jewish Question, German Students' Foreign District, Hitler Youth, Anti-Jewish World League, Anti-Comintern League, Fichte Bund, World Service, Julius Streicher's world clearing house for Jew-baiting, Nuremberg, Germany, Judenkenner.

Nazi Germany also has set up in the United States numerous organizations composed of German citizens and American citizens of German extraction, to carry on the Nazi propaganda campaign. Naturally these overlap in their activities. Among them all there is the closest cooperation and Fritz Kuhn, head of the German-American Bund, successor to the Friends of the New Germany, seems to direct the activities of all of them. Among these organizations now active or recently active are: Order of Service (American storm troopers), League of German Girls, German-American Business League, the Steel Helmets, German Veterans' League, German Legion, German Edda Culture League, German Commonwealth for Art and Literature (with the storm troop and political divisions).

But there are also numerous native American organizations that are carrying on antidemocratic, antisemitic, and pro-Nazi propaganda in the United States. They are national, regional, and local, though most of them are local or regional in character. There are also churches, usually German churches or Fundamentalists, that are centers of such propaganda. In defending the Fatherland, German churches naturally fall into the Nazi propaganda set-up and along with the defense of the Fatherland the German churches usually exploit antisemitic propaganda and thus lend very definite aid and comfort to the Nazi propagandists in the United States.

The other churches involved in this antisemitic and pro-Nazi propaganda are usually of the Fundamentalist variety extremely orthodox and reactionary in their theological views. In general, they say that the coming of Jesus is imminent. However, before he comes, the anti-Christ must come. Their further reasoning is that anti-Christ has come in the form of Jewish communism or Soviet atheism, both of which are synonymous, and that Hitler is the great bulwark against that anti-Christ. Thus they find themselves in

the Nazi propaganda camp. There are several hundred important churches in the class of antisemitic propagandists in the United States, besides several thousand smaller ones that preach antisemitism intermittently.

There are also many individuals who act as centers of propaganda. These individuals act through and for other organizations, distribute literature of numerous groups, and send in the names of prospective victims of Nazi propaganda to both foreign and native propaganda groups. These individuals, of whom there are a great many, are very important agents of subversive propaganda. There is scarcely a community of any size without at least one of these individual propagandists.

Also, there are a good many important so-called patriotic groups and reactionary economic groups that might be classed as marginal. They believe themselves to be genuinely patriotic, but when a serious crisis arises they often find themselves in the pro-Nazi and anti-Semitic camp. Also, many of these reactionary, economic, and so-called patriotic groups exploit the propaganda furnished by regular anti-Semitic organizations. Types of individuals and organizations represented in these groups have been classified as antiathen, antidemocratic, antilabor, anti-Negro, anti New Deal, anti-pacifist, anti-Catholic, and vigilante, but all of them pro-Nazi and anti-Semitic.

With few exceptions all of these organizations have come into existence since Hitler came to power, and whether innocently or not they are all therefore agents of Hitler in the United States.

As a friend of the committee I must earnestly warn them that their task will not be an easy one. It will require a high degree of statesmanship and real ability to unearth some of the propaganda which does not squarely meet the eye. I am sure that the committee will be able to find complete cooperation whenever it will direct its energies to the eradication of dangerous propaganda. The press has been very helpful, and the Members of this body will give their assistance whenever called upon. We must not, however, let our vigilance relax. We must be forever mindful of our duty to this House as well as the people of the United States and perform our tasks with ability, dispatch, and dignity. The committee has an adequate appropriation, and no reason exists why it could not provide itself with an efficient and well-trained staff to assist it in its work. Its investigators should be chosen for their ability to obtain real information and to present all of the necessary facts to the committee for its action. The committee should guard against the type of investigators who are men of little knowledge and less ability, men who repeat hearsay without taking the trouble to check facts, for very often it is this type of investigator that may be held responsible for the failure of a committee to secure important information.

I am presenting the matter now to the Congress of the United States for the benefit and guidance of the Dies committee, and I assure the committee that if they will follow the suggestions made in this carefully prepared document, they will have sufficient evidence to expose the agitators who seek to undermine the Government.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. MARTIN J. KENNEDY. The gentleman indicated that the list of names covered 120 different organizations which should be investigated.

Mr. DICKSTEIN. There are 120 such organizations in the United States. They call themselves 200 percenters; yet they practice and preach intolerance and hatred amongst the citizens of the United States.

Mr. MARTIN J. KENNEDY. What good purpose is served by not putting those additional 120 names into the Record so that the world may know, rather than make the list a confidential communication?

Mr. DICKSTEIN. For the simple reason that I want the committee to have the opportunity of using this list for the purpose of subpoena and obtaining some of their records. The moment I put the names of those 120 organizations into

the Record the most important evidence would disappear, because those groups are clever enough to destroy some of their incriminating records. I have incorporated in my statement now, however, names of some subversive organizations and their activities in the United States, which must be exposed if we desire to preserve our democracy.

Mr. MARTIN J. KENNEDY. I appreciate the work the gentleman has been doing throughout the years, and I want to take this opportunity of congratulating him upon this splendid work and for his cooperation, because I know that his intimate knowledge of the subject will make the success of the Dies committee more assured.

Mr. DICKSTEIN. The gentleman from Texas [Mr. DIES] now has everything he has asked for, an extension of his committee, sufficient funds for an efficient staff, and the cooperation of the House of Representatives. There is no earthly reason why he should not succeed in his endeavor and we all hope that he will accomplish the great and important task of ridding our country of all groups organized for the purpose of undermining our liberal form of government.

The SPEAKER pro tempore. Under a previous special order of the House, the gentleman from Georgia [Mr. PETERSON] is recognized for 20 minutes.

Mr. COX. Mr. Speaker, the gentleman from Georgia [Mr. PETERSON] yields back his time. He does not desire to address the House at this time.

EXTENSION OF REMARKS

Mr. MURDOCK of Arizona and Mr. MARCANTONIO asked and were given permission to revise and extend their own remarks in the Record.

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record by printing in the Record a speech delivered in a previous session of the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York [Mr. SIROVICH]?

There was no objection.

ADJOURNMENT

Mr. SIROVICH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 48 minutes p. m.) the House adjourned until tomorrow, Thursday, February 16, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Thursday, February 16, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building, Washington, D. C.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, February 16, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill. Mr. John N. Beall, a representative of the American Trucking Association, will be the witness.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Naval Affairs Committee of the House of Representatives on Thursday, February 16, 1939, at 10:30 a. m., for the purpose of continuing the consideration of H. R. 2880, "To authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes," carrying out partially the recommendations of the Hepburn report.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Thursday, February 16, 1939, at 10:30 a. m., in room 328, House Office Building, to consider H. R. 2184, H. R. 2317, H. R. 2957, H. R. 2958, H. R. 2959, H. R. 2960.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Thursday, February 16, 1939, at 10:30 a. m., to hold hearings on the

report on Calumet-Sag Channel, Ill., and Indiana Harbor and Canal, Ind.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads in room 213, House Office Building, Thursday, February 16, 1939, at 10 a. m., for the public consideration of H. R. 3230.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Tuesday, February 21, 1939, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

421. A letter from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1939, for the Treasury Department to provide for payment to Federal land banks on account of the reduction in interest rate on mortgages under the provisions of the act of July 16, 1938, in the amount of \$10,250,000 (H. Doc. No. 154); to the Committee on Appropriations and ordered to be printed.

422. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to authorize payment of certain unpaid Creek equalization claims; to the Committee on Indian Affairs.

423. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to amend the act of June 30, 1936, providing for the administration and maintenance of the Blue Ridge Highway; to the Committee on the Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Merchant Marine and Fisheries. H. R. 950. A bill to exempt from the provisions of Draft Convention No. 53 of the International Labor Conference Treaty of 1936 all American vessels under

200 tons; with amendment (Rept. No. 41). Referred to the Committee of the Whole House on the state of the Union.

Mr. MANSFIELD: Committee on Rivers and Harbors. Senate Joint Resolution 57. Joint resolution authorizing the Secretary of War to cause a completion of surveys, test borings, and foundation investigations to be made to determine the advisability and cost of putting in a small experimental plant for development of tidal power in the waters in and about Passamaquoddy Bay, the cost thereof to be paid from appropriations heretofore or hereafter made for such examinations; with amendment (Rept. No. 42). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EBERHARTER:

H. R. 4166. A bill prohibiting the importation of the United States flag or emblem from foreign countries, and for other purposes; to the Committee on Ways and Means.

By Mr. KING:

H. R. 4167. A bill to extend further time for naturalization of alien veterans of ineligible race who served in the armed forces of the United States during the World War; to the Committee on Immigration and Naturalization.

H. R. 4168. A bill to authorize a preliminary examination and survey of certain rivers and their tributaries on the island of Kauai, T. H., for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. KUNKEL:

H. R. 4169. A bill to provide for the sale of certain arms to war veterans' organizations; to the Committee on Military Affairs.

By Mr. MUNDT:

H. R. 4170. A bill to prevent the pollution of the navigable waters of the United States, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. RAMSPECK:

H. R. 4171 (by request). A bill to authorize the President to bestow a meritorious-service medal upon civil officers and employees of the United States, and for other purposes; to the Committee on the Civil Service.

By Mr. RANDOLPH:

H. R. 4172. A bill to provide for deportation of certain aliens who do not make declaration of intention to become citizens; to the Committee on Immigration and Naturalization.

By Mr. KNUTSON:

H. R. 4173. A bill to establish the Department of Military Defense, to limit the activities of the military establishments to defense purpose only, to make such establishments instruments of national peace, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. LAMBERTSON:

H. R. 4174. A bill authorizing the Secretary of War to grant a revocable license to the Union Pacific Railroad Co. to maintain certain railroad trackage on the Fort Leavenworth Military Reservation; to the Committee on Military Affairs.

By Mr. IGLESIAS:

H. R. 4175. A bill to authorize the Secretary of War to build an American Army monument in Mayaguez, P. R.; to the Committee on Military Affairs.

H. R. 4176. A bill for a survey and examination of Punta Santiago Harbor, Fajardo, P. R.; to the Committee on Rivers and Harbors.

By Mr. RANKIN:

H. R. 4177. A bill to provide for the conveyance to Tombigbee Post, No. 69, of the American Legion, Columbus, Miss., of the old post-office building and the site thereof in such city; to the Committee on Public Buildings and Grounds.

H. R. 4178. A bill to provide for loans to farmers on first mortgage at a 3-percent interest rate, and for other purposes; to the Committee on Agriculture.

H. R. 4179. A bill to authorize the issuance of a special series of postage stamps commemorative of the four hundredth anniversary of the expedition of Hernando de Soto; to the Committee on the Post Office and Post Roads.

By Mr. ROGERS of Oklahoma:

H. R. 4180 (by departmental request). A bill to repeal section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended; to the Committee on Indian Affairs.

By Mr. WILLIAMS of Missouri:

H. R. 4181. A bill to amend section 14 of the act approved June 25, 1938 (52 Stat. 1069), entitled the "Fair Labor Standards Act of 1938"; to the Committee on Labor.

By Mr. HARRINGTON:

H. R. 4182. A bill to allow credits against the tax imposed by section 901 of the Social Security Act for the calendar year 1937 for certain contributions to State unemployment funds; to the Committee on Ways and Means.

By Mr. HULL:

H. R. 4183. A bill to amend an act approved December 17, 1928, entitled d"An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment thereon in claims which the Winnebago Tribe of Indians in Wisconsin may have against the United States, and for other purposes"; to the Committee on Indian Affairs.

By Mr. SMITH of Maine:

H. R. 4184. A bill to authorize the conveyance by the United States to the town of Bristol, Maine, of a portion of the Pemaquid Point Lighthouse Reservation, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. D'ALESSANDRO:

H. R. 4185. A bill to repatriate native-born women residents of the United States who have heretofore lost their citizenship by marriage to an alien; to the Committee on Immigration and Naturalization.

By Mr. FAY:

H. R. 4186. A bill to adjust benefits under war-risk insurance policies in cases of specific disabilities; to the Committee on World War Veterans Legislation.

By Mr. McCORMACK:

H. R. 4187. A bill to designate United States Highway No. 6 as the "Grand Army of the Republic Highway"; to the Committee on Roads.

H. R. 4188. A bill to authorize the erection of a United States Veterans' Administration hospital in or near the city of Boston, Mass.; to the Committee on World War Veterans' Legislation.

H. R. 4189. A bill to provide national flags for the burials of honorably discharged former service men and women; to the Committee on World War Veterans' Legislation.

H. R. 4190. A bill to permit classification of certain unclassified employees of the United States by noncompetitive examinations; to the Committee on the Civil Service.

By Mr. WHELCHER:

H. R. 4191. A bill to provide annuities for widows of retired civil-service employees of the United States and District of Columbia; to the Committee on the Civil Service.

By Mr. McCORMACK:

H. R. 4192. A bill to impose a tax upon imported bread; to the Committee on Ways and Means.

By Mr. CARTWRIGHT:

H. J. Res. 169. Joint resolution proposing a plan for the adjustment of the claim of the State of Oklahoma against the United States arising from the tax exemption of Indian lands and the products thereof, and for other purposes; to the Committee on Indian Affairs.

By Mr. PETERSON of Florida:

H. J. Res. 170. Joint resolution to amend Public Resolution No. 112, Seventy-fifth Congress; to the Committee on Rules.

By Mr. COCHRAN:

H. Res. 95. Resolution to authorize payment of expenses of Select Committee on Government Organization authorized by House Resolution 60; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Arkansas, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution No. 14, concerning the multiple-use development of the White River Basin in Arkansas and Missouri; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALL:

H. R. 4193. A bill for the relief of Desiderio Mazzella; to the Committee on Immigration and Naturalization.

By Mr. BOEHNE:

H. R. 4194. A bill granting a pension to Lola Frances Sumner; to the Committee on Invalid Pensions.

By Mr. BREWSTER:

H. R. 4195. A bill granting an increase of pension to Emma C. Orr; to the Committee on Invalid Pensions.

By Mr. BROWN of Ohio:

H. R. 4196. A bill granting a pension to Belle Robinson; to the Committee on Invalid Pensions.

By Mr. CASE of South Dakota:

H. R. 4197. A bill granting a pension to Jennie Zimmerman; to the Committee on Pensions.

H. R. 4198. A bill for the relief of M. L. Parish; to the Committee on Claims.

By Mr. CLUETT:

H. R. 4199. A bill granting an increase of pension to Pearl F. Pratt; to the Committee on Pensions.

H. R. 4200. A bill granting an increase of pension to Anna Belle La Fay; to the Committee on Invalid Pensions.

By Mr. FRIES:

H. R. 4201. A bill granting an increase of pension to Sarah E. Pearson; to the Committee on Invalid Pensions.

H. R. 4202. A bill for the relief of Fred T. Gordon and Bert N. Richardson; to the Committee on Claims.

H. R. 4203. A bill for the relief of William H. Harris; to the Committee on Military Affairs.

By Mr. HAVENNER:

H. R. 4204. A bill granting an increase of pension to Minnie Wetmore Cole; to the Committee on Pensions.

By Mr. KING:

H. R. 4205. A bill for the relief of Aloha Motors, Ltd.; to the Committee on Claims.

By Mr. McLEOD:

H. R. 4206. A bill granting a pension to Walter B. Stevens; to the Committee on Pensions.

By Mr. MARCANTONIO:

H. R. 4207. A bill for the relief of Henrietta Vendemmia; to the Committee on Immigration and Naturalization.

By Mr. MASSINGALE:

H. R. 4208. A bill granting a pension to Carolyn M. Clawges; to the Committee on Pensions.

By Mr. MYERS:

H. R. 4209. A bill for the relief of the heirs of the late George L. Lawrence; to the Committee on Claims.

H. R. 4210. A bill for the relief of Oliver Ellison; to the Committee on Military Affairs.

By Mr. PETERSON of Georgia:

H. R. 4211. A bill for the relief of Homer H. Adams; to the Committee on Claims.

By Mr. REECE of Tennessee:

H. R. 4212. A bill granting a pension to Chanley C. Freeman; to the Committee on Pensions.

H. R. 4213. A bill for the relief of William Taft (deceased); to the Committee on Military Affairs.

H. R. 4214. A bill granting a pension to William Allen Estep; to the Committee on World War Veterans' Legislation.

By Mr. ROUTZOHN:

H. R. 4215. A bill for the relief of George E. Kinner; to the Committee on Military Affairs.

By Mr. SUTPHIN:

H. R. 4216. A bill for the relief of Berthel Christopher; to the Committee on Claims.

By Mr. TIBBOTT:

H. R. 4217. A bill for the relief of Joseph Kochinich; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1115. By Mr. BREWSTER: Petition signed by 320 citizens of Orono, Maine, protesting against the discharge of citizens from Works Progress Administration projects; to the Committee on Ways and Means.

1116. By Mr. CARTER: Petition of the City Council of the City of Alameda, Calif., protesting against the enactment of Senate Joint Resolution No. 24 relative to the ownership of tidelands in the State of California; to the Committee on the Public Lands.

1117. Also, petition of the City Council of Richmond, Calif., urging a continuation of an appropriation for Works Progress Administration and Public Works Administration work to provide funds to meet the needs of the unemployed and to do the necessary work of public improvement; to the Committee on Appropriations.

1118. Also, Resolution No. 7 of the California State Legislature, memorializing the Congress to enact legislation to secure all aged citizens against want or poverty by means of a system of Federal old-age pensions; to the Committee on Ways and Means.

1119. Also, petition of the City Council of the City of El Cerrito, Calif., urging the enactment of legislation to provide funds to meet needs of the unemployed and to carry on the work of necessary public improvements when present funds are exhausted; to the Committee on Appropriations.

1120. By Mr. CASE of South Dakota: Resolution passed by South Dakota Woman's Temperance Union, of Rapid City, S. Dak., petitioning Congress to pass legislation to prevent advertising of alcoholic beverages by press and radio; to the Committee on Interstate and Foreign Commerce.

1121. Also, House concurrent resolution passed by the South Dakota State Legislature, memorializing the Congress to appropriate funds under Farm Forestry Acts; to the Committee on Agriculture.

1122. Also, concurrent resolution passed by the Legislature of South Dakota, memorializing the Congress to enact such legislation that will enable our farmers and stockmen to be self-sustaining and able to repossess their homes and property; to the Committee on Agriculture.

1123. Also, Concurrent Resolution No. 5 of the South Dakota Senate, memorializing Congress of the United States to make the appropriation authorized in the Hayden-Cartwright act for construction and maintenance of highways within Indian reservations; to the Committee on Appropriations.

1124. By Mr. FULMER: Resolution submitted by T. H. Cribb, manager, South Carolina Peach Growers' Association, Spartanburg, S. C., and the directors of the South Carolina Peach Growers' Association assembled in a meeting in Spartanburg, S. C., on Saturday, February 11, 1939, at 11 o'clock a. m., requesting that they go on record as opposed to all punitive and discriminatory legislation, either State or National, that will tend to reduce our incomes and add to the consumer's food costs by taking away any system of food distribution; to the Committee on Ways and Means.

1125. By Mr. KEOGH: Petition of the Chamber of Commerce of the State of New York, concerning congressional regulation of freight rates; to the Committee on Interstate and Foreign Commerce.

1126. Also, petition of the Chamber of Commerce of the State of New York, concerning repeal of Silver Purchase Act; to the Committee on Banking and Currency.

1127. By Mr. KERR: Petition of the North Carolina State Senate; to the Committee on Banking and Currency.

1128. By Mr. SCHAEFER of Illinois: Petition of the Fairmount Smelters Workers, Local No. 82, International Union of Mine, Mill, and Smelters Workers, Joseph Verdu, secretary, East St. Louis, Ill., opposing amendments to the National Labor Relations Act; to the Committee on Labor.

1129. By the SPEAKER: Petition of Mitchell Carbide & Light Co., Kimball, S. Dak., petitioning consideration of their resolution with reference to the Townsend plan; to the Committee on Ways and Means.

1130. Also, petition of certain citizens of Puerto Rico, petitioning consideration of their resolution with reference to embargo; to the Committee on Foreign Affairs.

SENATE

THURSDAY, FEBRUARY 16, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty and eternal God, with whom is no mutability or changing shade, no night or winter, no ebbing tide: We bow before Thee at this morning hour, knowing that we, the children of time and sense, are stained by childish faults and petty sins, while Thy holiness and perfection transcend all human thought.

As Thou hast made us restless among the things we see, longing for the higher things, we beseech Thee to forgive whatever is amiss in these poor lives of ours; and do Thou teach us never to neglect the task of today because we cannot see its eternal effect, nor the little duties which are training us for an ever greater stewardship.

May we always remember that this life of ours has been divinely lived and that this robe of flesh and strange infirmity has been Thy garment to help us to live as sons of God and to walk worthy of our vocation in Christ Jesus our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, February 13, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Downey	La Follette	Schwartz
Andrews	Ellender	Lee	Schwellenbach
Ashurst	Frazier	Lodge	Sheppard
Austin	George	Logan	Shipstead
Bailey	Gerry	Lucas	Smathers
Bankhead	Gibson	Lundeen	Smith
Barbour	Gillette	McKellar	Stewart
Barkley	Glass	McNary	Thomas, Okla.
Bilbo	Green	Maloney	Thomas, Utah
Bone	Guffey	Mead	Tobey
Brown	Gurney	Miller	Townsend
Bulow	Hale	Minton	Truman
Burke	Harrison	Murray	Tydings
Byrd	Hatch	Neely	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Capper	Herring	Nye	Wagner
Caraway	Hill	Overton	Walsh
Clark, Idaho	Holman	Pepper	Wheeler
Clark, Mo.	Holt	Pittman	White
Connally	Hughes	Radcliffe	Wiley
Danaher	Johnson, Calif.	Reed	
Davis	Johnson, Colo.	Reynolds	
Donahay	King	Russell	

Mr. MINTON. I announce that the Senator from Wyoming [Mr. O'MAHONEY] is detained from the Senate because of illness.

The Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained.

The Senator from Nevada [Mr. McCARRAN] is absent on important public business.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

THE LATE CARY T. GRAYSON

Mr. GLASS. Mr. President, yesterday was the first anniversary of the death of the late Cary T. Grayson, one of the finest men who ever occupied a position in the public service and well known to virtually every Member of the Senate. The Legislature of Virginia adopted resolutions in regard to his death. The American Red Cross and the League of Red Cross Societies did likewise. Many newspapers noticed editorially his death. I ask that the resolutions and editorials may be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter referred to is as follows:

COMMONWEALTH OF VIRGINIA,
GENERAL ASSEMBLY.

House Joint Resolution 24

On Cary T. Grayson

Resolved by the house of delegates (the senate concurring), That the general assembly hears with profound sorrow of the passing of Rear Admiral Cary T. Grayson, one of Virginia's most distinguished sons, who departed this life early today. As a friend, physician, and counselor of Presidents, a humanitarian, a devoted father and son, and true sportsman, born in Culpeper County, Va., October 11, 1878, the son of a country doctor, Virginia and the entire United States has suffered a great loss.

Resolved further, That a copy of these resolutions be sent to the members of the family.

Agreed to by the house of delegates February 15, 1938.

E. GRIFFITH DODSON,
Clerk of the House of Delegates.

Agreed to by the senate February 15, 1938.

O. V. HANGER,
Clerk of Senate.

The above is a true copy.

E. GRIFFITH DODSON,
Clerk of the House of Delegates.

CENTRAL COMMITTEE OF THE AMERICAN RED CROSS IN RESOLUTION
LAMENTING LOSS OF ADMIRAL GRAYSON

The following resolution was unanimously adopted by the Central Committee on February 17, 1938:

"Rear Admiral Cary Travers Grayson, United States Navy, retired, was appointed chairman of the central committee of the American Red Cross March 1, 1935, and occupied this important position until his death, February 15, 1938.

"Admiral Grayson led an active life in many varied fields of usefulness. Through the years his work was characterized by his constant, unselfish, sympathetic, and loyal devotion to the service of others. It was quite fitting that such a man with such experience should have been summoned to duty as chairman of the American Red Cross.

"The 3 years of his service have been replete with problems both national and beyond our borders, requiring vision, courage, tact, tireless effort, human sympathy, and understanding. All of these he gave, and gave wisely and tirelessly, quite indifferent to the telling demands upon his own strength. Within the headquarters he showed limitless capacity in problems of organization, in questions of personnel, its welfare, and its efficiency, as well as in the broader aspects of the relationship between the headquarters and the chapters. He sought continuously by his visits throughout the country, both in times of disaster and in times of quiet, to bring the headquarters and the field closer together in order that the Red Cross might always be prepared, through unity of effort and purpose, to render its best service in time of need or distress. And he sought always to find new and better fields of usefulness for the Red Cross, not content with the limitations of the past.

"He was elected chairman of the board of governors of the League of Red Cross Societies on April 29, 1935. He won the admiration and cooperation of the members of the league, representing many nations.

"His cordial and frank relationship with the members of the central committee, his readiness to listen to their counsel, his fair judgment of their advice, made him a wise leader and an inspiration to his fellow-workers throughout the Red Cross. Best of all, he was truly beloved by those with whom and for whom he labored. His outstanding qualities of unselfish friendliness endeared him to men and women everywhere, in all walks of life.

Resolved, That in the death of its chairman, Cary Travers Grayson, the members of the central committee of the American Red Cross and the entire organization have suffered a loss that words are too poor to express, and that to his family the Red Cross of our country extends its deepest understanding sympathy for the great loss and sorrow that have come upon them, and pledges as a token of their respect and affection for him to carry on his service as he would wish it carried on."

Upon the news of Admiral Grayson's death, President Roosevelt, who is president of the American Red Cross, issued immediately the following statement:

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THE WHITE HOUSE.

As physician, as humanitarian, and as Red Cross executive, Admiral Grayson touched life at many angles and did outstanding work in every field of his endeavor. His earlier activities were logical preparation for his work in these later years as chairman of the American Red Cross. Whether directing relief at home or co-operating in the alleviation of human misery in far lands, his tact, industry, and genius for getting things done made his work outstanding.

But it is as a friend that so many of us will always think of Cary Grayson—a friend in the truest and finest sense of that fine word. A staunch friend, an old and close friend, has been taken from us.

FRANKLIN D. ROOSEVELT.

Admiral Grayson was chairman of the League of Red Cross Societies, of which 64 nations are members. The following resolution was passed by the board of governors of the League of Red Cross Societies, meeting in Paris, France:

RESOLUTION

"The board of governors pays heartfelt tribute to the memory of Admiral Grayson, in whom the Red Cross world has lost a great friend whose qualities of leadership and generous spirit were admired by all who had the privilege of knowing him; expresses its deepest sympathy with the American Red Cross and with Admiral Grayson's family in their sad loss."

[Editorial from the Army and Navy Journal of February 19, 1938]

The country, and particularly the Navy, will cherish the memory of Rear Admiral Cary T. Grayson, United States Navy, retired, because of the great and patriotic influence which he wielded upon matters important to their welfare. When the history of his time is revealed in fullness it will be established that this modest, unassuming Virginian played the role not only of physician but of statesman; that he never offered but, when called upon made, suggestions that, adopted, beneficially promoted the destiny of the Nation. His appointment to the grade of rear admiral was not a mere expression of favoritism. It was the deliberate decision of President Wilson, based upon personal recognition of his medical ability and upon knowledge of the help in state affairs, which he had received from him. President Roosevelt, who first brought the young medical officer to the White House, and President Taft entertained for him the same affection and high regard as did the World War President. They knew of his concern for the Navy, that he was always solicitous for its condition and enlargement, and his advice regarding it, and occasionally of the Army as well, generally was accepted because it was sound and stood the test of experience. He accompanied President Wilson to Europe and served as the guardian of his health and as his confidant, and his association with the men in power in the Old World eased the tension in many developments and thereby enabled the President to bring about an adjudication. His selection as president of the Red Cross was a graceful recognition by President Roosevelt of the service he had rendered the country, and in that office he demonstrated by his handling of disasters his high executive leadership. His loss naturally is irretrievable to his devoted wife and children, and in sympathizing with them the country realizes there has gone to his fathers a true patriot, an outstanding physician, a great humanitarian, and a friend to everyone no matter what his position or his condition, in the truest meaning of that word.

[From a letter addressed to Mrs. Grayson]

FEBRUARY 15, 1938.

The Commissioners of the District of Columbia have learned with deep regret of the death of Washington's beloved and distinguished citizen, Admiral Cary T. Grayson.

The world can ill afford to lose such a man, and his legion of friends mourn his loss to the community.

On behalf of all the citizens of Washington and in their own name, the Commissioners wish to express to you their deepest sympathy. Your great consolation is in his good deeds.

MELVIN C. HAZEN.
GEO. E. ALLEN.
DAN I. SULTAN.

[From the Richmond (Va.) News Leader of February 27, 1924]

CARY GRAYSON, FRIEND

Almost too intimate for publication, the picture in yesterday's New York Times of Admiral Grayson's weeping as he made official announcement of Mr. Wilson's death was an accurate exhibit of the relationship that existed between him and the great man whose life he prolonged and whose sufferings he assuaged.

Dr. Grayson was infinitely more than physician to Mr. Wilson; he was his close and loyal friend—the type of friend that every man craves and not one in a thousand possesses; a friend that did not have to be cautioned what to say or not to say; a friend about whose prudence, whose absolute lack of self-interest, and whose complete fidelity there could be no shadow of misgiving; a friend who wholly understood. Whenever Dr. Grayson spoke of Mr. Wilson, his voice softened as his eyes lit up with devotion. There was no pose in his friendship, no sentimentality in his behavior toward

Mr. Wilson, no pride in the confidences he held. Closer to Mr. Wilson for years than any other man, and sharing secrets that were known to less than half a dozen people in the world, Cary Grayson was and is as natural, as unaffected, and as considerate as a Virginia gentleman should be. The future doubtless holds much for him. His memoirs of Mr. Wilson will be the most authoritative that ever can be published. With his great capacity for friendship and his amazing charm he will advance far in the naval service or out of it. But he is a man to whom no reward can be more precious than the knowledge that Virginia is proud of him and lists him among those of her sons most obedient to her spirit. He deserves well of the Commonwealth.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hess, one of his secretaries, who also announced that on February 10, 1939, the President approved and signed the joint resolution (S. J. Res. 38) providing additional funds for the expenses of the special joint congressional committee investigating the Tennessee Valley Authority, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, in which it requested the concurrence of the Senate.

The message also announced that pursuant to the provisions of Public Resolution 53, Seventy-fourth Congress, the Speaker had appointed Mr. McGRANERY and Mr. DARROW members, on the part of the House, of the United States Constitution Sesquicentennial Commission.

The message further announced that pursuant to the provisions of Public Resolution 4 of the Seventy-fifth Congress, the Speaker had appointed Mr. COX, Mr. SCHULTE, and Mr. DIRKSEN members, on the part of the House, of the Joint Committee on Government Organization, to fill existing vacancies.

The message also announced that pursuant to the provisions of Public Resolution 64 of the Seventy-fifth Congress, the Speaker had appointed Mr. CROWE and Mr. HARTER of Ohio members, on the part of the House, of the General Anthony Wayne Memorial Commission, and that the Speaker had also appointed Mr. CLEVINGER a member, on the part of the House, of said Commission, vice Mr. WOLCOTT, resigned.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 8), in which it requested the concurrence of the Senate, as follows:

Resolved by the House of Representatives (the Senate concurring), That the first paragraph of House Concurrent Resolution 4 of the Seventy-sixth Congress is hereby amended to read as follows: "That in commemoration of the one hundred fiftieth anniversary of the First Congress of the United States under the Constitution, begun and held at the city of New York on Wednesday, the 4th of March 1789, the two Houses of Congress shall assemble in the Hall of the House of Representatives at 12 o'clock meridian, on Saturday, March 4, 1939."

STATEMENT OF AMERICAN FEDERATION OF LABOR ON ECONOMIC CONDITIONS

Mr. VANDENBERG. Mr. President, at the conclusion of its recent meeting at Miami, the executive council of the American Federation of Labor issued an important and deeply significant statement of its belief in private enterprise and private initiative, its conviction that only in these directions may be found an answer to the curse of unemployment, and its demand for the removal of the causes of economic fear. The statement is a sturdy expression of belief, and a sturdy challenge to every governmental influence and action to the contrary, which, in my humble judgment, presents the precise formula which the Government and the country need to pursue. It is a refreshing discussion of realities. It is the key to recovery. We would do well to abandon counter philosophies and thus to give American recovery a chance. I ask that the statement of the executive council of the American Federation of Labor be printed in the body of the RECORD at this point in connection with my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MIAMI, February 14.—Government, industry, and labor must cooperate to remove "fear" or "a lack of confidence and distrust in governmental, social, and economic procedure," the executive council of the American Federation of Labor stated today.

Summarizing its view of the business and economic situation, the council, on the last day of its session, expressed the conviction that governmental spending of whatever nature was only a temporary measure and was not the permanent solution for the problem of unemployment.

The statement called for a "sound economic policy" which would supply the masses with purchasing power and also stimulate private industry to increase production and thereby create additional employment. It emphasized that the "rules and laws under which industry should operate should be more definite, clear, and understandable."

William Green, president of the federation, said that the executive council believed that the Government should make "the rules of the game" clear for business and that when industry launched its enterprises new rules should not be issued that called for readjustment of industrial plans.

THE UNEMPLOYMENT QUESTION

The continued existence of "an army of unemployed numbering more than 10,000,000 workers is appalling," the executive council stated. In the last 10 years the Nation had "experimented with various relief measures and many organizations affiliated with the A. F. of L. have expended millions of dollars from their treasuries in supplying relief to their unemployed members."

Responsibility for absorbing the unemployed in industry "should be placed squarely upon the owners and management of private industry and the Government." The council was ready to assist "in the promotion of a plan which will provide for the employment, in private industry, of the millions who are now idle."

After saying that the conclusion was "inevitable that private industry" should be stimulated, the statement continued:

"What can be done and what should be done, therefore, are the problems which, at the moment, call for consideration and a proper solution. We do not believe that the Nation has reached the maximum in production or consumption of manufactured goods. For that reason we cannot accept the reasoning of those who maintain that we must prepare to maintain constantly an army of unemployed as the wards of the Government."

"We must turn to private industry for the solution. It should and must serve the Nation. Our national interests require that private industry be accorded the widest opportunity to do so. That involves expansion and an increase in productivity. Such action must be considered as the primary step necessary to create work opportunities for the millions who are unemployed."

CALLS FOR CONFIDENCE

"Obviously, the next step must be the establishment of credit and the will and purpose on the part of the owners of industry to risk, invest, build, and construct. The basis for such procedure must be found in the creation of a favorable state of mind. Fear, a lack of confidence, and distrust in governmental, social, and economic procedure should be removed."

"A political and economic state of mind should be created which would enable all financiers and the owners and management of industry to face the future with confidence, willing to risk in the expenditure of funds for the development of industrial enterprises and in the manufacture and sale of manufactured products."

"We are firmly convinced that the realization of this objective should be the primary purpose of Government, industry, and labor. Whatever stands in the way—whatever barrier may have been created, either as a result of fear or as a result of affirmative action on the part of those who administer the affairs of Government—ought to be broken down so that our industrial processes may function in a proper way and unemployment may thus be overcome."

"Some strong, powerful, and influential representatives of private industry maintain that in order that private enterprise may go forward it is necessary that the rules and laws under which industry should operate should be more definite, clear, and understandable. This, it is asserted, would stabilize industrial conditions and would serve to release financial and industrial forces necessary to the enlargement and expansion of private industry."

"The executive council is firmly of the opinion that this issue should be met squarely. All should understand that no new rules or stipulations will be promulgated by some administrative bureau other than the rules and regulations definitely set forth in regulatory statutes enacted by the Congress of the United States. Such action will serve to help business, labor, and the people generally. Under such a plan industrial management would be accorded the widest opportunity to render service in the solution of our unemployment problem."

UPHOLDS PRIVATE ENTERPRISE

"The executive council reaffirms the position of the American Federation of Labor regarding private enterprise and private initiative. We are firmly committed to such an economic philosophy. We believe that private initiative, private investment, and private endeavor in private industry should be encouraged and supported. We assert that those who invest in private industry should earn a fair return upon such investment and that labor should be paid a price which would accord to all workers and their families an opportunity to live in decency and comfort."

"We urge the development of the highest and most perfect form of cooperation between management and labor. We are convinced that the best interests of all the people of the entire Nation can be served through the acceptance by those who administer the affairs

of our Government and by the lawmaking bodies of the Nation of the well-considered plans and recommendations which both management and labor can, as a result of long and varied experience, submit for information and consideration."

AMERICAN AID TO FOREIGN GOVERNMENTS

Mr. NYE. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram addressed to me under date of February 8, 1939, by Mr. Frank Gannett, chairman, National Committee to Uphold Constitutional Government.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., February 8, 1939.

Senator GERALD NYE,

Senate Office Building:

We learn today that Mr. Roosevelt has decided to help Britain and France to arm. He told the Senate Military Affairs Committee yesterday that our Government was prepared to back Europe's democracies against dictatorships in every way short of war. This may or may not be a proper course to pursue. But whatever course is taken must be the decision of a free people. In this case neither we nor our elected representatives have had an opportunity to make up our minds. Mr. Roosevelt is doing it for us on the basis of facts which he has reported to have stated might alarm us.

We wish that Mr. Roosevelt would not put himself into a position of laying himself open to criticism and misunderstanding of his acts. For this might lead to the erroneous impression in some foreign quarters that we are a divided people.

Certainly the cause of democracy is weakened and the hand of dictatorship is upheld if we are to be committed in the dark by the decision of one man.

Possibly when the facts are known, it will be found that what Britain and France want, namely, to buy airplanes in this country, is a perfectly routine business transaction and one that the great majority of Americans would heartily approve, but we must not permit inept leadership to make a secret of what should be an open and aboveboard sale and purchase, nor needlessly to create war atmosphere nor to make commitments, without our knowledge, that might lead us to war. In his message to Congress Mr. Roosevelt uttered words that expressed the ideals of free peoples everywhere. A free people is not afraid to face facts. Consequently, Congress and the American people are entitled to share with their President the facts, and their knowledge of them should strengthen Mr. Roosevelt's hand in any sound policy.

No leader in a democratic country has a right or a mandate to lead his people to the brink of war upon facts that are hidden from them.

This does not mean that our country should be committed to or against any course. But the lives of our young people which would be sacrificed by war must be guarded by our elected representatives and not entrusted to the judgment of any one person or small interested group.

FRANK GANNETT,
Chairman, National Committee to
Uphold Constitutional Government.

DEATH OF POPE PIUS XI—LETTER FROM THE APOSTOLIC DELEGATE

The VICE PRESIDENT laid before the Senate the following letter from the apostolic delegate, Washington, D. C., which was ordered to lie on the table:

APOSTOLIC DELEGATION,
UNITED STATES OF AMERICA,
Washington, D. C., February 15, 1939.

The VICE PRESIDENT,
Washington, D. C.

MY DEAR MR. VICE PRESIDENT: The resolution for adjournment adopted Monday, February 13, in the Senate, as an expression of sorrow at the death of Pope Pius XI and in tribute to him as a man of peace, has deeply moved me, and I wish to thank you, Mr. Vice President, and all the Members of the Senate for the sentiments expressed in memory of the deceased Pontiff.

It has been my duty to inform His Eminence Cardinal Pacelli and the Sacred College of Cardinals, now in Rome, of the significant and unprecedented gesture by which the legislative bodies of these United States have expressed their sympathies.

With sentiments of profound respect and appreciation, I have the honor to remain, sir,

Your most obedient servant,

A. G. CICOGNANI,
Archbishop of Laodicea, Apostolic Delegate.

WITHDRAWALS AND RESTORATIONS OF PUBLIC LANDS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report of withdrawals and restorations of public lands for the year ended December 31, 1938, which, with the accompanying paper, was referred to the Committee on Public Lands and Surveys.

PAYMENT OF CERTAIN CREEK EQUALIZATION CLAIMS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of

proposed legislation to provide for the payment of certain Creek equalization claims, and for other purposes, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

LAW OF THE LEGISLATIVE ASSEMBLY, VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting, pursuant to law, copy of a law enacted by the Legislative Assembly of the Virgin Islands, which, with the accompanying paper, was referred to the Committee on Territories and Insular Affairs.

ACQUISITION OF COLLECTIONS BY GEOLOGICAL SURVEY

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States, which, with the accompanying paper, was referred to the Committee on Mines and Mining.

NATIONAL PARK SERVICE LANDS AND BUILDINGS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to extend the authority of the Secretary of the Interior to grant privileges, leases, and permits to all lands and buildings under the jurisdiction of the National Park Service, which, with the accompanying paper, was referred to the Committee on Public Lands and Surveys.

ADMINISTRATION AND MAINTENANCE OF BLUE RIDGE PARKWAY

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of June 30, 1936 (49 Stat. 2041), providing for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, which, with the accompanying paper, was referred to the Committee on Public Lands and Surveys.

LOAD LINES FOR AMERICAN VESSELS

The VICE PRESIDENT laid before the Senate a letter from the Assistant Secretary of Commerce, transmitting a draft of proposed legislation to amend the act establishing load lines for American vessels, which, with the accompanying papers, was referred to the Committee on Commerce.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Arkansas, favoring the enactment of legislation for the complete multiple-use development of the White River and its tributaries, which was referred to the Committee on Commerce. (See resolution printed in full when presented today by Mrs. CARAWAY.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by Townsend Club, No. 1, of Baker, Oreg., favoring the adoption of the so-called Townsend plan for old-age assistance, which was referred to the Committee on Finance.

He also laid before the Senate, resolutions adopted by Local Union No. 1513, United Brotherhood of Carpenters and Joiners of America, Maxim Gorki Branch, No. 4275, International Workers Order, Local Union No. 250, United Automobile Workers of America, and L. I. U. No. 83, United Dairy Workers, all of Detroit, Mich., favoring the allotment of adequate funds to the subcommittee of the Committee on Education and Labor, investigating violations of civil liberties, etc., which were referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a letter in the nature of a memorial from Frysinger Evans, Esq., of Philadelphia, Pa., remonstrating against confirmation of a recent nominee to the Circuit Court of Appeals, which was referred to the Committee on the Judiciary.

Mr. CAPPER presented petitions signed by 155 members of the Kansas Farmers' Liberty League and sundry farmers of Marshall County, Kans., praying for repeal of the Agricultural Adjustment Act of 1938, which were referred to the Committee on Agriculture and Forestry.

He also presented a petition of sundry citizens of Downs, Kans., praying that the United States adopt a policy of non-participation in foreign aggression and discontinue the shipment of war supplies to Japan, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Local No. 206, Workers' Alliance, of Fort Scott, Kans., favoring an additional appropriation of \$150,000,000 for the W. P. A. for the balance of the current fiscal year, which was referred to the Committee on Appropriations.

Mr. RADCLIFFE presented a letter from the Association of Clerical Employees of the Chesapeake & Potomac Telephone Co., of Baltimore, Md., relative to the operation of the social-security system, which was referred to the Committee on Finance.

He also presented a petition, numerous signed, of sundry citizens of Baltimore, Md., praying that the shipment of all war materials and supplies to Japan be stopped during the present conflict in China, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented a petition, numerous signed, of sundry citizens of Fitchburg, Mass., praying for the enactment of House bill 4199, a general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of the State of Massachusetts, praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law to include civil as well as international conflicts, which were referred to the Committee on Foreign Relations.

Mr. WAGNER presented a resolution adopted by the Patrolmen's Benevolent Association of Poughkeepsie, N. Y., protesting against the enactment of legislation to impose a retroactive tax on State and municipal employees, and favoring the adoption of a constitutional amendment relative to reciprocal State and Federal taxation, which was referred to the Committee on Finance.

He also presented a resolution adopted by the council of the city of Oneonta, N. Y., favoring the establishment of a training school for airplane pilots and mechanics at Oneonta, N. Y., which was referred to the Committee on Commerce.

Mr. MEAD presented telegrams in the nature of petitions from the Transport Workers Union of America, of New York City; the Tri-City Newspaper Guild, Schenectady; and the American Communications Association, of Southampton, all in the State of New York, praying for an adequate appropriation for the National Labor Relations Board, which were referred to the Committee on Appropriations.

He also presented a telegram in the nature of a petition from Marine Engineers Beneficial Association, No. 1, of Buffalo, N. Y., praying that adequate funds be allotted to the subcommittee of the Committee on Education and Labor investigating violations of civil liberties, etc., which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also presented a telegram in the nature of a memorial from Local Union No. 12033, C. I. O., of Cohoes, N. Y., remonstrating against any amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

Mr. REED presented petitions of 17 citizens of Downs and 45 citizens of Fredonia, both in the State of Kansas, praying that the shipment of arms and munitions to Japan for use in Chinese operations be stopped, which were referred to the Committee on Foreign Relations.

He also presented a petition of 40 citizens of Girard, Kans., praying for the enactment of legislation to prevent and punish the crime of lynching, which was referred to the Committee on the Judiciary.

He also presented a petition of 35 citizens of Syracuse, Kans., praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which was referred to the Committee on Interstate Commerce.

He also presented petitions of 21 citizens of Wichita and 40 citizens of Conway Springs, Kans., praying for the enact-

ment of legislation to limit railroad employees to not more than 208 hours of service in one month, which were referred to the Committee on Interstate Commerce.

Mr. SCHWARTZ. Mr. President, on February 6 the Legislature of Wyoming adopted a resolution memorializing Congress to give immediate consideration to the General Welfare Act and the enacting of legislation affording proper pensions to our elder citizens.

Furthermore, on January 25 a similar resolution memorializing Congress was adopted by the Legislature of Wyoming urging the Congress to consider and act at the present session upon legislation embodying the principles of the Townsend plan. That resolution was noted in the RECORD of February 1.

Another resolution was adopted by the Legislature of Wyoming on January 25, 1939, expressing opposition to any increase in the area of the Teton National Park in the State of Wyoming.

The resolution adopted by the Wyoming State Legislature protesting against the inclusion of any more private or public lands in the Teton National Park was passed by our house of representatives by unanimous vote and passed by the senate on a roll call by a vote of 20 to 1.

The resolution states some reasons why, in the judgment of the legislature, there should be no increase in the area of the Teton National Park, although there are not included in the resolution many of what I believe to be more cogent reasons why no further extension should be permitted.

I ask unanimous consent that these three memorials from the State Legislature of Wyoming be included in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. The resolutions will be received, printed in the RECORD, and properly referred.

To the Committee on Finance:

Senate Joint Memorial 1

Joint memorial memorializing the Congress of the United States of America to consider and act upon proposed Federal legislation related to the Townsend plan

Whereas there is now pending, or will be pending in the current session of the Congress of the United States of America, proposed legislation embodying essential principles of the so-called Townsend plan, in which thousands of Wyoming citizens are keenly interested: Now, therefore, be it

Resolved by the Senate of the State of Wyoming (the house of representatives concurring), That the Congress aforesaid be, and it is hereby memorialized to promptly, diligently, and fairly consider and act upon, at said session, by its legislative branches as such and not merely in committee, the proposed legislation aforesaid; and be it further

Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of said United States, the Speaker of the House of Representatives of said Congress, United States Senator JOSEPH C. O'MAHONEY, United States Senator HARRY H. SCHWARTZ, and Representative FRANK O. HORTON.

Approved January 25, 1939.

NELS H. SMITH, Governor.

House Joint Memorial 2

Joint memorial memorializing the Congress of the United States to immediately consider the General Welfare Act

Be it resolved by the House of Representatives of the State of Wyoming (the senate concurring), That the Congress of the United States be memorialized as follows:

Whereas the age limits of employment are constantly getting lower, and the problem of our aged citizens is becoming more burdensome; and

Whereas the need for a satisfactory national old-age pension program is becoming more evident: Be it

Resolved by the House of Representatives of the Twenty-fifth Legislature of the State of Wyoming (the senate concurring), That we hereby memorialize the Congress of the United States to immediately consider the General Welfare Act with a view of increasing the amount of old-age benefits.

To the Committee on Public Lands and Surveys:

House Joint Memorial 1

Joint memorial memorializing the Congress of the United States to defeat any legislation providing for the purchase or acceptance as a gift by the United States, or any of its agencies, of privately owned lands in Teton County, Wyo.

Whereas there is now pending in the Congress of the United States legislation providing for the acquiring of certain lands in Teton County, Wyo., and providing for the extension of the Grand Teton National Park, by transferring from private ownership to the ownership of the United States large tracts of land in Teton County, Wyo.; and

Whereas the transfer of such privately owned lands to the United States Government would remove said lands from the assessment roll of said Teton County and would exempt the same from taxation; and

Whereas Teton County, Wyo., as now organized, has within its borders privately owned property subject to taxation of a value of approximately \$2,200,000; and

Whereas if the boundaries of the Grand Teton National Park should be extended as provided in said legislation, Teton County, Wyo., would be unable to continue to function as a county; and Whereas a large part of the big-game hunting areas of the State of Wyoming lie within the boundaries of the proposed extension, as well as a large part of the game and fish of the State of Wyoming inhabiting the areas involved; and

Whereas such park extension would be detrimental not only to Teton County, Wyo., but as well to the large number of sportsmen who, annually, pay large sums of money into various trade channels for the privilege of hunting and fishing in the areas involved: Now, therefore, be it

Resolved by the House of Representatives of the State of Wyoming (the senate concurring), That the Congress of the United States be, and it is hereby memorialized to defeat and reject any legislation which would remove from private ownership any lands now subject to taxation in Teton County, Wyo.; be it further

Resolved, That certified copies of this memorial be sent to the President of the United States Senate and the Speaker of the House of Representatives, and to United States Senators JOSEPH C. O'MAHONEY and HARRY H. SCHWARTZ, and to Congressman FRANK O. HORTON.

Approved January 25, 1939.

NELS H. SMITH, Governor.

Mr. BYRNES presented the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution memorializing Congress to provide funds for sudden destruction of agricultural crops

Be it resolved by the house of representatives (the senate concurring), That the Congress of the United States is hereby memorialized to provide an adequate fund, under proper supervision, to protect the farmers of this Nation from sudden destruction of their crops by flood, hail, and wind; be it further

Resolved, That a copy of this resolution be sent to the Senators and Representatives from South Carolina in Congress assembled and also a copy to the Secretary of Agriculture in Washington, D. C.

Mr. GREEN presented the following concurrent resolution of the Legislature of the State of Rhode Island, which was referred to the Committee on Finance:

Concurrent resolution memorializing the Congress of the United States of America to defeat S. 286, introduced by Senator M. M. NEELY, of West Virginia, and its companion bill, H. R. 2196, introduced by Representative JOHN KEE, also of West Virginia, which bills seek to place a 3-cent-per-gallon tax on the sale of fuel oil used for heating and for the generation of power

Whereas Senator M. M. NEELY, of West Virginia, has introduced a measure in the Congress of the United States known as S. 286, which measure, if passed, would impose a 3-cent-per-gallon tax on all fuel oil sold for the generation of heat and power; and

Whereas a companion bill, known as H. R. 2196, has been introduced in the Congress of the United States by Representative JOHN KEE, also of West Virginia, which bill, if passed, would likewise impose a 3-cent-per-gallon tax on all fuel oil sold for the generation of heat and power; and

Whereas subsection (c) in each of the above bills provides that if either of the same be enacted into law the 3-cent-per-gallon tax would become a permanent tax on all fuel oil sold for the generation of heat and power in the United States; and

Whereas a study of these bills clearly reveals that the same are discriminatory in their effects and are productive of no possible good except to burden fuel oil with a tax for the benefit of a competing commodity, namely, coal; and

Whereas statistics reveal that in the city of Providence alone there are approximately 20,000 homes, or 30 percent of the total number of homes in this city, using fuel oil for the heating and comfort thereof; and

Whereas this tax will add \$63 to the annual fuel bill of every householder in the State of Rhode Island who consumes fuel oil; and

Whereas the annual fuel-oil bill for the State of Rhode Island for its public buildings would increase approximately \$250,000, which will be added to the public tax burden; and

Whereas an additional \$20,000,000 will be added to the annual fuel-oil bill of owners and operators of apartment houses, hotels, industrial establishments, churches, hospitals, office buildings, and such other commercial enterprises who depend upon fuel oil for heat and power; and

Whereas the imposition of a 3-cent fuel-oil tax will throttle and annihilate one of the largest industries of this State, which depends upon the sale of fuel oil for the generation of heat and power for its existence: Be it therefore

Resolved by the Senate of the State of Rhode Island (the house of representatives concurring therein), That the Congress of the

United States of America be, and it is hereby, respectfully memorialized to defeat with all convenient speed not only S. 286, introduced by Senator M. M. NEELY, of West Virginia, and H. R. 2196, introduced by Representative JOHN KEE, also of West Virginia, but all other sundry and divers legislation whatsoever which proposes to place any tax on fuel oil used for heating and power generation purposes; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States, the Clerk of the House of Representatives, the Secretary of the Treasury of the United States, and to each Member of Congress elected from the State of Rhode Island, and that the latter be urged to use their best offices to procure the defeat of such legislation as will accomplish the purposes of this resolution.

Mr. KING presented the following joint memorial of the Legislature of the State of Utah, which was referred to the Committee on Finance:

Joint memorial by the Legislature of the State of Utah on the proposed supplement to Cuban trade agreement

To the Senate and House of Representatives of the United States: Your memorialists, the House of Representatives and the Senate of the State of Utah, respectfully represent that—

Whereas the notice issued by the Acting Secretary of State of the United States to negotiate with the Republic of Cuba a trade agreement supplemental to the trade agreement signed at Washington on August 24, 1934, depressed the retail price of sugar in the United States by approximately 25 points, with the result that within recent weeks sales of sugar in numerous instances have netted the processor a profit of less than 3 cents per bag; that if, as proposed by said amendment, the tariff on Cuban sugar is reduced from 90 cents to 75 cents per 100 pounds, utter demoralization in the market may ensue and the domestic sugar industry is now fighting with its back to the wall, its very existence threatened: Now, therefore, be it

Resolved, That we urge all Members of the Congress of the United States to exert their best efforts to prevent any reduction in the present tariff on Cuban sugar; be it further

Resolved, That a copy of this memorial be sent to each of the Representatives and to each of the Senators from Utah in Congress as well as to the Secretary of Agriculture, the Secretary of State, and the President of the United States.

Mrs. CARAWAY presented the following concurrent resolution of the Legislature of the State of Arkansas, which was referred to the Committee on Agriculture and Forestry:

House Concurrent Resolution 13

Requesting the United States Senators and Members of Congress from Arkansas to initiate and cooperate in supporting legislation to restore cotton to its former economic importance in world commerce

Whereas by reason of legislation creating trade barriers to the cotton trade, discriminating freight rates, the tariff, and other legislation, and by reason of world economic conditions and competition from cotton growers in foreign countries with living standards below that of this country the cotton farmers in the Southern States have been reduced to a tragic financial condition, their export markets have been almost lost, they are subject to competition which they are handicapped in meeting, and the growing of cotton made economically impossible under existing conditions; and

Whereas unless concerted action is immediately taken by the Senators and Members of Congress from the cotton States, looking to the relief of the cotton farmers from the handicaps under which such conditions have come about, the growing of cotton may soon become a thing of the past in this country, and the welfare and income of large sections of the United States seriously affected: Be it

Resolved by the House of Representatives of the State of Arkansas (the senate concurring), That the attention of the Congress of the United States is respectfully directed to the fact that cotton is the leading product in America's commerce and international trade, and that the cotton farmer represents the world's largest primary wealth-producing group and that it is of paramount importance to the producers of this commodity, as well as to the continued life of world trade on the part of the United States, that this interest be adequately rehabilitated and fostered. To that end, the Senators and Members of Congress from the State of Arkansas are respectfully urged to take immediate steps to meet with the Senators and Representatives from all other cotton States for the purpose of securing concerted action by the Congress for the relief of the cotton farmers and of the industry from the handicaps and barriers under which they and it now suffer in the marketing of cotton, domestic and foreign, and it is respectfully suggested that among the things they are called to advocate are the following:

(1) Legislation for the removal of statutory trade barriers, as far as possible, against our cotton trade, such as the modification or repeal of the Johnson Act, the enactment of legislation bringing about the equalization of transportation rates, the revision of the tariff to relieve discrimination against the cotton farmers, and other legislation.

(2) The sale to and use by the Government for the manufacture of equipments and munitions of war of 6,000,000 bales of surplus cotton.

(3) Allocation to producers of cotton from the cotton being carried under Government loans a sufficient number of bales to pay them the balance due on 3-cents-per-pound subsidy authorized by national legislation, effective on 1937 cotton crop, and on which only 1.8 per pound had been paid.

(4) Increase the subsidy payment to the cotton producers by the further distribution of Government loan surplus cotton to 65 percent of parity prices on cotton during the crop years 1937, 1938, and 1939.

(5) Allocation or reapportionment of 4,000,000 bales of cotton being carried by the Commodity Credit Corporation to the cotton growers in lieu of their making an additional reduction of one-third or less in their cotton acreage allotment for 1939, each farmer so additionally reducing his allotted cotton acreage to be allotted the amount of cotton he would have produced on this acreage based upon his average yield as allowed by the Government, and farmers so reducing to be paid the same soil-building and other amounts they would have been paid had they planted the full cotton acreage allotted by the Government for 1939.

(6) Selling to the Post Office Department 1,000,000 bales of cotton now being carried by the Government under loans, this cotton to be used to be manufactured into twines and other materials for use of the United States Mail Service, the Post Office Department to place this cotton through bids to be manufactured for their use.

(7) To allocate or reapportion from the cotton being carried by the Government under the loans, 1,000,000 bales to be manufactured into cotton bagging to be distributed to cotton farmers as an additional subsidy without charge for baling their 1939 cotton and cotton of subsequent years.

(8) The allocation of cotton, in point of time to comply with the time now required under the law for the sale thereof.

(9) The retention of soil-conservation payments as now made, pending the working out of a definite permanent plan for the future of cotton.

(10) The pledging of the Government to a definite support of cotton production profitable to the cotton growers.

(11) The protection of cotton growers, through a subsidy payment increasing the selling price to 65 percent of the parity price of cotton, so that they may successfully compete with foreign growers and regain lost export markets.

(12) The granting to cotton growers of the privilege of planting other money crops than cotton on surplus lands resulting from reduction of cotton acreage, and not needed for production of feed and food crops for home consumption, without imposing a penalty against compliance payments, as now done.

(13) The immediate payment to cotton farmers of all amounts due for 1938 compliance, as was promised.

(14) There is no one in the United States Department of Agriculture whose primary interest is the promotion of the welfare of the cotton farmer. To remedy this condition, create an office of Cotton Commissioner in the United States Department of Agriculture. It should be the Commissioner's duty to develop new uses and markets for cotton and to represent producers of cotton in developing farm programs.

(15) In addition to finances otherwise available that a sufficient fund be appropriated from the general funds of the Treasury and made available to the Secretary of Agriculture to carry into effect this program here recommended, and that funds for agriculture be raised in the same manner that funds are raised for other Government expenditures.

(16) The formation in each House of Congress of a bloc to advocate measures for the protection, encouragement, and support of the cotton, both now and in the future.

Be it further

Resolved, That the legislative bodies of the cotton States be urged to take immediate action to request from their Senators and Members of Congress similar cooperation and support of such action and measures; and be it further

Resolved, That the clerk of the house do forthwith transmit copies of this resolution to the United States Senators and Members of Congress from this State.

Mrs. CARAWAY also presented the following concurrent resolution of the Legislature of the State of Arkansas, which was referred to the Committee on Commerce:

House Concurrent Resolution 14

Resolution petitioning the Congress of the United States to pass, and the President of the United States to approve, if passed, appropriate legislation for the complete multiple-use development of the White River and its tributaries

Whereas the Corps of Army Engineers working under the direction of the Congress of the United States has made a study of the White River Basin as reported in House Document No. 102, Seventy-third Congress, first session, recommending the construction of certain dams and hydroelectric plants when sufficient market for power justifies; and

Whereas the demand for cheap electric power, adequate flood control, and recreational facilities has increased since the earlier report of the Corps of Army Engineers; and

Whereas over 50 percent of the electric energy used in Arkansas is imported from other States; and

Whereas the market for electric energy has increased over 200,000,000 kilowatt-hours since 1932 and is increasing at the rate of approximately 60,000,000 kilowatt-hours each year; and

Whereas 50,000 farmers will be ready for electrical service requiring 50,000,000 additional kilowatt-hours before the hydroelectric plants could be constructed; and

Whereas the Senate and House of Representatives of the General Assembly of the State of Arkansas, assembled, do believe that under present circumstances the construction of multiple-use dams and hydroelectric plants on the White River would open up for cultivation thousands of acres of fertile agricultural land along the banks of the lower White River, would supply the State with much needed electric generating capacity, producing power at low costs, would stimulate and assist the development of the vast undeveloped mineral resources of the State, would encourage diversified agriculture, particularly in the hill sections of the State, would provide navigation facilities at lower transportation costs, which would further assist the development of the State, would be beneficial for irrigation in the rice area, would provide recreational facilities in the most picturesque setting in the whole country, would provide labor for many persons in the State badly in need of work, would eliminate the great hazards of floods and the cost of maintaining thousands of people during flood periods, and would in every way be to the economic and social betterment of the State: Therefore be it

Resolved by the Senate and House of Representatives of the General Assembly of the State of Arkansas assembled:

SECTION 1. That we hereby petition the Congress of the United States to pass and the President of the United States to approve, if passed, adequate legislation providing sufficient funds for the complete multiple-use development of the White River Basin in Arkansas and Missouri.

SEC. 2. That certified copies of the resolution, properly authenticated, be sent forthwith to the President of the United States, the Vice President of the United States, and the Speaker of the House of Representatives of the United States and to the Members of Congress from the States of Arkansas and Missouri by the chief clerk of the house of representatives.

Mrs. CARAWAY also presented the following concurrent resolution of the Legislature of the State of Arkansas, which was referred to the Committee on Education and Labor:

House Concurrent Resolution 9

Be it resolved by the house of representatives of the fifty-second general assembly (and the senate concurring therein), That whereas Senator THOMAS, Democrat, from the State of Utah, has now pending before the United States Senate a bill providing that the Civilian Conservation Corps be made permanent; and

Whereas thousands of boys of the State of Arkansas are now in the C. C. C. camps; and

Whereas that the C. C. C. has done much toward the education of the youth of America, both practical and educational; and

Whereas in several instances the boys that are in the camps at present, and have been heretofore, did much for the financial condition of their families; and

Whereas the C. C. C. boys are ready, able, and willing at all times to aid and assist in any emergency that may exist: Therefore be it

Resolved by the Fifty-second General Assembly of the State of Arkansas, with the senate concurring therein, this concurrent resolution be adopted and that the same be spread upon the journals of the house of representatives, and that the chief clerk of the house of representatives is hereby instructed to mail a copy of said resolution to each Member of Congress from Arkansas and to our dearly beloved Senators, HATTIE W. CARAWAY and JOHN E. MILLER.

Mrs. CARAWAY also presented the following resolution of the House of Representatives of the State of Arkansas, which was referred to the Committee on Public Buildings and Grounds:

House Resolution 27

Whereas Congressman W. F. NORRELL and Senators CARAWAY and MILLER are seeking to obtain a Federal building for Hot Springs; and

Whereas Hot Springs is in serious need of such a building because of the overcrowded condition of the present Federal building due to the number of permanent Federal agencies with offices in said building; and

Whereas the present structure is not easily accessible to the large number of sick and crippled people who annually visit this national spa: Now, therefore, be it

Resolved by the house of representative of the fifty-second general assembly, That this body endorse the efforts of Members of the Congress to secure for the city of Hot Springs this needed Federal building, and that the United States Post Office Department be urged to construct such a building; be it further

Resolved, That copies of this resolution be forwarded to Hon. James A. Farley, Postmaster General, and to members of the Arkansas delegation in Congress.

Mr. NYE presented the following resolutions of the Senate of the State of North Dakota, which were referred to the Committee on Agriculture and Forestry:

Senate Resolution C

Resolution relating to the eradication of grasshoppers by arsenic poison

Be it resolved by the Senate of the State of North Dakota: Whereas the senate committee on agriculture unanimously agreed on the following: That grasshoppers cannot be eliminated by the spreading of arsenic poison, and to the best judgment of the committee less than 3 percent were killed by the use of arsenic poison in 1933.

Whereas the farmers were more willing to cooperate in the spreading of arsenic in 1938 than they will be in 1939, and to the best judgment of the committee 80 percent of the farmers in North Dakota will not be willing to cooperate in the spreading of the bait in 1939, because of the poor results in the 1938 experiment and of great losses of livestock from such poison, and also the killing of upland birds, which are the natural remedy for the eradication of insects.

Whereas several million dollars of the taxpayers' money collected by the Federal, State, and counties have been spent for this purpose and hardly any benefit has been received therefrom.

Whereas the greatest benefit resulting from the preparation of grasshopper poison goes to the manufacturers of arsenic and other ingredients used in the preparation of the grasshopper poison, all of which is promoted and recommended by the extension department of the agricultural college of this state: Therefore be it

Resolved, That we recommend that all Federal money appropriated for the eradication of insects be allotted to the States according to amount or degree of infestation, to be spent and used by the State grasshopper committee according to their best judgment; and be it further

Resolved, That the State grasshopper committee make use of parasitic fungus prepared by Charles C. Hess, of Whitewood, S. Dak., and other methods which they may see fit to adopt; be it further

Resolved, That copies of this resolution be sent to the Secretary of Agriculture of the United States at Washington, D. C., to each Member of Congress of this State, to the director of the county agent's extension department of the agricultural college at Fargo, and to the chairman of each board of county commissioners of the State of North Dakota.

Senate Concurrent Resolution 67

Requesting Congress to enact legislation permitting payment of seed loans bushel for bushel

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring):

Whereas it seems to have been impossible to secure legislation necessary to stabilize the market price of farm crops in these United States; and

Whereas the difference in the price of grains when bought for seed and feed, and when sold in the market, has been so great that the farmers who have been compelled to borrow money from the various Federal agencies for the purpose of buying such feed or seed are frequently required to sell 4 or more bushels in order to discharge the cost of each bushel purchased; and

Whereas under such conditions it will be utterly impossible for many of our farmers to discharge their obligations to the Federal agencies: Therefore be it

Resolved by the Senate of the State of North Dakota (the house of representatives concurring), That through this resolution we earnestly appeal to the Congress of the United States to enact such legislation as will permit any person now indebted, or who may hereafter become obligated for a Federal seed or feed loan, to discharge such debt by payment in kind, bushel for bushel; be it further

Resolved, That one copy of this resolution be sent to the Secretary of Agriculture and one copy to the President of the United States; one copy to each of our Congressmen; one copy to each of our United States Senators; one copy to M. W. Thatcher, 423 East Leland Street, Chevy Chase, Md.; these copies to be forwarded to them by our secretary of state immediately upon the passage of this resolution.

Mr. NYE also presented the following resolution of the House of Representatives of the State of North Dakota, which was referred to the Committee on Foreign Relations:

House Resolution H

Be it resolved by the House of Representatives of the State of North Dakota:

Whereas President Franklin Roosevelt in his message to Congress specifically pointed out the unjust and unfair operation of the present embargo act which prevents the victims of aggressor nations from obtaining the necessary materials and supplies for proper self-defense; and

Whereas with the lifting of the present embargo loyalist Spain stands ready to buy for cash and provide necessary transportation

for large quantities of agricultural products which now constitute the surplus in our country and aggravates the depression here; and

Whereas such sale of surplus commodities will definitely improve the economic position of our farmers while at the same time it will be of incalculable aid to the cause of democracy in Spain and serve to unite democratic nations against the encroachments of undemocratic and dictatorial forms of government which now seek to displace the form of government which we revere: Now, therefore, be it

Resolved, That the House of Representatives of the State of North Dakota hereby memorialize Congress and the President of the United States to take immediate steps in lifting the present unjust and unfair embargo in keeping with the conditions as set forth hereinbefore; and be it also

Resolved, That one copy of this resolution be forwarded to each of the following: The President of the United States, Franklin D. Roosevelt; Vice President John Garner, President of the United States Senate; the Secretary of State, Cordell Hull; Speaker Bankhead, House of Representatives; Senator Lynn J. Frazier; Senator Gerald P. Nye; Congressman William Lemke; Congressman Usher L. Burdick.

Mr. NYE also presented the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Public Lands and Surveys:

Senate Concurrent Resolution 64

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring therein):

Whereas the Federal Government has purchased and is contemplating the purchase of large tracts of land in North Dakota, which lands were the property of private owners, and as such were assessed and taxed with the other property located in the same taxing districts; and

Whereas when such purchases are completed the land can no longer be taxed by the State of North Dakota or its subdivisions; and

Whereas the removal of large tracts of land from the tax rolls of the taxing districts of the State of North Dakota has created a very critical situation in such districts, which are largely dependent upon the property tax for the support of schools and other necessary governmental functions; and

Whereas at the time of such purchases by the Federal Government such lands were encumbered by a debt representing tax levies due annually to pay the principal and interest on bonded indebtedness, as required by section 184 of the Constitution of the State of North Dakota; and

Whereas the removal of large tracts of land from the tax rolls through such Federal purchases seriously impairs the value of the contracts represented by outstanding bonds and other evidences of indebtedness, issued by the subdivisions in which such lands are located, contrary to section 10 and the fourteenth amendment to the Constitution of the United States, and contrary to section 16 of the Constitution of the State of North Dakota; and

Whereas in some instances the areas left in private hands are insufficient to pay outstanding indebtedness of the taxing districts; and

Whereas it is unjust and inequitable that the remaining property owners in such taxing districts be compelled to pay the whole of such outstanding indebtedness: Be it therefore

Resolved, That we, the Senate and House of Representatives of the State of North Dakota—

Do petition and memorialize the Congress of the United States to provide funds for the payment of such proportion of the outstanding indebtedness of the taxing districts in which the Federal Government has made or will make such land purchases in the proportion that the value of such land so purchased bears to the valuation of the entire taxing district; be it further

Resolved, That copy of this resolution be forwarded to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the United States, and each of the United States Senators and Congressmen from the State of North Dakota.

Mr. GEORGE presented the following concurrent resolution of the Legislature of the State of Georgia, which was referred to the Committee on Commerce:

Resolution by the General Assembly of Georgia urging the President of the United States to expedite construction of the power and flood-control dam on the Savannah River near Clarks Hill

Whereas the feasibility of the construction of a power and flood-control dam across the Savannah River near Clarks Hill has been repeatedly determined and recommended; and

Whereas such decisions and recommendations were contained first in a report of Army engineers, acting pursuant to a congressional resolution approved in 1927, and subsequently by a report of an executive appointed board, assisted by distinguished economists and engineers; and

Whereas by Executive direction the National Resources Board has made a complete investigation and study of all of the facts and reports, and said Board has endorsed and recommended that the Clarks Hill project be put in group 1 for immediate construction; and

Whereas the Federal Power Commission has rendered a highly favorable report and recommendation based on a study of the potential market for the sale of electric energy within the area to be affected; and

Whereas the citizens of Georgia and of our sister State of South Carolina are entitled to receive the benefits that will inure, as well as the protection to be afforded by the construction of a dam across the longest river in the United States on the Atlantic seaboard; and

Whereas the unquestioned feasibility, propriety, and wisdom of its construction has been fully demonstrated by the many reports of those best qualified to inquire into such matters: Now, therefore, be it

Resolved by the House of Representatives of Georgia (the senate concurring), That we respectfully urge the President of the United States to use his good office in expediting the construction of the proposed flood-control and power dam across the Savannah River near Clarks Hill, inasmuch as the claims of the two States affected, for the protection and public benefits afforded, have been recognized and recommended repeatedly over a period of several years; be it further

Resolved, That certified copies of these resolutions be forwarded to President Franklin D. Roosevelt; Hon. Harold L. Ickes, Secretary of Interior; Hon. Walter F. George and Richard B. Russell, Jr., United States Senators from Georgia; Hon. Paul Brown, Representative in Congress from the Tenth Congressional District of Georgia; Hon. Frank R. McNinch, Chairman of the Federal Power Commission; Hon. Roger B. McWhorter, chief engineer of the Federal Power Commission; Hons. E. D. Smith and J. F. Byrnes, United States Senators from South Carolina; Hon. H. P. Fulmer, Representative in Congress from the Second Congressional District of South Carolina; and Hon. Butler B. Hare, Representative in Congress from the Third Congressional District of South Carolina.

Mr. GEORGE also presented the following concurrent resolution of the Legislature of the State of Georgia, which was referred to the Committee on Finance:

Whereas all civilization began with and will end with the plow; and

Whereas when agriculture prospers the Nation prospers and plenty and peace rule the land; and

Whereas when agriculture is impoverished despair, discontent, and want stalk the country; and

Whereas cotton is still king and our Southern States are dependent upon a market for their cotton crop as the only means by which they can materially prosper; and

Whereas coconut oil, peanuts, cottonseed, and other foreign oils and fats are being imported into this country to directly compete with cottonseed oil to the detriment of our southern farmers; and

Whereas the importation of jute into this country is invited, sponsored, and condoned by certain interests who do not have the welfare of the farmers and American agriculture at heart; and

Whereas the said jute directly competes with cotton in our domestic markets; and

Whereas when the southern farmer prospers in the economic flow, his prosperity moves to the money markets of the East, and the East, in turn, receives prosperity from the hands of the southern farmers, and the prosperity of the East and South, in turn, causes the other sections of this great country to prosper: Therefore be it

Resolved by the house of representatives (the senate concurring), That the United States Congress be memorialized to prohibit the importation of coconut oil, peanuts, cottonseed, and other foreign oils and fats into this country, and further, that the importation of jute be curtailed and prohibited; be it further

Resolved, That a copy of this resolution be transmitted to each member of the Georgia congressional delegation in the Congress, and that they be urged to launch a movement in the Congress to bring about the prohibitions herein suggested.

Mr. RUSSELL presented the following resolutions of the Legislature of the State of Georgia, which were referred to the Committee on Agriculture and Forestry:

Whereas at the extraordinary session of the Georgia Legislature in 1937-38 the General Assembly of Georgia memorialized the Senators and Congressmen from Georgia to use their every effort to secure an appropriation by the Congress of the United States to repay the cotton and tobacco farmers of the South the amount of tax paid by such farmers in the purchase of cotton and tobacco exemptions certificates; and

Whereas at the last session of said Congress there was enacted into law an appropriation authorizing the refund to said farmers of cotton taxes actually paid at the cotton gins and of tobacco taxes actually paid at tobacco warehouses: Therefore be it

Resolved by the General Assembly of Georgia, That the Senators and Congressmen of Georgia are hereby respectfully urged and requested:

1. To urge upon the Seventy-sixth Congress now in session an appropriation providing for the refund of all money paid by cotton and tobacco farmers through the purchase of certificate under the regulation of the Bankhead cotton-control bill and of the Kerr-Smith Tobacco Control Act.

2. That the General Assembly of Georgia express to the Senators and Congressmen of Georgia by these presents their appreciation of the successful procurement of said appropriation at the Seventy-sixth Congress.

3. That a copy of this resolution be mailed by the clerk of the house to each of the Senators of Georgia and to the Members of the House of Representatives of Georgia.

Whereas all civilization began with and will end with the plow; and

Whereas when agriculture prospers, the Nation prospers and plenty and peace rule the land; and

Whereas when agriculture is impoverished, despair, discontent, and want stalk the country; and

Whereas cotton is still king and our Southern States are dependent upon a market for their cotton crop as the only means by which they can materially prosper; and

Whereas coconut oil, peanuts, cottonseed, and other foreign oils and fats are being imported into this country to directly compete with cottonseed oil to the detriment of our southern farmers; and

Whereas the importation of jute into this country is invited, sponsored, and condoned by certain interests who do not have the welfare of the farmers and American agriculture at heart; and

Whereas the said jute directly competes with cotton in our domestic markets; and

Whereas when the southern farmer prospers in the economic flow, his prosperity moves to the money markets of the East, and the East, in turn, receives prosperity from the hands of the southern farmers, and the prosperity of the East and South, in turn, causes the other sections of this great country to prosper: Therefore be it

Resolved by the house of representatives (the senate concurring), That the United States Congress be memorialized to prohibit the importation of coconut oil, peanuts, cottonseed, and other foreign oils and fats into this country, and further, that the importation of jute be curtailed and prohibited; be it further

Resolved, That a copy of this resolution be transmitted to each member of the Georgia congressional delegation in the Congress, and that they be urged to launch a movement in the Congress to bring about the prohibitions herein suggested.

Mr. RUSSELL also presented the following resolution of the Senate of the State of Georgia, which was referred to the Committee on Finance:

Whereas it appears that approximately one-half of the persons in Georgia who are eligible for old-age pensions are not receiving pensions because of Georgia's inability to raise sufficient funds with which to match Federal funds to pay such pensioners; and

Whereas it appears that the persons in Georgia who are receiving old-age pensions are receiving only approximately \$8 each per month—\$4 from the State and \$4 from the Federal Government; and

Whereas the Federal Government has set up and provided sufficient funds with which to pay \$15 per month to each pensioner, or such portion of said sum as the State matches; and

Whereas because of Georgia's inability to raise sufficient sums to match more than \$4 per month per pensioner the pensioners in Georgia receive only \$4 per month from the Federal Government; and

Whereas the pensioners of the more wealthy States receive \$15 per month from the Federal Government as a result of those States' ability to match the full Federal allowance; and

Whereas under the present laws requiring the States to match Federal pensions the old people of Georgia and other States which are unable to raise sufficient sums to adequately match Federal funds for pensions are not receiving equal protection, security, and benefits from the Federal Government as compared with the old people of the wealthier States which are able to match in full the Federal pensions; and

Whereas the number of old persons in Georgia who are eligible for old-age pensions but who are not receiving pensions because of Georgia's inability to raise sufficient funds to match Federal funds available greatly exceeds the number of old persons actually receiving old-age pensions; and

Whereas it is manifestly unfair and unjust for some old people to receive pensions while others equally as eligible and deserving receive no pension; and

Whereas the Federal Government already has available funds which have been allocated for the payment of \$15 per month to old-age pensioners on condition that such amount be matched by the States; and

Whereas in the year 1936 the annual per capita income in Georgia was \$246 and the annual per capita income in the Nation was \$525; and

Whereas the present system of old-age pensions requiring States to match Federal pensions is manifestly unjust and unfair to States like Georgia whose financial capacities are limited as the result of the low per capita income of their citizens; and

Whereas the present system requiring matching penalizes the citizens of the State, like Georgia, whose financial capacities are limited as a result of the low per capita income of their citizens; and

Whereas States with limited financial capacities, like Georgia, are penalized by other Federal statutes requiring matching in order for such States to receive Federal relief funds: Now, therefore, be it

Resolved by the Senate of Georgia, That it does hereby go on record as favoring the amending of the old-age pension laws, as enacted by the Congress of the United States, so as to eliminate therefrom the requirement that the States match Federal pension

funds before the pensioners are eligible to receive old-age pensions from the Federal Government; be it further

Resolved, That this body does hereby go on record as favoring the payment by the Federal Government of old-age pensions to eligible old-age persons, all pensions to be of equal amounts, without requiring the States to match said pensions or any part thereof, the amount of the pensions so paid to be determined by the number of persons eligible and amount of funds available for the purpose; be it further

Resolved, That the Representatives in the House and Senate of the United States Congress from Georgia be, and they are hereby, urged to sponsor legislation as hereinbefore outlined in order all old persons might receive equal and impartial treatment from the Federal Government and in order that the badly strained financial condition of the State of Georgia might be relieved; be it further

Resolved, That this body does hereby go on record as protesting and opposing the present method of distributing relief funds by requiring States, counties, and municipalities to match such relief funds, said system as now operated working a most unfair and unjust penalty against the States of limited financial capacities and in favor of the States with greater financial resources; be it further

Resolved, That the secretary of this senate be, and he is hereby, instructed to furnish a copy of this resolution to each Congressman and Senator from Georgia.

Mr. RUSSELL also presented the following resolution of the Senate of the State of Georgia, which was referred to the Committee on Immigration:

Whereas there are now pending in the United States Senate bills to require fingerprinting of all aliens in the United States, and also the fingerprinting of aliens entering the United States in the future; and

Whereas there are now pending in the United States Senate bills for the deportation of all aliens whose presence in the United States is inimical to the public interest; and

Whereas there are now pending in the United States Senate bills requiring the deportation of all aliens who have been on relief rolls for 6 months or more during the past 3 years; Now

Therefore, believing this to be vital legislation, we, the State Senate of Georgia, do hereby urge our Senators and Representatives in Congress to help pass this legislation for the benefit of our country; and be it further

Resolved, That a copy of this resolution be sent each member of the Georgia delegation in Congress.

Mr. RUSSELL also presented the following concurrent resolution of the Legislature of the State of Georgia, which was referred to the Committee on Public Lands and Surveys:

Whereas title to Blackbeard Island, off the coast of Georgia, is now lodged in the Government of the United States of America; and

Whereas the said Blackbeard Island, comprising approximately 1,500 acres, was acquired by the United States in 1799 for the purpose of using the timber thereon for building wooden ships; and

Whereas it has not been used by the Federal Government for years for any practical purposes and today is of no value, good, or service to the United States or any citizen thereof in its present condition; and

Whereas the said Blackbeard Island consists mainly of five sand beaches approximately 7 miles in length which would afford the State of Georgia a stretch of the very best beaches on the South Atlantic seaboard; and

Whereas the said Blackbeard Island could be developed into a splendid and attractive recreational and vacation spot for the people of our State by our State government; and

Whereas by acquisition of this land by the State there would accrue to the State government considerable money each year from the sale and rentals of property on this island; Therefore be it

Resolved by the house of representatives (the senate concurring), That the Governor be requested to immediately importune the Government of the United States to cede and deed the said Blackbeard Island back to the State of Georgia, and also that a copy of this resolution be forwarded to each Member of the Senate and House from Georgia in our National Assembly.

AMERICAN CHINA AND EARTHENWARE BUSINESS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Finance a statement under date of January 13, 1939, I have received from Mr. Roger W. Rowland, president of the New Castle Refractories Co., New Castle, Pa., concerning the effect which the Reciprocal Trade Agreement Act is having on American china and earthenware business.

There being no objection, the statement was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

NEW CASTLE REFRACTORIES Co.,
New Castle, Pa., January 13, 1939.

The Honorable JAMES J. DAVIS,
United States Senate, Washington, D. C.

DEAR SENATOR: For your information I am giving you some general facts concerning the pottery industry.

The total production of American china and earthenware for table use is approximately \$35,000,000 per year.

Out of every 100 dishes sold at retail in the United States, 60 of those dishes were made in the United States and 40 from foreign countries. Of those made in foreign countries about 65 percent were made in Japan. The average wage of a potter in the United States is \$6.50 per day, male. In Japan, from 50 to 75 cents per day, male; and in England, \$2 to \$2.50 per day, male. In manufacturing china and earthenware labor represents 60 percent of the selling price. This, of course, means that any product in which labor is the greatest part of the total manufacturing cost that low-wage countries have a tremendous advantage. Japan delivers and sells ware in the United States after paying transportation, packing, custom duties, insurance, etc., at one-half or less of the American price on high-grade articles.

There are about 100,000 individuals in the United States dependent on the pottery industry. This, of course, includes not only workers in the industry and their families but also those connected with supplies, etc.

The industry has always fought against the Reciprocal Trade Agreement Act. Under this act if we deal with Great Britain, any concession given to Great Britain goes to every other nation with the exception of Germany.

For your information, the potteries of Japan are equipped with American machinery, American tunnel kilns, etc. While they will not get quite as much production per hour, per man, their length of workday, which I understand averages about 12 hours, more than makes up of this deficit.

I am confident that you are well aware of the necessity of protecting the American wage earner and the manufacturer who pays him his wages, but I thought you would be interested in having a few statistics that would give you a little familiarity with the problems of the industry.

Sincerely yours,

NEW CASTLE REFRACTORIES Co.,
By ROGER W. ROWLAND, President.

ADMISSION OF GERMAN REFUGEE CHILDREN

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred an editorial from the Washington Post of February 14, 1939, entitled "A Bipartisan Move"; an article from the Washington Post of February 13, by Ernest K. Lindley, entitled "Humane Plan"; a telegram from Clara Savage Littledale, editor of the Parents Magazine; and a letter from Samuel McCrear Cavert, general secretary of the Federal Council of the Churches of Christ in America, New York City.

There being no objection, the editorial and other papers were referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

[From the Washington Post of February 14, 1939]

A BIPARTISAN MOVE

Humanitarianism in the United States knows no party lines or sectarian divisions. This is borne out by the fact that a companion bill to that introduced in the Senate by Senator WAGNER for the admission of a certain number of German refugee children in the next 2 years has been introduced in the House by Representative EDITH NOURSE ROGERS.

Senator WAGNER is a Democrat; Representative ROGERS a Republican. But the desperate plight of the youthful unfortunates who find themselves for racial, religious, or political reasons unwelcome and unwanted in the Third Reich touches no partisan chords.

Indeed, with regard to this question other than political divisions tend to disappear. The proposal on behalf of the German refugee children of 14 and younger has the endorsement of both the A. F. of L. and the C. I. O., of Catholics and Protestants alike. Thus, recently a group of prominent clergymen of leading denominations presented a petition at the White House calling on all Americans to join together, "without regard to race, religion, or creed, in offering refuge to children as a token of our sympathy and as a symbol of our faith in the ideals of human brotherhood."

Among the many signatories of this petition are Cardinal Mundelein; Bishop James E. Freeman; the Reverend Dr. Harry Emerson Fosdick; Archbishop Joseph Francis Rummel, of New Orleans; Archbishop John T. Cantwell; Dr. Henry Sloane Coffin; Bishop Edwin H. Hughes; the Very Reverend Arthur A. O'Leary, S. J., president of Georgetown University; the Reverend Maurice S. Sheehy, of Catholic University; Dr. Anson Phelps Stokes; Dr. Oscar F. Blackwelder.

Great Britain, the Netherlands, Belgium, France, and other countries have already hearkened to the appeal sent out on behalf of the refugee children of the Third Reich. In this great work of mercy the United States cannot afford to be behindhand.

[From the Washington Post of February 13, 1939]

HUMANE PLAN (By Ernest K. Lindley)

Humanitarian impulses so often get caught in blind alleys that it is cheering to see brought forward a plan which is both irresistibly humane and, in its main outlines, thoroughly practical.

This is the plan to afford a sanctuary in this country for a limited number of German refugee children of every race and creed.

The idea was set forth a few weeks ago by 49 of the outstanding Catholic and Protestant churchmen of the United States, including Cardinal Mundelein, as a token of our sympathy and as a symbol of our faith in the ideals of human brotherhood.

In line with that appeal, Senator WAGNER has introduced a resolution—which undoubtedly will also have Republican sponsorship—authorizing the issue of immigration visas to a maximum 10,000 German children 14 years old or younger during each of the years 1939 and 1940. These would be in addition to the 27,370 immigration visas that can be issued annually to Germans of all ages under existing law.

We can no longer offer refuge to the oppressed of all nations and all ages. With millions of unemployed on our hands, there is good reason for examining with the greatest of care any proposal to relax our present immigration restrictions.

But the objections to letting down the bars to men and women of working age do not apply to children. No one will be deprived of a job. In fact, the money in caring for these children will provide more employment for American citizens. Both branches of the labor movement have endorsed the plan in principle.

The plan looks practical for two other reasons. One is that there are individuals and agencies in this country who are eager to care for these children, to see that they are fed, clothed, housed, and educated. No child would be given an immigration visa until satisfactory provision for its care has been guaranteed by a responsible American citizen or private agency. Thus, within the maximum of 10,000 a year for 2 years the number actually admitted would be restricted to the number for which responsibility is voluntarily assumed in this country.

The plan looks practical at the other end because the children are ready to come or to be sent. The young of the persecuted minority groups have long since lost the chance to enjoy a normal childhood. They are unable to obtain a proper education; they are forbidden to play in the parks and, in some instances, even to play on the streets.

Now even their lives have become unsafe. During and after the pogrom of last November, thousands of children, some of them tots without any identification, were hastily put on trains by their parents and shipped to the border. Great Britain, waiving visa regulations, provided refuge for 2,800 of them, and has made preparations to take 5,000 more. Others found haven in Holland, Belgium, and France, which is already overcrowded with refugees.

In the February 11 issue of Collier's, Quentin Reynolds, describes the behavior of a group of Jewish children when they discovered, on their arrival in England, that they were allowed to go near the grass:

"And so when they heard the incredible news that no 'verboden' signs existed at Dovercourt they gave happy cries and rushed out onto the grass and rolled in it like kittens rolling in catnip. They tore tufts of it and pressed it against their cheeks. This was the first freedom any of them had ever known."

Some of the children left in Germany are homeless, their parents having disappeared in concentration camps. Some have been chased out of orphan asylums. With the confiscation of "non-Aryan" property, following on the gradual confiscation of jobs, thousands of persons are literally on the edge of starvation—and among them are young children.

In ratio to the whole persecuted population of Germany, the number of children is surprisingly small, especially among the Jews. The best private estimates available indicate that during the last 6 years, since Hitler came into power, the Jews have almost ceased having children. In all of old Germany, the number of Jewish children under the age of 6 is estimated at only 7,000—out of a total Jewish population of approximately 320,000. In the years 6 to 14 there are 20,500.

In addition to the children of the confessional Jews, there are, of course, those of the other "non-Aryans"—persons who in many instances are of the Protestant and Catholic faith but have been found to have had one or more Jewish grandparents. Among the children who need sanctuary are also some of purely Teutonic stock whose parents are in political disfavor.

Including what used to be Austria, it is estimated that there remain in Germany between 75,000 and 100,000 distressed children in the age group under 15. Some of them certainly could be taken care of in this country without harm to anyone, and with immense satisfaction to those who provide the foster homes. In the course of time, the parents of some will be able to reestablish themselves in other lands and so resume the care of their children.

Private individuals and agencies in this country are ready to work out the details of the arrangements for caring for these children who are in desperate need. Mrs. Calvin Coolidge has broken her standing rule of silence on all matters involving legislation to express her approval of this plan, as one of the women of Northampton, Mass., who want to take care of 25 children. Former President Hoover has endorsed the proposal.

The main thing that seems to be needed is the stamp of approval of Congress.

NEW YORK, N. Y., February 14, 1939.

Senator ROBERT F. WAGNER,

Senate Office Building, Washington, D. C.:

May I express hearty approval of your bill to permit 20,000 German refugee children, 14 years and under, of every race and creed, to enter this country during the next 2 years. I am convinced through this magazine's contact with families and with child-placing agencies that these children can be quickly and efficiently cared for with resulting happiness to the children and

their foster or temporary parents. There is a greater demand here for children for adoption than there are children now available. Both England and Holland have already opened their doors to these suffering children. The United States has never failed to answer such a call for help. There are thousands of American homes eager to welcome these young refugees. May your bill permitting them to enter be passed with the least possible delay.

CLARA SAVAGE LITTLEDALE,
Editor, *the Parents Magazine*.

THE FEDERAL COUNCIL OF THE CHURCHES
OF CHRIST IN AMERICA,
New York, February 10, 1939.

Hon. ROBERT F. WAGNER,

United States Senate, Washington, D. C.

MY DEAR SENATOR WAGNER: I am greatly pleased to read in the press this morning of the resolution which you have introduced calling for the admission of German refugee children in excess of the immigration quota. I congratulate you heartily upon your stand in this matter and feel that we are all deeply indebted to you for your leadership.

I take pleasure in communicating to you the following resolution which was adopted by the executive committee of the Federal Council of the Churches of Christ in America at its meeting on January 20:

"The executive committee has learned with appreciation of the efforts being made to secure special legislation by which there would be admitted to this country, outside of the regular quota, a group of refugee children from Germany. It is the understanding of the committee that this is the same type of action already taken in England under the leadership of the churches and that the children to be thus admitted would be under 14 years of age so that adoption and placement in homes would not be impracticable.

"In the extraordinary circumstances which have created the problem of Jewish and Christian refugees from Germany we feel that it is not enough to call upon other nations to help or to voice our protests but some such practical step as the one here contemplated is imperative and will do much to facilitate a larger approach to the problem of which it is but one part."

Very sincerely yours,

SAMUEL MCCREA CAVERT,
General Secretary.

DECLARATION OF POLICY BY AMERICAN MINING CONGRESS

Mr. KING. Mr. President, an important organization in the United States is the American Mining Congress. It meets from time to time and discusses important public questions. At a recent meeting, being its forty-first annual meeting, a number of resolutions were adopted. I ask that they may be inserted in the RECORD at this point.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

THE AMERICAN MINING CONGRESS,
MUNSEY BUILDING,
Washington, D. C., February 11, 1939.

Hon. WILLIAM H. KING,

Senate Office Building, Washington, D. C.

DEAR SENATOR KING: We are pleased to submit for your information a copy of the declaration of policy adopted by the American Mining Congress at its forty-first annual meeting. This represents the considered viewpoint of our widespread membership, representative of all branches of mining in this country.

Very respectfully yours,

THE AMERICAN MINING CONGRESS,
JULIAN D. CONOVER, Secretary.

A DECLARATION OF POLICY

The American Mining Congress in annual meeting in Washington, D. C., January 27, 1939, herewith declares its views upon the following subjects of public policy:

RELATION OF GOVERNMENT AND BUSINESS

Confidence is the foundation of economic recovery and stability. Essential to confidence are balanced budgets; stable money; thoughtful, well-considered legislation confined to sound, general principles; impartial administration of the law; and encouragement of private enterprise and initiative.

Government should not engage in competition with private industry.

EMPLOYEE RELATIONS

The interests of the general public, of employees, employers, and of capital, are mutual and can be served best through the fullest measure of cooperation.

The National Labor Relations Act: We recognize and accept the principle of collective bargaining. We regret that the application of the National Labor Relations Act has resulted in undeniable injustice to employees, employers, and the public, and urge proper amendments to the act and changes in methods of enforcement to insure its equitable application and administration.

Health and safety: We believe in the best possible working conditions for employees in the mining industry, and approve all reasonable and proper measures for promoting their health and

safety. We recognize the good effect of adequate laws that will protect the employee from health hazards and the employer from unfair claims.

TAXATION

The constant threat of continually increasing taxation and annual changes in tax laws, combined with adverse policies in other fields, create constant uncertainty as to present and future tax liabilities and consequently restrict and curtail business enterprise, impose severe and unnecessary limitations upon employment, and discourage and retard the growth of national income on which the tax revenues of the Government must depend. Maximum yields from taxation over a period of years can be obtained only through the adoption of policies which do not discourage, deter, or destroy business initiative, enterprise, expansion, and employment. Only under such policies can our national income be sufficiently increased to provide adequate Government revenues. Only under such policies can the Federal Budget be relieved of heavy demands for unemployment relief.

A sound fiscal system requires adequate control over expenditures, which must be kept within the revenue yields of a sound and reasonably permanent system of taxation. Congressional responsibility for expenditures should be united with congressional responsibility for revenues. We urge that each House of Congress create a Committee on the Budget, the membership of which will include members responsible for appropriations and members responsible for taxation. The annual executive Budget, containing estimated revenue yields and the proposed expenditures for the year, should be referred to this committee. After appropriate committee consideration and full debate, each House of Congress should then determine and fix the maximum amount of expenditures for the year, and require that the separate appropriation bills, as well as legislation authorizing appropriations, conform to this determination, and the aggregate be kept within this maximum amount. With a ceiling thus placed upon expenditures, an effective control by Congress over both taxation and appropriations can be restored and maintained.

The Congress made substantial progress toward a fairer system of business taxation through the enactment of the Revenue Act of 1938 which greatly modified the penalty tax on the so-called undistributed profits of corporations, assured more equitable treatment of capital gains and losses, preserved the principle of reasonable depletion allowances and permitted periodical redeclaration of value for capital stock tax purposes. These provisions and the fact of their enactment have had an encouraging and stimulating effect on employment and business enterprise and will yield increased rather than decreased revenues to the Government. We urge the repeal of the remnant of the undistributed profits tax and the elimination of this and other needless complexities of the law.

The flat-rate tax upon corporate income should be reestablished; business losses of 1 year should be carried forward and deducted from future income; taxable income should be computed upon the basis of consolidated returns compulsory for affiliated corporations; the tax on dividends received by corporations should be removed; the deduction of capital losses, should be allowed without limitation; taxable income should conform more nearly to true income computed in accordance with accepted accounting practices, and the capital-stock tax should be repealed at the earliest possible date, and until repealed an annual declaration of value should be granted. We are confident that these are all appropriate features of tax legislation designed to yield maximum revenues over a period of years.

RECIPROCAL-TRADE AGREEMENTS

Reciprocal-trade agreements should not become effective until they have received the approval of the United States Senate.

MONETARY POLICY

We favor the return of control of our monetary system to the Congress. We favor a currency with a metallic base as opposed to a so-called managed currency. We favor the use of both metals—gold and silver—in such monetary system, and we favor the continuation of purchases of newly mined domestic gold and silver as a means of maintaining a metallic base for our currency.

We urge repeal of the law prohibiting ownership of gold coin or bars by our citizens, thus reestablishing the right of such ownership. We also urge that, to avoid further additions to present excessive gold stocks in the hands of our Government, further gold purchases be paid for with gold coin or gold certificates redeemable in such coin.

SECURITIES AND EXCHANGE COMMISSION

We endorse the report of our committee on cooperation with the Securities and Exchange Commission, dated October 24, 1938. We urge prompt adoption of the recommendations for simplification of the Securities and Exchange Commission regulations and administration, and the establishment, within the Commission, of a Division of Mining, headed by a man of experience and recognized standing in the mining industry, with supervision over the issues of mining companies.

GREAT LAKES-ST. LAWRENCE WATERWAY AND POWER PROJECT

We oppose the pending treaty with Canada providing for the construction of a Great Lakes-St. Lawrence deep waterway and for immense hydroelectric power developments. The project has no economic justification, the proposed transportation and power facilities being neither needed nor desirable. It would impose unwarranted additional tax burdens. It would be of principal benefit to foreign production and shipping at the expense of American industries, agriculture, railroads, and water carriers. Millions of

tons of American-produced commodities, particularly coal, iron ore, and metal products, would be displaced through the invasion of the vast interior American market by heavy imports from countries having low living standards, forced labor, and government-subsidized commerce. Markets for large tonnages of coal would be closed by the huge surplus of hydroelectric power and by lessened fuel requirements of our railroads and water carriers.

The project would disrupt and demoralize a great section of our economic life, producing serious unemployment and reduction in living standards, and would tend to destroy great mining, metallurgical, and other industries which are vital to the welfare and self-sufficiency of our country.

WATER POLLUTION

We commend the action of the Seventy-fifth Congress in rejecting amendments to the Barkley-Vinson water-pollution bill, which amendments would have vested regulatory control over water pollution in a Federal agency instead of leaving such control in the hands of State governments, to be supplemented by interstate compacts where necessary.

PUBLIC LAND POLICY

We reaffirm our endorsement and approval of the historical and time-honored system of locating mining claims and granting of patents which has proved to be such a factor in the discovery and development of mineral resources. This system is thoroughly grounded both in practice and law, and for the future well-being of the national economy should be continued without change.

We deplore governmental prohibition of the development of valuable mineral areas in the national game preserves and needless restrictions to such development on other public lands.

STRATEGIC MATERIALS

We recognize that the troubled state of the world today makes it necessary for our Government to lay plans to meet with success any national emergency.

Our defense plans must of necessity include provisions for an adequate supply of strategic and critical war materials.

As one of the essential industries in the furnishing of such materials, we pledge our cooperation in the development and execution of a program directed to that end. We ask Congress to make possible, under the direction of the Bureau of Mines and Geological Survey, a discovery and research program for minerals in which our country is deficient.

UNITED STATES BUREAU OF MINES—UNITED STATES GEOLOGICAL SURVEY

We endorse the work of the United States Bureau of Mines and United States Geological Survey. Their services have been invaluable to the mining industry.

We disapprove any impairment of their functions. We further disapprove any alteration of the duties of the Bureau of Mines and especially its diversion from a broad program of research in safety and health problems to work of inspection and control, which should properly be handled by the State governments.

LEGISLATIVE PRINCIPLES

We urge careful, thorough, and independent investigation and consideration by the legislative branch of the Government, not merely as to the objectives of proposed legislation but also as to means proposed for accomplishing such objectives.

The enactment of laws, admitted to be defective and designed to be made workable only after amendment, is unsound and detrimental to the country's prosperity and development and to the people's confidence in their Government.

COMMITTEE REPORTS FILED DURING ADJOURNMENT

Under authority of the order of the 13th instant, the following reports were filed during adjournment of the Senate:

On February 14, 1939:

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (S. 1102) to continue the functions of the Reconstruction Finance Corporation, and for other purposes, reported it with an amendment and submitted a report (No. 54) thereon.

On February 15, 1939:

Mr. KING, from the Committee on the District of Columbia, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 186. A bill to amend section 798 of the Code of Law for the District of Columbia relating to murder in the first degree (Rept. No. 55);

S. 1123. A bill to amend paragraph 57 of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes" approved March 4, 1913 (Rept. No. 56);

S. 1125. A bill to provide for the appointment of research assistants in the public schools of the District of Columbia, and for other purposes (Rept. No. 57);

S. 1129. A bill to amend paragraphs 31 and 33 of an act entitled "An act to amend section 7 of an act entitled 'An act making appropriations to provide for the government of

the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes, approved July 1, 1902, and for other purposes," approved July 1, 1932 (Rept. No. 58);

S. 1130. A bill to amend Public Law No. 111, Sixty-sixth Congress, entitled "An act for the retirement of public-school teachers in the District of Columbia" (Rept. No. 59); and

S. 1294. A bill to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted (Rept. No. 60).

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 494) to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King" John Philip Sousa, composer of *The Stars and Stripes Forever*, reported it without amendment and submitted a report (No. 61) thereon.

Mr. CLARK of Idaho, from the Committee on the District of Columbia, to which was referred the bill (S. 1126) to provide alternative methods of enforcement of orders, rules, and regulations of the Joint Board and of the Public Utilities Commission of the District of Columbia, reported it without amendment and submitted a report (No. 62) thereon.

Mr. OVERTON, from the Committee on the District of Columbia, to which was referred the bill (S. 1295) to amend section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes," reported it without amendment and submitted a report (No. 63) thereon.

REPORTS OF COMMITTEES

Mr. TOWNSEND, from the Committee on Claims, to which was referred the bill (S. 745) for the relief of the Pacific Telephone & Telegraph Co., reported it without amendment and submitted a report (No. 64) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 1315) for the relief of the Corbitt Co., reported it with amendments and submitted a report (No. 65) thereon.

Mr. SCHWARTZ, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 303. A bill for the relief of The Ocilla Star (Rept. No. 66); and

S. 463. A bill for the relief of The Fitzgerald Leader (Rept. No. 67).

Mr. BILBO, from the Committee on the District of Columbia, to which was referred the bill (S. 316) to authorize and direct the Commissioners of the District of Columbia to set aside the trial board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department, reported it with amendments and submitted a report (No. 69) thereon.

COMMITTEE ON CIVIL AVIATION AND AERONAUTICS (REPT. NO. 53, PT. 2)

Mr. VANDENBERG. Mr. President, on behalf of the Senator from New Jersey [Mr. BARBOUR] and myself, I submit minority views on Senate Resolution 74, amending rule XXV by providing for the appointment of a standing Committee on Civil Aviation and Aeronautics, and ask that they may be printed.

The VICE PRESIDENT. Without objection, the minority views will be received and printed.

INVESTIGATION OF RAILROADS, HOLDING COMPANIES AND AFFILIATED COMPANIES (REPT. NO. 25, PT. 4)

Mr. WHEELER, from the Committee on Interstate Commerce, submitted an additional report, pursuant to Senate Resolution 71, Seventy-fourth Congress, authorizing an investigation of interstate railroads and affiliates with respect to financing, reorganizations, mergers, and certain other matters pertaining to the control of the Chicago & Eastern Illinois Railway Co., which was ordered to be printed.

LOANS BY THE DISASTER LOAN CORPORATION

Mr. WAGNER. By direction of the Committee on Banking and Currency, I report a bill for the calendar and I submit a report (No. 68) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 1367) to extend the time for making loans by the Disaster Loan Corporation and increasing its capital stock was read twice by its title and placed on the calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. REYNOLDS:

S. 1351. A bill to establish a Racing Board in the District of Columbia; to provide for the licensing of horse-racing meets where the pari-mutuel system of wagering thereon may be conducted; and to levy a license fee and tax on same; to the Committee on the District of Columbia.

By Mr. HILL:

S. 1352. A bill to amend the Merchant Marine Act of 1936, section 301 (b), paragraph (3); to the Committee on Commerce.

S. 1353. A bill to increase the lump-sum payment made under the Workmen's Compensation Act in cases of permanent total disability suffered prior to February 12, 1927; to the Committee on the Judiciary.

S. 1354. A bill to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes; to the Committee on Military Affairs.

By Mr. HAYDEN:

S. 1355. A bill to authorize the Secretary of the Interior to exchange certain lands within the Navajo Indian Reservation in Arizona; to the Committee on Indian Affairs.

S. 1356. A bill for the relief of the heirs of Jesus Leyvas; to the Committee on Claims.

By Mr. MEAD:

S. 1357. A bill for the relief of Chester J. Babcock; to the Committee on Civil Service.

S. 1358. A bill to amend section 2 of the act of March 4, 1915, as amended by the act of June 25, 1936 (Public, No. 808, 74th Cong.); to the Committee on Commerce.

S. 1359. A bill for the relief of Rosalia Cataudella Di Rosa and son, Georgio Di Rosa; to the Committee on Immigration.

S. 1360. A bill for the relief of the city of New York; to the Committee on the Judiciary.

(Mr. CAPPER introduced Senate bill 1361, which was referred to the Committee on Banking and Currency, and appears under a separate heading.)

By Mr. BARKLEY:

S. 1362. A bill for the erection of a memorial to the memory of Corp. James Bethel Gresham, in McLean County, Ky.; to the Committee on the Library.

By Mr. BANKHEAD:

S. 1363. A bill to amend subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938;

S. 1364. A bill to amend the act entitled "An act to regulate the importation of nursery stock and other plants and plant products; to enable the Secretary of Agriculture to establish and maintain quarantine districts for plant diseases and insect pests; to permit and regulate the movement of fruits, plants, and vegetables therefrom, and for other purposes," approved August 20, 1912 (37 Stat. 315); and

S. 1365. A bill to amend Title I and Title IV of the Bankhead-Jones Farm Tenant Act, relating to the promotion of more secure occupancy of farms and farm homes, the correction of the economic instability resulting from some present forms of farm tenancy, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. WAGNER:

S. 1366. A bill to amend section 4442 of the Revised Statutes of the United States, as amended (U. S. C., title 46,

sec. 214), with respect to licenses of pilots of steam vessels; to the Committee on Commerce.

(Mr. WAGNER, from the Committee on Banking and Currency, reported Senate bill 1367, which was ordered to be placed on the calendar.)

By Mr. BAILEY:

S. 1368. A bill to authorize contingent expenditures, United States Coast Guard Academy; and

S. 1369. A bill to authorize necessary facilities for the Coast Guard in the interest of national defense and the performance of its maritime police functions; to the Committee on Commerce.

S. 1370. A bill for the relief of James Edward Gill;

S. 1371. A bill for the relief of Julian S. Mann;

S. 1372. A bill for the relief of W. B. Tucker, Helen W. Tucker, Lonie Meadows, and Susie Meadows;

S. 1373. A bill for the relief of H. D. Bateman, P. L. Woodward, and J. M. Creech;

S. 1374. A bill for the relief of Cohen, Goldman & Co., Inc.;

S. 1375. A bill for the relief of John T. Dula;

S. 1376. A bill for the relief of Cothran Motors, Inc.; and

S. 1377. A bill for the relief of Mrs. H. A. Davis, Sr.; to the Committee on Claims.

By Mr. BROWN:

S. 1378. A bill to extend to political subdivisions of States the same treatment accorded to States which borrowed for relief purposes under the Emergency Relief and Construction Act of 1932 by eliminating discrimination in the case of certain loans made to cities and counties under that act, and for other purposes; to the Committee on Banking and Currency.

S. 1379. A bill granting the consent of Congress to the Mackinac Straits Bridge Authority to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan; to the Committee on Commerce.

S. 1380. A bill to amend the Wisconsin Chippewa Jurisdictional Act of August 30, 1935 (49 Stat. L. 1049); to the Committee on Indian Affairs.

S. 1381. A bill for the relief of Charles Albert Goetz;

S. 1382. A bill to amend the act of June 24, 1935, so as to include certain alien veterans of the World War who left the United States prior to their being called in the draft, to serve in the military or naval forces of any of the countries allied or associated with the United States;

S. 1383. A bill to restrict habitual commuting of aliens from foreign contiguous territory to engage in skilled or unskilled labor or employment in continental United States; and

S. 1384. A bill for the relief of Egon Karl Freiherr von Mauchenheim and Margarete von Mauchenheim; to the Committee on Immigration.

S. 1385. A bill for the relief of the Barkman Lumber Co.;

S. 1386. A bill for the relief of Katherine Caulley;

S. 1387. A bill for the relief of Ida May Lennon; and

S. 1388. A bill for the relief of Herbert Therrien; to the Committee on Claims.

S. 1389. A bill granting a pension to Ruth Iola Goulette Pridham;

S. 1390. A bill granting a pension to Martha Bertha Rapin; and

S. 1391. A bill granting a pension to Delta Teachout; to the Committee on Pensions.

(Mr. HOLMAN introduced Senate bill 1392, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. WILEY:

S. 1393. A bill for the relief of Dr. M. Kellogg Mookerjee; to the Committee on Immigration.

By Mr. VANDENBERG:

S. 1394. A bill for the relief of Johannes or John, Julia, Michael, William, and Anna Kostiuk; to the Committee on Immigration.

(Mr. VANDENBERG introduced Senate bill 1395, which was referred to the Special Committee on Unemployment and Relief, and appears under a separate heading.)

By Mr. BARBOUR:

S. 1396. A bill for the relief of M. Brown and S. H. Brown; and

S. 1397. A bill for the relief of S. H. Brown and M. Brown, also known as the Universal Steamship Co., a Georgia corporation, to cover the loss of their bark *Brown Brothers*, destroyed by a German raider during the World War; to the Committee on Claims.

S. 1398. A bill to amend the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917, as amended, to increase the penalties for peacetime violations of such act; to the Committee on Naval Affairs.

By Mr. KING:

S. 1399. A bill to amend the act entitled "An act for the preservation of American antiquities," approved June 8, 1906; to the Committee on Public Lands and Surveys.

S. 1400. A bill to discontinue certain emergency powers of the President with respect to the weight of the gold dollar; and

S. 1401 (by request). A bill to provide for the payment in gold certificates or gold coin of all gold hereafter purchased by the Secretary of the Treasury; to the Committee on Banking and Currency.

By Mr. THOMAS of Oklahoma:

S. 1402. A bill to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California," approved May 18, 1928 (45 Stat. 602); to the Committee on Indian Affairs.

By Mr. MILLER:

S. 1403. A bill for the relief of Mr. and Mrs. J. W. Billings; to the Committee on Finance.

By Mr. TOBEY:

S. 1404. A bill granting an increase of pension to Marilla F. Dodge; to the Committee on Pensions.

(Mr. LEE introduced Senate bill 1405, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. BURKE:

S. 1406. A bill to provide for the reincorporation of the Daughters of Union Veterans of the Civil War, 1861-65; to the Committee on the Judiciary.

S. 1407. A bill for the relief of Maude Isabel Rathburn Miner; to the Committee on Military Affairs.

By Mr. WHITE:

S. 1408. A bill for the relief of Eric Randall Arey; to the Committee on Claims.

S. 1409. A bill to authorize the conveyance by the United States to the town of Bristol, Maine, of a portion of the Pemaquid Point Lighthouse Reservation, and for other purposes; to the Committee on Commerce.

By Mr. THOMAS of Utah:

S. 1410. A bill to authorize the Archivist of the United States to cause to be edited and published a collection of documents relative to the ratification of the Constitution of the United States, and for other purposes; to the Committee on the Library.

By Mr. LA FOLLETTE:

S. 1411. A bill for the relief of August H. Krueger; and

S. 1412. A bill for the relief of Otis M. Culver, Samuel E. Abbey, and Joseph Reger; to the Committee on Military Affairs.

By Mr. TOWNSEND:

S. 1413. A bill for the relief of Capt. Robert J. King; to the Committee on Military Affairs.

By Mr. ELLENDER:

S. 1414. A bill for the relief of Allie Holsomback and Lonnie Taylor; to the Committee on Claims.

By Mr. LOGAN:

S. 1415. A bill for the relief of certain disbursing agents and employees of the Indian Service; to the Committee on Claims.

By Mr. ASHURST:

S. 1416 (by request). A bill to make the provisions of the Employees' Compensation Act applicable to civil officers of the United States; to the Committee on the Judiciary.

By Mr. MINTON:

S. 1417. A bill for the relief of W. T. McGuire; to the Committee on Claims.

S. 1418. A bill granting an increase of pension to Minerva C. Smith; to the Committee on Pensions.

By Mr. WALSH:

S. 1419. A bill for the relief of Louis Gershon; and

S. 1420. A bill to authorize the Secretary of the Navy to contract for the production of designs, plans, drawings, and specifications for construction projects in the interest of national defense; to the Committee on Naval Affairs.

By Mr. NYE:

S. 1421. A bill relating to the making of certain payments in connection with the 1937 soil-conservation program; to the Committee on Agriculture and Forestry.

S. 1422. A bill for the relief of William R. Kellogg; to the Committee on Claims.

By Mr. BILBO:

S. 1423. A bill to amend section 204 of the act entitled "An act to provide for the termination of Federal control of railroads and systems of transportation; to provide for the settlement of disputes between carriers and their employees; to further amend an act entitled 'An act to regulate commerce,' approved February 4, 1887, as amended, and for other purposes," approved February 28, 1920; to the Committee on Interstate Commerce.

S. 1424. A bill to authorize the purchase of originals or copies of portraits of former Chief Justices and Associate Justices of the Supreme Court of the United States and the present Chief Justice and Associate Justices thereof for the new building occupied by the Supreme Court of the United States, and for other purposes; to the Committee on the Library.

By Mr. RUSSELL:

S. 1425. A bill to amend section 501 (Price Adjustment Act of 1938) of House Joint Resolution 679 entitled "Joint Resolution making appropriations for work relief, relief, etc."; to the Committee on Agriculture and Forestry.

By Mr. HATCH:

S. 1426. A bill for the relief of the State of New Mexico; to the Committee on Claims.

By Mr. TRUMAN:

S. 1427. A bill granting a pension to Eugene R. Dobel; to the Committee on Pensions.

By Mr. ANDREWS:

S. 1428. A bill relating to pensions for persons who served as contract nurses during the War with Spain; to the Committee on Pensions.

S. 1429 (by request). A bill for the relief of Earl J. Reed and Giles J. Gentry; to the Committee on Claims.

By Mr. McKELLAR:

S. 1430. A bill for the relief of Dorothy Elizabeth Sisson, a minor (with accompanying papers); to the Committee on Claims.

By Mr. McNARY:

S. 1431. A bill to provide for the establishment of a Coast Guard station at or near Depoe Bay, Oreg.; to the Committee on Commerce.

S. 1432. A bill authorizing the Snake or Piute Indians of the former Malheur Indian Reservation of Oregon to sue in the Court of Claims, and for other purposes; to the Committee on Indian Affairs.

S. 1433. A bill to add certain lands to the Siuslaw National Forest in the State of Oregon; to the Committee on Public Lands and Surveys.

By Mr. SCHWELLENBACH:

S. 1434. A bill extending the classified executive civil service of the United States;

S. 1435. A bill to extend the Classification Act of 1923, as amended;

S. 1436. A bill to establish a system of automatic salary increases within the Federal service; and

S. 1437. A bill to increase the compensation of employees in the Federal service and to establish a minimum annual rate of pay of \$1,200; to the Committee on Civil Service.

By Mrs. CARAWAY:

S. 1438. A bill to incorporate the Women World War Veterans; to the Committee on the Judiciary.

S. 1439. A bill granting a pension to Bill McCarty; to the Committee on Pensions.

S. 1440. A bill for the relief of Leo Janes;

S. 1441. A bill for the relief of Nannie Kyle; and

S. 1442. A bill for the relief of Max J. Mobley; to the Committee on Claims.

By Mr. GREEN:

S. 1443. A bill to authorize the Secretary of War to make a survey of the coast line at East Providence, R. I., which was damaged by the hurricane and flood of September 21, 1938; to the Committee on Commerce.

S. 1444. A bill for the relief of Phebe Letitia Myers McCann; to the Committee on Military Affairs.

S. 1445. A bill for the relief of Bruno Arena;

S. 1446. A bill for the relief of Mary, Ethel, and Richard Farrell;

S. 1447. A bill for the relief of Roy W. Olsen;

S. 1448. A bill for the relief of Anna H. Rosa; and

S. 1449. A bill for the relief of Robert Stockman; to the Committee on Claims.

By Mr. WHEELER:

S. 1450. A bill to provide funds for cooperation with school district No. 13, Froid, Mont., for extension of public-school buildings to be available to Indian children; to the Committee on Indian Affairs.

By Mr. SHIPSTEAD:

S. 1451. A bill for the relief of Chris Nelsen; and

S. 1452. A bill for the relief of Loyd J. Palmer; to the Committee on Claims.

S. 1453. A bill authorizing the establishment of aids to navigation on Rainy Lake in the State of Minnesota; and

S. 1454. A bill relating to hours of work of licensed officers and seamen on tugs operating in the inland waters of the United States; to the Committee on Commerce.

S. 1455. A bill authorizing and directing the Secretary of War to execute an easement deed to the city of Duluth for park, recreational, and other public purposes covering certain federally owned lands; to the Committee on Military Affairs.

S. 1456. A bill granting a pension to Mary C. Miller; to the Committee on Pensions.

S. 1457. A bill to provide for the payment of certain indebtedness on lands acquired by the United States; to the Committee on Public Lands and Surveys.

By Mr. SHEPPARD:

S. 1458. A bill for the relief of Maj. George Nicoll Watson; to the Committee on Claims.

S. 1459. A bill to readjust the allowances of retired enlisted men of the Army;

S. 1460. A bill to provide uniform reciprocal hospitalization in any Army or Navy hospital for retired personnel of the Army, Navy, Marine Corps, and Coast Guard, and for other purposes;

S. 1461. A bill to remove discriminations against retired Army enlisted personnel and to equalize hospitalization and domiciliary benefits of retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard; and

S. 1462. A bill to amend an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as

amended by the act of June 4, 1920, so as to confer on the commanding general, General Headquarters Air Force, the same retirement privileges now enjoyed by chiefs of branches; to the Committee on Military Affairs.

By Mr. SHEPPARD and Mr. CONNALLY:

S. J. Res. 1463. A bill to amend the Emergency Farm Mortgage Act of 1933, as amended, and for other purposes; to the Committee on Banking and Currency.

By Mr. BROWN:

S. J. Res. 68. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1939, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

S. J. Res. 69. Joint resolution proposing a plan for the adjustment of the claim of the State of Oklahoma against the United States arising from the tax exemption of Indian lands and the products thereof, and for other purposes; to the Committee on Indian Affairs.

By Mr. CLARK of Missouri:

S. J. Res. 70. Joint resolution providing for the participation of the United States in the celebration of the twenty-fifth anniversary of the opening of the Panama Canal; to the Committee on Intercoastal Canals.

By Mr. SHIPSTEAD:

S. J. Res. 71. Joint resolution relating to pay to certain employees of the Government Printing Office for uncompensated leave earned during the fiscal year 1932; to the Committee on Printing.

By Mr. RUSSELL:

S. J. Res. 72. Joint resolution readmitting Mary Cohen Bienvenu to citizenship; to the Committee on Immigration.

S. J. Res. 73. Joint resolution authorizing the issuance of a special postage stamp in honor of the late Thomas E. Watson for his services in the origination of the Rural Free Delivery Service; to the Committee on Post Offices and Post Roads.

INTEREST RATES ON FEDERAL LAND-BANK LOANS

Mr. CAPPER. Mr. President, I introduce a bill to provide lower interest rates on Federal land-bank loans and on land bank commissioner loans; also, for moratoriums on principal payments on these loans until July 1, 1943, under certain conditions.

While I have the floor I desire to say to the Senate that it is imperative that something be done along this line. There are hundreds of communities in the drought sections of the Great Plains where farmers as a whole are barely holding onto their farms, with the help of the Federal Government. What little cash they realize from short crops, and from benefit payments in many instances, is being required to pay interest on loans. It seems only fair and right, and very much in the public interest, that under such conditions payments on the principal be postponed until better conditions prevail.

I have held for a year or more that farm interest rates are too high. Agriculture cannot pay these high rates of interest with the prevailing low prices and lack of markets for farm products. The bill which I have introduced provides a 3-percent interest rate on farms. I shall press for its passage. I ask that the bill be referred to the Committee on Banking and Currency and that a very brief explanatory statement, summarizing the provisions of the bill, be printed at this point in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and referred, as requested by the Senator from Kansas; and without objection, the statement will be printed in the RECORD.

The bill (S. 1361) relating to the payment of principal and interest on certain loans made by the Federal land banks and the land-bank commissioner was read twice by its title and referred to the Committee on Banking and Currency.

The statement presented by Mr. CAPPER is as follows:

The purposes of this bill are to provide for a further reduction of the interest rates on loans made by the Federal land banks and

the land-bank commissioner, and to provide for a moratorium with respect to the principal of such loans until July 1, 1943.

Under existing law the interest rate on loans by the Federal land banks is fixed at 3½ percent per annum for the period between July 1, 1935, and July 1, 1940, and the interest rate on loans by the land-bank commissioner is fixed at 4 percent per annum for the period between July 22, 1937, and July 1, 1940. In addition, existing law provides for an extension of the time for making the payments required under the mortgage securing any such loan when in the judgment of the board of directors of the Federal land bank, or the land-bank commissioner, respectively, conditions justify it.

Section 2 of the bill fixes at 3 percent per annum the interest rate on loans by the Federal land banks for the period between July 1, 1935, and July 1, 1943, and provides that in the case of any such loan which is outstanding on the date of the enactment of the bill (referred to for convenience as the Farm Credit Act of 1939) no payment of principal shall be required prior to July 1, 1943, if the borrower is not in default with respect to any other covenant or condition of his mortgage.

The interest rate is fixed at 3 percent per annum by section 3 of the bill in the case of loans by the land-bank commissioner for the period between July 22, 1937, and July 1, 1943, and the moratorium provision with respect to payment of principal is the same as in the case of loans by the Federal land banks. Provision also is made in this section for applying to future interest payments the difference between the amounts paid under the higher interest rate fixed by existing law and that provided by the bill, and prior payments of principal are to be applied to payments required after July 1, 1943.

FEDERAL GRANTS FOR RELIEF AND WORK RELIEF

Mr. VANDENBERG. Mr. President, the Senate has recently enlarged the Special Committee on Unemployment and Relief, headed by the able Senator from South Carolina [Mr. BYRNES], and empowered it to report legislative proposals to the Senate. I take it, therefore, that it is the expectation that from this special committee will come the ultimate recommendations for a new Federal relief formula which shall substitute for the present unsatisfactory relief arrangements.

It is my conviction that we shall never approach a satisfactory settlement of this perplexing question until we have restored primary relief responsibility to the States and until the Federal Government has gone out of the relief business except to furnish necessary grants-in-aid and to require the nonpartisan administration of these grants-in-aid to be partially matched by the States.

For three successive years I have offered a substitute relief bill along these lines, in cooperation with the late distinguished Representative Robert L. Bacon, of New York. I now reintroduce this bill, leaving the amounts of appropriation blank, and ask that it be referred to the special committee, of which the Senator from South Carolina is chairman.

The bill (S. 1395) to provide relief, work relief, and increase employment by grants to the States, Territories, and the District of Columbia, and for other purposes, was read twice by its title and referred to the Special Committee on Unemployment and Relief.

AMENDMENT OF NATIONAL LABOR RELATIONS ACT

Mr. HOLMAN. Mr. President, I introduce for reference to the Committee on Education and Labor a bill which proposes to amend the National Labor Relations Act with respect to the method of its administration. I ask that the bill and a memorandum explanatory of its purpose be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and referred, as requested by the Senator from Oregon, and, without objection, will, together with the memorandum, be printed in the RECORD.

The bill (S. 1392) to amend the National Labor Relations Act with respect to the method of its administration was read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That paragraphs 10 and 11 of section 2 of the National Labor Relations Act are amended to read as follows:

"(10) The term 'Commissioner' means the Labor Relations Commissioner appointed under this act.

"(11) The term 'Board' means the Labor Appeals Board created under this act."

SEC. 2. The National Labor Relations Act is further amended by striking out sections 3 to 6, both inclusive, and inserting in lieu thereof the following:

"COMMISSIONER

"SEC. 3. (a) There is hereby created in the Department of Labor, a Labor Relations Division which shall be under the direction of a Commissioner, to be known as the Labor Relations Commissioner. The Commissioner shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$10,000 a year.

"(b) The Commissioner may, subject to the civil-service laws, appoint such employees as he deems necessary to carry out his powers and duties under this act and shall fix their compensation in accordance with the Classification Act of 1923, as amended. The Commissioner may establish and utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may appear for and represent the Commissioner in any litigation, but all such litigation (not including proceedings before the Board) shall be subject to the direction and control of the Attorney General. In the appointment, selection, classification, and promotion of officers and employees of the Commissioner, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency.

"(c) The principal office of the Commissioner shall be in the District of Columbia, but he or his duly authorized representative may exercise any or all of the powers of the Commissioner at any place in the United States.

"(d) The Commissioner, subject to the approval of the Secretary of Labor, shall from time to time make such rules and regulations as may be necessary or appropriate for carrying out his powers and duties.

"(e) To the extent that the Secretary of Labor determines to be practicable, the Commissioner shall utilize the bureaus and divisions of the Department of Labor for carrying out his powers and duties.

"(f) The Commissioner shall bring all actions to restrain violations of, or enforce, the provisions of this act and orders issued thereunder.

"INVESTIGATIONS AND INSPECTIONS

"SEC. 4. (a) The Commissioner or his designated representatives may enter and inspect such places, may inspect and make transcriptions of such records, may question such employees, and may investigate such facts, conditions, practices, or matters, as he may deem necessary or appropriate for the purpose of carrying out his powers and duties.

"(b) With the consent and cooperation of State agencies charged with the administration of State labor laws, the Commissioner may, for the purpose of carrying out his powers and duties, utilize the services of State and local agencies and their employees and, notwithstanding any other provision of law, may reimburse such State and local agencies and their employees for services rendered for such purposes.

"LABOR APPEALS BOARD

"SEC. 5. (a) There is established an independent agency in the executive branch of the Government to be known as the Labor Appeals Board. The Board shall be composed of nine members, who shall be appointed by the President, by and with the advice and consent of the Senate. No more than five of the members of the Board shall be appointed from the same political party; no more than two of such members shall be persons who are not attorneys at law; and no more than one of such members shall be appointed from the same judicial circuit of the United States. The terms of office of the nine members first taking office shall expire, as designated by the President at the time of nomination, one at the end of each calendar year, beginning with the calendar year 1940. The terms of office of all successors shall expire 9 years after the expiration of the terms for which their predecessors were appointed; but any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor. Each member shall receive a salary at the rate of \$10,000 a year. The members of the Board may be removed by the President, after notice and opportunity for public hearing, for inefficiency, neglect of duty, or malfeasance in office, but for no other cause.

"(b) The Board shall annually designate one of its members to act as chairman. The chairman may from time to time divide the Board into divisions of one or more members, assign the members of the Board thereto, and in the case of a division of more than one member, designate the chief thereof. If a division, as a result of a vacancy or the absence or inability of a member assigned thereto to serve thereon, is composed of less than the number of members designated for the division, the chairman may assign other members to the division or direct the division to proceed with the transaction of business without such assignment of other members thereto.

"(c) A majority of the members of the Board or of any division thereof shall constitute a quorum of the Board or of such division, respectively. A vacancy in the Board or in any division thereof shall not impair the powers or affect the duties of the Board or division, or of the remaining members of the Board or division, respectively.

"(d) The principal office of the Board shall be in the District of Columbia, but the Board or any of its divisions or duly authorized

representatives may exercise any of the powers of the Board at any place within the United States. The Board shall have a seal which shall be judicially noticed.

"(e) The Board is authorized in accordance with the civil-service laws to appoint, and in accordance with the Classification Act of 1923, as amended, to fix the compensation of, such employees as it deems necessary to carry out its powers and duties.

"(f) The Board shall from time to time make such rules and regulations as may be necessary or appropriate for carrying out its powers and duties.

"EXPENDITURES AND REPORTS

"SEC. 6. (a) The Commissioner and the Board, respectively, are authorized to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, and for lawbooks, books of reference, and periodicals), as may be necessary for carrying out their powers and duties. All such expenditures shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by such persons as the Commissioner and the Board, respectively, may designate for that purpose.

"(b) The Commissioner, members of the Board, and their respective employees shall receive their traveling expenses and expenses for subsistence while traveling on duty and away from their designated stations, subject to such limitations as may be provided by law.

"(c) The Commissioner and the Board, respectively, shall submit annually in January reports to the President and to the Congress covering their activities for the preceding year, and including such information, data, and recommendations as they may deem advisable."

SEC. 3. Paragraph (2) of section 8 of the National Labor Relations Act is amended by striking out the words "pursuant to section 6 (a)."

SEC. 4. Subsection (c) of section 9 of the National Labor Relations Act is amended to read as follows:

"(c) Whenever a question affecting commerce arises concerning the representation of employees, the Commissioner may investigate such question, and may take a secret ballot of employees or utilize any other suitable method of ascertaining the representatives duly designated or selected. In any such investigation an opportunity for hearing before the Board, after due notice to interested persons, shall be provided either in conjunction with a proceeding under section 10 or otherwise. After such an opportunity for hearing has been afforded the Board may certify to the parties, in writing, the names of the representatives that have been designated or selected."

SEC. 5. (a) Subsection (b) of section 10 of the National Labor Relations Act is amended to read as follows:

"(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice the Commissioner may make an investigation of such charge and may issue and cause to be served on such person and filed with the Board a complaint stating the charges in that respect. The Board shall fix a time and place for a hearing before the Board upon such complaint and shall notify the parties of the time and place so fixed. The person complained of may file with the Board and cause to be served upon the Commissioner an answer to the complaint and may appear in person or otherwise and give testimony at the hearing before the Board. The Board may, in its discretion, permit the complaint or answer in any proceeding before it to be amended at any time before the issuance of a final order in the proceedings. In the discretion of the Board, any person may be allowed to intervene in a proceeding before it and to give testimony. Testimony taken before the Board shall be reduced to writing, but the rules of evidence prevailing in courts of law or equity shall not be controlling in proceedings before the Board. The Board may hear argument from any person in its discretion."

(b) Subsection (c) of such section 10 is amended by striking out the first two sentences thereof.

(c) Subsection (e) of such section 10 is amended by—

(1) Striking out the word "Board", where it first appears in such subsection, and inserting in lieu thereof the word "Commissioner."

(2) Striking out the words "and shall certify and file in the court a transcript", in the first sentence of such subsection, and inserting in lieu thereof the following: "and shall file in the court a transcript, certified by the Board."

(d) Subsection (f) of such section 10 is amended by—

(1) Striking out the words "shall be forthwith served upon the Board" and inserting in lieu thereof the words "shall be forthwith served upon the Commissioner."

(2) Striking out the words "in the case of an application by the Board" and inserting in lieu thereof the words "in the case of an application by the Commissioner."

(3) Striking out the words "grant to the Board such temporary relief" and inserting in lieu thereof the words "grant such temporary relief."

SEC. 6. (a) Section 11 of the National Labor Relations Act is amended by striking out the first paragraph and paragraph No. (1) and inserting in lieu thereof the following:

"SEC. 11. (1) Any member of the Board shall have power to issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Commissioner or in question before the Board. Any member of the Board, or any person designated by it for such

purposes, may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof, at any designated place of hearing."

(b) Paragraph No. (4) of such section 11 is amended by striking out the words "Board, its member, agent, or agency," where they first appear in such paragraph, and inserting in lieu thereof the words "Commissioner or the Board or their authorized representatives."

(c) Paragraph No. (6) of such section 11 is amended to read as follows:

"(6) The several departments and agencies of the Government, when directed by the President, shall furnish to the Commissioner, or the Board, upon request, any records, papers, or information in their possession relating to any matter before the Commissioner or the Board."

SEC. 7. Section 12 of the National Labor Relations Act is amended by striking out the words "or any of its agents or agencies" and inserting in lieu thereof the words "or the Commissioner, or any of their authorized representatives."

EFFECTIVE DATE

SEC. 8. (a) The Labor Relations Commissioner and the members of the Labor Appeals Board, authorized to be appointed by the amendments made by this act, shall be appointed within 60 days from the date of its enactment.

(b) The amendments made by this act, other than those authorizing the appointment of such Commissioner and such members, shall take effect when such Commissioner and majority of such members have taken office.

TRANSFER OF PERSONNEL AND PROPERTY

SEC. 9. (a) Such officers and employees, and such property (including office equipment and official records), of the National Labor Relations Board as the President shall determine and specify by Executive order are transferred to the Labor Relations Commissioner and the Labor Appeals Board, respectively, upon such date or dates as the President may specify in such Executive orders. The transfer of such personnel shall be without reduction in classification or compensation, except that this requirement shall not operate after the end of the fiscal year during which such transfer is made to prevent the adjustment of classification or compensation to conform to the duties to which such transferred personnel may be assigned. Such of the personnel so transferred as do not already possess a classified civil-service status shall not acquire such status except (1) upon recommendation of the Commissioner or the Board, as the case may be, within 1 year after such personnel have been so transferred and certification within such period by the Commissioner or the Board, as the case may be, to the Civil Service Commission that such personnel have served with merit for not less than 6 months prior to the transfer, and (2) upon passing such suitable noncompetitive examinations as the Civil Service Commission may prescribe.

(b) Such of the unexpended balances of appropriations available for use by the National Labor Relations Board as the President shall deem necessary and specify by Executive order are transferred to the Labor Relations Commissioner and the Labor Appeals Board, respectively, upon such dates as the President shall specify by Executive order, and shall be available for use by them in connection with the exercise and performance of their powers and duties.

EXISTING ORDERS AND PENDING PROCEEDINGS

SEC. 10. (a) All orders, determinations, rules, and regulations which have been issued or made by the National Labor Relations Board, and which are in effect at the time of the transfer of the functions of such Board under the provisions of this act, shall continue in effect until modified, terminated, superseded, set aside, or repealed by the Labor Relations Commissioner or the Labor Appeals Board, or by any court of competent jurisdiction, or by operation of law.

(b) No investigation or proceeding begun by or before the National Labor Relations Board prior to the time of the transfer of its functions under this act shall terminate by reason of this act; but the Labor Relations Commissioner may continue any such investigation or proceeding begun by such Board, and any proceeding pending before such Board may be continued before the Labor Appeals Board with like effect as if such proceeding had been begun before the Labor Appeals Board.

(c) No suit, action, or other proceeding in any court, lawfully commenced by or against the National Labor Relations Board prior to the time of the transfer of its functions under this act shall abate by reason of such transfer, but the court, upon motion or supplemental petition filed at any time within 12 months after such transfer, showing the necessity for the survival of such suit, action, or other proceeding, may allow the same to be maintained by or against the Labor Relations Commissioner.

(d) All records transferred to the Labor Relations Commissioner, or the Labor Appeals Board, under this act shall be available for use by them to the same extent as if such records were originally records of such Commissioner or such Board.

The memorandum presented by Mr. HOLMAN is as follows:

MEMORANDUM EXPLANATORY OF A BILL TO AMEND THE NATIONAL LABOR RELATIONS ACT WITH RESPECT TO THE METHOD OF ITS ADMINISTRATION

The bill does not alter or take away any of the substantive rights guaranteed to labor by the National Labor Relations Act. The bill

does provide for the reorganization of the agency administering the act. The purpose of the bill is to vest the functions of investigation and prosecution under the act, on the one hand, and the quasi-judicial functions under the act, on the other hand, in agencies which are independent of each other.

A new division in the Department of Labor, called the Labor Relations Division, is established to exercise the functions of investigation and prosecution. The division is to be headed by a commissioner who is authorized to utilize the facilities of the Department of Labor to the extent which the Secretary of Labor determines to be practicable. In this way a duplication of the functions and administrative facilities of the Department of Labor in this field is avoided.

To exercise the quasi-judicial functions under the National Labor Relations Act the bill establishes a Labor Appeals Board. This Board is to be composed of nine members to be appointed by the President by and with the advice and consent of the Senate. No more than five of the members are to be from the same political party; at least seven of them must be attorneys; and not more than one may be appointed from the same judicial circuit of the United States. The members are to have staggered terms of 9 years each. The Board may be divided into divisions for the performance of its work, and the Board can appoint hearing officers and other employees to exercise its functions at any place within the United States.

The employees of the division in the Department of Labor and the employees of the Board are made subject to the civil-service laws. The bill includes the ordinary provisions relating to administrative details and expenditures.

The amendments to the substantive provisions of the act are made by the bill merely for the purpose of dividing between the Commissioner and the Board the functions under the act. The plan to be followed is for the Commissioner to investigate complaints and institute proceedings before the Board for enforcement of the act. After a hearing, the Board makes the decision in the cases brought before it. Any party to the proceedings before the Board, including the Commissioner, who is dissatisfied with the decisions of the Board, may appeal to the courts in the same manner as is now provided by the act.

The existing National Labor Relations Board is abolished and its personnel and property transferred to the Commissioner and the new Board, to be divided between those two agencies in such manner as the President may determine and specify by Executive order.

HOUSE BILL REFERRED

The bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, was read twice by its title and referred to the Committee on Military Affairs.

BILL INDEFINITELY POSTPONED

Mr. McNARY. I ask unanimous consent that the Committee on Public Lands and Surveys be discharged from the further consideration of the bill (S. 243) to extend the provisions of the Forest Exchange Act to lands adjacent to the national forests in the State of Oregon, and that the bill may be indefinitely postponed. It is one of my own bills.

The VICE PRESIDENT. Without objection, the Committee on Public Lands and Surveys is discharged from the further consideration of the bill referred to by the Senator from Oregon, and the bill is indefinitely postponed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT—HOPS

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (S. 1332) to amend the Agricultural Adjustment Act, as amended, with respect to orders and marketing agreements for hops, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

CONTINUATION OF INVESTIGATIONS BY JOINT COMMITTEE ON FORESTRY

Mr. BANKHEAD submitted the following concurrent resolution (S. Con. Res. 5), which was referred to the Committee on Agriculture and Forestry:

Resolved by the Senate (the House of Representatives concurring). That the special joint committee, which was authorized and directed to study and make investigation of the present and prospective situation with respect to the forest land of the United States, its condition, ownership, and management, as it affects a balanced timber budget, watershed protection, flood control, and the other commodities and social economic benefits which may be derived from such land, be authorized to continue the investigation begun under Senate Concurrent Resolution 31, of the Seventy-fifth Congress, and for such purposes said committee shall have the same power and authority as were conferred upon it by Senate Concurrent Resolution 31 of the Seventy-fifth Congress, and shall report to Congress as soon as practicable, and not later than January 3, 1940, the results of its investigation together with its recommendation for necessary legislation.

DIFFERENCE IN COSTS OF PRODUCTION AT HOME AND ABROAD

Mr. VANDENBERG. I submit a resolution which I ask may be read and referred to the Committee on Finance.

The resolution (S. Res. 80), was read and referred to the Committee on Finance, as follows:

Whereas the amended act of June 12, 1934, describing the powers and duties of the United States Tariff Commission, particularly requires the Commission to determine the difference in costs of production at home and abroad in connection with any contemplated tariff changes; and

Whereas more than 1,000 rates of tariff duty have been reduced that before any such agreements are concluded "the President shall seek information and advice from the United States Tariff Commission;" and

Whereas more than 1,000 rates of tariff duty have been reduced as a result of these trade agreements:

Resolved, That the United States Tariff Commission is requested and directed to report to the Senate as soon as possible whether these tariff reductions result in tariff rates which are insufficient to offset the difference in costs of production at home and abroad, if such information is available.

SURVEY OF INDIAN CONDITIONS—EXPENSES

Mr. THOMAS of Oklahoma submitted the following resolution (S. Res. 81), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Indian Affairs, authorized by Resolution No. 79, agreed to February 2, 1928, and continued by subsequent resolutions, to make a general survey of the condition of the Indians in the United States, hereby is authorized to expend from the contingent fund of the Senate \$10,000 in addition to the amounts heretofore authorized for such purpose.

COMMITTEE SERVICE

On motion of Mr. McNARY and by unanimous consent, it was

Ordered, That the Senator from Nebraska [Mr. NORRIS] be relieved from further service on the Committee on Patents, and that the Senator from Connecticut [Mr. DANAHER] be assigned to service on that committee; and also that the Senator from Connecticut [Mr. DANAHER] be relieved from further service on the Committee on Printing.

THE UNITED STATES AND DOCUMENTARY HISTORICAL PUBLICATION
(S. DOC. NO. 33)

Mr. PITTMAN. Mr. President, I present herewith an article entitled "The United States and Documentary Historical Publication," by Clarence E. Carter, which appears in edition No. 1, volume 25, No. 1, of the Mississippi Valley Historical Review, of June 1933, which I ask may be printed as a Senate document.

I will say that the recommendation comes to me from the Counselor of the State Department, and therefore I have every confidence that the article is of interest and worthy of publication as a document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REVISION AND CODIFICATION OF NATIONALITY LAWS

Mr. KING. Mr. President, a few days ago I conferred with the Counselor of the Department of State, Hon. R. Walton Moore, respecting a report concerning the Revision and Codification of the Nationality Laws of the United States compiled by an interdepartmental committee after several years of study. It seems to have been buried or to have been resting in the files of the Senate. Judge Moore has written me stating that he has had many requests for the draft code. It deals in part with immigration matters, and in my conversation with Judge Moore I indicated that perhaps it should go to the Committee on Immigration, and that committee, after examining it, might see fit to request authority to have it printed. He assented to that view. Pursuant to my conversation with him and in harmony with his views, I request that the message of the President dated June 13, 1938, with the accompanying documents and draft code, be rescued from obscurity, and referred to the Committee on Immigration.

The VICE PRESIDENT. Without objection, it is so ordered.

AMERICA'S FOREIGN POLICY—ADDRESS BY SENATOR NYE

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an address by Senator NYE on the subject

the Foreign Policy, on Sunday, February 12, 1939, which appears in the Appendix.]

THE AMERICAN IDEAL OF EDUCATION—ADDRESS BY SENATOR DAVIS

[Mr. McNARY asked and obtained leave to have printed in the RECORD an address delivered by Senator DAVIS at the general alumni meeting, Temple University, Philadelphia, Pa., on the occasion of Founders' Day exercises, February 15, 1939, which appears in the Appendix.]

LEGISLATION AFFECTING WHEAT AND CORN—ADDRESS BY SENATOR LUCAS

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an address on the subject of legislation affecting wheat and corn, delivered by Senator LUCAS at the annual convention of the American Farm Bureau Federation, New Orleans, La., December 13, 1938, which appears in the Appendix.]

ADDRESS BY SENATOR MEAD BEFORE NATIONAL DEMOCRATIC CLUB OF NEW YORK

[Mr. MEAD asked and obtained leave to have printed in the RECORD an address delivered by himself before the National Democratic Club of New York on February 11, 1939, which appears in the Appendix.]

PERMANENT PUBLIC WORKS POLICY—STATEMENT BY SENATOR MEAD

[Mr. MEAD asked and obtained leave to have printed in the RECORD a statement by himself on the subject of a permanent public-works policy, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR WILEY

[Mr. McNARY asked and obtained leave to have printed in the RECORD an address on Abraham Lincoln delivered by Senator WILEY at Fairmont, W. Va., on February 10, 1939, which appears in the Appendix.]

WOODROW WILSON—ADDRESS BY JAMES T. SHOTWELL

[Mr. SMATHERS asked and obtained leave to have printed in the RECORD an address on President Woodrow Wilson, by James T. Shotwell, which appears in the Appendix.]

BIRTHDAY ANNIVERSARY OF SUSAN B. ANTHONY

[Mr. FRAZIER asked and obtained leave to have printed in the RECORD a statement by Mrs. Caroline L. Babcock, campaign secretary of the Woman's National Party, Washington, D. C., in commemoration of the birthday anniversary of Susan B. Anthony, which appears in the Appendix.]

MEANING OF DEMOCRACY—ADDRESS BY EDWARD STAFFORD

[Mr. GIBSON asked and obtained leave to have printed in the RECORD a radio address by Edward Stafford on the subject What Does Democracy Mean? which appears in the Appendix.]

DEVELOPMENT OF THE AIRPLANE—ARTICLE BY HON. O. MAX GARDNER

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article by O. Max Gardner relative to the development of the airplane, which appears in the Appendix.]

NATIONAL ARMAMENT—ARTICLE BY OSWALD GARRISON VILLARD

[Mr. NYE asked and obtained leave to have printed in the RECORD an article entitled "Why Should We Arm Further?" written by Oswald Garrison Villard, and published in the New Year's issue, 1939, of America's Future, which appears in the Appendix.]

BUSINESS AND INDUSTRY—STATEMENT BY AMERICAN FEDERATION OF LABOR

[Mr. BAILEY asked and obtained leave to have printed in the RECORD a statement by the executive council of the American Federation of Labor relative to business and industry, which appears in the Appendix.]

PRESIDENT ROOSEVELT AND FORMER PRESIDENT HOOVER

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial from the Philadelphia Record of February 15, 1939, entitled "To Appreciate Roosevelt—Remember Hoover," which appears in the Appendix.]

JUSTICE LOUIS D. BRANDEIS

[Mr. MINTON asked and obtained leave to have printed in the RECORD an editorial relative to Mr. Justice Louis D.

Brandeis, published in the Philadelphia Record of February 15, 1939, which appears in the Appendix.]

THE ISLAND OF GUAM

[Mr. GIBSON asked and obtained leave to have printed in the RECORD a statement by the Navy Department relative to the island of Guam, which appears in the Appendix.]

REJECTION OF NOMINATION OF DISTRICT JUDGE FOR VIRGINIA

[Mr. BYRD asked and obtained leave to have printed in the RECORD an article published in the New York Times, February 12, 1939, and written by Mr. Carr V. Van Anda, in relation to the rejection of the nomination by the Senate of Judge Roberts to the Western District Court of Virginia, which appears in the Appendix.]

FARM RELIEF

Mr. LEE. Mr. President, I introduce a bill on the farm question, and ask that it be referred to the Committee on Agriculture and Forestry.

The bill (S. 1405) to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in wheat and cotton, and providing for the orderly marketing of such commodities at fair prices in interstate and foreign commerce, was read twice by its title and referred to the Committee on Agriculture and Forestry.

I ask unanimous consent that I may explain and discuss the bill at this time.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oklahoma? The Chair hears none.

Mr. LEE. Mr. President, this bill is presented for the purpose of guaranteeing the American market for the American farmer at an American price, and restoring to him the right to regulate his own production. I shall first explain the bill, then I shall show wherein it differs from the cost-of-production bill. I shall then compare it with the present law. Then I shall answer the arguments which have been advanced against it, and, finally, I shall offer some general arguments in favor of farm relief.

Mr. President, the title of the bill is as follows:

A bill to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in wheat and cotton, and providing for the orderly marketing of such commodities at fair prices in interstate and foreign commerce.

GENERAL PROVISIONS

The bill is applicable only to wheat and cotton. Its primary purpose is to provide that farmers producing these two commodities shall receive fair prices for that part of their production which is consumed within the United States. Farmers may regulate their own production and produce what they like for disposal in the world markets at the prevailing world market prices. The bill is not made applicable to the 1939 crops of wheat and cotton, but begins its operation with the beginning of the marketing year for the 1940 crops.

PRICE BOTTOM PROVIDED

The prices to be paid to farmers for the portions of the crops which are consumed within the United States are \$1.25 a bushel for wheat and 20 cents a pound for cotton, or the parity prices, if they should be higher, with increases or decreases in prices for wheat and cotton not of standard grade. These prices are referred to as "domestic prices."

METHOD OF DETERMINING ALLOTMENT

In order to provide that each farmer shall have a fair opportunity to share in the domestic market, it is necessary to fix some method for determining the quantity of wheat and cotton which each farmer can dispose of at the domestic price for consumption within the United States. This is done in the following manner:

PRODUCTION BASE

The Secretary of Agriculture, through local committees of farmers, establishes production bases for wheat and cotton for farms producing these commodities. These production bases are the quantities of wheat and cotton which would ordinarily be produced on the acreage on the farm which

should, in accordance with sound farming practices, be devoted to such crops. When the production base for a farm is once established, it is retained indefinitely, although it may be adjusted upward or downward, or even discontinued, when such action is warranted by changes in circumstances. Thus the farmer knows with some degree of permanency the amount of the commodity which it is thought it is proper for him to raise on his farm.

ALLOTMENT IS PERCENTAGE OF PRODUCTION BASE

Before the planting season for each crop, the Secretary estimates the domestic consumption requirements for the next marketing year and proclaims a tentative percentage of the production bases which he estimates will be sufficient to meet such requirements. By applying this percentage to the production base for his farm, each farmer can estimate what part of his crop he will be able to sell at the domestic price. He can raise as much in addition as he pleases, but he is put on notice that for the additional amount he can expect to get only the world market price.

About 6 weeks before the beginning of each marketing year the Secretary makes his final determination of the percentage of the production bases which will be required for domestic consumption. By applying this percentage to the production base of each farm the domestic allotment for the farm is determined, except that the domestic allotment for the farm cannot be greater than the normal or actual production—whichever is greater—of the acreage actually planted.

Since the quantity of the commodity which can be sold at the domestic price is thus determined on the basis of the production base—the amount which should be raised on the farm—instead of on the basis of the actual production, no farmer is required or encouraged to engage in excessive production in order to retain his share of the domestic market.

TENANTS AND SMALL FARMERS PROTECTED

The domestic allotment for each farm is divided among the landlords, tenants, and sharecroppers in the proportion in which they are entitled to share in the proceeds of the crop. If the total allotments to any person for any year are for quantities of the commodities having a value in excess of \$1,500, graduated reductions are made in the size of such allotments. Since the Secretary makes allowances for these graduated reductions in fixing the percentage of production bases needed for domestic use, the effect of this provision is to give much more of the domestic market to small farmers and correspondingly less to large-scale operators.

GOVERNMENT ACTS AS MARKETING AGENT

The farmer obtains the domestic price for his share of the domestic market by selling his domestic allotment to the Commodity Credit Corporation at local markets at the domestic price. He may sell additional quantities above his domestic allotment to the Corporation at the world price, less marketing expenses, or may sell them to private buyers, or dispose of them as he sees fit.

PROTECTION FROM CROP FAILURE

In case a farmer fails, by reason of crop failure, to produce a quantity of wheat or cotton equal to his domestic allotment, the Corporation will pay him an amount equal to the difference between the domestic price and the world market price for the quantity by which he fails to produce his domestic allotment. The Corporation will reimburse its funds by selling at the domestic price a like quantity of the commodity for which it has paid the world market price.

INCENTIVE FOR COMPLIANCE BY PROCESSORS

The Corporation, in disposing of the commodities acquired by it, will obtain the domestic price, plus expenses, for quantities which are to be consumed in the United States and will obtain the world price for quantities which are to be exported. In order to make sure that there will be purchased from the Corporation at domestic prices a quantity of the commodity equal to that consumed within the United States, so that the Corporation will not have to dispose of wheat and cotton at a loss, a tax at a rate equal to the domestic price is imposed on the processing of wheat or

cotton, and a credit of 99 percent of the tax so imposed is allowed to the taxpayer for a quantity equal to that which he has purchased from the Corporation.

EVASION PREVENTED

In order to discourage processors from acquiring large stocks of wheat and cotton before the provisions of the bill go into effect, to be used thereafter, a tax is imposed on the processing of wheat and cotton acquired before such date at a rate equal to the difference between the prices actually paid and the domestic prices. In case products on which any tax under the bill has been paid are exported, the tax is refunded.

NO ACCUMULATION OF SURPLUS BY GOVERNMENT

To keep the Corporation from building up a large surplus, the bill requires that it dispose of the wheat and cotton which it purchases under the bill as rapidly as is consistent with orderly marketing, and limits the quantities which the Corporation can have on hand at the end of the marketing year.

PROTECTION OF MANUFACTURERS AND PROCESSORS

Provision is made for compensating taxes and tariff duties to offset any competitive disadvantages which might otherwise arise by reason of the operation of the bill.

The provisions of the present law providing for marketing quotas and loans on wheat and cotton are terminated as of the time the provisions of the bill become operative.

GENERAL PURPOSE

Mr. President, I wish now to give a further explanation of the bill, illustrating in greater detail. Of course, the bill applies only to wheat and cotton, because they are the heavy export crops, and at the present time wheat and cotton farmers are in great distress.

The purpose of this bill is to guarantee not less than 20 cents a pound for cotton and not less than \$1.25 a bushel for wheat, for that part of the two crops which is used in the United States.

The bill places no restriction upon production of these commodities, but the farmer is put on notice that he cannot expect to receive more than the world market price for all that he sells above his allotment. Thus each farmer is guaranteed his share of the American market at an American price and is allowed to produce what he wants to above that for the world market at the world market price.

PRODUCTION BASE IS FOUNDATION FOR ALLOTMENT

Under the provisions of this bill, the Secretary of Agriculture shall establish for each farm a production base for wheat and cotton. The production base of each farm is determined by sound farming methods applied to that farm. That is, after taking into consideration crop rotation, the number of acres that should be devoted to soil building and soil-depleting crops, the number of acres that should be devoted to pasture, the number of acres that should be devoted to food and feed, and many other important factors, the Secretary, or his agents, determine the average number of bales of cotton, or the average number of bushels of wheat, which the farm could normally produce year after year under sound farm management. That is not the allotment, but it is a yardstick for determining the production base. This is a most important and fundamental provision of the bill. It is based upon scientific agriculture. It carries out the principle of the soil-conservation program.

Every wheat and cotton farm will be given a production base and that production base becomes a matter of record. This production base is the foundation on which allotments are made. The production base is not made in terms of acres but in terms of bales and bushels.

After the production base has been established for every wheat and cotton farm in the United States it will be a simple matter for the Secretary to determine the total national production base for these two commodities by simply adding all of the individual production bases in the United States.

EXAMPLE OF A COTTON FARMER

Let us take these commodities separately and see how this works. We may say, for example, that the total pro-

duction base for cotton amounts to 12,000,000 bales. The Secretary then estimates that we will need, let us say, 6,000,000 bales of cotton for domestic use. Then the Secretary will announce that 50 percent of every farmer's cotton production base will be needed for domestic consumption the following year—not 50 percent of all that he produces, but 50 percent of his production base.

Then every farmer will know exactly how much his allotment is in terms of bales. For example, a farmer whose production base is 40 bales would know that his domestic allotment is 20 bales. He would know then that on 20 bales of his cotton he would receive not less than 20 cents a pound. He would also know that on what he raises above that he could not expect more than the world market price, which at present is about 8 cents a pound.

EXAMPLE OF A WHEAT FARMER

Let us now take wheat for an example. In like manner the Secretary adds the individual wheat bases and, let us say, he determines that 80 percent of the total national wheat base will be needed for domestic consumption.

Then, for example, let us say that a wheat farmer has a wheat base of 2,000 bushels. He will know that 80 percent of 2,000 bushels, or 1,600 bushels, is his domestic allotment in wheat. He would know that on 1,600 bushels of wheat he would receive \$1.25 a bushel, but that on all he raised above that he would have to take the world market price, which is about 50 cents a bushel.

This production base remains a permanent record, and each year the Secretary announces the percent of this production base that will be needed for domestic use, and every farmer knows immediately just how much his domestic allotment is.

The establishment of a permanent and systematic method of determining each farmer's allotment makes for simplicity in administration and insures much more satisfaction from the standpoint of the farmer.

ADVANTAGE GIVEN FAMILY-SIZE FARM

Graduated reductions are provided in the bill for the allotments to any one individual in order to guarantee special aid to the family-size farm. The bill provides that when one farmer's total allotment figures \$1,500, computed at the domestic market price, that the next \$500 of his allotment shall be reduced 20 percent; and the next \$500 shall be reduced 40 percent; and the next \$500 reduced 60 percent, and all above that reduced 80 percent. This means that a farmer's allotment that would figure \$3,500 would be reduced to \$2,500, and that all of his allotment above that amount would be reduced 80 percent. This, of course, means that much more of the domestic market would be allotted to the small-unit farmers and that increasingly less would be allotted to the big-scale farmers.

Mr. PEPPER. Mr. President—

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Oklahoma yield to the Senator from Florida?

Mr. LEE. I yield.

Mr. PEPPER. I do not want in any way to interrupt the train of the Senator's very thoughtful remarks. However, I am wondering if some place in his remarks he is going to refer to the question of the attitude toward the new producer under his plan. The thing which has always troubled me about any crop-control program is the fact that it requires almost a certificate of convenience and necessity to permit new people to engage in a particular business, and I wonder if the Senator is going to advert to that phase of the question.

Mr. LEE. I am glad the Senator from Florida raised that question, because by the establishment of a production base it will not be necessary to have had a historical record in any crop in order to get a production base. That is the advantage of such a program.

Mr. PEPPER. So that if a new producer should want to enter the field he is one of those who would be allowed to enter the field?

Mr. LEE. That is correct. All he needs to do is to make application for a production base for his farm.

INCENTIVE FOR HOLDING SURPLUS ON FARM

The bill provides that a farmer may hold his surplus cotton and wheat and turn it in as part of his domestic allotment the next year. That does not mean that his allotment would be increased the following year, but it means that he can use the surplus from the previous year as his domestic allotment.

This is the way it would work: Suppose a farmer's domestic allotment is 20 bales and he produced 30 bales. For the 20 bales of his domestic allotment he would receive 20 cents a pound. On the 10-bale surplus he would receive at present about 8 cents a pound, but by holding those 10 bales surplus over a year he would be guaranteed 20 cents a pound on them. Since there are so many hazards in farming, he would very likely reason that it would be wise for him to hold those 10 bales because he might have a crop failure.

Then, too, he would have enough cash from the 20 bales he had sold at 20 cents a pound so that he would not be forced to sell the 10 surplus bales. It would be as good as a bank account, because the Government guarantees him 20 cents a pound for his domestic allotment the next year. Of course, he might have a bumper crop the next year and want to sell some of his cotton on the world market and hold back just enough to insure him against a crop failure.

Under the provisions of this bill, he can sell as much as he wants to on the world market; but the chances are that every farmer would hold back a reasonable surplus on his farm. It would add to his feeling of security. It would be the best kind of crop insurance. It would be establishing an ever-normal granary where the ever-normal granary ought to be, that is, on the farms throughout the Nation.

It would work even better with wheat, because every farmer would like to be in a position to hold a surplus of grain on his farm.

Suppose, for example, a farmer's allotment of wheat is 1,600 bushels, but he produces 2,600 bushels. He would then have 1,000 bushels of wheat which he could sell on the world market at 50 cents a bushel, or which he could hold and turn in as part of his allotment the next year for \$1.25 a bushel. He would very likely reason that it would be sensible for him to store this 1,000 bushels of wheat on his farm, then in case of crop failure, he would have that much to fall back on. He could also feed that wheat to his work stock. He could grind it and feed it to his milk cows. He could fatten hogs on it. He could even grind it and use it for bread.

A surplus of grain on the farm gives any farmer a feeling of security, particularly when there is a guarantee that he can get \$1.25 a bushel for it the next marketing year.

Of course, if the farmer produces considerably more than this allotment, either in the case of wheat or cotton, he would want to sell some of his surplus on the world market, and under the provisions of the bill, he would be able to sell all he wanted to.

But it is reasonable to believe that a majority of the farmers, under the provisions of the bill, would hold on the farms enough of the surplus to insure not only the farmers themselves but the Nation generally of an ever-normal supply of these two commodities.

THE GOVERNMENT SERVES AS A MARKETING AGENT

The bill further provides that the Commodity Credit Corporation shall purchase all cotton and wheat offered to it for sale by the producers. It provides that the Corporation shall pay the domestic price for the cotton and wheat which has been designated for domestic use, and that it shall pay the world market price—less a small charge to pay the cost of marketing—for all the wheat and cotton which is not designated for domestic use.

The bill does not provide that the farmer must sell his cotton or wheat to the Corporation, but leaves it so that any person can buy and sell these two commodities. It allows the speculators and the brokers to continue to buy, and the farmer can sell to whomever he wishes.

NO ACCUMULATION OF SURPLUS BY GOVERNMENT

This is an important point, that no accumulation of a commodity can result under the bill. The bill also provides

that the Corporation must sell these commodities in an orderly manner but as rapidly as it buys them in order to prevent a surplus from accumulating. That means that if cotton goes to 3 cents a pound on the world market, the Corporation will pay the farmer 3 cents a pound—less a small charge—for all that the farmer offers for sale above his domestic allotment.

That naturally would cause the farmer to increase his production if the world market price went up, which is good, and as it should be, because as the world market price becomes attractive the farmer would furnish more for the world market price. As the world market price went down the farmer would voluntarily curtail his own production. That can happen only when you have a guaranty of security from some other direction. In other words, if the farmer depends solely on the world market for his goods it has the opposite effect. That is, when the world market price goes down—and that is the only market the farmer has—he must increase his production in order to meet the necessary and fixed charges that he must meet. Therefore when we have another provision for economic sustenance, such as a guaranty of a domestic market at a fair price, then the farmer can regulate his own production with the world market price, increasing it when the price is attractive, and decreasing it when the price is not attractive, and that is exactly the way it will work under this bill.

The device used to enforce this provision is a processing tax. A processing tax equal to the domestic price is laid upon all wheat and cotton processed by the millers and the processors. A processing tax of \$1.25 a bushel for wheat and 20 cents a pound for cotton is placed upon the processors for all wheat and cotton they process, but a credit of 99 percent of this tax is allowed if all the wheat and cotton which the manufacturers purchase is bought through the Corporation. The reason for maintaining the 1 percent is to insure that the manufacturer will keep books, which he would be required to do. Also, the 1 percent will help pay the cost of operation. Of course, the tax would be collected by the Bureau of Internal Revenue.

The total tax would never be collected. That is, a credit is allowed, without going through the process of collecting it and returning it, which, of course, is a desirable device in that respect. In other words, the manufacturer purchases his wheat and cotton through the Corporation and pays 20 cents a pound for the cotton and \$1.25 a bushel for the wheat. The full tax is never collected, but 99-percent credit is allowed and only 1 percent is actually collected.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. ELLENDER. Does the Senator's bill propose that the Corporation purchase all the cotton and all the wheat?

Mr. LEE. Yes and no. It will purchase all of it if the farmer finds no market elsewhere; however, there is no requirement that the Corporation purchase any other than that which is offered to it by the farmer.

Mr. ELLENDER. What method does the Senator propose for financing the operation insofar as the Corporation is concerned?

Mr. LEE. Of course, there would be a revolving fund, which would turn over and over. I presume the Corporation would finance the operation in somewhat the same manner as loans on cotton are financed at the present time.

Mr. ELLENDER. As I understand the bill, if a farmer is desirous of selling his crop, the Corporation will pay him 20 cents a pound, let us say, on the cotton which is consumed domestically. Is that correct?

Mr. LEE. That is correct.

Mr. ELLENDER. Where will the Corporation obtain the money to pay the farmer?

Mr. LEE. Of course, it would have to obtain it by an appropriation, if it did not have enough on hand at the time.

The fund would be a revolving fund, because the Corporation then would turn around and sell the commodity to the manufacturer at the domestic price, plus the cost of administering the act. From the standpoint of appropriation from

the Treasury, the operation would cost nothing except the amount necessary to establish a revolving fund.

Mr. ELLENDER. The Senator will grant that considerable money would be required to begin the operation. How much does the bill provide as initial capital for the Corporation?

Mr. LEE. It leaves the Corporation and its regulations just as they are at present. It makes no changes in that regard.

Mr. ELLENDER. If the proposed bill should be enacted, how much would the average cotton farmer of the South receive in dollars and cents?

Mr. LEE. I hope the Senator will defer that question until a little later in my discussion, when I will take it up with him.

There is a reason for allowing the free flow of cotton, and not requiring the Corporation to buy only that used domestically. There are something like 700 different grades of cotton. The manufacturer might want some cotton which was not in the particular amount set aside as the domestic allotment. Therefore, under the provisions of the bill the manufacturer or processor can buy cotton or wheat anywhere, but the provision is that it can buy from or through the Corporation.

Mr. ELLENDER. Will the Senator yield further?

Mr. LEE. I yield.

Mr. ELLENDER. How will it be possible to check up on the amount of cotton that a farmer sells for domestic consumption in comparison to what he should sell for export, if it is not all sold through the Corporation?

Mr. LEE. The Corporation is the only marketing agent which will pay him the domestic price. Therefore he naturally would sell it where he would get the domestic price. He would be foolish to sell it anywhere else, when the Corporation would give him 20 cents a pound, and nobody else would offer him more than the world price.

Mr. ELLENDER. At the fixed price, would the manufacturer then be compelled to pay the farmer 20 cents a pound?

Mr. LEE. That is correct. He would not be compelled, except by indirection. If he should not buy it, or if he bought somewhere else, he would have to pay the tax of 20 cents a pound, so he would be out what he had paid originally. However, if he buys it through the Corporation, he is refunded 99 percent of the tax.

Mr. ELLENDER. So, finally, whether the manufacturer purchases the cotton directly from the Corporation or from the farmer, it must all be accounted for through the Corporation.

Mr. LEE. Not necessarily. The one point where any effort to bootleg would be caught would be at the processing point. That is the throat through which all we are interested in from the standpoint of the domestic market must go, and that is where the law catches it.

Mr. ELLENDER. Who would impose the 20-cent tax if the manufacturer did not have to purchase through the Corporation, or if the Corporation were not given the opportunity of checking up on the cotton which was not purchased from it?

Mr. LEE. I am not sure that I understand the Senator's question, but all cotton must be processed. It is no good unless it is processed. There is one point of processing, and that is the processor.

Mr. ELLENDER. Yes.

Mr. LEE. No cotton is used in the United States which is not processed. Therefore, when we catch it at the processing point, we catch all of it that is used domestically.

Mr. ELLENDER. If the processor is permitted to purchase cotton both from the farmer and from the Corporation, how can a check be kept on the amount sold by a farmer through the Corporation or through the processor?

Mr. LEE. It would be satisfactory to me if the manufacturer wanted to buy cotton from the farmer and pay a tax of 20 cents a pound, in addition to what he paid the farmer, because he did not comply with the law and buy it through the Corporation.

Mr. ELLENDER. The Senator feels that the imposition of the 20-cent tax will force the processor to buy only through the Corporation?

Mr. LEE. With respect to what he buys for domestic use, yes.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. HATCH. If I understand the point which the Senator from Oklahoma has just been discussing with the Senator from Louisiana, the manufacturer will pay a tax on every bale of cotton he buys, from whatever source. Is that correct?

Mr. LEE. That is on every bale that he processes, yes.

Mr. HATCH. On every bale that he processes.

Mr. LEE. That is correct.

Mr. HATCH. And if he wants to take advantage of his purchases from the Commodity Credit Corporation, all he has to do is to show that he purchased so many bales from the Commodity Credit Corporation, and, as to that cotton, he receives a rebate approximately equal to the tax.

Mr. LEE. He receives a credit, which is a little more advantageous than a rebate, because the money does not have to change hands.

Mr. HATCH. I merely wanted to know whether or not I understood the point.

Mr. LEE. The manufacturers and processors of wheat and cotton are protected by provisions in the bill for compensating taxes and adjustments in tariffs to offset the disadvantages in competition caused by the difference between the domestic and world price of these commodities. There is also a provision which allows the manufacturers to buy at the world price for their export trade, or to receive rebates on exported commodities for which they had previously paid the domestic price.

I now wish to make a comparison of this bill with the cost-of-production bill introduced at this session of Congress. In the first place, the cost-of-production bill has one desirable feature. It contemplates two markets, a world market and a domestic market, which, in my opinion, is necessary for the proper and logical approach to the farm problem as respects export farm commodities such as wheat and cotton. However, it has five disadvantages. I may say that it is somewhat like, if not identical with, the bill which was called the McAdoo-Eicher bill last year, which I supported, and which I would support again, as between the present law and that bill, because it does contemplate the two markets and makes a distinction between them. However, it has five major objections which, in my opinion, make it far from a perfect bill.

First, it covers all crops amounting to \$10,000,000 or more. That provision is too arbitrary. I recognize that that is not beyond remedy, but it is too arbitrary, because one year a crop might be under the law and the next year it might be out from under the law, because it would not be a \$10,000,000 crop. But, of course, that could be amended. Furthermore, it includes many crops which have no export trade and have never had any export trade, and with respect to which an export business is not contemplated. Furthermore, it includes many crops of a very perishable nature, and therefore it would be very difficult of administration. The crops it covers are too arbitrary and not based upon a logical reason, such as we find in the case of the two heavy export crops of wheat and cotton.

Second, there is a difficulty in determining what is the cost of production. There again I think that difficulty could be surmounted. If a thousand men figured the cost of production, there would probably be a thousand different answers; and I would probably be willing to take any one of them, as the farmer would today, since such answer would likely be in excess of the present world market price. Therefore, that is not an insurmountable objection to it, but it is a difficulty.

The bill which I have just offered fixes a definite bottom of 20 cents a pound for cotton. That is not an arbitrary price. As a matter of fact, if we fixed it in relation to the spirit

and the letter of the wage and hour law we would make the price for cotton 25 cents a pound. Why? Because it takes a man-hour of labor to produce 1 pound of lint cotton. Therefore, if we should carry out the spirit and letter of the wage-hour law we would fix the price of cotton at 25 instead of 20 cents a pound. However, 20 cents a pound seems to be reasonable. Some think it is high, but when it is considered that it would be for only the amount used domestically, then the necessity may be seen for allowing a fair and reasonable price, or else we would not be any better off than we would be if we should take the world market price. The same argument relates to the dollar-and-a-quarter price for a bushel of wheat. Those prices are based upon the figures and the history during time when the farmer was on a parity basis, whereas the cost of production would be more difficult to determine.

Thirdly, the cost-of-production bill which has been introduced by Senator FRAZIER and others would increase production tremendously; in fact, it would offer an invitation to every farmer to increase his production. This is how that would work: If I have a thousand bushels of wheat and I get the cost-of-production price for 800 bushels, or 80 percent of the quantity, the next year I would raise all I could raise, because it would be profitable for me to do so even if I had to throw away 20 percent of the production.

Let us see how this cost-of-production bill would work. It provides that the Secretary shall determine at a certain time how much wheat will be needed domestically. If that need appears to be 80 percent of the then growing crop, or the crop that is coming up, then the Secretary will so announce and every farmer will sell 80 percent of his crop at the cost-of-production price, turn the other 20 percent in to the Government, and receive a receipt for it. Then the Government will sell it when it can and return the money to the farmer.

Mr. ELLENDER. Mr. President—

Mr. LEE. I yield to the Senator from Louisiana.

Mr. ELLENDER. Does not the Senator's bill contain the same provision as that in the pending farm bill which was introduced by the Senator from North Dakota [Mr. FRAZIER]? The Secretary would estimate in advance of production the amount of wheat that could be planted and upon which cost of production would be paid, and the rest of it would be sold on the world market. How does that differ from the proposal of the Senator insofar as wheat is concerned?

Mr. LEE. At first observation there appears to be a similarity, but, in reality, there is a vast difference because of the production base which I have described. The farmer's allotment is a definite fixed number of bushels of wheat, which is a percentage of his production base, which itself is a fixed figure, whereas the cost-of-production bill offered by the Senator from North Dakota would apply to 80 percent of all the wheat produced. The bill which I have introduced this morning would apply to 80 percent of the farmer's production base for wheat, which is vastly different and works differently. There would be no incentive for the farmer under the domestic-allotment bill which I have introduced to increase his production, for he would not get any more of the domestic market by doing so, while under the so-called Frazier bill by increasing his production he would get in the same ratio that much more of the domestic market.

Mr. ELLENDER. But still, under the bill of the Senator from Oklahoma, as well as under the so-called Frazier bill, the farmer would get the cost of production—under the so-called Frazier bill and under the bill of the Senator from Oklahoma \$1.25—for what is consumed domestically.

Mr. LEE. That is correct.

Mr. ELLENDER. Then what difference is there?

Mr. LEE. The point I was making—and the Senator does not want to misunderstand me as saying that I feel the so-called Frazier bill is not an improvement over the present law—was that under the so-called Frazier bill there is a definite incentive for the farmer to increase his production, because if he gets \$1.25 a bushel for 80 percent of his wheat, no matter whether it is a thousand bushels or 5,000 bushels, he is going to produce 5,000 bushels. So there is an invita-

tion to increase production. The farmers would plow up the face of the earth, because, if for 50 percent of all the cotton they produced they could get the cost of production, of course, they would keep on increasing production. In the long run, the manner in which the so-called Frazier bill would operate would be that each year the Secretary would have to announce a percentage which would be lower and lower and lower. That would be too far off to provide a smooth working plan, and, sooner or later, it would run amuck just like the present one. Why? Because of the incentive to increase production in an unreasonable manner.

Fourthly, the so-called cost-of-production bill, introduced by the Senator from North Dakota, does not take care of the little farmer or one who operates a family-size farm. It makes his economic position relatively worse as compared with that of the big farmer. For instance, the cost per bushel for producing a bushel of wheat on a small family-size farm is greater than the cost per bushel of producing a bushel of wheat on a big power farm. Therefore, when you help the little fellow a little you help the big fellow more, and you have widened the difference between the big fellow and the little fellow. The result would soon be that all the little farms would be for sale and would be purchased by big corporate, syndicated farms and put on that basis because their cost per unit is lower and therefore their net profit under that bill would be greater.

Mr. ELLENDER. Mr. President, will the Senator yield again?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield further to the Senator from Louisiana?

Mr. LEE. I yield.

Mr. ELLENDER. The price the Senator has fixed of \$1.25 will apply to the big farmer as well as the little farmer?

Mr. LEE. Up to \$1,500. Then there are graduated reductions. It gives much more of the domestic market to the farmer operating a family-size farm and correspondingly less to the big syndicated farmers. That is an advantage over the Frazier cost-of-production bill. I will say to the Senator that I have tried, with all the energy I could command, to work out a similar provision for the cost-of-production bill, but I could not work out an amendment that could be applied to it because of the requirement in the bill that a man must sell all his commodities in order to sell all of his domestic allotment.

Mr. ELLENDER. Does the limit of \$1,500 apply to the cotton farmer as well as to the wheat farmer?

Mr. LEE. It applies to both of them.

Mr. ELLENDER. Is the Senator going to discuss the cotton feature?

Mr. LEE. I should prefer, first, to get through with the matter I am now discussing.

Mr. ELLENDER. Very well; I will ask the Senator some questions later.

Mr. LEE. Fifthly, perhaps the main objection to the Frazier-Lemke cost-of-production bill is that it forces the total crop upon the market. Why? Because a farmer cannot be paid for the domestic part of his crop without selling the export part also, for under the device for figuring it, when a farmer takes a load of wheat to town it is not earmarked domestic wheat or export wheat; it is 80 percent domestic and 20 percent export. So when he sells the wheat the man who makes the calculation at the elevator figures 80 percent of the wheat at the cost-of-production price and gives the farmer a receipt for the other 20 percent, which is turned over to a Government corporation, and the farmer will hope some day to get something back out of that. Therefore, before he can enjoy his domestic price, he must sell his export portion also. I submit that is a bad thing, because we ought to have the surplus stored on the farm. If we have the surplus accumulated in the warehouses and earmarked and identified and cataloged and file cased we give all the information necessary to the speculator so that he can gamble on these two commodities and run the price up and down to the confusion of business and to the farmers' loss. Furthermore, a visible supply is much more depressing to the market;

therefore, if we can have a device that will keep the surplus on the farm, the cotton bales hidden away in the chicken sheds, and the wheat stored in granaries and bins on the farms, then we have the commodities away from view so that the speculator does not know exactly how much there is; and, consequently, when the price goes up, this hidden surplus comes to light and is fed into the market as the world price becomes attractive. In addition to that we have then security on the farm, and that means national security.

For these five reasons I feel that the so-called cost-of-production bill does not meet the need for a farm bill.

I desire to point out what I think is the fundamental difference between the present law and both of these other proposals.

Both of these proposals contemplate two markets. The present law does not, and I think that is its fundamental weakness. The present farm program has many splendid features, but it also has some undesirable features, and therefore should be amended, first, by substituting the domestic-allotment plan for all crop-control provisions except those connected with soil conservation.

The fallacy of the present crop-reduction program is that we are trying to reduce American production and not to raise the whole world-price level. If production in all the countries were reduced proportionately, there would be some justice in such a policy; but we reduce, and the others increase. We retreat, and they advance. Thus we gradually surrender our foreign trade.

America produces a fractional part of the world consumption. Therefore, just to reduce that fractional part enough to raise the entire world-price level is like trying to raise the water in a lock without separating it entirely from the larger body of water. The loans on cotton today are just high enough to permit our competitors to undersell us, and not high enough to benefit the farmers.

Trying to solve the farm problem without separating the home market from the foreign market is like trying to treat a man who is suffering with two opposite ailments such as low blood pressure and nervousness. If the doctor gives him something to quiet his nerves, it depresses his blood pressure still further. If the doctor gives him something to stimulate his blood pressure, it aggravates his nervousness. If we raise the price of cotton in order to help the American farmer, we lose our foreign trade. If we lower the price of cotton in order to hold our foreign trade, we ruin the American farmer. Therefore, it is necessary to separate the home market from the foreign market, and this is exactly what is proposed under the domestic-allotment bill.

Now, I come to the point the Senator from Louisiana had in mind. I make the point that the domestic-allotment plan would give the farmer more income than the present law.

I have seen some arguments intended to answer that claim; and in each one of those arguments there was not added to the farmer's income under the domestic-allotment plan the soil-conservation payments. But since this plan does not change the soil-conservation payments, allowance must be made for the soil-conservation payments, and they must be added to the farmer's income.

In the last argument that I saw that was made against the domestic-allotment plan—it was argued the income of the farmer would be lower under it than under the present plan—those making that argument figured only on the domestic-allotment amount, and did not figure on any surplus that the farmer would produce and sell at the world market price. Therefore that surplus must be added and then we get the aggregate.

I yield to the Senator from Louisiana on that point, as I understood that was the point he had in mind.

Mr. ELLENDER. Mr. President, the question I asked a while ago was this: How much will the average small cotton farmer of the South receive under the Senator's plan? I assume he has the figures on that point.

Mr. LEE. I have not figured the amount. It would be an estimate; but I knew that the farmer would be so much better off at 20 cents a pound for the portion of his cotton that we

use in this country that I did not think it necessary to figure what the total amount would be. It would be an estimate, anyway, and the Senator's guess would be as good as mine or that of anybody else.

Mr. ELLENDER. Does the Senator know how much cotton we consume domestically in this country?

Mr. LEE. The domestic consumption varies a little every year. I know the total figures are given from time to time, as the Senator does. In round numbers, the domestic consumption ranges from 5,000,000 to 6,000,000 bales.

Mr. ELLENDER. Let us assume that the domestic consumption is 6,000,000 bales. How much of that would the average small farmer of the South be allotted as his pro rata share of domestic consumption?

Mr. LEE. That would vary.

Mr. ELLENDER. I say, how much would each be allotted?

Mr. LEE. I have not made any calculations along that line, but each one would receive more for his product than he does at present. If the 6,000,000 bales were figured at 20 cents a pound, the farmer would get more than twice as much as he does when it is figured at 8 cents a pound. I can see that without making any calculation of the total.

Mr. ELLENDER. It is my understanding that there are in the South 2,300,000 cotton farmers, including large and small farmers. The Senator's plan would give to the large farmer his proportionate share of the domestic consumption; would it not?

Mr. LEE. That, again, is where the Senator is incorrect. There is a graduated reduction provision which provides that the big-scale farmer would not be allotted as much and the little farmer would be allotted more.

Mr. ELLENDER. I understand; but he would be allotted quite a good deal more than would the small farmer, depending on the size of his farm; would he not?

Mr. LEE. Not a good deal more. He would be allotted some more.

Mr. ELLENDER. Has the Senator any idea how many bales of cotton the average small farmer would be allotted for domestic consumption under the Senator's plan? Would it be in excess of one bale?

Mr. LEE. I have not figured that, because that is a matter which would be determined entirely by the production base of the farm.

Mr. ELLENDER. Has the Senator any idea how many bales are allotted under the present measure to each farmer when the farmers are permitted to produce in the aggregate as many as 12,000,000 bales?

Mr. LEE. The Senator knows that that amount ranges from small to great.

Mr. ELLENDER. It would range from about a bale to about three bales. So if the Senator's plan should go through, the average southern farmer would be allotted about a bale to a bale and a half at 20 cents per pound, and he would have to sell the balance at whatever he could get for it. I feel confident that his returns would not be as much as he is getting under the present law.

Mr. LEE. I do not know what mathematical basis the Senator has in mind when he figures that the farmer would get less at 20 cents a pound than he would at 8 cents a pound.

I hope now the Senator will allow me to proceed. I desire not to yield further at this time. With the Senator's kind permission we will continue the debate on this point at another time.

Furthermore, we are at the end of our rope under the present plan. The present plan is like a toboggan ride! It is nice when you are starting down, but, oh, boy, when you have to walk back up the hill. We have been on a joy ride, and this joy ride has resulted in a top-heavy surplus of 11,000,000 bales of cotton that the Government has tied up. We did not learn anything from the old farm board. We did not learn that when we lend on cotton, we stop it from flowing in the channels of trade.

The Senator from Louisiana proposes to show that under his figures the farmer is doing better this year; but what about next year, with 11,000,000 bales hanging over the

market? What are we going to do with that carry-over? Something must be done with it. If we sell it, the world market price will go on a toboggan. If we continue to hold it, it will bankrupt the Government. So the Senator sees we are now at the end of our toboggan ride, and we shall have to get out and walk back up the hill under the present program, no matter what are the figures of last year; and even with last year's figures, compared to the plan of 20 cents a pound for what we consume this year, they are not reasonable.

I am reminded of the fellow who furnished a whole room in his house with soap wrappers. You may be collectors of coupons or soap wrappers or green stamps. This fellow saved so many soap wrappers that he furnished a whole room in his new seven-room house. Another man came to see him, and the owner showed the room to him, he was so proud of it. The friend said, "Well, what about the other rooms?" The owner of the house said, "Oh, they are all full of soap." [Laughter.] That is the situation we are in with the accumulation of cotton piled on cotton, and a surplus piled on surplus in wheat.

Third, this plan would restore the farmer's independence by establishing a permanent method of determining a farmer's allotment.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. McNARY. I do not want to interrupt the Senator. I am sorry we cannot complete our routine morning business. I believe the Senator asked unanimous consent to address the Senate for 40 minutes. That was just an hour ago.

Mr. LEE. I did not know that I put a time limit on myself in the unanimous-consent request. I made an estimate of the time I would require, and I have yielded. I will say to the Senator that I believe I can finish in a very few minutes.

Mr. McNARY. I am tremendously interested in the discussion of the Senator. It is proceeding by unanimous consent, however, and I should like to conclude the routine morning business if the Senator is going to speak at length.

Mr. LEE. I will say to the Senator that I shall finish in a very few minutes.

Mr. McNARY. Very well.

Mr. LEE. Under the domestic-allotment plan we would reestablish the independence of the farmer.

Do you know why the farmer is out there on the farm, trying to scratch a living out of the ground? It is because he wants to be independent. He wants to be his own boss. If he did not, he would quit there, and go to town somewhere, and get a job where somebody else would boss him. The farmer is the last individualist left; and I think that is an individualism worth preserving. Under this bill the farmer may raise what he wants to raise, as much as he wants to raise, and wherever he wants to raise it. Under this bill the machinery for making allotments is worked out on a scientific basis that has a systematic approach, that gets away from a horde of fellows coming around a farmer's farm and measuring his land and quarreling with him about how much he may grow, and where he may grow it. This bill removes all of that, and restores to him a feeling of independence.

Again, under this plan we would have an opportunity to regain our foreign trade, which we have lost during the past few years. I shall not discuss that question at length at this time, but shall do so on another occasion.

Again, the domestic-allotment plan would increase employment in the United States, because the production of enough wheat and cotton for the export trade would mean employment for those who produce it; but with our present plan of cutting down and fast approaching the point where we are producing farm commodities only for use in the United States—and that is the point we shall reach some day if we do not change the policy—we are putting men out of employment by the million.

Under the proposal introduced today, we would not abandon or repeal the good provisions of the present law. We

would retain, first, the freight-rate adjustment provision in the law, because it is good.

Second, we would retain the provision for finding new markets and new uses for farm commodities, because it is good.

Finally, we would vitalize the soil-conservation program by basing the law upon a scientific determination of what constitutes a production base for these different commodities.

I shall now answer briefly some of the arguments which have been advanced against the domestic-allotment plan. One argument is that under the domestic-allotment plan we would ship our fertility abroad. Our fertility has not been shipped away; it has been washed away because of poor farm management. With the application of proper soil treatment and proper farming methods we can retain the fertility of the soil and produce all we wish to produce. In the Old World some of the richest lands in cultivation have been in cultivation for thousands of years and they are more fertile today than when they were first plowed up, which entirely explodes the argument that we would be shipping our fertility abroad.

Under the proposed program, by establishing a production base bottomed upon sound farming principles, we would be moving toward a perfect ideal of producing on a farm only what the farm ought to produce in keeping with good farming practices, and therefore not depleting our soil fertility.

Another argument advanced against the so-called two-price system—that is, of having one price for America and another price abroad—is that by such a program we would be subsidizing the foreign consumer and making the American consumer pay for it. In other words the argument has been advanced, that we would be taxing the American consumer to subsidize the consumer abroad, and in my opinion that is not a very substantial argument at this late date.

Had it been thought of when protective tariffs first made it possible for the manufacturer to sell his commodities abroad more cheaply than he sells them at home, it would have been more appropriate to suggest it then than to bring it up now, after 150 years' operation of a two-price system enjoyed by the manufacturer and paid for by the American consumer. But now that we want to apply the same system to agriculture, and let the farmer enjoy a higher price for domestically consumed goods, the argument seems to be late in arriving, and fails to be very impressive.

The price of manufactured articles which every farmer must buy is artificially boosted because of the protective tariff. Therefore, it is only fair that the Government artificially raise the price of that portion of farm commodities which we use in this country. Manufacturers of farm implements in America charge the American farmer more for farm implements than they charge the farmers of other countries, for the very same implements. Therefore it is only fair that the farmer should enjoy an American price for that portion of his crop consumed in America, just as the manufacturer enjoys an artificially higher price by virtue of the tariff. Just as we have given the manufacturer a tariff for 150 years I propose that we now give the farmer a tariff.

The foreigner is on a lower standard of living than is the American. The foreigner has only so much with which to buy bread, for instance, and if he cannot get bread at that price, then he cannot get bread. Therefore we are confronted with this dilemma: We must either sell to the foreigner at a price which he can pay, or we must stack commodities up in this country, and not only starve the foreigners to death because of a shortage of the commodity but starve the Americans to death because of a surplus of the commodity. To me that seems a short-sighted and very selfish policy.

Let me refer to another important point in that regard: One of the reasons why the world is today on fire with threats of war is found in the economic conditions of the people abroad. Some people simply refuse to take starvation sitting down. The fact that people cannot get food at prices they can pay is one of the causes of restlessness over the world today. If we would sell to them at prices they could pay, we would increase our gross national income

and they would be able to buy food and clothes for their own needs. This would relieve much of the internal pressure in foreign countries. If we feed them, we might not have to fight them. It might be easier to feed them at prices they are able to pay than to fight them, particularly when it would increase our national income as well as help solve one of our most difficult problems.

Another objection which is raised to this plan is that it would result in overproduction. In my opinion, there is as yet no such thing as overproduction. I do not say that we could not reach the point of overproduction. But so far I do not believe that we have reached that point. Dr. Sibling, of the Department of Agriculture, in 1935 made a survey of the United States and reported that if all families of the United States had a balanced menu today—that is, enough to eat—it would take 43,000,000 acres more in cultivation in the United States to produce the necessary amount of food. In the light of that it seems to me it is almost immoral to deliberately reduce the food supply when people in our country are hungry merely because they do not have the buying power with which to purchase what we produce. I do not see any such thing as overproduction. Under the plan proposed there would be a voluntary regulation of production. The farmer would have enough to live on from his domestic allotment and therefore he would be in a position where he could regulate his production above that. He has never before had a chance to choose between profitable production and unprofitable production. It has all been unprofitable; therefore he has been forced to increase production in order to meet certain fixed charges, such as interest payments, taxes, and so forth, rather than enjoy the opportunity of regulating production to meet demand.

ANTIDUMPING RETALIATION NOT LIKELY

There has been the argument that if we should adopt the domestic allotment plan it would result in antidumping retaliation on the part of other countries.

There are those who are agreeable to the domestic-allotment plan so far as concerns providing a fair price for that part of the farmer's crop that we use in this country, but who feel that unlimited production would result in a greater surplus, which would be considered dumping by other nations, and other nations would retaliate with antidumping laws.

I wish to answer this antidumping argument. First, the United States is the only nation on the face of the earth, I believe, which has a "dumping conscience." Other nations have never appeared to be conscience-stricken over dumping. They have sold where they could get buyers.

Second, how can it be considered dumping unless we subsidize the sale of the surplus? If we merely let the surplus seek its level in the world market and sell to those who are willing to buy, how could that be considered dumping? The surplus would be handled by speculators who would want to sell their cotton, but who would also want to get as much for it as possible. It is a certainty that the concerns which would handle American cotton are not going to cut down the price of cotton a fraction of a cent more than is necessary in order to turn the deal. Therefore I cannot interpret the natural flow of cotton into the channels of trade in that manner as dumping.

Third, commerce is cold-blooded arithmetic. It is seldom based on sentiment. Buyers buy where they can buy the cheapest and sell where they can get the most. Therefore it is not likely that the nations which buy our cotton would advocate antidumping laws against the United States just because they are able to buy cotton a fraction cheaper in the United States than elsewhere.

Mr. McNARY. Mr. President, I should like to ask the Senator whether he is on the last page of his manuscript?

Mr. LEE. I yield to the Senator.

Mr. McNARY. Is the Senator about ready to conclude? Otherwise, I must invoke the rule.

Mr. LEE. I am about to conclude, if the Senator will allow me to finish this last page.

Mr. McNARY. If the Senator is on the last page, I shall not invoke the rule, but I wish to say that in the future there

will be no unanimous-consent agreements for speeches during the morning hour until the routine business has been concluded. It is only by consent of the Senate that the able Senator is proceeding.

Mr. LEE. I realize that.

Mr. McNARY. Very well. The Senator may proceed to finish his last page.

Mr. LEE. Mr. President, the fourth point is that we cannot sell our products to those nations that have surpluses in those products. Only those nations which have surpluses of their own to sell would object to our selling our commodities in their markets. The only nations which would be likely to retaliate with antidumping laws would be those nations which have surpluses of their own, and since we are unable to sell to them because they already have enough there seems to be little cause to fear retaliation on the part of other nations.

Fifth, how can it be considered dumping for us to try to hold our own in the world market? No one could justly accuse us of dumping when we are merely holding our share of the world trade. In fact, we have not held our share of the world trade. We have lost heavily in the exportation of cotton. To be specific, the high point of our exports in cotton was in 1926. That year we exported 10,927,000 bales; last year we exported 5,771,000 bales. In other words, there has been a loss of trade to the extent of over 5,000,000 bales from the peak in 1926, and that is true at a time when the world consumption has increased 5,000,000 bales. Therefore, if we were now exporting as much cotton as we exported in 1926, and if we enjoyed our share of the increase of world consumption, we would today be exporting six and one-half million bales more than at present. It merely means keeping our share of the market; and again I reiterate, "How could that be considered dumping?"

Mr. President, I thank the Senate for its kind indulgence. At another time I wish to discuss the general arguments in favor of farm relief and farm legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks the bill which I have just discussed.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

A bill to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in wheat and cotton, and providing for the orderly marketing of such commodities at fair prices in interstate and foreign commerce

Be it enacted, etc., That section 301 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended by—

(1) Inserting after subdivision (4) the following new subdivisions:

"(4b) 'Domestic marketing percentage' in the case of wheat and cotton means that percentage of the production bases for such commodity established under section 357 which the Secretary, taking into consideration the adjustments in domestic allotments required under section 358 (d), determines will provide domestic allotments for farmers for any marketing year equal to the national domestic allotment.

"(4c) 'Domestic price' means \$1.25 a bushel in the case of wheat of standard grade and 20 cents a pound in the case of cotton of standard grade, or the parity price of the commodity as of the end of the preceding marketing year, whichever is higher."

(2) Inserting after subdivision (8) the following new subdivision:

"(8a) 'National domestic allotment,' in the case of wheat and cotton, means the quantity of the commodity which the Secretary estimates will be disposed of by the Commodity Credit Corporation during any marketing year for consumption in the United States."

(3) Inserting at the end thereof the following new subdivision:

"(17) 'World market price,' in the case of wheat and cotton, means that price which the Commodity Credit Corporation estimates it can obtain for such wheat or cotton upon disposing of it for purposes other than consumption in the United States, less a reasonable charge, to be fixed by the Corporation, to cover the estimated expense which will be incurred by the Corporation in disposing of such commodity for such purposes."

Sec. 2. (a) Section 302 of such act, as amended, is amended by adding at the end thereof the following new subsection:

"(j) No new loans on wheat or cotton shall be made available under this section after the end of the marketing year beginning in 1939."

(b) Part III of subtitle B of such act, as amended, is amended by adding at the end thereof the following new section:

"Sec. 340. The provisions of this part shall cease to be effective on June 30, 1940."

(c) Part IV of such subtitle B is amended by adding at the end thereof the following new section:

"Sec. 350A. The provisions of this part shall cease to be effective on July 31, 1940."

Sec. 3. Title III of such act, as amended, is further amended by adding, after subtitle B, the following new subtitle:

"SUBTITLE B1—MARKETING OF WHEAT AND COTTON

PRODUCTION BASES

"Sec. 357. The Secretary, through the local committees, shall establish as soon as practicable in 1939 a production base for wheat for each farm on which wheat has been produced in 1937, 1938, or 1939, and a production base for cotton for each farm on which cotton has been produced in 1937, 1938, or 1939, and shall, upon application, establish such bases for any other farm. The production base for each such commodity for any farm shall be a quantity of such commodity determined on the basis of past production, tillable acreage, productivity of the soil, crop rotation practices, availability of labor and equipment, and sound principles of farm management, with adjustments for abnormal weather conditions, trends in production, and the diversion of acreage under previous agricultural adjustment and conservation programs. Any such production base may be increased upon application, or may be decreased after giving the farmer notice and an opportunity to be heard, when such increase or decrease is warranted by the factors on the basis of which such production base is determined.

"DOMESTIC ALLOTMENTS

"Sec. 358. (a) Beginning with the year 1939, the Secretary shall proclaim in each year, not later than July 15 in the case of wheat, and not later than November 15 in the case of cotton, the probable national domestic allotment and the probable domestic market percentage for wheat and cotton for the next succeeding marketing year.

"(b) Beginning with the year 1940 the Secretary shall determine and proclaim in each year, not later than May 15 in the case of wheat and not later than June 15 in the case of cotton, the national domestic allotment and the domestic marketing percentage for wheat and cotton for the next succeeding marketing year.

"(c) The domestic allotment for wheat or cotton for any farm for any marketing year shall be equal to the production base for such commodity for the farm, determined as of the date of the proclamations issued under subsection (b), multiplied by the domestic marketing percentage for such commodity for such marketing year: *Provided*, That such allotment shall not exceed the actual or normal production, whichever is greater, of the acreage on the farm devoted to the production of the commodity.

"(d) Any domestic allotment for wheat or cotton for any farm shall be divided among the landowners, tenants, and sharecroppers of such farm, in the same proportion that such landowners, tenants, and sharecroppers are entitled to share in the proceeds of the commodity for which the allotment is made: *Provided*, That if the total allotments for both commodities allotted to any person for any year would be a quantity having a combined value in excess of \$1,500, computed at domestic prices, the allotments to such person shall be reduced so that such combined value will be reduced by 20 percent of that part of such combined value in excess of \$1,500 but not in excess of \$2,000; by 40 percent of that part of such combined value in excess of \$2,000 but not in excess of \$2,500; and by 60 percent of that part of such combined value in excess of \$2,500 but not in excess of \$3,000; and by 80 percent of that part of such combined value in excess of \$3,000.

"(e) The quantity of a commodity allotted to a farmer under subsection (d) for any marketing year shall be his domestic allotment with respect to such commodity for such marketing year.

"(f) Under regulations prescribed by the Secretary and to the extent that the Secretary determines to be practicable and not in conflict with the purposes of this title, any farmer may receive in lieu of any part of his domestic allotment for wheat or cotton, a domestic allotment for a quantity of the other of such commodities having an equal value.

"MARKETING OF WHEAT AND COTTON

"Sec. 359. (a) The Commodity Credit Corporation (in this title referred to as the 'Corporation') shall purchase all domestically produced wheat and cotton offered for sale to it by the producer thereof after the beginning of the marketing year beginning in 1940.

"(b) If the commodity is offered for sale to the Corporation by a farmer and is a part or all of his domestic allotment for the current marketing year, the price paid by the Corporation to the farmer for the commodity delivered at local markets shall be the domestic price or the world market price, whichever is higher, for such commodity.

"(c) In the case of any other purchases of any such commodity by the Corporation, the price paid by the Corporation shall be equal to the world market price of such commodity.

"(d) If by reason of loss in yields due to unavoidable causes, including adverse weather conditions, insect pests, plant diseases, and such other unavoidable causes as may be determined by the Secretary, any farmer fails to produce a quantity of wheat or cotton equal to his domestic allotment, the Secretary shall determine the amount by which the wheat or cotton produced by such farmer is below his domestic allotment by reason of such unavoidable causes, and shall issue evidence to such farmer and to the Corporation of the quantity of the commodity so determined. Upon presentation to the Corporation by the farmer of the evidence so

issued to him, the Corporation shall pay to the farmer the amount by which the domestic price of an equal quantity of the commodity exceeds the world price thereof; and the Corporation shall reimburse its funds by disposing of, for domestic consumption, an equal quantity of the commodity from the stocks held by it.

"(e) After the beginning of the marketing year beginning in 1940 all wheat and cotton acquired by the Corporation, including wheat and cotton held by it on such date or acquired on account of loans made or arranged for by it prior to such date, shall be disposed of by it at such times and places and in such manner as it deems most advantageous, subject to the following limitations:

"(1) Any quantity of each such commodity disposed of by the Corporation for consumption within the United States shall be disposed of at a price not less than the domestic price for such commodity, plus a reasonable charge for the handling and marketing of such commodity.

"(2) The Corporation shall dispose of wheat and cotton acquired by it under subsection (a) as rapidly as orderly marketing and the policies of this act will permit and shall not retain any quantity of wheat or cotton, acquired by it under subsection (a), at the end of any marketing year which is in excess of 10 percent in the case of wheat, or 20 percent in the case of cotton, of a normal year's domestic consumption and exports.

"(f) The Corporation shall make such regulations and require such bonds, containing such conditions, as it deems necessary with respect to commodities disposed of by it for purposes other than consumption within the United States, to assure that such commodities will not be consumed within the United States, or that if such commodities are consumed within the United States, the Corporation will be paid the price required by subsection (e) (1).

"(g) In fixing prices for the purchase and disposal of wheat and cotton by the Corporation, No. 2 Hard Winter wheat shall be deemed wheat of standard grade, and seven-eighths Middling cotton shall be deemed cotton of standard grade; and the prices fixed by the Corporation for the purchase and disposal of wheat and cotton not of standard grade, type, staple, or quality shall be increased or decreased, in relation to the prices fixed for wheat and cotton of standard grade, type, staple, and quality, by such amounts as properly reflect differences from standard in grade, type, staple, or quality."

Sec. 4. Part I of subtitle C of such title III is amended by adding at the end thereof the following new sections:

"APPLICATION TO PRODUCTION BASES

"Sec. 369. The foregoing provisions of this part shall be applicable with respect to production bases established for farms under subtitle B-1 in the same manner that such provisions are applicable with respect to acreage allotments and farm-marketing quotas.

"REGULATIONS FOR WHEAT AND COTTON

"Sec. 370. Under such regulations as may be agreed upon by the Secretary and the Commodity Credit Corporation—

"(1) The Secretary shall transmit to the Corporation from time to time such information with respect to the domestic allotment of any farmer under subtitle B-1 as may be necessary for the proper performance of the powers and duties of the Corporation under this title.

"(2) The Corporation shall transmit to the Secretary from time to time such information as to its purchases, sales, and other operations under subtitle B-1 as may be necessary for the proper performance of the powers and duties of the Secretary under this title.

"(3) Such certificates and tags shall be issued to farmers, and such other records shall be made and kept as may be necessary, for determining when wheat or cotton purchased by the Corporation under subtitle B1 is purchased from a farmer and is a part of such farmer's domestic allotment."

Sec. 5. Part I of subtitle D of title III of such act, as amended, is amended by adding at the end thereof the following new sections:

"ADDITIONAL POWERS OF COMMODITY CREDIT CORPORATION

"Sec. 390A. In addition to the powers which it possesses under other provisions of law, the Commodity Credit Corporation shall have such powers as may be necessary or appropriate for carrying out its functions under this title.

"TAXES ON IMPORTS

"Sec. 390B. (a) In addition to any other tax or duty imposed by law, there shall be imposed on articles imported into the United States a tax as provided in subsection (c).

"(b) The tax imposed under this section shall be levied, assessed, collected, and paid in the same manner as a duty imposed by the Tariff Act of 1930, and shall be treated for the purposes of all provisions of law relating to the customs revenue as a duty imposed by such act, except that for the purposes of sections 336 and 350 of such act (relating to flexible tariff and trade agreements) such tax shall not be considered a duty or import restriction, and except that no preference with respect to such tax shall be accorded any articles imported or brought into the United States.

"(c) There is hereby imposed upon the following articles imported into the United States, a tax at the rates hereinafter set forth, to be paid by the importer:

"(1) Wheat, at a rate equal to the amount by which the domestic price exceeds the world market price.

"(2) All articles containing wheat in any form, at a rate equal to the amount by which the domestic price exceeds the world market price of the quantity of wheat contained in such articles. The tax on articles described in this paragraph and paragraph (1) shall apply only with respect to importations after June 30, 1940.

"(3) Cotton, at a rate equal to the amount by which the domestic price exceeds the world market price.

"(4) All articles containing cotton in any form, at a rate equal to the amount by which the domestic price exceeds the world market price of the quantity of cotton contained in such articles. The tax on articles described in this paragraph and paragraph (3) shall apply only with respect to importations after July 31, 1940.

"(5) On all articles competing with wheat or cotton at the rate proclaimed by the Secretary under this paragraph. The Secretary shall ascertain from time to time whether the operation of this title is causing or will cause to the processors or producers of wheat or cotton in the United States any competitive disadvantage from competing commodities imported into the United States. If the Secretary finds that such disadvantages in competition exist, or will exist, he shall proclaim such finding and shall specify in his proclamation the competing commodity and the rate of tax on the importation thereof necessary to prevent such disadvantages in competition.

"(d) Prior to the 10th day of each month, beginning with the month of July 1940 in the case of wheat and the month of August 1940 in the case of cotton, the Secretary shall determine and proclaim the amounts by which the domestic prices of wheat and cotton exceeded the world market prices of wheat and cotton at the beginning of such month. During the next succeeding month, the amounts so proclaimed shall be deemed, for the purposes of this section, to be the amounts by which the domestic prices exceed the world market prices: *Provided*, That for the month of July 1940, in the case of wheat, and the month of August 1940, in the case of cotton, the amounts proclaimed during such months shall be deemed to be the amounts by which the domestic prices exceed the world market prices.

"COMPENSATING TAXES"

"Sec. 390C. (a) The Secretary shall ascertain from time to time whether the operation of this title is causing or will cause to the processors of wheat or cotton in the United States disadvantages in competition from competing commodities by reason of excessive shifts in consumption between such commodities or products thereof. If the Secretary finds, after investigation and due notice and opportunity for hearing to interested parties, that such disadvantages in competition exist, or will exist, he shall proclaim such finding. The Secretary shall specify in his proclamation the competing commodity and the compensating rate of tax on the processing thereof necessary to prevent such disadvantages in competition. Thereafter there shall be levied, assessed, and collected upon the first processing in the United States of the competing commodity a tax, to be paid by the processor, at the rate specified, until such rate is altered pursuant to a further finding under this section.

"(b) As used in this section, the term 'processing,' in the case of any commodity, means any manufacturing or other processing involving a change in the form of the commodity or its preparation for market, as defined by regulations of the Secretary of Agriculture; and in prescribing such regulations the Secretary shall give due weight to the customs of the industry.

"PROCESSING TAXES"

"Sec. 390D. (a) On and after July 1, 1940, in the case of wheat, and on and after August 1, 1940, in the case of cotton, there shall be imposed upon the first processing in the United States of wheat or cotton produced in the United States a tax, to be paid by the processor, at the rates prescribed under subsection (b).

"(b) Prior to the 10th day of each month, beginning with the month of June 1940 in the case of wheat and the month of July 1940 in the case of cotton, the Secretary shall determine and proclaim the domestic prices of wheat and cotton as of the beginning of such month. During the next succeeding month the rates of the tax imposed by this section on the processing of wheat and cotton shall be equal to the prices so proclaimed.

"(c) There shall be allowed as a credit against the tax imposed by this section, 99 percent of the tax so imposed with respect to the processing by the taxpayer of any wheat or cotton not in excess of a quantity equal to (1) the quantity of the commodity which has been acquired by the taxpayer from the Commodity Credit Corporation after the beginning of the marketing year which begins in 1940, less (2) the quantity of the commodity for which a credit has previously been allowed to the taxpayer under this subsection.

"(d) There shall be allowed as a credit against the tax imposed by this section with respect to the processing of any wheat or cotton acquired by the taxpayer prior to the beginning of the marketing year which begins in 1940, an amount equal to the amount paid by the taxpayer for such commodity.

"(e) As used in this section—

"(1) The term 'processing,' in the case of wheat, means the milling or other processing (except cleaning and drying) of wheat for market, but does not include the processing of wheat for consumption by the producer thereof or for consumption on his farm.

"(2) The term 'processing,' in the case of cotton, means the spinning, manufacturing, or other processing (except ginning) of cotton.

"Sec. 390E. (a) The taxes imposed by sections 390C and 390D shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury, shall be treated for all provisions of law relating to internal revenue as internal revenue excise taxes, and shall be paid into the Treasury of the United States. All provisions of law, including penalties appli-

cable with respect to the taxes imposed by section 600 of the Revenue Act of 1926, and the provisions of section 626 of the Revenue Act of 1932, shall, insofar as applicable and not inconsistent with the provisions of this act, be applicable in respect of taxes imposed by such sections 390C and 390D.

"(b) Upon the exportation from the United States of any product processed wholly or partly from a commodity with respect to which product or commodity a tax has been paid or is payable under section 390C or 390D, the tax due and payable or due and paid shall be credited or refunded. Under regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, the credit or refund shall be allowed to the consignor named in the bill of lading under which the product is exported, or to the shipper or to the person liable for the tax, provided the consignor waives any claim thereto in favor of such shipper or person liable for the tax. As used in this subsection, the term 'product' includes any product exported as merchandise, or as a container for merchandise, or otherwise."

CALL OF THE ROLL

Mr. HARRISON. Mr. President, I wish to ask to be recognized as soon as the morning hour is over.

Mr. BARKLEY. If the Senator will yield to me for that purpose, I suggest the absence of a quorum.

Mr. HARRISON. I yield for that purpose.

The PRESIDING OFFICER (Mr. HUGHES in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Downey	La Follette	Schwartz
Andrews	Ellender	Lee	Schwellenbach
Ashurst	Frazier	Lodge	Sheppard
Austin	George	Logan	Shipstead
Bailey	Gerry	Lucas	Smathers
Bankhead	Gibson	Lundeen	Smith
Barbour	Gillette	McKellar	Stewart
Barkley	Glass	McNary	Thomas, Okla.
Bilbo	Green	Maloney	Thomas, Utah
Bone	Guffey	Mead	Tobey
Brown	Gurney	Miller	Townsend
Bulow	Hale	Minton	Truman
Burke	Harrison	Murray	Tydings
Byrd	Hatch	Neely	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Capper	Herring	Nye	Wagner
Caraway	Hill	Overton	Walsh
Clark, Idaho	Holman	Pepper	Wheeler
Clark, Mo.	Holt	Pittman	White
Connally	Hughes	Radcliffe	Wiley
Danaher	Johnson, Calif.	Reed	
Davis	Johnson, Colo.	Reynolds	
Donahay	King	Russell	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

TRIBUTE TO THE LATE GEORGE R. HOLMES

Mr. HARRISON. Mr. President, second only to the warmth of feeling which naturally grows among the Members of the Senate are the feelings and friendships that spring and grow between men in public life and members of the press. Within the last few days there has passed from the field of active journalism one of the most beloved and ablest members of the newspaper fraternity. He was a young man, and it seems cruel that fate should strike him down at the age of 43. Within that brief span of life he had accomplished great things. He had made a name for himself in the newspaper world.

We all admire success, in whatever walk of life it may be. It is a rare accomplishment for one so early in life to reach the heights and become head of the Washington Bureau of the International News-Service, one of the great news agencies of the country; and to have become the president of the Grid-iron Club, an organization the membership of which comprises the select among newspapermen of the country, is the highest evidence of prominence and popularity among his newspaper brothers. I am sure that all who knew George felt the pangs of deep sorrow and loss at his death. I attended his funeral. I heard the beautiful tributes paid him. My heart was deeply and sincerely touched, and I am sure all those who attended and heard the services felt the same way. He was truly a splendid fellow. His writings were full of candor, frankness, and courage. He despised sham, pretense, and hypocrisy. He impressed the country by his daily writings. His career carried him not only throughout this country but to the capitals of the world. His name will live

in the annals of journalism, and his fine work should be an inspiration to the youth of the land.

I pay this tribute to my friend and a man who, in my opinion, was able, sincere, and fine, and who possessed the true qualities of real manhood.

Mr. BARKLEY. Mr. President, I wish to add just a brief word to what my friend from Mississippi [Mr. HARRISON] has said about George Holmes.

From the creation of man until this hour men have been born, have lived, and have died; and yet life, birth, and death are just as much of a mystery today as they were in the beginning. I have heard it said that as men grow older they reconcile themselves to the inevitable fate of all mankind—ultimate death. I do not know whether or not that statement is true. Although we always know that that is to be our fate and the fate of our friends, I doubt if we are ever really prepared for or reconciled to the inevitable end, even in age. This is peculiarly true when, in the inscrutable ways of Providence, a man is stricken down in the prime of his life. There is no way by which we can fathom these inscrutable mysteries. We regret them. We pay honor and respect to those who, in a short space of time, or in a long life, have made some contribution to the elevation of the standards of their own lives and those of their comrades, and of the country at large.

After all, as the poet says, life is not measured in years. It is not measured on the dial, but it is measured by what service may be crowded within a given space of time. If that is to be the standard, in my judgment George Holmes fully measured up to the requirements. In every sense of the word he was a gentleman. I believe he elevated the standards of journalism by his courage, by his frankness, by his ability, by his level-headedness, and by his fairness. Not only was he an outstanding journalist, studying, as all journalists who write for newspapers and who to a certain extent create public opinion, must do, but above his professional integrity and his professional ability, he was a charming associate, a man of sincerity, a man of honor, a man of learning. In his public relations and in his private life, and especially in his family circle, no man has come within my acquaintance in a quarter of a century who was more sincerely beloved, who was more genuinely respected, and whose untimely end caused greater grief, not only in his profession, but among all who knew him.

I am glad at this time to add my feeble word to what has been so beautifully said by the Senator from Mississippi in honor of one whose mature life had been largely spent in the atmosphere of Congress, of legislation, and of executive policies which have been promulgated by the different branches of the Government of the United States during his tenure in Washington. My sympathy goes out to his comrades in the profession, to his family, and to all his friends. I believe that there are many things in his life by which we may profit.

Mr. McNARY. Mr. President, I desire to make a brief observation. I knew George Holmes for many years. I greatly admired him and entertained for him a deep affection. I knew him on the golf course, and I knew him in his professional activities. I knew him about the Senate Chamber. I can say that at no time did he ever betray a single confidence. He lived up to the ethics of his profession. I add my tribute, and join my friends the Senator from Mississippi [Mr. HARRISON] and the Majority Leader [Mr. BARKLEY] in mourning his loss.

LINCOLN'S BIRTHDAY ADDRESS BY SENATOR CAPPER

Mr. REYNOLDS. Mr. President—

Mr. McNARY. Mr. President, will the Senator yield just a moment?

Mr. REYNOLDS. I yield.

Mr. McNARY. May I inquire if the Senator intends to address the Senate at length?

Mr. REYNOLDS. I shall consume only a few minutes.

Last Saturday evening over the Nation-wide network of the Mutual Broadcasting System I had the pleasure of listening to one of the finest and most patriotically inspir-

ing broadcasts I have ever heard. It was the Lincoln's Birthday eve radio program of the United States Flag Association, an organization which, by spreading among the American people a better understanding and deeper appreciation of our country's ideals and institutions, is doing most effective work in combatting the un-American forces and influences which, well organized and no doubt amply financed, are leaving no stone unturned to discredit and to destroy those ideals and institutions.

I may add, Mr. President, that our colleague the Senator from Kansas [Mr. CAPPER] was the guest speaker of the broadcast, the outstanding feature of which was a most effective and appropriate paraphrase of Lincoln's historic Gettysburg Address under the title of "The Spirit of Lincoln Speaks Today." I ask that I may be permitted this opportunity to read to the Senate what the senior Senator from Kansas said:

Eight score and three years ago our fathers brought forth upon this continent a new nation, conceived in liberty and dedicated to the proposition that all men are created equal and that the people shall rule.

Now you of today are engaged in a war with anti-American forces and influences, testing whether that Nation, or any nation, so conceived and dedicated, can endure. Though these forces and influences be moral, they are as dangerous and as deadly as any physical ones that have ever threatened the life of the Nation.

Your fathers who, through their trials and tribulations, their sufferings and sacrifices, created this Nation, in passing to the Great Beyond, threw the torch from falling hands to future generations, of which you of today are one. Be yours to hold it high; otherwise ye shall break faith with your fathers.

Let you who are now living dedicate yourselves to the task of preserving the great heritage left you by those of us who have gone before; let you renew your allegiance to the ideals symbolized by the flag we gave you, among them being national unity, patriotic cooperation, and racial and religious tolerance. Let you reaffirm your faith in the institutions of democracy embodied in the Declaration of Independence and the Constitution of the United States we bequeathed you, among them being freedom of speech, freedom of the press, freedom of religion, freedom of assembly, and personal liberty. Let you highly resolve that we, your fathers, shall not have suffered and struggled, sacrificed, and died in vain; that this Nation, under God, shall have a new birth of freedom—freedom from class hatred; freedom from materialistic greed; freedom from contention between capital, labor, and government; freedom from racial and religious intolerance; and that, with malice toward none, with charity for all, a government of the people, by the people, and for the people shall not perish from the earth.

Oh, you Americans of today, who, without having undergone sacrifices and privations in creating or saving the great Republic under whose flag you are enjoying such blessings of life, we, your fathers now in the realm of the Great Beyond, beseech you to awake to the dangers which are menacing you, your homes, your children. Awake and unite, cooperate and tolerate before it is too late.

Mr. President, this splendid and timely paraphrase of Lincoln's famous Gettysburg Address should, in my judgment, be read by every man, woman, and child in the United States. It would stimulate their patriotism and make them better Americans.

CONSIDERATION OF UNOBJECTED-TO BILLS ON THE CALENDAR

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the morning business has been concluded.

Mr. KING. Mr. President, the morning hour having expired, and the time for taking up the calendar having also expired, I ask unanimous consent that the Senate proceed to the consideration of unobjected-to bills on the calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none, and the clerk will proceed to call the bills on the calendar.

BILLS AND RESOLUTIONS PASSED OVER

The bill (S. 326) for the payment of awards and appraisals heretofore made in favor of citizens of the United States in claims presented under the General Claims Convention of September 8, 1923, United States and Mexico, was announced as first in order.

Mr. VANDENBERG. Mr. President, the last time the calendar was called the Senator from Colorado [Mr. ADAMS] objected to this bill. In his absence, I suggest that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1093) for the relief of Mike Chetkovich was announced as next in order.

Mr. VANDENBERG. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 58) providing that a calendar day's notice shall suffice in connection with suspension of a rule was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The resolution will be passed over.

CUBAN DECORATION FOR MAJ. ANDREW S. ROWAN

The Senate proceeded to consider the bill (S. 746) to authorize Maj. Andrew S. Rowan, United States Army, retired, to accept the Order Carlos Manuel de Céspedes tendered him by the Government of Cuba in appreciation of services rendered.

Mr. GILLETTE. Mr. President, I should like to ask the Senator from Texas [Mr. SHEPPARD] a question or two with reference to the pending bill.

Mr. SHEPPARD. I will be glad to answer any questions the Senator may ask.

Mr. GILLETTE. In 1934, in order to correct the difficulties and uncertainties in connection with decorations which were proffered by foreign nations to American citizens, Congress enacted a provision that required the Secretary of State to send to the Seventy-fifth Congress and every alternate Congress thereafter a list of names of retired officers who were entitled to receive such decorations. I note from the report that Major Rowan's name has not been listed, and I am wondering if the Senator can give the Senate any information as to why the provision of the law was not complied with by the Department of State?

Mr. SHEPPARD. Mr. President, I will be glad to have the bill go over until I can contact the State Department.

Mr. CLARK of Missouri. Mr. President, will the Senator from Iowa yield to me?

Mr. GILLETTE. Certainly.

Mr. CLARK of Missouri. Mr. President, Major Rowan has been famous in literature and history for many years as being the one who carried the message to Garcia. There is no question on earth as to the merit and the gallantry of his service. It is perfectly true that at the time he carried the message to Garcia the Cuban Republic was not an established government recognized by the United States. Nevertheless, Major Rowan was given an order by his lawful superiors, and he carried out that order in a way which reflected great glory upon himself and upon the entire United States Army and the American people. My understanding is that Major Rowan is at the present time in a hospital in California. This is a decoration to which he has long been entitled, and I certainly desire to urge upon the Senator from Iowa, the Senator from Texas, and the Senate not to delay on technical grounds a measure of this kind which has to do with a case that is of outstanding merit and outstanding notoriety, for Major Rowan might be taken from us before the complicated technicalities could be complied with.

Mr. JOHNSON of California. Mr. President, will the Senator from Iowa yield to me?

Mr. GILLETTE. I yield to the Senator from California.

Mr. JOHNSON of California. I desire to thank the Senator from Missouri [Mr. CLARK] for what he has said, which is entirely accurate. Major Rowan is a neighbor of mine and is, I think, 82 years old, or thereabouts.

The story of the Message to Garcia, which has been referred to, was preserved by Elbert Hubbard, a distinguished author of Aurora, N. Y., in a literary work that lasts until today. The message was taken through a very perilous country in pursuance of an order issued to Major Rowan. Nobody knew whether or not he would ever return. His days being so few on earth, I trust that he may be gratified in his old age by being permitted to receive this recognition.

Mr. CLARK of Missouri. Mr. President, will the Senator from Iowa yield further to me?

Mr. GILLETTE. I yield.

Mr. CLARK of Missouri. In addition to what the Senator from California [Mr. JOHNSON] has said about the feat performed by Major Rowan, I think it should be remembered also that when he was given the order by his superior officer, it was not known where Garcia was or whether Garcia was still in existence or how great a task would be involved in the delivery of the message, and neither did Major Rowan. However, the major went forth and with great perseverance and bravery, which will always reflect glory on the American Army, he delivered the message.

Mr. HILL. Mr. President, will the Senator from Iowa yield to me?

Mr. GILLETTE. I yield.

Mr. HILL. It was a wonderful feat performed by Major Rowan, as the Senator from Missouri has said, one that meant much to the liberation and freedom of the people of Cuba. It was one of the great feats of history, the kind of a feat that unborn children will read of as an example of courage, loyalty, and devotion to duty. It is very natural that the Cuban people, through their Government, should see fit to confer this honor on Major Rowan in recognition of his service. I hope the Senator from Iowa is not going to object to the consideration of the bill.

Mr. GILLETTE. Mr. President, my colleagues wholly mistake my purpose. If there is anyone in the United States who is entitled to such recognition it is Major Rowan, in whose behalf this bill has been introduced. There is no question whatever as to that. I merely inquired why the Department of State had not complied with the direct provisions of the law which was passed by Congress calling upon the Department to report to the Seventy-fifth Congress the list of names. The Department has not done that, and Major Rowan's name is not here.

It was to direct attention to the laches and negligence of the Department of State in not complying with the order of Congress and with no disposition whatever to delay action in this case that I rose in the first place.

Because of the fact, as it has been called to our attention, that Major Rowan has reached an advanced age, that his time on earth in all probability will be short, I do not wish to object to the present consideration of the measure, but I do desire to register my disapproval of the failure of a department of this Government to comply with the order of a legislative enactment of the Congress.

The PRESIDING OFFICER (Mr. HATCH in the chair). If there be no objection, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following-named retired officer of the United States Army is hereby authorized to accept the Order Carlos Manuel de Céspedes tendered him by the Government of Cuba in appreciation of services rendered: Maj. Andrew S. Rowan.

CONFISCATION OF FIREARMS IN CERTAIN CASES

The Senate proceeded to consider the bill (S. 189) to provide for the confiscation of firearms in possession of persons convicted of felony and disposition thereof, which had been reported from the Committee on the Judiciary with amendments on page 1, line 3, after the word "That", to strike out "whenever" and insert "at this time", and on line 6, after the word "arrest", to strike out "shall" and insert "may", so as to make the bill read:

Be it enacted, etc., That at the time any person is convicted of a felony in any court of the United States, firearms and ammunition found in his possession or under his control at the time of his arrest may be confiscated and disposed of in accordance with the order of the court before which such person was tried. The court may direct the delivery of such firearms or ammunition to the law-enforcement agency which apprehended such person, for its use or for any other disposition in its discretion.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL AND RESOLUTION PASSED OVER

The bill (S. 197) to amend the Judicial Code in respect to claims against the United States for just compensation was announced as next in order.

Mr. KING. Mr. President, I ask for an explanation of this bill.

Mr. GURNEY. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 74) providing for a committee on civil aviation was announced as next in order.

Mr. VANDENBERG. Mr. President, this morning I submitted minority views on the resolution, and until those views are printed I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

NEW AND ENLARGED NATIONAL FORESTS IN MONTANA

The bill (S. 26) to empower the President of the United States to create new national-forest units and make additions to existing national forests in the State of Montana was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is authorized, in his discretion, to add to existing national forests, or to include within new national forests, by proclamation or Executive order, any unappropriated public lands of the United States situated in the State of Montana which, in his opinion, are chiefly valuable for the production of timber or the protection of watersheds: *Provided*, That the inclusion of such lands within a national forest shall be subject to any claim, entry, or appropriation under the public land laws then valid and subsisting and thereafter legally maintained.

Sec. 2. All previous acts and parts of acts in conflict herewith are hereby repealed insofar as they apply to the State of Montana.

JOY MONTGOMERY

The Senate proceeded to consider the bill (S. 1012) for the relief of Joy Montgomery, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "to", to strike out "Joy Montgomery" and insert "the legal guardian of Joy Montgomery, a minor"; in line 7, after the words "sum of", to strike out "\$1,000" and insert "\$500"; and in line 11, after the word "Provided", to insert "That before any payment is made under this act the parents of Joy Montgomery shall first release Hugh G. Pierce, the driver of the Government truck, from payment of the judgment rendered against him in the Circuit Court of Carter County, Tenn., on June 18, 1936: *Provided further*", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Joy Montgomery, a minor, of Hampton, Tenn., the sum of \$500 in full satisfaction of her claim against the United States for injuries sustained by her as a result of being struck by a Civilian Conservation Corps truck near Hampton, Tenn., on January 21, 1935: *Provided*, That before any payment is made under this act the parents of Joy Montgomery shall first release Hugh G. Pierce, the driver of the Government truck, from payment of the judgment rendered against him in the Circuit Court of Carter County, Tenn., on June 18, 1936: *Provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of the legal guardian of Joy Montgomery, a minor."

HOWARD ARTHUR BESWICK

The Senate proceeded to consider the bill (S. 129) for the relief of Howard Arthur Beswick, which was read, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United

States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, when filed, the claim of Howard Arthur Beswick, of Ludlow, Vt., for disability alleged to have been incurred by him October 21, 1928, when a plane piloted by him while a Naval Reserve officer on active duty crashed near Des Moines, Iowa: *Provided*, That claim hereunder shall be filed within 6 months after the approval of this act: *Provided further*, That no benefits shall accrue prior to the enactment of this act.

Mr. KING. Mr. President, I inquire as to the liability of the Government in the instance referred to in the bill. I am not familiar with the bill, and I merely desire an explanation of it.

Mr. BROWN. Mr. President, the bill merely waives the statute of limitations with respect to the act for the compensation of United States employees. The man was an aviator in the Navy Department, and he fell somewhere in Iowa in 1928. It was not until 1932 that the fact developed that he had suffered two bone fractures. X-rays showed that the fractures actually took place; and, according to medical testimony, there is no question that they were due to the accident in 1928. With the approval of the Navy Department and of the United States Employees' Compensation Commission, which interposed no objection, the bill merely waives the statute of limitations so that the beneficiary of the bill may go before the Commission.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRED H. BEAUREGARD

The Senate proceeded to consider the bill (S. 128) for the relief of Fred H. Beauregard, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "\$3,000" and insert "\$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred H. Beauregard, of St. Albans, Vt., the sum of \$1,000, in full settlement of his claim against the United States on account of the death of his minor son, Robert Bernard Beauregard, who died as a result of injuries received as a result of an accident involving a Government truck operated in connection with the Civilian Conservation Corps in St. Albans, Vt., on August 20, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROY D. COOK

The Senate proceeded to consider the bill (S. 1157) for the relief of the legal guardian of Roy D. Cook, a minor, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "\$5,000" and insert "\$2,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the legal guardian of Roy D. Cook, a minor, the sum of \$2,500, in full settlement of all claims against the United States for injuries suffered in an accident caused by the falling of a large United States mail box at Thirty-ninth and Hazelfern Place, in Portland, Oreg., on or about January 12, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE H. PIERCE AND EVELYN PIERCE

The Senate proceeded to consider the bill (S. 545) for the relief of George H. Pierce and Evelyn Pierce, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the words "sum of", to strike out "\$10,000" and insert "\$7,793.88", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to George H. Pierce and his wife, Evelyn Pierce, of Harwichport, Mass., the sum of \$7,793.88, in full satisfaction of their claim for damages against the Government of the United States on account of personal injuries of a permanent nature suffered by them on December 6, 1937, when the automobile in which they were riding was struck by an automobile belonging to the War Department and operated by an officer of said Department on route No. 3 in the town of Kingston, Mass.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered or expenses incurred in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered or expenses incurred in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. KING. Mr. President, I should like an explanation of this bill.

Mr. LODGE. Mr. President, George H. Pierce and Evelyn Pierce were the victims of a collision in which their car was struck by a vehicle operated by the United States Army Engineers. They suffered very severe physical injuries. The War Department has admitted that the accident was due at least in part to the defective condition of the Government vehicle, and interposes no objection to the payment of a proper sum.

I think anyone who reads the medical evidence will agree with me that these persons have had a perfectly terrific experience, and that, with the approval of the War Department, they are entitled to compensation.

I hope the bill may be passed.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to; and the bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 884) for the relief of disbursing officers and other officers and employees of the United States for disallowance and charges on account of airplane travel was announced as next in order.

Mr. KING. Mr. President, may I have an explanation of that bill?

The PRESIDING OFFICER. The bill was introduced by the Senator from Kentucky [Mr. LOGAN], who is not present.

Mr. KING. Then let it be passed over.

The PRESIDING OFFICER. The bill will be passed over.

RAY WIMMER

The Senate proceeded to consider the bill (S. 633) for the relief of Ray Wimmer, which had been reported from the Committee on Claims with an amendment at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ray Wimmer, the sum of \$121.20, in full satisfaction of his claim against the United States for the use of his personally owned automobile from December 5, 1934, to February 15, 1935, while employed as cruiser-appraiser, Indian Service, in cruising and appraising of timber on the Colville Indian Reservation, Wash.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding.

Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DICA PERKINS

The Senate proceeded to consider the bill (S. 12) for the relief of Dica Perkins, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "\$500" and insert "\$100", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dica Perkins, the sum of \$100, in full satisfaction of her claim against the United States arising out of the removal from her property near Cane Beds, Ariz., of certain pieces of petrified wood by enrollee members of the Civilian Conservation Corps: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EAST COAST SHIP & YACHT CORPORATION, OF NOANK, CONN.

The Senate proceeded to consider the bill (S. 1106) for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn., which had been reported from the Committee on Claims with amendments, on page 1, line 7, after "(1)", to strike out "\$4,200" and insert "\$2,100"; in line 11, after "(2)", to strike out "\$7,200.34" and insert "\$4,518.74"; on page 2, line 3, after the word "contract", to strike out "and (3) \$1,950, representing liquidated damages withheld by the Government under a contract No. W-52, qm-416, entered into by said corporation with the War Department for repairs to the United States distribution box boat L-40"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the East Coast Ship & Yacht Corporation, of Noank, Conn., the following sums: (1) \$2,100, representing liquidated damages withheld by the Government under a contract No. W-51, qm-412, entered into by said corporation with the War Department for repairs to the United States steamer *Colonel Barnett*; (2) \$4,518.74, representing payment for additional repairs which said corporation was required to make upon said steamer and which were not specified by said contract. The payment of such sums shall be in full satisfaction of all claims of said corporation against the United States arising out of said contracts or in connection with the repairs made on either of said vessels: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. KING. Mr. President, may I ask the Senator from Connecticut [Mr. MALONEY] to explain the bill, if he is familiar with the circumstances?

Mr. MALONEY. Mr. President, I am familiar with them, but I cannot add much to the report of the committee. A similar bill passed the Senate, as I recall, a year ago, having been introduced by my former colleague, Mr. Lonergan. The bill is to provide money which was paid by a New York insurance company at a time when the Federal Government claimed that the principal was responsible for damage to a vessel being repaired. A further investigation, which appears to be substantiated by the governmental authorities, disclosed the fact that the contractor was not responsible. The insurance company is asking from the contractor the return of its funds; and the investigations of the Government, the insurance company, and the contractor seem to agree that there really was no liability. The committee has reduced the amount which was originally requested.

Mr. KING. There is no objection by the Government or its agencies to the payment?

Mr. MALONEY. It seems to me that the governmental agencies agree.

Mr. KING. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RICHARD S. REED

The bill (S. 1119) to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum not to exceed \$605.50, as may be required by the Secretary of the Navy to reimburse Technical Sgt. Richard S. Reed, United States Marine Corps Reserve, after claimant shall have filed itemized statements showing actual damages sustained by proper appraisal, and under such regulations as he may prescribe pursuant to the provisions of the act approved January 21, 1936 (49 Stat. 2212), Private Law No. 373, Seventy-fourth Congress, for losses of and damages to reasonable and necessary personal property resulting from the earthquake which occurred at Managua, Nicaragua, on March 31, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

REIMBURSEMENT OF CERTAIN NAVAL PERSONNEL

The bill (S. 1117) to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum or sums, amounting in the aggregate not to exceed \$267.55 as may be required by the Secretary of the Navy to reimburse, under such regulations as he may prescribe, certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claims. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claims, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

ADDITIONAL MIDSHIPMAN AT UNITED STATES NAVAL ACADEMY

The Senate proceeded to consider the bill (S. 588) to provide for an additional midshipman at the United States Naval Academy, and for other purposes, which was read, as follows:

Be it enacted, etc., That there shall be at the United States Naval Academy one midshipman to be selected from among the sons of civilians residing in the Canal Zone and the sons of civilian employees of the United States Government and the Panama Railroad Co. residing in the Republic of Panama, whose appointment shall be made by the Secretary of the Navy on the recommendation of the Governor of the Panama Canal.

Mr. WALSH. Mr. President, this bill provides for only one appointment, to be made on the recommendation of the Governor of the Panama Canal. An appointment to the

Military Academy from the Canal Zone is now permitted by law, but not to the Naval Academy. This bill provides for such an appointment.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRED G. LEITH

The bill (S. 513) to provide for the promotion on the retired list of the Navy of Fred G. Leith was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint Fred G. Leith (chief pharmacist's mate, United States Navy, retired) as a lieutenant, junior grade, United States Navy. The President is authorized, immediately upon such appointment, to place the said Fred G. Leith on the retired list with the rank of a lieutenant, junior grade, United States Navy: *Provided*, That he shall not receive any increase in retired pay, allowances, or other benefits as the result of the passage of this act.

JACK LECHEL HAAS

The bill (S. 142) for the relief of Jack Lecel Haas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Navy, their widows, children, and dependent relatives, Jack Lecel Haas shall be held and considered to have been discharged with a good discharge under honorable conditions on April 27, 1928: *Provided*, That no pension, pay, bounty, or other benefit shall be held to have accrued prior to the enactment of this act by reason of its enactment.

RECONSTRUCTION FINANCE CORPORATION

The Senate proceeded to consider the bill (S. 1102) to continue the functions of the Reconstruction Finance Corporation and for other purposes, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and to insert:

That (a) section 1 of the act approved January 26, 1937 (50 Stat. 5), is hereby amended by striking therefrom "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (b) section 1 of the act approved March 31, 1936 (49 Stat. 1186), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (c) section 9 of the Reconstruction Finance Corporation Act (47 Stat. 9), as amended, is hereby further amended by inserting after the second sentence thereof the following sentence: "Such obligations may mature subsequent to the period of succession of the Corporation as provided by section 4 hereof."

Mr. VANDENBERG. Mr. President, I ask the Senator from New York [Mr. WAGNER] whether this bill is confined exclusively to extending the life of the Reconstruction Finance Corporation, or whether it also includes any reference to the Export-Import Bank?

Mr. WAGNER. It does not include any such reference, Mr. President.

Mr. VANDENBERG. Is there another measure on the subject?

Mr. WAGNER. There is another bill which was originally introduced by me and is still before the committee for consideration. This bill deals only with the Reconstruction Finance Corporation and extends the powers which it now has, until June 30, 1941. There is no change in its authority.

Mr. VANDENBERG. Very well.

Mr. KING. Mr. President, I should like a further explanation. Are we now to proceed upon the assumption that these organizations which were created because of the depression shall have their lives extended for an indefinite period of time? It seems to me we ought to be interested in terminating at the earliest possible moment some of these organizations that were created for a special purpose.

Mr. WAGNER. I agree with the Senator that they ought to be terminated just as soon as the necessity for their existence has expired. As a matter of fact, under the present law, the President may terminate the existence of this organization before 1941 if he decides that the emergency no longer exists.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WAGNER. Yes.

Mr. McKELLAR. Is it not true that the Reconstruction Finance Corporation has been an unusually successful corporation and that it has not cost the Government any money?

Mr. WAGNER. That is absolutely right.

Mr. McKELLAR. I have so understood.

Mr. WAGNER. And undoubtedly its operations will not cost the Government a cent.

Mr. KING. May I ask the Senator whether, if this bill is passed, the functions of the Reconstruction Finance Corporation are to be enlarged?

Mr. WAGNER. Oh, no; the bill does not change one bit the lending authority that Congress has heretofore conferred upon it.

Mr. KING. May the Reconstruction Finance Corporation make loans to the same organizations and industries and individuals as at present?

Mr. WAGNER. The power and authority given to the Reconstruction Finance Corporation by the act of last year, when we extended its life, have not been changed.

Mr. KING. What fund has been provided for meeting the loans which the Corporation may make?

Mr. WAGNER. That, of course, is under its original authorization. We gave it authority to loan up to \$2,000,000,000; and loans have been made to the extent of one billion and several hundred million dollars.

I may say to the Senator that, for instance, in one field alone—loans for self-liquidating projects to public bodies and other bodies which could qualify under the law—thus far there have been practically no defaults, and some of the bonds which the Corporation purchased have been sold to the public at a profit of some \$21,000,000 to the Government.

Mr. KING. Mr. President, the integrity and great ability of Jesse Jones probably will cause us not to object to the passage of this bill, because under his wise management success has attended the operations of this Corporation.

Mr. WAGNER. There is no doubt that he has made a great success of its administration.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEFINITION OF MURDER IN THE FIRST DEGREE

The bill (S. 186) to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 798 of the act entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901 (31 Stat. 1189), be amended to read as follows:

"Sec. 798. Murder in the first degree: Whoever, being of sound memory and discretion, kills another purposely and either of deliberate and premeditated malice or by means of poison, or kills another in perpetrating or in attempting to perpetrate any offense punishable by imprisonment in the penitentiary, is guilty of murder in the first degree."

RESEARCH ASSISTANTS IN DISTRICT PUBLIC SCHOOLS

The bill (S. 1125) to provide for the appointment of research assistants in the public schools of the District of Columbia, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Board of Education is hereby authorized to appoint research assistants who shall qualify for said positions by meeting such eligibility requirements as the said Board may prescribe and who shall on appointment be assigned to salary class 2 of article I of the Teachers' Salary Act, approved June 4, 1924, in accordance with the professional qualifications which they possess at the time of appointment.

Sec. 2. Research assistants shall be appointed to either group A or group C of said salary class 2 in accordance with the eligibility qualifications possessed and the character of duties to be performed by such research assistants.

Sec. 3. Research assistants shall be promoted to group B or group D of said salary class 2 on the basis of such evidence of superior work and increased professional attainments as the Board of Education may prescribe.

Sec. 4. That research assistants shall be classified as teachers for pay-roll purposes and for retirement purposes.

SEC. 5. Appointments, assignments, and transfers authorized in this act shall be made in accordance with the act approved June 20, 1906, as amended (Public, No. 254).

SEC. 6. This act shall take effect on July 1, 1939.

GAS AND ELECTRIC METERS

The bill (S. 1123) to amend paragraph 57 of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subparagraph fifth, paragraph 57, of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913 (37 Stat. 974), be amended by deleting the words "4 percent, if an electric meter, or more than" and deleting "if a gas meter," so that the said subparagraph when so amended shall read as follows:

"If any consumer to whom a meter has been furnished shall request the Commission in writing to inspect such meter, the Commission shall have the same inspected and tested; if the same, on being so tested, shall be found to be more than 2 percent defective or incorrect to the prejudice of the consumer, the inspector shall order the gas or electrical corporation forthwith to remove the same and to place instead a correct meter, and the expense of such inspection and test shall be borne by the corporation; if the same, on being so tested, shall be found to be correct, the expense of such inspection and test shall be borne by the consumer."

LICENSE FEES FOR PUBLIC VEHICLES IN THE DISTRICT

The bill (S. 1129) to amend paragraphs 31 and 33 of an act entitled "An act to amend section 7 of an act entitled 'An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes,' approved July 1, 1902, and for other purposes," approved July 1, 1932, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That subparagraphs (c) and (d) of paragraph 31 and paragraph 33 of an act entitled "An act to amend section 7 of an act entitled 'An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes,' approved July 1, 1902, and for other purposes," approved July 1, 1932, are amended to read as follows:

"(c) Owners of passenger vehicles for hire having a seating capacity of eight passengers or more, in addition to the driver or operator, other than those licensed in the preceding subparagraph, shall pay a license tax of \$100 per annum for each vehicle used. No such vehicle shall be operated unless there shall be conspicuously displayed therein a license issued under the terms of this subparagraph. Licenses issued under this subparagraph shall date from March 1 of each year, but may be issued on or after February 15 of such year: *Provided, however,* That all licenses issued for a period prior to March 1, 1940, shall expire on February 29, 1940, and the license fee therefor shall be prorated accordingly.

"(d) Owners of passenger vehicles for hire, whether operated from a private establishment or from public space, other than those licensed in the two preceding subparagraphs, shall pay a license tax of \$25 per annum for each such vehicle used in the conduct of their business. Stands for such vehicles upon public space, adjacent to hotels or otherwise, may be established in the manner provided in section 6 (e) of the act entitled 'An act to amend the acts approved March 3, 1925, and July 3, 1926, known as the District of Columbia Traffic Acts, and so forth.' The Public Utilities Commission is hereby authorized to make and enforce all such reasonable and usual police regulations as it may deem necessary for the proper conduct, control, and regulation of all vehicles described in this and the preceding subparagraphs and paragraph 33 hereof. Licenses issued under this subparagraph shall date from March 1 of each year, but may be issued on or after February 15 of such year: *Provided, however,* That all licenses issued for a period prior to March 1, 1940, shall expire on February 29, 1940, and the license fee therefor shall be prorated accordingly.

"PAR. 33. Owners of vehicles for hire, used in hauling goods, wares, or merchandise, and operating from public space, shall pay a license tax of \$25 per annum for each vehicle. Stands for such vehicles upon public space may be established in the manner provided in section 6 (e) of the act entitled 'An act to amend the acts approved March 3, 1925, and July 3, 1926, known as the District of Columbia Traffic Acts, and so forth.' Licenses issued under this subparagraph shall date from March 1 of each year, but may be issued on or after February 15 of such year: *Provided, however,* That all licenses issued for a period prior to March 1, 1940, shall expire on February 29, 1940, and the license fee therefor shall be prorated accordingly."

RETIREMENT OF PUBLIC-SCHOOL TEACHERS

The bill (S. 1130) to amend Public Law No. 111, Sixty-sixth Congress, entitled "An act for the retirement of public-school teachers in the District of Columbia," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 10 of the act entitled "An act for the retirement of public-school teachers in the District of Columbia," approved January 15, 1920, as amended, is further amended to read as follows:

"That every teacher from whose salary retirement deductions are made in accordance with this act shall be required to designate in writing a beneficiary or beneficiaries to whom the amount of his deductions, together with interest then credited thereon, shall be payable in the event of the death of such teacher.

"Sec. 2. In the event of death of any such teacher the order of precedence of payments shall be as follows: First, to the beneficiary, or beneficiaries, designated in writing by the teacher and recorded on his or her individual account; second, if there be no such beneficiary or beneficiaries designated, then to the duly appointed executor, or administrator, of the estate; third, if there be no such beneficiary, or if an executor or administrator be not appointed within 6 months after the death of such teacher, payment shall be made into the registry of the District Court of the United States for the District of Columbia."

STREET LIGHTING IN THE DISTRICT OF COLUMBIA

The bill (S. 1294) to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia, subject to appropriations therefor, are hereby authorized and empowered to require that all public and other lamps under their control be lighted during such hours as in their judgment will most effectively promote the safety and convenience of the public.

JOHN PHILIP SOUSA BRIDGE

The bill (S. 494) to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King" John Philip Sousa, composer of *The Stars and Stripes Forever*, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the bridge authorized to be erected over the Anacostia River, in the District of Columbia, in the line of Pennsylvania Avenue, be hereafter known as the John Philip Sousa Bridge.

ENFORCEMENT OF ORDERS, RULES, AND REGULATIONS IN THE DISTRICT

The bill (S. 1126) to provide alternative methods of enforcement of orders, rules, and regulations of the Joint Board and of the Public Utilities Commission of the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That prosecution for violation of any rule, order, or regulation made, adopted, or approved by the Public Utilities Commission under authority of section 8 of the act approved March 4, 1913 (37 U. S. Stat. L. 974), or amendments thereto, or section 6 (e) of the traffic acts, as amended February 27, 1931 (46 U. S. Stat. L. 1424), or section 7 of the act approved July 1, 1902 (32 U. S. Stat. L. 590), as amended by the act approved July 1, 1932 (47 U. S. Stat. L. 550), or by the joint board under authority of section 6 (e) of the said traffic acts, as amended February 27, 1931, or section 7 of said act approved July 1, 1902, as amended by said act approved July 1, 1932, shall be on information in the police court of the District of Columbia, in the name of the District of Columbia, by the corporation counsel or any of his assistants. Any person, corporation, or public utility violating any such rule, order, or regulation shall, upon conviction, be fined not more than \$200: *Provided*, That the provisions of this act shall not be construed to apply to rules, orders, or regulations adopted or promulgated by the Commissioners of the District of Columbia which are not specifically required to be referred to the joint board or subject to the approval of such board: *Provided further*, That with respect to orders, rules, or regulations made or adopted by the Public Utilities Commission under authority of section 8 of the said act approved March 4, 1913, this section shall be construed to apply only to such orders, rules, or regulations as are subject to the penalties specifically provided in paragraph 85 of that act.

Sec. 2. The provisions of section 1 of this act and of paragraph 85 of section 8 of the said act approved March 4, 1913, so far as they relate to the orders, rules, and regulations of the Public Utilities Commission, shall be construed as prescribing alternative methods

of enforcement of the orders, rules, or regulations of the Commission, and any order, rule, or regulation adopted by the Public Utilities Commission which is required to be referred to or is subject to the approval of the joint board may be enforced either as provided by paragraph 85 of section 8 of the act approved March 4, 1913, or as provided in section 1 of this act.

SALARIES OF TEACHERS AND OTHERS IN THE DISTRICT OF COLUMBIA

The bill (S. 1295) to amend section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes," approved June 4, 1924, be amended to read as follows:

"Sec. 9. That every teacher in the service on July 1, 1924, except as herein otherwise provided, and every teacher thereafter appointed, shall be assigned to group A of the class to which eligible or to group C of class 2 and shall be promoted to group D of class 2 or group B of any class on the basis of such evidence of superior teaching and of increased professional attainments as the Board of Education may prescribe: *Provided*, That teachers receiving salaries in group B of class 6 on June 30, 1924, and teachers receiving salaries in group A of class 6 who on June 30, 1924, are on the eligible list for promotion to group B of class 6, shall be assigned to group B of class 3 on July 1, 1924, without further examination or additional qualifications: *Provided further*, That no person who has not received for at least 1 year the maximum salary of group A in any class or group C of class 2 shall be eligible for promotion to group B of any class or group D of class 2: *And provided further*, That the number of group B and group D salaries shall be divided proportionately between the teachers in the white schools and the teachers in the colored schools on the basis of the enrollment of pupils in the respective white and colored schools."

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF FIRST CONGRESS—JOINT SESSION OF THE CONGRESS

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate House Concurrent Resolution 8, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the first paragraph of House Concurrent Resolution 4 of the Seventy-sixth Congress is hereby amended to read as follows: "That in commemoration of the one hundred fiftieth anniversary of the First Congress of the United States under the Constitution, begun and held at the city of New York on Wednesday, the 4th of March 1789, the two Houses of Congress shall assemble in the Hall of the House of Representatives at 12 o'clock m., on Saturday, March 4, 1939."

Mr. BARKLEY. Mr. President, I ask for the immediate consideration of the concurrent resolution. The concurrent resolution simply changes from 11 to 12 o'clock the hour of meeting in joint session by the two Houses on the 4th day of March, to commemorate the one hundred and fiftieth anniversary of the First Congress of the United States under the Constitution.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request for the immediate consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to.

WATER POLLUTION CONTROL

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Commerce:

To the Congress of the United States:

The last Congress recognized the national importance of pollution abatement in our streams and lakes by passing, during its closing days, an act providing for the creation of a Division of Water Pollution Control in the United States Public Health Service and for the establishment of a permanent system of Federal grants-in-aid and loans to assist in constructing pollution-abatement projects. Although fully subscribing to the general purposes of that act, I felt compelled to withhold my approval of it because of the method

which it provided for the authorization of loans and grants-in-aid. It would have prevented the consideration of such appropriations as a part of the annual Budget for all purposes. My reasons are set forth in detail in my memorandum of June 25, 1938. I hope that at this session the whole problem of water pollution may again receive your attention.

To facilitate study of the problem by the Congress, I am transmitting a report on Water Pollution in the United States, which outlines the status of pollution, the cost of bringing about a reasonable degree of abatement, and the financial, technical, and administrative aspects of such a program. The document was prepared at my request by a special advisory committee of the National Resources Committee composed of representative experts from the Departments of War, Treasury, the Interior, Agriculture, and Commerce and from private and State agencies.

No quick and easy solution of these problems is in sight. The committee estimates that an expenditure by public and private agencies of approximately \$2,000,000,000 over a period of 10 to 20 years may be required to construct works necessary to abate the more objectional pollution. Inasmuch as the needed works are chiefly treatment plants for municipal sewage and industrial waste, the responsibility for them rests primarily with municipal government and private industry. Much construction work is in progress. Many State agencies have forced remedial action where basic studies have shown it to be practicable.

Unprecedented advances in cleaning up our streams have been made possible by the public works and work relief programs during the past 6 years. The report states that more progress has been made in abatement of municipal waste during that period than during the entire 25 years preceding, chiefly as a result of Federal financial stimulation. As in many other fields of conservation, great improvement in the Nation's basic assets of water has been incident to the fight against unemployment. If this construction work is to continue at a substantial rate, and if the necessary research, education, and enforcement activities are to be carried out most effectively, the Federal Government must lend financial support and technical stimulation.

It is my opinion that, pending further experimentation with interstate and State enforcement activities, Federal participation in pollution abatement should take the general form of establishing a central technical agency to promote and coordinate education, research, and enforcement. On the basis of recent experience, it should be supplemented by a system of Federal grants-in-aid and loans organized with due regard for the integrated use and control of water resources, and for a balanced Federal program for public works of all types. The time is overdue for the Federal Government to take vigorous leadership along these lines.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 15, 1939.

Mr. BARKLEY. Mr. President, the bill referred to in the message of the President as having been vetoed by him was a bill of which I happened to have the honor to be the author. It has been for some time recognized that the Federal Government must to some extent lead the way in the purification of our streams, in order to conserve life and health. The Committee on Rivers and Harbors of the House of Representatives and the Commerce Committee of the Senate labored long and industriously in framing a bill covering this subject. The bill was finally passed almost unanimously by both Houses, and it was sent to the President in the closing days of the last session. The President vetoed it after the Congress had adjourned, on the ground that the provision for grants-in-aid and loans to municipalities and to industries to enable them to establish stream pollution devices did not require that such appropriations should go through the Budget. He vetoed the bill on that ground.

I have reintroduced the measure substantially as it was passed by both Houses last year, with the objectionable part eliminated, and the bill is now pending before the Committee on Commerce of the Senate, and a similar bill is pending in the House Committee on Rivers and Harbors.

I appreciate the objection which the President urged, and which induced him to veto the bill. Realizing the importance of the subject, I am glad he is bringing it again to our attention in a special message, and I hope that at a very early date the Committee on Commerce will report the proposed legislation and that the Congress will again enact it and send it to the President in a form which will not incur his disapproval.

THE NATION'S ENERGY RESOURCES

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read:

To the Congress of the United States:

In accordance with my request of March 15, 1938, the National Resources Committee, in consultation with the other Federal agencies concerned, has prepared a comprehensive study of our energy resources, which I present herewith for your consideration.

This report represents the joint effort of many specialists both within and outside the Federal Government. It suggests policies, investigations, and legislation necessary to carry forward a broad national program for the prudent utilization and conservation of the Nation's energy resources.

Our resources of coal, oil, gas, and water power provide the energy to turn the wheels of industry, to service our homes, and to aid in national defense. We now use more energy per capita than any other people, and our scientists tell us there will be a progressively increasing demand for energy for all purposes.

Our energy resources are not inexhaustible, yet we are permitting waste in their use and production. In some instances, to achieve apparent economies today future generations will be forced to carry the burden of unnecessarily high costs and to substitute inferior fuels for particular purposes. National policies concerning these vital resources must recognize the availability of all of them; the location of each with respect to its markets; the costs of transporting them; the technological developments which will increase the efficiency of their production and use; the use of the lower-grade coals; and the relationships between the increased use of energy and the general economic development of the country.

In the past the Federal Government and the States have undertaken various measures to conserve our heritage in these resources. In general, however, each of these efforts has been directed toward the problems in a single field: Toward the protection of the public interest in the power of flowing water in the Nation's rivers; toward the relief of economic and human distress in the mining of coal; or toward the correction of demoralizing and wasteful practices and conditions in the industries producing oil and natural gas. It is time now to take a larger view; to recognize—more fully than has been possible or perhaps needful in the past—that each of our great natural resources of energy affects the others.

It is difficult in the long run to envisage a national coal policy, or a national petroleum policy, or a national water-power policy without also in time a national policy directed toward all of these energy producers—that is, a national energy-resources policy. Such a broad and integrated policy toward the problems of coal, petroleum, natural gas, and water power cannot be evolved overnight.

The widening interest and responsibility on the part of the Federal Government for the conservation and wise use of the Nation's energy resources raise many perplexing questions of policy determination. Clearly, there must be adequate and continuing planning and provision for studies which will reflect the best technical experience available, as well as full consideration for both regional and group interests.

Some Federal legislation affecting the energy resources will expire at the end of this fiscal year; other legislation at the end of a few more years. This report sets forth a useful frame of reference for legislative programs affecting these resources and illustrates another approach to the systematic husbandry of our natural resources. Specific recommendations are advanced for solution of the most pressing problems.

In order to facilitate its use by the Congress, I recommend that this report be printed together with the supporting staff reports and illustrations, when these are available in final form, in conformity with similar reports prepared by the National Resources Committee.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 15, 1939.

The PRESIDING OFFICER. The Chair wishes to say that there seems to be some question as to which committee should receive this message from the President. If there be no objection, the Chair will refer the message, with the accompanying report, to the Committee on Public Lands and Surveys.

BURIAL EXPENSES OF NATIVE FEDERAL EMPLOYEES ABROAD

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the accompanying draft of proposed legislation designed to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 15, 1939.

[Enclosures: 1. Report of the Secretary of State; 2. Draft of proposed bill.]

RETIREMENT OF MR. JUSTICE BRANDEIS

Mr. WALSH. Mr. President, I desire to call the attention of the Senate to the retirement of Mr. Justice Brandeis, and to make a very brief statement for the RECORD in connection with his retirement.

It was but a few years ago that I had occasion to rise in this Chamber to extol the character and the qualities of mind and spirit, and to refer to the contribution to the cause of justice and of jurisprudence of a citizen of my own State of Massachusetts, who had rendered throughout a long life notable public service, and whose name and career are permanently enshrined on the honor roll of the truly great figures of American history. I refer to the late Oliver Wendell Holmes, a Justice of the United States Supreme Court for a span of 30 years, and whose retirement in 1932 at the age of 91 is still fresh in memory.

I rise today to pay brief but sincere tribute to another citizen of Massachusetts, to a man whose name will be ever joined in history, as it was in life, with that of Holmes; to one who was his companion not only in the physical sense, as a colleague and confrere on the highest court of our land, but who also was his companion in a spiritual sense, as one who shared with Holmes, profound wisdom in the law, coupled with a deep and abiding sense of social justice. I refer to Louis D. Brandeis, who now, in his eighty-third year, relinquishes his place on the Supreme Court, and brings to a close 23 years of arduous, conscientious, and distinguished public service as a member of the Court.

Both Holmes and Brandeis, of such contrasting antecedents and early environment, were alike in their liberalism—a liberalism of a kind that was ever consonant with liberty and with the fundamental concepts of democracy. They were alike in their fidelity to their ideals, in their fidelity to the Constitution, in their moral courage, and in their consciousness of the responsibilities of the courts and the law as instruments of justice and social progress.

When Woodrow Wilson nominated Louis D. Brandeis to the Supreme Court in 1916 he said of him, "This friend of justice and of men will ornament the High Court of which we are all so justly proud." Seldom has a prediction been more wholly validated by subsequent events. It is, in fact,

an understatement, for Justice Brandeis has been infinitely more than an ornament to the Court. He has proved a dynamic force in maintaining the Supreme Court as a living and vital and authoritative arm of government.

The present is clearly no time to attempt any full appraisal of the character and attainments and accomplishments of Justice Brandeis. This will be for future historians. I am undertaking no such appraisal in these brief remarks today. But it seemed fitting that the journal of the proceedings of the Senate this day should note the retirement of Justice Brandeis, which has just taken place, and should record the sentiments of his countrymen and of this body, their gratitude and appreciation, so universally shared, and the respect which they have for him as a man, as a jurist, and as an American.

Mr. LODGE. Mr. President, I desire to associate myself with the remarks which have just been made by my colleague, the senior Senator from Massachusetts [Mr. WALSH], relative to Mr. Justice Brandeis. As we look at his career and at his record of accomplishment we may well envy all that he has done, and his life may well serve as an inspiration and as a challenge to all young Americans today. Even before his appointment to the Supreme Court he had a record of achievement which few men could equal. He had already made himself known as a vital, aggressive fighter for justice, and as a man who was willing to give the great output of his brain and his character for improving the lot of his fellow men. Since he has been on the Supreme Court he has shown a passion for justice, and those attributes of kindness and generosity which are the only qualities that will make possible the survival of democracy.

It is a wonderful thing to contemplate a man the force of whose emotions is equaled by the power of his intellect. I know that I express the sentiments of the citizens of the State which I have the honor in part to represent when I wish for Mr. Justice Brandeis many years of health and happiness and continued usefulness to his fellow men.

Mr. BARKLEY. Mr. President, as a Kentuckian I wish merely to express a word of appreciation for what both Senators from Massachusetts have said with respect to Mr. Justice Brandeis. He pursued in early life a course the reverse of that ordinarily pursued by young men in the East and in the Middle West. Instead of going west he went east. He was born in Kentucky. He was partly educated there. Finally he became a citizen of Massachusetts.

My first official contact with Mr. Justice Brandeis was as the chairman of a subcommittee of the Committee on Interstate and Foreign Commerce of the House of Representatives in 1914. There was before that subcommittee legislation which had been pending in one form or another in Congress for more than a quarter of a century, and Mr. Justice Brandeis, then Mr. Brandeis, appeared before the subcommittee in advocacy of the legislation. I did not agree with him as to the wisdom of the legislation, but I soon discovered by his manner of presentation that he had as intellectual a mind and as logical an approach to a given subject as any public man it had ever been my privilege to observe.

I recall the long contest involved in the confirmation of his nomination in 1916 in this Chamber, probably one of the most memorable contests over the confirmation of the nomination of a high appointive officer in the history of the Nation; and that contest, it seems to me, may afford us a lesson, even in our time, that, however much we may attempt to suppress honest thought and honest expression, we may not only find ourselves unable to do so, but we may find it extremely unwise to make the attempt.

Mr. Justice Brandeis has had a wholesome and refreshing influence on the Supreme Court. During most of his adult life he has had a similar influence upon discussions of public questions throughout the Nation. He will take his place with Marshall, with Story, with Taney, and with Holmes as an outstanding member of the Supreme Court.

I regret that the encroachment of age and the infirmities consequent thereto made it necessary or advisable for him to retire. I wish for him and for his family even longer

life and greater happiness. Since he has been on the bench it has frequently been my great privilege to share his hospitality in his home. I hope that for the years which remain to him he may continue, in whatever form or fashion he himself may decide, to exercise that great and leveling influence which he has exercised in private and in public life during most of his 82 years on earth.

AUTHORIZATION FOR COMMITTEE ON APPROPRIATIONS TO REPORT DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the adjournment of the Senate, which will be until tomorrow, the Committee on Appropriations be authorized to report such measures as it may be ready to report. I have in mind particularly the independent offices appropriation bill, which I understand is to be reported today. I have no desire to hold the Senate in session for that purpose. I ask that the committee be authorized to submit its report so that the Senate may take up the bill tomorrow and consider it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

CENTENARY OF BIRTH OF FRANCES E. WILLARD

Mr. WAGNER. Mr. President, tomorrow, February 17, will be the anniversary of the death of an outstanding figure in American history, Frances E. Willard. She was born on September 28, 1839, in the village of Churchville, N. Y. I take this occasion to pay a deserving tribute to the memory of this noble woman, who achieved true greatness by her pioneering efforts in behalf of education, woman suffrage, temperance, and social justice. She is the only woman honored by having her statue in Statuary Hall in the Capitol Building.

I ask unanimous consent to have printed as part of my remarks an article appearing in the Union Signal on January 7, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANIFOLD FACETS OF FRANCES WILLARD'S MIND REVEALED IN GREETINGS FOR HER CENTENARY YEAR SENT BY LEADERS OF TODAY'S HUMAN WELFARE GROUPS

Advocates of social change are often superficially labeled by the multitude. So today, in this year of the celebration of her centenary, Frances Willard is still cataloged in a large part of the public mind only as a temperance reformer. She was more than a temperance advocate. Temperance was not an isolated problem in her day any more than it is in 1939. "When we began the delicate, difficult, and dangerous operation of dissecting out the alcohol nerve from the body politic," she once explained, "we did not realize the intricacy of the undertaking nor the distances that must be traversed by the scalpel of investigation and research."

When Frances Willard set about to traverse those distances by introducing her "Do everything policy" into the W. C. T. U. her critics accused her of a "scatteration policy." She had an answer for them, for she had mapped her paths carefully. "Everything is not in the temperance reform," she agreed, "but the temperance reform should be in everything. The 'do-everything policy' was not of our choosing, but is an evolution, as inevitable as any traced by the naturalist or described by the historian. A one-sided movement makes one-sided advocates. Virtues, like hounds, hunt in packs. An all-around movement can only be carried forward by all-around advocates; a scientific age requires the study of every subject in its correlations. Standing in the valley, we look up and think we see an isolated mountain; climbing to its top, we see that it is but one member of a range of mountains, many of them of well-nigh equal altitude. Every question of practical philanthropy or reform has its temperance aspect, and with that we are to deal."

Practical philanthropy or reform—that was the keynote of her choice of activities and the standard she set for her world-wide followers. All during her busy life she had not only joined societies and organizations; she had herself been in the vanguard, had founded and organized, sponsored, and abetted the beginnings of humanitarian movements of innumerable sorts. The imprint she made upon her generation did not die with Frances Willard. Today, four decades later, the organizations she helped found have not forgotten the signposts she erected. In 1939 organized groups which live and prosper and see results of their efforts remember the groundwork laid for them by Frances Willard and her enlightened contemporaries. Her versatility is evidenced by her memberships and interests.

One of Miss Willard's younger friends, now nationally revered as valiant in the suffrage movement, where these two dynamic feminists worked together, brings this appraisal:

"The United States has never produced a greater woman than Frances E. Willard. Others sought opportunities for education,

better laws, and the vote for women. Miss Willard envisaged women already equipped with those facilities and pictured many aims to be attained by such advanced women. From her thousands of women learned what to pray for, organize and work for, talk, write, and publicly speak for. She inspired a world of women.

"CARRIE CHAPMAN CATT."

In 1888 Frances Willard and Susan B. Anthony and May Wright Sewall and other analytical women had seen the need for a clearing house of women's activities in the United States and the world. And so they brought 5,000 people together in Albaugh's Opera House in Washington, D. C., and organized the National Council of Women. Frances Willard was elected president. The national W. C. T. U. was to have the advantage of conference with other women's organizations; these other groups were to hear that the liquor question belonged to them, as mothers and wives, just as much as it belonged to a temperance organization. Today the president of the National Council of Women says of her famous predecessor:

"The National Council of Women of the United States, Inc., is justly proud to claim Frances E. Willard, the greatest woman philanthropist of the nineteenth century, as its first president and cofounder with Susan B. Anthony and May Wright Sewall. She stands as a shining light among other splendid women of her time who strangely enough had to fight to prove that both the responsibility for and the guidance of human affairs belong to women as well as to men.

"She has handed the women of America a challenge to use the ballot to good purpose and the women of the world a sacred trust to stand for tolerance, justice, and civil liberty for all men, women, and children alike.

"I feel sure that her life motive was 'I am my brother's keeper' and that in this centenary celebration of her devotion to mankind, she would bid us efface self in the service of the agonizing world of today.

"RUTH HALLER OTTAWAY,
"President, National Council of Women."

The recent Edinburgh convention of the International Council of Women paid tribute to the talent of the woman who helped draw up its founding constitution—Frances Willard.

In the same year that Frances Willard helped organize the National Council of Women, college girls who were just coming into the rich heritage for which she was partly responsible, elected her president of their national fraternity, Alpha Phi. Thirteen years previous a cultured, traveled woman had gone to Syracuse University to give an address before the Woman Congress then in session. From among the galaxy of speakers, including Julia Ward Howe, Mary Livermore, Susan B. Anthony, and Elizabeth Cady Stanton, the girls had chosen to ask the slender, auburn-haired little Frances Willard, in her brown tailored suit, to honor their sorority by her membership. After the meeting, the girls sat on the floor at her feet in their chapter house as she talked to them of ideals and of what they might do with their lives. Sixty-four years later 11,000 active and alumnae members of Alpha Phi international fraternity celebrate the centenary of their famous sister and reconsider in the light of today the problems she believed important. The international president writes from Canada:

"We of Alpha Phi international fraternity are proud and honored to claim Frances E. Willard, who was once our national president as an esteemed member.

"We felt extremely privileged to participate in the auspicious opening celebration of the centenary year of Frances Willard, last September 28, the day of dedication of Willard Hall, Northwestern University, a beautiful, new dormitory for freshmen women, which bears her name. It was a most inspiring afternoon, and even more inspiring when we realize that Miss Willard was the first dean of women at this university and remembered the important and significant part she played in promoting education for women. Our international organization (and hers) felt it a great honor to be allowed to present the university with an exquisite portrait of Frances Willard to hang in the entrance hall of the new building. This portrait was painted by Karl Buehr from a small daguerreotype taken when Miss Willard was a young woman of college age. It is our most sincere hope and prayer that the spirit expressed in this firm but young face, as she sits in a soft green frock, leaning slightly forward, eagerly and ardently looking out, ahead, will not fail to leave its impress on the girls so fortunate as to live in Willard Hall and under the aegis of this great woman.

"We have made many and varied plans to pay tribute to Miss Willard during the year. Our various chapters throughout the United States and Canada will celebrate at times most suitable to them and with ceremonies appropriate for the occasion. Last September 28 our chapter at Winnipeg, Manitoba, Canada, planted Frances Willard peonies with due ceremony. In October, at Rollins College, a most fitting service was held in connection with the Frances Willard stone in the Walk of Fame at that university. Early in this year our chapters at Goucher College and American University, in cooperation with the alumnae chapters of that district, plan to place a wreath at the foot of the statue of Frances Willard in the Capitol at Washington.

"I am sure it will mean a very great deal in the lives of our modern college girls to participate in these celebrations, and that in so doing it will help them to realize the significance of Miss Willard's achievements so amazingly accomplished when the emancipation of women was still in its beginnings—offering them a

challenge to prepare for the tremendous opportunities—and equally tremendous obligations—for women in the world today.

"It is such a wonderful work that you are doing, and may this year be one of the most successful and encouraging that you have yet known.

"DOROTHY KERNOHAN,
"President, Alpha Phi International Fraternity."

Alpha Phi's of today are likewise honored in election to high office, as was their sister, Frances Willard, who wrote of her childhood: "Mother had talked to us so much about America that from earliest recollection we had spelled nation with a capital N. To us our native land was a cherishing mother, like our own in gentleness and strength, only having so many more children, grateful and glad, under her thoughtful care. We loved to give her praises, and half believed that sometime, when we grew big enough, and got out into the wide, wide world, we should find her and kneel to offer her our loving service and to ask her blessing." Thus in womanhood wrote this descendant of one of the founders of Concord, who became a charter member (No. 243) of the Daughters of the American Revolution and a cofounder of the Chicago D. A. R. Chapter. The W. C. T. U. has an evangelistic department; the D. A. R. elects a chaplain for each unit; the W. C. T. U. promotes child welfare; the D. A. R. sponsors schools and homes of inestimable character-building value. Their president general writes:

"Frances E. Willard was an early member of the National Society of the Daughters of the American Revolution, of which I now hold the office of president general. She received a degree from Syracuse University, from which I was graduated. She was a member of the Alpha Phi fraternity, to which I belong. Not alone for these reasons, but also for her nobility of character, her far-seeing vision, and her courage of conviction, I am happy to express appreciation of the life and service of Frances E. Willard upon the beginning of the year, which marks the one hundredth anniversary of her birth.

"SARAH CORBIN ROBERT,
"President General,
"Daughters of the American Revolution."

The college girl of the fifties, who became a school teacher because practically no other field was open to her professionally, saw, in 1879, the National Education Association, representing the teachers of the United States, take a favorable pioneer stand on the question of teaching to the children of the Nation the effects of alcohol upon the human system. In all the years which have followed, the N. E. A. has said, "Thus saith science." The editor of its journal writes, in 1939:

"Many of the benefits of civilized living which we today enjoy have come in consequence of the leadership of women who for insight, courage, and persistent application of their talents to a noble cause rank at the very top of the list of the Nation's heroic pioneers. Such a woman was Frances E. Willard. Too few women today appreciate the struggles of those early days or realize how recently women have come into the heritage they now enjoy or understand the struggles yet to be won before women can rise to their fullest usefulness and happiness.

"H. A. Overstreet in his admirable book, 'We Move in New Directions,' describes seven adventures in pioneering which are the history of the American people, the sixth of which he lists as the pioneering associated with Frances E. Willard and her contemporaries against sex tyranny and injustice.

"Overstreet then goes on to point out that each of these great enterprises in pioneering failed to carry itself to completion. To face that fact and to take up anew where the first pioneers left off is the task of the oncoming generation. They are fast coming to occupy positions of leadership. Will they really lead or merely occupy the positions? Upon the answer to that question hangs the future of American civilization. May the life and work of Frances E. Willard challenge and inspire a host of needed new pioneers.

"JOY ELMER MORGAN,
"Editor, Journal of the National Education Association."

From school teacher to college president progressed the amazing Frances Willard and when, in 1873, her college merged with Northwestern University she became its first dean of women. With the progress of the years she added, to the four degrees she held at that time, an LL. D. from Ohio Wesleyan. She served as a member of the board of trustees of Northwestern University and watched the idea of student self-government, which she had originated in the early seventies, spread and take root nationally. No tribute to Frances Willard would be complete until the university women of today speak. Were she living, they would welcome her mind and training and abilities to their ranks.

"The American Association of University Women is happy to send greetings to The Union Signal in recognition of the one hundredth anniversary year of the birth of Frances E. Willard, one of the great women educators of the past century. Frances Willard is remembered primarily in connection with the Woman's Christian Temperance Union, but her services to the cause of the higher education of women were no less distinguished. As professor, dean, and college president she worked valiantly for the cause, and in her own great career she exemplified the highest ideals of the educated woman who gives her life in service to her generation.

"MARGARET S. MORRIS,
"President, American Association of University Women."

Active at the New Orleans exposition in 1885 was the opportunist, Frances Willard. Seven years before, she and her sister-in-law had taken over the editorship of her late brother's Chicago paper. At New Orleans were many newspaperwomen. She saw that if women were to advance in this particular field, they must band together, as had the presswomen in the W. C. T. U., and she became a founder of the Illinois Woman's Press Association, whose contemporary president writes:

"The Illinois Woman's Press Association (the world's oldest organization of professional women writers) is proud and happy to join in the observance of the centenary of Frances E. Willard, its most distinguished founder member. With inspired vision she foresaw that women would wield, through the press of the world, a power undreamed of in those early years; and she envisioned the character of that power when she wrote:

"The journalistic temperament is almost the finest in the world—keen, kind, progressive, and humanitarian."

"That high standard is a torch which, for more than half a century, has led the Illinois Woman's Press Association to a scope of activities which encompasses many of the ideals of Frances Willard. Thus we do her honor.

"HELEN MILLER MALLOCH,
"President, Illinois Woman's Press Association."

Had there been an organization known as the Federation of Business and Professional Women's Clubs in Frances Willard's day, she would indeed have had an active part therein. It is not surprising that the national group of this name is planning as part of its biennial convention program an observance of the centenary of this woman, who gave such momentum to women's progress in the last century. Aptly, and reverently, the international president of this organization pays tribute:

"A teacher with the world for a classroom was Frances E. Willard. A spiritual leader who touched human need at many points and blessed whatever cause her hand fell upon.

"We of the International Federation of Business and Professional Women must also claim her as incentive and guide. For she pioneered in the land which we were to possess. And much of that which she dreamed and did has come as rich heritage to our members everywhere.

"LENA MADESIN PHILLIPS,
"President, International Federation of Business and
Professional Women's Clubs."

The power of banded church women was of vital importance to Frances Willard; she knew, truly, that organized Christian womanhood was but another name for the W. C. T. U., that the power of the W. C. T. U. lay in the strength of membership within the churches. Writing in the absence of the president of the National Council of Federated Church Women, the vice president says:

"The National Council of Church Women, on this centenary of the birth of Frances E. Willard, bring tribute to her as the exemplification of the finest type of church woman—one who in the Christian church found the inspiration for her noble work of reform.

"ANNA A. KNIPP,
"Vice President, National Council of Church Women."

It is not given to many leaders of national organizations today to have personal memories of possibly the most unusual and most talented organizer of women the United States has ever known. The president of the General Federation of Women's Clubs, the largest group of organized women of this country, has this pleasure. Graciously she speaks of her personal heritage. Expressing appreciation for the general federation constituency, who owe so much to the woman who opened wide the personal and political and social horizons for women of today, she writes:

"The General Federation of Women's Clubs unites with other national and local organizations in paying homage to Frances E. Willard, who was a truly great woman and a great American. We are ever mindful of the contribution which she made to the cultural life of America; of her courageous leadership against injustice, inequalities, and particularly of her leadership in a campaign against a deadly foe of the home, the child, and of community life.

"To have known Frances E. Willard even as a child was to recognize a leader of great personal charm and magnetism and to sense her power and influence. Personally, we still remember the day she pinned the emblem of her organization upon a bright-red dress which became so important that no one was permitted to even touch it. It became a consecration. The kindly words spoken at the time became an inspiration which lived during girlhood, young motherhood, and into the later mature years. When the news of her death, in 1898, reached the Pacific coast it was as though a sad personal or family message had come to each of us.

"Few women have continued to live so vitally in the hearts of other people. How often we find the perfect expression of our own thoughts in her writings—how often we turn to her for courage in 'carrying on.' She had lived a full life which seemed only to develop other qualities and capacities. Do we not envy a woman who could labor without ceasing, yet remain so calm and serene that her last words should have been, 'How beautiful it is to be with God'?

"Together, the great women's organizations must press on into the demands of this day and this hour. As we face 1939, we shall need the courage and faith of Frances E. Willard entrenched in

our own hearts. She worked for God, home, and country. We shall do the same and we shall ultimately win.

"The General Federation of Women's Clubs pays tribute to Frances E. Willard and extends a friendly hand toward the National Woman's Christian Temperance Union. 'We are together for the sake of all.'"

"SAIDIE ORR DUNBAR,
"President, General Federation of Women's Clubs."

A seer and a prophet, Frances Willard informed herself constantly as regards the latest inventions. She saw the possibilities of the phonograph and had her voice and the voice of her mother recorded. Whatever was new, she looked at it with the mental query: How can the temperance cause be helped by this? Had she lived in the day of radio, she would have been one of the first to send into the ether her pleas for alcohol education, advantages for women and children, and a general lifting of the social order. The head of the woman's organization having to do with radio writes:

"Frances E. Willard was one of the greatest pioneers of the nineteenth century; a leader in education, temperance, philanthropy, suffrage, and in uniting the women of the world that they might find their rightful place in the political, social, and economic life in all lands.

"Truly she had a prophetic eye, and were she living in the twentieth century, she would doubtless be active in the field of radio, recognizing its potentialities and its influence on the cultural life of the world.

"In 1939, the centenary of Miss Willard's birth, women throughout the world are happy to pay tribute to this great leader who, by her steadfastness of purpose, her tolerance, her philosophy, and her courage, helped to pave the way for the developments and achievements of today.

"YOLANDA MERO-IRION,
"Chairman, Women's National Radio Committee."

What limitless opportunities for the use of motion pictures Frances Willard would have visioned in the invention that was, within a decade after her death, to leap into popularity. Surely the films which the national W. C. T. U. sponsors, and which were made possible through the national temperance education fund, would warm the heart of the woman who adapted all media that came her way to further the scientific teaching of the effects of alcohol. How she would have worked against the harmful features of the present pictures, and how she would have gone out of her way to laud their excellent aspects, working cooperatively with just such a person as is the well-known president of the present Motion Picture Research Council, who writes:

"Frances E. Willard was one of the first American women to make her influence felt throughout the Nation. She had unusual capacity and industry and was a natural-born organizer. It is a real pleasure to send a message of congratulation and greeting on behalf of the Motion Picture Research Council.

"RAY LYMAN WILBUR,
"President, Motion Picture Research Council."

No person with the all-inclusive view that was Frances Willard's could do anything but take a positive stand for peace. She who coined the expression, "Only the golden rule of Christ can bring the golden age of man," worked constantly for peace through everything she did. Her creed was ever a high standard of Christian living and relationships. The president of an organization which pools the peace sentiments of many national organizations, says:

"In celebrating the centenary of the birth of Frances Willard, I would declare my faith that within the next 100 years peace will be more inevitable than war. As war in the past century enlarged its destructiveness by ever more deadly use of science, so in the next century I look for religion and the conscience of humanity to turn victoriously against the war method and the causes from which war springs. We shall utilize the discoveries of science for cooperative planning instead of competitive killing.

"Frances Willard was one of God's chosen vessels for this purpose. She sensed the iniquity of war just as she saw the devastation wrought by liquor. Against both these evils she set in motion gathering forces in the fields of education, feminism, internationalism, and Christianity. The peace movement of the world should be grateful for her contributions and its continuing impetus through the great organization with which she was associated.

"JOHN NEVIN SAYRE,
"President, National Peace Conference."

"To make the whole world more homelike" was Frances Willard's simple but sympathetic way of defining her many activities. She knew the power of motherhood; the potentialities that lay in the brief home-training period for which the mother was responsible. To each baby was due, she advocated, an untainted birthright and a wholesome, well-rounded childhood. An organization which today fosters such principles sends its greetings to this Frances Willard centenary symposium:

"Better than any monument to Frances E. Willard is earnest work to raise the place of women in our national life; to increase the opportunities for their services and special contributions; to

help them give as she gave of her own gifts of idealism and intellect. Miss Willard's life and work conclusively indicate that were she living today her guidance would be given to the cause for which the National Council for Mothers and Babies is working. She could not tolerate the unnecessary loss of thousands of lives of mothers and babies each year because we have not yet found a way to distribute needed care. She would rejoice in the fact that over 50 national organizations, covering in their membership those with medical skill—the doctors and nurses—and those who know through their own experience the needs of women, the general organizations of farm women, of women's clubs, have joined their forces to reduce maternal and infant death. She would be proud that the National Woman's Christian Temperance Union is active in this group, working to the best of its ability to bring better care to the mothers and babies of the United States.

"AUGUSTA J. STREET,
"Chairman, National Council for Mothers and Babies."

Once the child begins to leave the constantly sheltering atmosphere of the home and comes to buffet outside contacts, there must be self-developing training, and particularly is this true in the transition period between babyhood and school life. With her sister-in-law, Mary Bannister Willard, Frances Willard opened the first free kindergarten in her home city of Evanston. She abetted the activities of a kindergarten department within the National W. C. T. U. Today, in an age of specialization, there is one national organization which makes the establishment of kindergartens its major. Its founder writes:

"Kind greetings to all members of your organization in this eagerly shared centennial year. The name of Frances Elizabeth Willard is an inspiration to many organizations. Her 'do everything' policy was not a hit-and-miss scattering of effort but, 'distinguished by simplicity and unity,' it was the exemplification of her motto, 'Each for all.'

"Froebel had opened his first kindergarten 2 years before Frances Willard was born and her mother seems to have come into contact with some of his teachings. In her relations with her own children she showed very unusual understanding, so it is not surprising that Miss Willard later became deeply interested in the increase of kindergartens. Under her leadership, the Woman's Christian Temperance Union formed a kindergarten department with a national superintendent.

"Inspired by the earnestness of their great president, the members secured the establishment of kindergartens in many cities throughout the country. It required much perseverance and self-sacrifice to accomplish this, but Frances Willard said, 'Only the golden rule of Christ can bring the golden age of man.' This is just as true today, isn't it?

"BESSIE LOCKE,
"Founder and Executive Secretary,
"National Kindergarten Association."

Seventy-five years ago Frances Willard, not many years out of college, and teaching in the Pittsburgh Female College, went to hear John B. Gough speak and was concerned about all problems which touched Christians. Among the groups laying the groundwork for the activities of the mature Frances Willard was the National Reform Association. Its present national president speaks for that organization and for the National Temperance and Prohibition Council, of which, also, he is president.

"Since the world began, I suppose, no one has rendered as great service to the cause of temperance as the founder of your world's organization, the centenary of whose birth will be celebrated this year. For the contribution she made to this cause every national reformer loves and reveres Frances E. Willard. But national reformers have a deeper love and higher reverence for her because she set before herself and before the Christian womanhood of the world which she organized, a far greater task, a much more inclusive purpose than the destruction of the liquor traffic. This she expressed for herself and the Woman's Christian Temperance Union in one of her great messages delivered at a national convention of the Woman's Christian Temperance Union: 'One vital organic thought, one absorbing purpose, one undying ambition. It is that Christ shall be the world's King * * * King of its courts, its camps, its commerce; King of its colleges and cloisters; King of its customs and constitutions * * * Christ and His law, the true basis of government and the supreme authority in national and in individual life.'

"It is here that Miss Willard and national reformers, the W. C. T. U., and the National Reform Association came into close kinship. For this association which I have the honor to represent, and which has just celebrated the seventy-fifth anniversary of its birth, through all these years has had as the great objective of its efforts the bringing of this Nation—of the civic realm of the world's life—into willing and loyal subjection to Christ, as its King.

"So on this centenary anniversary of the birth of your great leader we National Reformers clasp hands with you of the Woman's Christian Temperance Union in the great task of overthrowing the liquor traffic, and the still greater task of bringing the world to accept its true King.

"The National Temperance and Prohibition Council, representing some 25 national temperance groups and several State organizations, extends greetings and best wishes to the Woman's Christian Temperance Union on this the centenary of the birth of Frances E. Willard.

"The best tribute we can pay to Frances E. Willard is in giving our lives in new devotion to that cause for which she gave the last full measure of devotion.

"R. H. MARTIN,

"President, National Temperance and Prohibition Council."

The many facets of the character and life of Frances Willard continue to reflect enlightenment wherever there are today organizations working for social betterment. National and international groups are developing plans to observe her centenary.

In Paris, at the Sorbonne, 3,000 persons will gather on February 19 to hear an address by the international authority on alcohol, Dr. Robert Herold. Two temperance organizations in France, the White Ribbon, equivalent of the W. C. T. U., and the Blue Cross group, plan celebrations.

From India and Australia, Canada and Scotland, word is being received of the movements which are getting under way to honor Frances Willard during her centenary year. At Helsingfors, Finland, in July, an international group will convene and devote part of its convention program to a recognition of the centenary. A dozen or more national groups in Frances Willard's homeland are organizing the details of their observances, and the W. C. T. U., to which she particularly belongs, has a many-sided program now in progress which culminates in the national convention in Rochester in September, and the pilgrimage to her birthplace at nearby Churchville on the centenary day, September 28, 1939.

There will be simultaneous observances by the thousands of local unions throughout the country when Frances Willard bookshelves will be presented to school and public libraries; when Frances Willard peonies will be planted and Willard centenary souvenir maps displayed. Young women will impersonate Frances Willard through the dramatic monolog, *The Uncrowned Queen*, and magazines of the country will carry to the reading public articles on Frances Willard and the countless activities for human welfare that she inaugurated and organized through her "do everything" vision and zeal.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. HATCH in the chair) laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. BARKLEY, from the Committee on Finance, reported favorably the nomination of Harry M. Brennan, of Louisville, Ky., to be collector of customs collection district No. 42, with headquarters at Louisville, Ky. (Reappointment.)

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Navy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. CLARK of Missouri, from the Committee on Commerce, reported favorably the following nominations:

Edward J. Noble, of Connecticut, to be a member of the Civil Aeronautics Authority for the term expiring December 31, 1940, to which office he was appointed during the last recess of the Senate;

G. Grant Mason, Jr., of the District of Columbia, to be a member of the Civil Aeronautics Authority for the term expiring December 31, 1941, to which office he was appointed during the last recess of the Senate;

Oswald Ryan, of Indiana, to be a member of the Civil Aeronautics Authority for the term expiring December 31, 1942, to which office he was appointed during the last recess of the Senate;

Robert H. Hinckley, of Utah, to be a member of the Civil Aeronautics Authority for the term expiring December 31, 1943, to which office he was appointed during the last recess of the Senate;

Harilee Branch, of Georgia, to be a member of the Civil Aeronautics Authority for the term expiring December 31, 1944, to which office he was appointed during the last recess of the Senate;

Clinton M. Hester, of Montana, to be Administrator in the Civil Aeronautics Authority, to which office he was appointed during the last recess of the Senate;

Sumpter Smith, of Alabama, to be a member of the Air Safety Board within the Civil Aeronautics Authority for the term expiring December 31, 1944, to which office he was appointed during the last recess of the Senate;

Thomas O. Hardin, of Texas, to be a member of the Air Safety Board within the Civil Aeronautics Authority for the term expiring December 31, 1942, to which office he was appointed during the last recess of the Senate;

Robert W. Bruere, of New York, to be a member of the Maritime Labor Board for the term expiring June 22, 1941, the office to which he was appointed during the last recess of the Senate;

Claude E. Seehorn, of Colorado, to be a member of the Maritime Labor Board for the term expiring June 22, 1941, the office to which he was appointed during the last recess of the Senate; and

Louis Bloch, of California, to be a member of the Maritime Labor Board for the term expiring June 22, 1941, the office to which he was appointed during the last recess of the Senate.

Mr. CLARK of Missouri also, from the Committee on Commerce, reported favorably the nominations of several officers for promotion in the Coast Guard.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

UNITED STATES DISTRICT JUDGE—JAMES V. ALLRED

The legislative clerk read the nomination of James V. Allred to be United States district judge for the southern district of Texas.

The PRESIDING OFFICER. This nomination has previously been passed over.

Mr. KING. Mr. President, I shall not object to the consideration of this nomination. I presented to the Judiciary Committee, of which I am a member, such objections as I felt were proper, and also the fact that I have received a large number of communications from the State of Texas in opposition to confirmation. Notwithstanding the objections which were presented, my colleagues upon the committee felt constrained to recommend confirmation. I then stated, as I shall now indicate, that I could not and would not vote for confirmation. However, I shall not ask for any further delay.

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD the statement which I made to the Judiciary Committee with respect to this appointment.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD.

The statement is as follows:

UNITED STATES SENATE, COMMITTEE ON THE JUDICIARY.

SIR: Will you kindly give me, for the use of the committee, your opinion and information concerning the nomination of Hon. James V. Allred, of Texas, to be United States district judge for the southern district of Texas?

Under a rule of the committee, unless a reply is received from you within a week from this date, it will be assumed that you have no objection to this nomination.

Respectfully,

HENRY F. ASHURST, *Chairman.*

HON. TOM CONNALLY,
United States Senate.

REPLY

JANUARY 16, 1939.

DEAR CHAIRMAN ASHURST: In compliance with a long-standing rule of the Judiciary Committee, you have called upon the Texas Senators for our opinion and information concerning the nomination of Hon. James V. Allred to be district judge for the southern district of Texas. In reply to your inquiry, frankness compels me to state that I did not favor the appointment of Governor Allred as such district judge. I actively supported Hon. Walton D. Taylor, of Houston, Tex. Both in writing and in person I urged the appointment of Mr. Taylor upon the Attorney General and upon the President, and personally accompanied Mr. Taylor on a visit to the

Attorney General in behalf of his appointment. President Roosevelt did not see fit to follow my suggestion, but, under authority vested in him, made his own selection. However, in view of the exercise by President Roosevelt of his power of appointment, I have no objection which I care to urge as to confirmation.

TOM CONNALLY.

Mr. SHEPPARD. Mr. President, I wish to state that I have no objection to this nomination and that I favor confirmation.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE—FRANK A. PICARD

The legislative clerk read the nomination of Frank A. Picard to be United States district judge for the eastern district of Michigan.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES DISTRICT JUDGE—T. ALAN GOLDSBOROUGH

The legislative clerk read the nomination of T. ALAN GOLDSBOROUGH to be United States district judge for the District of Columbia.

Mr. KING. Mr. President, I have no objection to the consideration of this nomination. Before the Judiciary Committee I invited attention to the fact that Mr. GOLDSBOROUGH is not a resident of the District of Columbia. In view of the vast amount of litigation arising within the District, I felt that some resident of the District, a lawyer of ability and competence—and there are many—should have been selected, rather than some person who is not a resident of the District. I do attest to the ability and competency of Mr. GOLDSBOROUGH. My only objection was that he was not a resident of the District, and I felt that the situation called for a resident of the District for judicial service within the District.

Mr. GLASS. Mr. President, without dissenting at all from the view expressed by the Senator from Utah [Mr. KING], and without any purpose in the world to project myself into the affairs of Maryland, I will say that my own association with Mr. GOLDSBOROUGH on conference committees of the Banking and Currency Committees of the two Houses prompts me to say that I have never in my life met a more frank, more honorable, or more trustworthy man than ALAN GOLDSBOROUGH. He might not agree with you, and very often did not agree with me, but we always knew what his opinion was, and when he expressed it he stood by it. I hope the Senate will unanimously confirm the nomination.

Mr. RADCLIFFE. Mr. President, I am very glad indeed to hear the Senator from Virginia [Mr. GLASS] express himself as he has. This appointment is agreeable to the senior Senator from Maryland [Mr. TYDINGS] and to myself. I urged President Roosevelt to give Representative GOLDSBOROUGH this appointment as judge.

It happens that I have known Representative GOLDSBOROUGH all his life. We were born and raised in adjoining counties of the Eastern Shore of Maryland, and I have always been in close touch with him. As a member of the bar he easily acquired a prominent position early in life. He was State's attorney for his county, and he made a very excellent record as prosecuting officer. About 20 years ago he was elected to the House of Representatives, and has been reelected each 2 years since then, usually by increasing majorities. No representative from the Eastern Shore of Maryland, which is the First District of Maryland, has ever received majorities as large as Representative GOLDSBOROUGH has obtained on certain occasions.

By reason of the fact that his home was very close to Washington, and also because of his close interest in and devotion to the law, he has managed to continue the practice of law to a limited extent. However, he has always cherished the ambition to become a judge; and now that this opportunity is open to him, I sincerely hope that his nomination will be confirmed. I am satisfied that as a judge he will show the same ability, the same integrity, and the same conscientious regard for duty which have characterized his activities as a lawyer, as a Member of Congress, and as a private citizen.

I sincerely hope the nomination will be confirmed.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES MARSHALS

The legislative clerk read the nomination of Alex Smith to be United States marshal for the northern district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James H. Patterson to be United States marshal for the third division of the Territory of Alaska.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That concludes the Executive Calendar.

ADJOURNMENT

Mr. BARKLEY. Mr. President, as in legislative session, I move that the Senate adjourn until tomorrow.

The motion was agreed to; and (at 2 o'clock and 55 minutes p. m.) the Senate adjourned until tomorrow, Friday, February 17, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 16, 1939

UNITED STATES DISTRICT JUDGE

Shackelford Miller, Jr., of Kentucky, to be United States district judge for the western district of Kentucky, vice Elwood Hamilton, elevated to the United States Circuit Court of Appeals for the Sixth Circuit.

PUBLIC HEALTH SERVICE

The following-named passed assistant surgeons to be surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Albert T. Morrison, February 1, 1939.

Langdon R. White, March 9, 1939.

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL ADMINISTRATIVE CORPS

To be second lieutenants with rank from date of appointment

Second Lt. Claud Dale La Fors, Infantry Reserve.

Bernard Korn, of Brooklyn, N. Y.

Ennis Dallas Sandberg, of Kansas City, Kans.

James Thomas Richards, of Austin, Tex.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Owen Meredith Marshburn, Field Artillery, with rank from August 1, 1935.

TO ORDNANCE DEPARTMENT

First Lt. Ferdinand Marion Humphries, Coast Artillery Corps, with rank from June 13, 1936.

First Lt. Jermain Ferdinand Rodenhauser, Coast Artillery Corps, with rank from August 1, 1935.

First Lt. James Donald Sams, Infantry, with rank from August 1, 1935.

PROMOTIONS IN THE REGULAR ARMY

MEDICAL CORPS

To be lieutenant colonel

Maj. Carlton Culley Starkes, Medical Corps, from March 1, 1939.

To be major

Capt. Dean McLaughlin Walker, Medical Corps, from March 5, 1939.

To be captains

First Lt. William Congdon Harrison, Medical Corps, from March 7, 1939.

First Lt. Joseph Rich, Medical Corps, from March 7, 1939.

First Lt. Francis Fred Viglione, Medical Corps, from March 30, 1939.

DENTAL CORPS

To be captains

First Lt. George Henry Timke, Jr., Dental Corps, from March 11, 1939.

First Lt. Clyde Danford Oatman, Jr., Dental Corps, from March 26, 1939.

VETERINARY CORPS

To be captain

First Lt. John Kenneth Allen, Veterinary Corps, from March 15, 1939.

CHAPLAINS

Chaplain Alva Jennings Brasted (lieutenant colonel), to be chaplain with the rank of colonel, United States Army, from March 3, 1939.

Chaplain Herbert Adron Rinard (major), to be chaplain with the rank of lieutenant colonel, United States Army, from March 10, 1939.

APPOINTMENT IN THE NAVY

Capt. Harry A. Stuart, an additional number in grade, to be a rear admiral in the Navy.

POSTMASTERS

IOWA

Clarence N. Hildebrand to be postmaster at Belmond, Iowa, in place of C. N. Hildebrand. Incumbent's commission expired June 6, 1938.

Albert E. Newell to be postmaster at Eddyville, Iowa, in place of A. E. Newell. Incumbent's commission expired June 18, 1938.

Asa Earl Boyer to be postmaster at Maquoketa, Iowa, in place of A. E. Boyer. Incumbent's commission expired March 14, 1938.

Mark F. Hogan to be postmaster at Monticello, Iowa, in place of M. F. Hogan. Incumbent's commission expired May 31, 1938.

LOUISIANA

Owen R. Phillips to be postmaster at Glenmora, La., in place of O. R. Phillips. Incumbent's commission expired June 6, 1938.

Philip C. Girlinghouse to be postmaster at Jena, La., in place of P. C. Girlinghouse. Incumbent's commission expired June 18, 1938.

Thomas E. Barham to be postmaster at Oak Ridge, La., in place of T. E. Barham. Incumbent's commission expired June 6, 1938.

MAINE

Guy W. Swan to be postmaster at Princeton, Maine, in place of G. W. Swan. Incumbent's commission expired April 2, 1938.

Charlene F. Tebbetts to be postmaster at Readfield, Maine. Office became Presidential July 1, 1938.

MASSACHUSETTS

Robert E. Smith to be postmaster at Townsend, Mass., in place of R. E. Smith. Incumbent's commission expired April 2, 1938.

MICHIGAN

William V. Clegg to be postmaster at Eaton Rapids, Mich., in place of W. V. Clegg. Incumbent's commission expired April 27, 1938.

John D. Mershon to be postmaster at Saginaw, Mich., in place of J. D. Mershon. Incumbent's commission expired May 22, 1938.

MINNESOTA

William E. Charlton to be postmaster at Williams, Minn., in place of W. E. Charlton. Incumbent's commission expired June 12, 1938.

MISSISSIPPI

Levi G. Bassett to be postmaster at Louin, Miss., in place of L. G. Bassett. Incumbent's commission expired February 10, 1938.

MISSOURI

Hugh M. Price to be postmaster at La Monte, Mo., in place of H. M. Price. Incumbent's commission expired April 25, 1938.

Lonnie A. B. Leslie to be postmaster at Russellville, Mo., in place of L. A. B. Leslie. Incumbent's commission expired June 13, 1938.

MONTANA

Alvin O. Lien to be postmaster at Brockton, Mont., in place of A. O. Lien. Incumbent's commission expired June 18, 1938.

NEW MEXICO

Rosalie E. Branch to be postmaster at Mora, N. Mex., in place of Rosalie Branch. Incumbent's commission expired June 7, 1938.

NEW YORK

Austin A. Crary to be postmaster at East Rockaway, N. Y., in place of A. A. Crary. Incumbent's commission expired February 28, 1938.

James E. Burns to be postmaster at Glen Cove, N. Y., in place of J. E. Burns. Incumbent's commission expired June 15, 1938.

Royal B. Ingersoll to be postmaster at Houghton, N. Y., in place of R. B. Ingersoll. Incumbent's commission expired June 18, 1938.

Rae M. Schoonmaker to be postmaster at Kerhonkson, N. Y., in place of R. M. Schoonmaker. Incumbent's commission expired June 18, 1938.

Mary J. Morgan to be postmaster at Medford Station, N. Y., in place of M. J. Morgan. Incumbent's commission expired June 18, 1938.

Albert Goldman to be postmaster at New York, N. Y., in place of Albert Goldman. Incumbent's commission expired January 16, 1939.

William E. Farnsworth to be postmaster at Oakfield, N. Y., in place of W. E. Farnsworth. Incumbent's commission expired January 31, 1938.

Joseph J. Cruse to be postmaster at Poland, N. Y., in place of J. J. Cruse. Incumbent's commission expired May 28, 1938.

NORTH CAROLINA

Samuel B. Hovis to be postmaster at Bessemer City, N. C., in place of S. B. Hovis. Incumbent's commission expired June 18, 1938.

Clarence G. Pike to be postmaster at Fremont, N. C., in place of C. G. Pike. Incumbent's commission expired June 18, 1938.

Fred W. Kluttz to be postmaster at Rockwell, N. C. Office became Presidential July 1, 1938.

PENNSYLVANIA

John C. Amig to be postmaster at Lewistown, Pa., in place of J. C. Amig. Incumbent's commission expired June 6, 1938.

SOUTH CAROLINA

Walter W. Goudelock to be postmaster at Pacolet Mills, S. C. Office became Presidential July 1, 1938.

SOUTH DAKOTA

Ira H. Pinnell to be postmaster at Eagle Butte, S. Dak., in place of I. H. Pinnell. Incumbent's commission expired May 22, 1938.

Ray W. Pitsor to be postmaster at Faith, S. Dak., in place of R. W. Pitsor. Incumbent's commission expired May 22, 1938.

TEXAS

Edward F. Gaston to be postmaster at Dayton, Tex., in place of E. F. Gaston. Incumbent's commission expired June 9, 1938.

Effe P. Minnock to be postmaster at Galena Park, Tex., in place of E. P. Minnock. Incumbent's commission expired June 12, 1938.

Joe C. Martin to be postmaster at Itasca, Tex., in place of J. C. Martin. Incumbent's commission expired April 25, 1938.

Fred Boothe to be postmaster at Gonzales, Tex., in place of Fred Boothe. Incumbent's commission expired June 18, 1938.

Pauline L. Bogatto to be postmaster at Lamarque, Tex. Office became Presidential July 1, 1938.

Maud Collier to be postmaster at Pelly, Tex., in place of Maud Collier. Incumbent's commission expired June 12, 1938.

Daniel J. Quill to be postmaster at San Antonio, Tex., in place of D. J. Quill. Incumbent's commission expired February 15, 1939.

VERMONT

Ernest A. Naylor to be postmaster at Alburg, Vt., in place of E. A. Naylor. Incumbent's commission expired May 12, 1938.

Peter E. Kehoe to be postmaster at West Pawlet, Vt., in place of P. E. Kehoe. Incumbent's commission expired April 25, 1938.

VIRGINIA

Elizabeth P. White to be postmaster at Sandston, Va. Office became Presidential July 1, 1937.

WASHINGTON

Pearl G. M. Johnson to be postmaster at Mercer Island, Wash. Office became Presidential July 1, 1938.

Eudocia B. Leech to be postmaster at Steilacoom, Wash., in place of E. B. Leech. Incumbent's commission expired June 6, 1938.

WISCONSIN

Vincent J. Dwyer to be postmaster at Alma Center, Wis., in place of V. J. Dwyer. Incumbent's commission expired June 15, 1938.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 16, 1939

UNITED STATES DISTRICT JUDGES

James V. Allred to be United States district judge for the southern district of Texas.

Frank A. Picard to be United States district judge for the eastern district of Michigan.

T. ALAN GOLDSBOROUGH to be United States district judge for the District of Columbia.

UNITED STATES MARSHALS

Alex Smith to be United States marshal for the northern district of Alabama.

James H. Patterson to be United States marshal for the third division of the Territory of Alaska.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 16, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O changeless One, life's guide and spiritual goal, stimulate our thoughts with the blessedness of the riches of Thy goodness, mercy, love, and pity. May all hearts be joined together in the common love of our common Father and grant that all laws and institutions may feel Thy presence. O gather into Thy encircling arms and soft mothering bosom the sick in all homes and in all institutions. Be the angel of light and hope upon their immortal souls like dawn upon the hills of earth. Almighty God, unto whom all hearts are open, all desires known, and from whom no secrets are hid, cleanse the thoughts of our hearts by the inspiration of Thy Holy Spirit, that we may perfectly love Thee and worthily magnify Thy holy name. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Hess, one of his secretaries, who also informed the House that on the following dates the President approved and signed a joint resolution and a bill of the House of the following titles:

On February 4, 1939:

H. J. Res. 83. Joint resolution making an additional appropriation for work relief and relief for the fiscal year ending June 30, 1939.

On February 10, 1939:

H. R. 2762. An act to consolidate and codify the internal revenue laws of the United States.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House:

FEBRUARY 15, 1939.

The SPEAKER,

House of Representatives, Washington, D. C.

DEAR SIR: The certificate of election, in due form of law, of Hon. LANSDALE G. SASSCER as a Representative-elect to the Seventy-sixth Congress from the Fifth Congressional District of the State of Maryland, to fill the vacancy caused by the death of Hon. Stephen W. Gambrill, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,

Clerk of the House of Representatives.

SWEARING-IN OF A MEMBER

Mr. SASSCER appeared at the bar of the House and took the oath of office.

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

The SPEAKER. Pursuant to the provisions of Public Resolution 53, Seventy-fourth Congress, the Chair appoints as members of the United States Constitution Sesquicentennial Commission the following Members of the House to fill existing vacancies thereon: Mr. McGRANERY, of Pennsylvania, and Mr. DARROW, of Pennsylvania.

GOLDEN GATE INTERNATIONAL EXPOSITION

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAVENNER. Mr. Speaker, on next Saturday at noon the Golden Gate International Exposition will open its gates to the world. It is my distinguished privilege, as the Representative of the district in which it has been built, to extend to all of the Members of Congress a most cordial invitation to visit this great exposition.

Those of you who attended the last world's fair held in San Francisco—the Panama-Pacific Exposition of 1915—all retain, I am sure, memories of its rare beauty and charm. San Francisco assures you that its new exposition will be a worthy successor to that dream city of the past.

The 1915 fair commemorated the completion of the Panama Canal, the miracle of engineering which linked the Atlantic and Pacific Oceans.

The 1939 exposition celebrates two new engineering miracles, the great bridges spanning San Francisco Bay, each the largest of its type in the world.

The site of the exposition is an artificial island, built in the center of the bay, between the two bridges. It has been christened Treasure Island, and upon it there stands today a spectacular city of exhibit palaces, surrounded by beautiful gardens and trees of every species.

The people of San Francisco are grateful to the Congress of the United States for its generous appropriation for the Federal Building and exhibit, which will be one of the most attractive features of the exposition. And they are extremely anxious that the Members of Congress shall see for themselves the good use to which this money has been put.

The gentleman from California [Mr. Buck] and I will leave here by plane this afternoon to attend the opening of the exposition. We would like to take all of the Members of the House with us, but, regretting that this is an impossibility, we shall carry with us instead, by your leave, the greetings and good wishes of Congress to the people of California, assembled by the Golden Gate.

The exposition will continue until December 2, 1939. It is styled "A Pageant of the Pacific." Eleven Western States of America are its sponsors, with the San Francisco Bay area as host community, and more than 30 foreign nations par-

ticipating. Its designers have built a compact world's fair, stressing beauty and glamour rather than size, and have taken every advantage of Treasure Island's unique setting in the center of a great harbor.

Here stand the two wonder bridges of the world—the \$80,000,000 San Francisco-Oakland Bay Bridge, longest and most costly anywhere; and the \$33,000,000 Golden Gate Bridge, crossing the harbor entrance with the longest single span ever created.

Over these two steel structures huge clipper ships fly on schedule to the Orient, bringing distant Asia within days, not weeks, of America. This ocean air service has accelerated the tempo of trade intercourse with the Orient, just as the bridges have unified the San Francisco Bay area.

The Golden Gate International Exposition will be a travel fair, assembling the vacation resources of the Pacific slope and displaying them as a rich background for the industrial progress that makes them more easily available.

With the western fair established as a travel fair, the 11 Western States gave it their enthusiastic cosponsorship, wiping out sectional lines. Foreign nations were quick to join, so that the close of 1938 found all but three of the South and Central American nations, and every Pacific country except Russia, China, and British Malaya pledged to participate.

The Federal Government is represented by a stately building and comprehensive national exhibits, with George Creel, nationally known writer, as commissioner in charge. The 7-acre building, costing \$600,000, faces the Court of the Nation, where ceremonies, concerts, army maneuvers, and pageantry will be held.

The Government's \$1,500,000 display, first of its kind ever undertaken, will be unique in the history of Government participation in expositions. Instead of a jumbled mess of dull pictures and duller charts, the United States commission for the exposition has endeavored to present a dramatized and interesting story of how our Government works and to show the taxpayer how his dollar is spent.

Seven major themes were selected for the backbone of the exhibit. These will treat social welfare, national defense, conservation, housing, science, economic affairs, and Indian life. Each Federal agency was called upon to coordinate with each other Federal agency in presenting the exhibit. Motion pictures, puppets, sound effects, and animated devices will be used effectively to dramatize this first all-inclusive governmental exhibit.

Hawaii occupies 21,000 square feet in the Pacific Basin, with a pavilion typical of Polynesian life. The Netherlands East Indies has erected a spacious pavilion, redolent of the atmosphere of the "Spice Islands" and decorated by bas-reliefs copied from famed ruins of Borobodoer and ancient jungle temples. Norway's building faithfully reproduces a Norwegian ski lodge, and Japan's medieval castle, representative of Nipponese tradition, stresses the cultural, industrial, and tourist sides of Japanese life.

Johore is in a replica of the Johore Dewan, or council house, with a display featuring tourism and big-game hunting. French Indochina's two-story building, fabricated in Saigon and shipped in sections, was the first foreign building to reach Treasure Island. France has built an elaborate pavilion for a display of arts, crafts, de luxe trades, and travel. New Zealand's building bears the facade of a Maori house; Costa Rica, in striking contrast, has a coffee plantation.

The Philippine Commonwealth has a Spanish colonial pavilion with a 100-foot tower; Australia's pavilion presents the unusual flora and fauna found "down under," and Peru's building traces the roots of modern civilization back to the Incas. Italy's elaborate buildings stress the arts, cultures, and industries, and Brazil's pavilion combines the cultural and commercial attractions. Argentina's building is modernistic, and Chile chose a pavilion of native design. El Salvador's building will combine a tourist, agricultural, and commercial display.

Other nations exhibiting in their own buildings include Guatemala, Ecuador, Mexico, Colombia, Venezuela, and Panama. Alaska, an outlying Territory, is also included in

this group. In the International Hall, one of the main palaces, the list of foreign countries which have exhibits include Czechoslovakia, Denmark, Sweden, Rumania, Belgium, Portugal, Turkey, Hungary, Holland, Bulgaria, and Greece. British Columbia, although a foreign governmental unit, will exhibit in the Hall of Western States.

California's appropriation of \$5,000,000 for the story of the Golden State was a major factor in enlisting the aid and support of her sister States. Seventeen big buildings, plus active participation in affairs at many points on Treasure Island, are required to tell this story. The climax building of the State group is the California Hospitality Building, and surrounding it are 10 others dedicated to groups of California's 58 counties. These include structures for the Redwood Empire, Mission Trails counties, Shasta-Cascade, Alameda-Contra Costa, Los Angeles, San Francisco, Sacramento Valley-Mountain, San Joaquin, southern California, and Alta California counties.

In addition to Government and State participation, more than 250 outstanding American industries, have exhibit space on Treasure Island. Their buildings or displays in the great exhibit halls radiate from the Tower of the Sun. [Applause.]

EXTENSION OF REMARKS

Mr. HAVENNER. Mr. Speaker, my colleague the gentleman from California, Mr. Buck, has requested me to ask unanimous consent that he may extend his own remarks in the RECORD and include therein two tables of official figures and two brief paragraphs from newspapers.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CITY OF ST. LOUIS

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, 175 years ago, to be exact, either February 14 or 15, 1764, Auguste Chouteau, accompanied by a party of 30, reached a site on the Mississippi River that Pierre Laclede had selected about 2 months before and founded the city of St. Louis, now the second largest city of the United States west of the Mississippi River.

History tells us Pierre Laclede was at the head of the last colonial expedition that left New Orleans, which was in August 1763. His objective was to locate a trading post near the mouth of the Missouri River. When he decided this trading post should be located at what is now in the center of the eastern boundary of St. Louis, he said in time it "might become hereafter, one of the finest cities in America." This prediction has come true.

Mr. Speaker, in the St. Louis Globe-Democrat of Tuesday, February 14 is a short article depicting the founding of St. Louis. Under permission granted me by the House I include that article as part of my remarks. The article follows:

TODAY IS ONE HUNDRED AND SEVENTY-FIFTH ANNIVERSARY OF FOUNDING OF ST. LOUIS—CITY WAS ORIGINALLY CALLED "PAINCOURT," WHICH IS FRENCH FOR "SHORT OF BREAD"

The little village of "Paincourt" is 175 years old this week. "Paincourt" was founded in February 1764 and is better known as St. Louis. But the old French called it "Paincourt"—French for "short of bread" and a sly dig at the first St. Louis fur traders, who were too busy making money to grow wheat and had to bring in their groceries from Ste. Genevieve.

The birthday is either February 14 or 15. Thirty brawny Frenchmen fathered Paincourt-St. Louis. On a February evening 175 years ago they landed at a little cove in the river at the foot of Walnut Street and climbed a little gully to a spot where Pierre Laclede, 2 months before, had blazed some walnut trees to mark the site. The next morning, the 30 men started to clear the ground and build a shack.

Auguste Chouteau, 14-year-old boy who bossed the clearing of the walnut trees on Second Street, wrote down the date in a journal when he was an old man. That journal is the only firsthand evidence about the first days in St. Louis. But Chouteau was tired or hurried when he put down the date. He wrote "février (February) 1" and then a scrawl after the 1 which may be a 4 or 5. To make it worse, he or someone else later wrote "mars" (March) over the "février."

UP THE RIVER

Other evidence rules out the date in March. Laclede sent Chouteau up the river from Fort Chartres, near the present Chester, Ill., as early as weather permitted—probably in February. Chouteau, 45 years afterward, told the recorder of deeds he left Chartres February 10 and arrived in St. Louis February 15. Gabriel Chouteau, his second son, wrote in 1882 that "my father came to the place where St. Louis now stands, February 14, 1764." In 1847 the anniversary was celebrated on February 15. The first translation of the Chouteau journal from French into English in 1858 rendered the date the 14th.

A man, a woman, and a boy! According to an old saying, no great thing is ever done without a man in the front, a boy at his side, and a woman in the background. It was so at the founding of St. Louis.

Pierre Laclede was born near Pau, France, in the Pyrenees mountain country along the Spanish border, in 1724. He came of a good family, lawyers and professional men. His elder brother was a government official. But Pierre wanted to seek his fortune in the New World.

He was 26 when he landed at New Orleans. He could speak and write Spanish, a valued talent in a many-languaged city. He was good looking and democratic. He had a serious side. Soon he was known as a popular young bachelor in New Orleans social circles.

On a summer day in the old square or on a semitropical night in some Creole garden he met a young woman. She was Mme. Marie Therese Bourgeois Chouteau. She had been married to a Rene Auguste Chouteau when she was 15 and had one son, Auguste Chouteau. She was just past 20. She and Laclede fell in love.

They were the man and the woman.

In 1760 the wilderness stretched north from New Orleans to Canada. On paper it belonged to the King of France. It was marsh, forest, and prairie. A few savages stamped around on what is now downtown Cleveland, Chicago, Minneapolis, Omaha, and Kansas City.

Marquette and La Salle had canoed across the Great Lakes from Canada and paddled down the Mississippi River. A few missionary priests came down from Quebec and founded mission stations at Cahokia, Kaskaskia, and Vincennes. A French fort was built at Chartres to keep off the Spanish from Santa Fe, N. Mex. There was a lead mine at Ste. Genevieve. The rest of the Mississippi country was like the Congo in Africa.

FUR APLENTY

But there was fur in the Mississippi country like the ivory on the Congo. A good man could make money in the wilderness. The redskins traded furs in for hardware and beads; the same furs brought high prices in Paris and London.

That was why Laclede and Col. Antoine Maxent, leading New Orleans merchant, organized a new syndicate in 1762. The Acting Governor General of Louisiana gave them exclusive trading rights in the Missouri River Valley. Maxent furnished the capital and political connections. Laclede was field executive. In that capacity he started up the river on August 3, 1763, to establish a trading post at or near the mouth of the Missouri River. Young Auguste Chouteau was with him.

The trip was in river boats—apparently cordelle boats. When there was a south wind, these low-huller barges sailed upstream. When there was a north wind, the crews got out and walked along the bank and pulled the boats behind them.

It was the last fleet sent out by France to found a great city in the New World. Quebec, Montreal, Detroit, New Orleans, and now St. Louis. Before the departure, Laclede learned the east bank of the Mississippi had just been ceded by France to England in the treaty which closed the Seven Years War. So his settlement would have to be on the west shore to be in France. He did not know France had secretly conveyed Louisiana, or the west shore, to Spain and that there was no more France in the New World.

Atop a pile of baggage on one of the cordelle boats sat young Auguste Chouteau.

He was the son of Rene Auguste Chouteau and Mme. Chouteau and was a baby when Laclede and his mother met in New Orleans. Laclede won the baby's heart as well as the mother's.

Now, at 14, he was first lieutenant of the expedition. It was to fall to him to be boss of the party which actually founded the city.

He was the boy.

Here is the English translation of the journal he wrote afterward. The "he" is Laclede:

"He occupied himself (this is the English translation) with the means of forming an establishment suitable for commerce, Ste. Genevieve not suiting him because of its distance from the Missouri and its insalubrious situation. These reasons decided him to seek a more advantageous site. In consequence, he set out from Fort de Chartres in the month of December, took with him a young man in his confidence (Chouteau), and examined all the ground from the Fort de Chartres to the Missouri.

"He was delighted to see the situation where St. Louis at present stands; he did not hesitate a moment to form there the establishment that he proposed. Besides the beauty of the site, he found there all the advantages that one could desire to found a settlement which might become very considerable hereafter. After having examined all thoroughly, he fixed upon the place where he wished to form his settlement, marked with his own hand some trees, and said to Chouteau, 'You will come here as soon as naviga-

tion opens and will cause this place to be cleared in order to form our settlement after the plan that I shall give you.' We set out immediately afterward to return to Fort de Chartres, where he said with enthusiasm to Monsieur de Neyon and to his officers, that he had found a situation where he was going to form a settlement which might become hereafter one of the finest cities of America; so many advantages were embraced in this site by its locality and its central position for forming settlements. * * *

"Navigation being open in the early part of February, he fitted out a boat, in which he put 30 men, nearly all mechanics, and he gave the charge of it to Chouteau, and said to him: 'You will proceed and land at the place where we marked the trees; you will commence to have the place cleared, and build a large shed to contain the provisions and the tools, and small cabins to lodge the men * * *. I arrived at the place designated on the (here follows the controversial date of the founding of the city), and on the morning of the next day I put the men to work. They commenced the shed, which was built in a short time, and the little cabins for the men were built in the vicinity.

"In the early part of April, Laclede arrived among us. He occupied himself with his settlement, fixed the place where he wished to build his house, laid a plan of the village which he wished to found, and he named it St. Louis, in honor of Louis XV, whose subject he expected to remain for a long time; he never imagined he was a subject of the King of Spain; and ordered me to follow the plan exactly because he could not remain any longer with us. He was obliged to proceed to Fort de Chartres to remove the goods that he had in the fort before the arrival of the English. * * * I followed to the best of my ability his plan and used the utmost diligence to accelerate the building of the house."

Mme. Chouteau joined Laclede and her son at the new village in the autumn. A carter drove her north from Kaskaskia to Cahokia. Laclede rode beside the wagon on horseback.

So a man, woman, and boy founded St. Louis.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BLAND. Mr. Speaker, by authority of the Committee on Merchant Marine and Fisheries, I ask unanimous consent that that committee may have permission to sit during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—OFFICES ABROAD IN THE EXECUTIVE DEPARTMENTS OF THE UNITED STATES GOVERNMENT

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State and the accompanying draft of proposed legislation designed to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 16, 1939.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—WATER-POLLUTION CONTROL (H. DOC. NO. 155)

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Rivers and Harbors and ordered to be printed with illustrations:

To the Congress of the United States:

The last Congress recognized the national importance of pollution abatement in our streams and lakes by passing, during its closing days, an act providing for the creation of a Division of Water Pollution Control in the United States Public Health Service and for the establishment of a permanent system of Federal grants-in-aid and loans to assist in constructing pollution-abatement projects. Although fully subscribing to the general purposes of that act, I felt compelled to withhold my approval of it because of the method which it provided for the authorization of loans and grants-in-aid. It would have prevented the consideration of such appropriations as a part of the annual Budget for all purposes. My reasons are set forth in detail in my memoran-

dum of June 25, 1938. I hope that at this session the whole problem of water pollution may again receive your attention.

To facilitate study of the problem by the Congress, I am transmitting a report on Water Pollution in the United States, which outlines the status of pollution, the cost of bringing about a reasonable degree of abatement, and the financial, technical, and administrative aspects of such a program. The document was prepared at my request by a special advisory committee of the National Resources Committee composed of representative experts from the Departments of War, Treasury, the Interior, Agriculture, and Commerce, and from private and State agencies.

No quick and easy solution of these problems is in sight. The committee estimates that an expenditure by public and private agencies of approximately \$2,000,000,000 over a period of 10 to 20 years may be required to construct works necessary to abate the more objectional pollution. Inasmuch as the needed works are chiefly treatment plants for municipal sewage and industrial waste, the responsibility for them rests primarily with municipal government and private industry. Much construction work is in progress. Many State agencies have forced remedial action where basic studies have shown it to be practicable.

Unprecedented advances in cleaning up our streams have been made possible by the public works and work relief programs during the past 6 years. The report states that more progress has been made in abatement of municipal waste during that period than during the entire 25 years preceding, chiefly as a result of Federal financial stimulation. As in many other fields of conservation, great improvement in the Nation's basic assets of water has been incident to the fight against unemployment. If this construction work is to continue at a substantial rate, and if the necessary research, education, and enforcement activities are to be carried out most effectively, the Federal Government must lend financial support and technical stimulation.

It is my opinion that pending further experimentation with interstate and State enforcement activities, Federal participation in pollution-abatement should take the general form of establishing a central technical agency to promote and coordinate education, research, and enforcement. On the basis of recent experience, it should be supplemented by a system of Federal grants-in-aid and loans organized with due regard for the integrated use and control of water resources, and for a balanced Federal program for public works of all types. The time is overdue for the Federal Government to take vigorous leadership along these lines.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 15, 1939.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—NATIONAL ENERGY RESOURCES (H. DOC. NO. 160)

The SPEAKER laid before the House the following further message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed with illustrations:

To the Congress of the United States:

In accordance with my request of March 15, 1938, the National Resources Committee, in consultation with the other Federal agencies concerned, has prepared a comprehensive study of our energy resources, which I present herewith for your consideration.

This report represents the joint effort of many specialists both within and outside the Federal Government. It suggests policies, investigations, and legislation necessary to carry forward a broad national program for the prudent utilization and conservation of the Nation's energy resources.

Our resources of coal, oil, gas, and water power provide the energy to turn the wheels of industry, to service our homes, and to aid in national defense. We now use more energy per capita than any other people, and our scientists tell us there will be a progressively increasing demand for energy for all purposes.

Our energy resources are not inexhaustible, yet we are permitting waste in their use and production. In some instances,

to achieve apparent economies today future generations will be forced to carry the burden of unnecessarily high costs and to substitute inferior fuels for particular purposes. National policies concerning these vital resources must recognize the availability of all of them; the location of each with respect to its markets; the costs of transporting them; the technological developments which will increase the efficiency of their production and use; the use of the lower grade coals; and the relationships between the increased use of energy and the general economic development of the country.

In the past the Federal Government and the States have undertaken various measures to conserve our heritage in these resources. In general, however, each of these efforts has been directed toward the problems in a single field: toward the protection of the public interest in the power of flowing water in the Nation's rivers; toward the relief of economic and human distress in the mining of coal; or toward the correction of demoralizing and wasteful practices and conditions in the industries producing oil and natural gas. It is time now to take a larger view; to recognize—more fully than has been possible or perhaps needful in the past—that each of our great natural resources of energy affects the others.

It is difficult in the long run to envisage a national coal policy, or a national petroleum policy, or a national water-power policy without also in time a national policy directed toward all of these energy producers—that is, a national energy resources policy. Such a broader and integrated policy toward the problems of coal, petroleum, natural gas, and water power cannot be evolved overnight.

The widening interest and responsibility on the part of the Federal Government for the conservation and wise use of the Nation's energy resources raises many perplexing questions of policy determination. Clearly, there must be adequate and continuing planning and provision for studies which will reflect the best technical experience available, as well as full consideration for both regional and group interests.

Some Federal legislation affecting the energy resources will expire at the end of this fiscal year, other legislation at the end of a few more years. This report sets forth a useful frame of reference for legislative programs affecting these resources and illustrate another approach to the systematic husbandry of our natural resources. Specific recommendations are advanced for solution of the most pressing problems.

In order to facilitate its use by the Congress, I recommend that this report be printed together with supporting staff reports and illustrations, when these are available in final form, in conformity with similar reports prepared by the National Resources Committee.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 15, 1939.

EXTENSION OF REMARKS

Mr. THOMAS of New Jersey, Mr. LEMKE, and Mr. REES of Kansas asked and were given permission to extend their own remarks in the RECORD.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by printing an address delivered last night in connection with memorial services for Susan B. Anthony.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Mr. Joseph P. Lash on the 27th day of December 1938.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by the Secretary of the Interior on the subject of conservation of grazing in our national parks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1940

Mr. RABAUT, from the Committee on Appropriations, reported the bill (H. R. 4218) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes (Rept. No. 43), which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. STEFAN reserved all points of order on the bill.

Mr. RABAUT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of the legislative branch appropriation bill, 1940; and pending that motion, I ask unanimous consent that general debate may continue throughout the day, one half the time to be controlled by the gentleman from Nebraska [Mr. STEFAN] and the other half by myself.

The SPEAKER. The gentleman from Michigan moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4218; and pending that motion, asks unanimous consent that the general debate on the bill run throughout the day, the time to be equally divided between himself and the gentleman from Nebraska. Is there objection to the request?

Mr. STEFAN. Mr. Speaker, reserving the right to object, for the information of the minority, I would like to ask the majority member on this committee when we may expect to start reading the bill for amendment—about 2 o'clock tomorrow?

Mr. RABAUT. Yes.

Mr. RAYBURN. Why?

Mr. STEFAN. We have considerable requests for time, I may say to the majority leader. There are a number of Members who want to speak.

Mr. RAYBURN. Tomorrow?

Mr. STEFAN. I have requests for 3 or 4 hours, although I know we cannot give them that much time.

Mr. RAYBURN. We will complete the consideration of the bill tomorrow.

Mr. STEFAN. It is intended, I understand, to complete the consideration of the bill tomorrow; yes.

Mr. RAYBURN. If we have a late session tomorrow to read the bill, the 2 hours taken in general debate tomorrow will certainly be responsible for it.

Mr. STEFAN. I think it is generally understood we are going to complete the consideration of the bill tomorrow.

Mr. RAYBURN. We are.

Mr. STEFAN. It should not take over one-half hour or 45 minutes to read the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4218) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes, with Mr. COSTELLO in the chair.

The first reading of the bill was dispensed with.

Mr. RABAUT. Mr. Chairman, I yield myself 20 minutes. Mr. Chairman, we have before us the legislative establishment appropriation bill for 1940. In 1939 the appropriation in this bill was \$22,210,883. The Budget estimate for 1940 was \$24,287,946. There is recommended in this bill \$21,636,398. We are under the 1939 appropriation by the sum of \$574,485 and under the Budget estimate by \$2,651,548.

The high spots of this bill dealing with many departments on Capitol Hill, I will take up one by one, starting with the items under the caption of "Architect of the Capitol." It came as a distinct surprise to the committee to learn that

the two roofs, the one over the House side and the one over the Senate side, are not in the very best condition. These roofs have been on this building for a period of 85 years.

The roofs have been subject to strain and fatigue. The committee had an exhaustive study made concerning this very important matter. It is estimated that to replace these roofs will cost approximately \$585,000. It came as a surprise to the members of the committee to learn that even the ceiling in this room is cast iron, all the structural braces in the roof are cast iron, and this is dealing with an entirely different material than would be employed in constructing roofs today. The ordinary load of a roof is estimated to be 30 pounds to the square foot, but a roof is always built to carry four times that estimated load.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I will be very pleased to yield to the gentleman from Texas.

Mr. LANHAM. I understand that the roofs on the House and Senate wings of the Capitol were constructed about 85 years ago; is that correct?

Mr. RABAUT. That is correct.

Mr. LANHAM. Has the committee made sufficient investigation to determine how imminent any danger may be from the present condition of these roofs?

Mr. RABAUT. I intend to develop that as I go along.

Mr. LANHAM. And another thing, if the gentleman will touch upon this, my recollection is this bill provides an appropriation of \$585,000 for the purpose of renewing these roofs. What has been done to arrive at that sum? Upon what is that estimate predicated and has there been an inspection of the roofs by experts to determine accurately just what should be done and what the reasonable cost would be?

Mr. RABAUT. I will be very pleased to develop that subject for the gentleman from Texas.

The matter of the condition of the roofs was discovered when the roofs were being examined for the purpose of making them fireproof, and when the anticipated load of fireproofing the roofs was contemplated and the structure was studied, it was found they would not only not take the fireproofing, but they were in danger from their own weight, according to present-day standards.

As I was saying when the gentleman asked me the question, the ordinary roof load is figured in modern engineering to carry four times the required amount of 30 pounds to the square foot. The roof over the Capitol is about 50 percent efficient. It developed in the hearings that there were certain strains on the pins that hold up the structural part of this roof. It developed that the regular strain on these pins, which should be in the neighborhood of 12,000 pounds to a certain unit, are strained to the point of something like 77,000 pounds, and that the roof of itself under ordinary conditions is safe, but the roof would not be safe with tremendous snow, followed by rain, turning to ice with changing temperature. In such case it developed in the hearings we would be very wise to step out of the structure.

It is also true that prominent roofs that have collapsed have been new roofs, the collapse being due to faulty construction, but it is also true there is no roof in existence today of this size, built in this style, any place that is known of that was built in the same period, of the same type of materials.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. Yes.

Mr. MAHON. I wonder if in case of heavy snow, to which the gentleman has referred, it would be possible to remove the snow and thus prevent that danger?

Mr. RABAUT. Something would have to be done under the information that has been given the members of the committee. They would probably employ live steam.

Mr. MAHON. But the gentleman does not feel there is any immediate danger of collapse which should cause the House any alarm?

Mr. RABAUT. No; and I do not think the public should be alarmed, but I feel it would be well to take the precaution that has been suggested to us.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. Yes.

Mr. LANHAM. I was here when the Knickerbocker disaster occurred and that was something that struck the hearts of all of us, because it resulted in great loss of life. We have now a roof on this building which has lasted 85 years. Is it proposed to put a roof on today that will last that long again?

Mr. RABAUT. I made a remark in committee that perhaps the members ought to take a course in engineering. I am not able to say anything about that except as the evidence that was given the laymen on the committee by experts, including engineers from the National Bureau of Standards, the Bureau of Yards and Docks, and the Procurement Division, and the famous engineer Mr. Thomas W. Marshall, all of the others agreeing with a letter that he sent to the Architect of the Capitol, saying that fatigue and strain and undetected faults that may be in the roof are something that the committee and the Congress should absolutely take notice of, and this testimony is backed up by the gentlemen from the departments to whom I have just referred.

Mr. LANHAM. I should say to the gentleman that beside the question of safety, the preservation of the Capitol, and proper care are absolutely imperative, when needed, because, in my judgment, there is no more beautiful building in all the world. When will this repair be made?

Mr. RABAUT. Mr. Chairman, I am aware of the gentleman's great interest in the Capitol and of his profound knowledge of its history. It is as disturbing to the members of our committee as it is, evidently, to the gentleman from Texas today. This morning before the full Committee on Appropriations it was decided that inasmuch as nothing can be done with the building while we are in session, further time should be given to the committee to conduct a further study, and that an amount of \$5,000 should be appropriated to secure additional advice from engineers. If the work is to be done, it will have to be done while Congress is not in session, and it will be necessary to work at least two shifts to get it ready before the Congress returns.

Mr. LANHAM. The evidence before the committee was that an abnormally large and heavy snowstorm would endanger the safety of the building?

Mr. RABAUT. Yes; and there is extensive testimony in the hearings about that.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. Yes.

Mr. STEFAN. To tell the distinguished chairman of the Committee on Public Buildings and Grounds that our information is that in case we have a 30-inch fall of snow on this roof, we will have instructions to move out, and this committee went on record, which would indicate that we feel something should be done immediately to safeguard the lives of the Members who are in the House and our visitors in the galleries.

Mr. LANHAM. I am quite in sympathy with that, and also that the proper precaution for the preservation of the Capitol should be taken. I am simply trying by my inquiries to elicit information as to the imminent or emergency nature of the condition here and what should be done right away. Personally, I am in favor of doing whatever is necessary to be done.

Mr. STEFAN. Throughout the hearings and our interrogation of witnesses before the committee, we made it very plain that nothing should be done here which would injure or destroy or eliminate any of the valuable American architecture that is present in this Capitol, which the gentleman has fought to preserve.

Mr. LANHAM. In addition to that, is it true that the plans in prospect do not contemplate any architectural changes, but merely the matter of replacing the roof as a matter of safety?

Mr. STEFAN. Insofar as the roofs are concerned, but I warn my colleague that there are plans on foot today to change the appearance of this valuable building; that is, to move the front of the Capitol out to match with the House

and Senate wings. That movement is already on foot. I oppose that, and I am sure the gentleman does.

Mr. LANHAM. I am quite familiar with that situation, but no architectural changes are contemplated in the repair of these roofs?

Mr. STEFAN. None whatever, and I am sure that my chairman will agree to that. There is no contemplated change in the architectural appearance. The roof merely is to be replaced.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. Yes.

Mr. DOWELL. By opening up this subject of repairs to a part of the building, will it not then be open for the improvement that has been suggested here, changing the entire face of the Capitol?

Mr. RABAUT. There have been repairs to the roof of the Capitol in several places. Of course, an emergency knows no set rule, and this is an emergency measure.

We are advised by the engineers not to delay this matter beyond the next recess of Congress.

Mr. DOWELL. About what will the repairs that are necessary now cost?

Mr. RABAUT. The estimate—and it is only an estimate—is \$585,000. That is a new roof for the House wing and a new roof for the Senate wing. Incidentally, the claim is that the Senate wing is in worse condition than the House wing.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I will be glad to yield to the gentleman from Georgia.

Mr. COX. If everything that is old is bad, and therefore incapable of serving its present day needs, why not tear down the whole Capitol and build it anew, along the lines of present-day ideas? This Capitol has stood here for some eighty-odd years and seems to have served fairly well.

Mr. RABAUT. The committee is simply charged with the duty to present such matters as come before the committee to the House. That is the position of your chairman.

Mr. MASSINGALE. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Oklahoma.

Mr. MASSINGALE. I am wondering, after hearing the gentleman's statement about the alarm over the roof situation, whether he thinks, considering the attitude of the press generally, there would be much alarm on the part of the American people if they thought there was danger of these two roofs collapsing while the Congress was in session?

Mr. RABAUT. It has been suggested that perhaps the hanging of the loudspeaker upon the roof was more than the old structure would stand. [Laughter.]

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield.

Mr. LEWIS of Colorado. Have there been any studies or reports in regard to this cast-iron dome over the central portion of the Capitol?

Mr. RABAUT. It has been examined and found to be in very good shape. The dome, on account of its shape, is a different type of structure.

Mr. LEWIS of Colorado. It is cast iron.

Mr. RABAUT. Yes. All the braces in the roof over the Chamber are cast iron, and that is what makes it difficult to rebuild.

Mr. LEWIS of Colorado. I am not learned in the sciences, but I have understood that the fatigue of metals was particularly noticeable in cast iron, and that particular feature has only been studied at length within the last few years.

Mr. RABAUT. I may say to the gentleman that the full Committee on Appropriations took the amount for reconstruction of the roofs from the bill this morning with the idea that we should have some additional study and bring it up before the close of this session, after further investigation has been made by engineers. Then it could be brought up again in a deficiency bill if it is determined the work should be undertaken.

Now, under "Architect of the Capitol" we have some other suggested improvements which the committee did not see fit to approve. For paving of roadways around the Capitol, \$390,000 was proposed. This amount was not thought necessary. It was thought improper to make the improvement now because of the fact that if the roof is to be repaired or replaced, there will be a great deal of heavy traffic and we would have our new roadway all cut up. So we think we should just leave this matter stand as it is for the present. I feel it should wait until the entire Capitol is changed, if they are going to change it. If they are going to drop the subject of changing the Capitol, then the roadway could be adjusted according to the plan of those having that matter in charge.

There was a request by the Architect's office to replace a roof on the terrace out here, in the amount of \$345,350. The committee visited the structure, went through the passes below the terrace, and suggested that if the rooms were to be used for some purpose affecting the Congress itself and the activities of the Congress, and not for shops and places of storage, and so on, the committee might be interested in repairing it and making necessary alterations to adapt it to such use. So this matter is left out of the bill. We will have a new plan available for consideration next year.

The Library of Congress: As the committee knows, the Library has moved into the new annex building. The committee was confronted with a request for 181 new employees for general expansion. A similar situation to that existed 40 years ago when the Library was moved from the Capitol into the Library proper, across the park.

Immediately upon moving into the new building the personnel was doubled to properly staff the building. Within 2 years the new Librarian took charge and the personnel of the Library was redoubled in another 2 years. The committee feels that inasmuch as the proposed appointment of a new Librarian is awaiting the action of the President, and the present Librarian, Dr. Putnam, is to become Librarian Emeritus of the Library, the new Librarian should be free to continue the development of the Library according to his own ideas with the advice and counsel of the Librarian Emeritus, whose 40 years bear silent testimony to the great strides made in this glorious institution.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield myself 10 additional minutes.

Now, paralleling the situation in 1397, we have a new building over there. Congress last year allowed \$100,000 for staffing the new building—for personnel. This covers the new reading room and all the new departments not heretofore necessary. If the members of the committee have not visited the annex to the Library, you have missed a treat. Go over and look at the annex of the Library and you will see there the last word in the transportation of books; the last word in lighting and in study rooms. It is just an ideal spot for the historian of today and tomorrow. So make a visit to the new Library.

We have allowed an increase of \$15,000, making a total sum of \$85,000 for books for the law library. For the first time a limitation has been placed upon travel for the Librarian and his staff. This has been set at \$5,000. The existing activities of the Library have been continued in the bill, and provision has been made for two new divisions now being set up through gifts from the outside, which activities, of course, require some personnel. There is the new Hispanic room and the new photo-duplication section. Both of these rooms have been equipped very elaborately from gifts that have been made for these purposes to the Library.

We come now to an item that will prove somewhat of a surprise to the membership, but it is an item that has, for the last 2 years, been laid in the lap of this committee. This is an item under the heading Government Printing Office. There has been distributed in the House this morning samples of the format of the CONGRESSIONAL RECORD. On the cover of this format you will find an analysis showing an estimated saving of \$123,750 per annum. Expressed in percentages it amounts to 16 percent. This is estimated on the size of the

RECORD last year. Should the session be longer this year, as we expect it will be, we figure the saving will be proportionately greater. For this reason we have deducted from the amount of the appropriation for the Government Printing Office the sum of \$135,000.

All of the pages in this format are laid out in pairs. You will note that the first two pages are a print of the front page of the CONGRESSIONAL RECORD in the two styles. On the left-hand page you have the RECORD set up in two columns, as is the style today. On the right-hand side you have the proposed format of the RECORD in three columns, and at the bottom of the third column you see the saving of space. So, too, if you turn to the other pages, which are taken at random from different RECORDS just to give an idea of the general saving that would be effected by this proposed change to a three-column page, you will note the saving of space.

While we mention the proposed saving of \$135,000 which has been laid in the committee's lap for 2 years straight by an outright offer from the Government Printer to reduce his appropriation \$135,000 if we wish to make this change in the RECORD, we have also looked into what effect the change in printing the RECORD would have upon the eyesight and, indirectly, the health of the Members and those who read the RECORD. I have here some letters which were secured by the attending physician, Dr. Calver. I asked him what the effect of a change in the RECORD would be. The present RECORD, with its long lines, causes a double muscular action of the eye. It also causes a greater searching action of the eye when reading to locate the next line.

With the short line of the three-column page proposed there is a single muscular action of the eye, and the searching effort is greatly reduced. It is declared by physicians to be a very readable arrangement and less taxing upon the nerves of the eye.

Dr. Calver writes me:

I am enclosing four letters written by the Surgeon of the Army, the Surgeon General of the Navy, the commanding officer of the United States Naval Hospital, and Dr. William Thornwall Davis, one of the outstanding ophthalmologists in the city of Washington, giving their comments on the proposed change in the form of the CONGRESSIONAL RECORD. It is interesting to note that these gentlemen are all in favor of the proposed change on the basis of the reduction of strain and eye fatigue.

The designing of the style of the CONGRESSIONAL RECORD is not a matter coming within the jurisdiction of this committee, but the saving of money is distinctly within the province of the Committee on Appropriations. The format of the CONGRESSIONAL RECORD is strictly a matter that comes within the jurisdiction of the Joint Committee on Printing. I have talked to members of the Joint Committee on Printing and the question was raised by one member as to what effect this change in form would have on the employees of the Government Printing Office. We took up that phase of the question with the Public Printer and I interrogated him at length concerning it.

He assured me that no one would be dismissed and no one would suffer a reduction in pay. You know, we are inclined to regard the RECORD as the principal job of the Government Printing Office, but, actually, the RECORD is only an incident in the greatly varied activities of the Government Printing Office. The Government Printing Office operates 12 months a year. The RECORD is printed only during the time the Congress is in session. While in the last few years we have learned what it is to be here for considerable lengths of time, we must remember that some years ago the duration of sessions was much shorter. Thus the RECORD is incidental to the entire activities of the Printing Office.

The suggestion is still made, however, by the Government Printer that we can save \$135,000. The proposed change is further supported by the statement of physicians and oculists that it is more readable and that it causes less eyestrain. The committee feels, with all due respect to the other committees involved, that it should take cognizance of the suggested savings, and the committee is unanimous in suggesting to the House that this change be made.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, if the joint committee feels this should not be done, after due study, that committee has until the last deficiency bill to make its decision, at which time the Public Printer may come in and ask for a deficiency appropriation in the amount of \$135,000, which the committee has taken from his appropriation. Incidentally, may I say when I presented this matter today to the full Committee on Appropriations there was not one dissenting vote. So I am happy to bring it before the House, and I hope you will act favorably upon it.

Mr. CONNERY. Will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Massachusetts.

Mr. CONNERY. On page 10 of the report there is a statement to this effect:

Under the law the Joint Committee on Printing is vested with authority to fix the format of the CONGRESSIONAL RECORD and members of the Joint Committee are now considering the advisability of making the proposed change.

May I call to the gentleman's attention and to the attention of the Members of the House the fact that there has been no meeting of the Joint Committee on Printing? As a member of the Joint Committee on Printing, I have no knowledge whatever of this matter having been given consideration or having been looked into, or of any action whatsoever.

Mr. RICH. Will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Pennsylvania.

Mr. RICH. As a member of the Joint Committee on Printing, may I say that last December, when Mr. Lambeth was chairman of the Joint Committee on Printing, there was sent to all members by correspondence a letter in reference to this change. Each individual member had notice. However, no committee meetings have been held, and, as the gentleman from Massachusetts [Mr. CONNERY] is a new member of the committee, I may say it is possible this matter will be taken up if and when we have a meeting of the joint committee.

Mr. CONNERY. In other words, the Committee on Appropriations is now placing the Joint Committee on Printing on the spot, if this provision in the bill goes through, forcing them to take some action toward adopting this new format for the CONGRESSIONAL RECORD. I am not convinced that a saving of \$135,000 can be made unless at least \$100,000 of that \$135,000 is taken out of labor down there in the Government Printing Office. I cannot see how it can be done without eventually doing away with jobs.

Mr. RICH. As the chairman of the Subcommittee on Appropriations stated a minute ago, the Joint Committee on Printing was not forced into this. I made inquiry this morning. It was only the matter of making a deduction of \$135,000 in this bill. The Joint Committee on Printing will have an opportunity to convene between now and the 1st of June and if and when the members of that committee decide they want to put it into effect, O. K. If they decide it should not go into effect, then they may ask for a subsequent appropriation of \$135,000 and the Government Printing Office will not be inconvenienced in any manner.

Mr. CONNERY. Probably I should look at this as a magnanimous gesture on the part of the Committee on Appropriations, this endeavor of the Appropriations Committee to force the Printing Committee to take favorable action by initiating this action through a reduced appropriation; but my idea is that the Joint Committee on Printing should have had priority in considering this proposal, and should have had priority in presenting it to the House for appropriate action.

Mr. RICH. The Joint Committee on Printing has had every opportunity to consider it because we have been in session for practically a month and a half. We have not had a meeting of the Joint Committee on Printing. That is no fault of the chairman of that committee, because he has been willing to have a committee meeting at any time and he is willing to give his time and attention to the matter; however, we are having a difficult time in getting the Senate to join with the House in this matter.

Mr. CONNERY. When the Committee on Printing does take the matter up we have no assurance it will look with favor on this change. I have been informed this matter was placed before both the Republican and Democratic leaders during the late days of the last session of the Congress and every one of them was against the proposition.

Mr. RICH. That is not the fact.

Mr. CONNERY. I have been so informed.

Mr. LEWIS of Colorado. Will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. I note the analysis of savings set forth on this sample is \$123,750, whereas the gentleman indicated the saving would be approximately \$135,000.

Mr. RABAUT. I think I stated that this is based on the size of the RECORD last year, and, as we anticipate a longer session, which will make a larger and more voluminous RECORD, the savings will be greater.

Mr. LEWIS of Colorado. That explains the matter.

Mr. RABAUT. Mr. Chairman, I would like to answer the gentleman from Massachusetts [Mr. CONNERY]. It is true that there is some feeling about this change; however, it is also true that for 2 years straight the Government Printing Office has laid in the lap of this committee this saving of \$135,000, and the committee can no longer be put in the position of looking with indifference upon it. If after the Joint Committee on Printing has made a study of the matter it should rule otherwise, if it should feel this change should not be made, no injustice has been done anyone, because the Government Printer may go to the deficiency committee and have this amount returned to him due to the fact the Joint Committee on Printing did not change the format of the CONGRESSIONAL RECORD.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. May I ask the gentleman to explain a little more where these savings will come from?

Mr. RABAUT. It is explained right on page 1.

Mr. MARTIN of Massachusetts. Explain it for the RECORD. Is it true that 75 percent will come from the workers? Will it be necessary to reduce the personnel over in the Printing Office?

Mr. RABAUT. There is no one in this House who comes from a district in which there are more workers than the gentleman before you from Detroit, Mich.

Mr. MARTIN of Massachusetts. I am not trying to embarrass the gentleman, but I would like information.

Mr. RABAUT. There is no greater friend of the workingman in this House than I am. We have this set-up, and we ought to have some respect for the readability of the RECORD or for the format of the RECORD as far as it affects eyesight. As I say, we should have some respect for that problem. Here we have the testimony of prominent oculists, men high in their profession, and they say this is a great improvement.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield myself 10 additional minutes.

Further, these are the figures with regard to the savings that will be made:

	Present format (2 column)	Proposed 7½ on 8½- point (3 column)
Composition.....	\$302,873.00	\$249,475.45
Imposition and make-up.....	27,950.00	23,206.89
Platemaking.....	59,626.00	49,600.47
Presswork.....	140,000.00	117,242.00
Binding.....	95,000.00	79,378.50
Paper stock.....	103,742.56	86,736.65
Total.....	729,191.56	605,441.56
Saving.....		\$123,750.00
Percent.....		16.97

I asked the following question during the hearings:

Mr. RABAUT. Will this change to this improved format for the RECORD cause any reduction in personnel in the Government Printing Office?

Mr. GIEGACK. We do not contemplate any reduction in personnel because of this change in the CONGRESSIONAL RECORD.

Mr. MARTIN of Massachusetts. Then there must be less work for those already employed?

Mr. RABAUT. There is less work, less paper is used, it is a smaller-sized RECORD, and when the RECORD is bound it will be a smaller-sized volume.

Mr. MARTIN of Massachusetts. Then this will represent a pay cut for the people who are now employed in the Printing Office?

Mr. RABAUT. There will not be a pay cut. There will not be a single person who will receive a cut in pay. As a matter of fact, the Government Printing Office never has been current with its work. This would give them somewhat of a breathing spell. They will be able to get closer to operating on time. As I said before, the RECORD is only one of the activities of the Government Printing Office and, in fact, is only a seasonal printing job.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Michigan.

Mr. MICHENER. I believe the real question raised by the gentleman from Massachusetts, who is a member of the Committee on Printing, is that the Committee on Printing has jurisdiction over all printing matters; that we all agree, and the Committee on Appropriations appropriates the money authorized by law. As I understand, there is no new legislation in this bill; therefore, there must be lodged somewhere the authority to fix or change the form of the CONGRESSIONAL RECORD. This would naturally go to the Committee on Printing. The gentleman from Massachusetts is complaining because the Committee on Appropriations is usurping and attempting by indirection to perform the functions of the Committee on Printing. I notice this provision is drawn so artfully that no point of order would lie against it. It is just a question of your allowing so much and then making the committee come in and make a negative case.

I agree with the gentleman as far as economy is concerned, but I believe the Committee on Appropriations should be very careful not to attempt to become a supercommittee which would make the legislation for all the things coming before the Congress.

Mr. RABAUT. There is no attempt on the part of the Appropriations Committee to legislate anything. We do not want to legislate at all. However, no one is charged with the responsibility of checking the possibility of this saving except this committee, which has had the proposition offered to them for 2 consecutive years. The committee felt, and I think rightfully so, that they should attempt to make this saving.

Then if it is shown that the saving cannot be made without adversely affecting the membership of the House and Senate and other users of the RECORD, which would be determined by the findings of the Joint Committee on Printing, the Public Printer could be told, "You were wrong in your suggestion to the Appropriations Committee and you can go back and ask for a deficiency appropriation."

Mr. JARMAN. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Alabama.

Mr. JARMAN. The gentleman has stated at least twice that this matter has been in the lap of his committee for 2 years. Does the gentleman mean to tell the House this format has been before the committee for 2 years?

Mr. RABAUT. I did not say anything about the format. I said that the proposed saving of \$135,000 has been before the committee. The only reason the format is here is to show what the suggested change is. We are not proposing the new format. We are just telling you what the Government Printing Office says can be done.

Mr. JARMAN. Will the gentleman tell the Committee when this particular format was prepared?

Mr. RABAUT. There was a format previous to this one having between the lines what is called a space of a half point.

It was the same as this format, except that a change was proposed in this format at my suggestion, in order to meet an objection that was presented to me to the effect that some Members of the Senate thought the lines were spaced too narrowly with half a point between the lines of printing. Therefore, I suggested that a new format be made up with the idea of seeing whether or not they would approve of it. Then I thought the House members of the Joint Committee would give even greater approval of it than they apparently gave it the first time I talked to them about it. It seems that since that time something happened which caused them to feel that the chairman was attempting to take from that committee some prerogative in exercising his evident duty to take cognizance of this possible saving of \$135,000, which is backed up by the testimony of the oculists, who claim the improved format is more readable than the present one.

Mr. JARMAN. Does the gentleman say the original format was discarded because of some objection in the Senate? Of course, the gentleman does not mean to say that the objection was only in the Senate.

Mr. RABAUT. No. The only objection I had from a Member of the House, if the gentleman wishes me to bring out this fact, was from my friend the gentleman from Massachusetts [Mr. CONNERY], who raised question about the labor involved.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I yield to the gentleman from Massachusetts.

Mr. CONNERY. The gentleman has made the statement that he has been assured by the Public Printer, and, for that matter, I have also been so assured by the Public Printer, that this change will in no way affect anybody's job; but just take the first line in this table on the first page of this analysis of the savings on the CONGRESSIONAL RECORD, which states, "Composition, present format, \$302,873," as against \$249,475 under the proposed format.

If the gentleman or anybody else could show me how they are going to make that saving without affecting labor by reduction of wages and loss of jobs, I would like to have them do it.

Mr. RICH. Mr. Chairman, if the gentleman will yield, I may say I do not believe we have had a single Department of the Government come before the Committee on Appropriations without complaining about the high cost of printing at the Government Printing Office. Practically every Department of the Government claims that it could get its printing done away from the Government Printing Office a whole lot cheaper than in the Government Printing Office. As was stated by the chairman of the subcommittee a few moments ago, the Public Printer assured him that the difference in the cost of composition would be with respect to men whom he could use in doing work in other branches of the Government Printing Office.

If he can use the same people that he has over there for other work that he is trying to do, goodness knows we ought to cut down the expense of the Government Printing Office in any way we can. That is your duty and that is my duty, and I know the chairman of the subcommittee is willing to do anything he can to have a good, sound, economical job done. I am not here speaking for this matter, because when the time comes we, as a Joint Committee on Printing, will take this up and study every phase of it, and then do that which, in our judgment, is best, and I am convinced that the chairman of the subcommittee is not trying in any way to do anything that would take away from the Joint Committee on Printing any of its rights or privileges.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield myself an additional 10 minutes.

Mr. JARMAN. Mr. Chairman, may I ask the gentleman a question?

Mr. RABAUT. Yes.

Mr. JARMAN. Will the gentleman tell the Committee when and where this present format originated?

Mr. RABAUT. The original format—I do not know where it originated.

Mr. JARMAN. The one you passed on?

Mr. RABAUT. That is only a copy of another format.

Mr. JARMAN. I mean this copy of it.

Mr. RABAUT. The change in the leading of this format was made last week. An additional half-point lead was placed between the lines. As I explained before, the original had a half point between the lines. The present long line, two-column CONGRESSIONAL RECORD has a point and a half between the lines, and this proposed format now of three columns has one point between the lines.

Mr. JARMAN. Mr. Chairman, may I ask the gentleman if any member of the Joint Committee on Printing aside from the gentleman from Massachusetts [Mr. CONNERY], the gentleman from Pennsylvania [Mr. RICH], and myself have seen this?

Mr. RABAUT. I do not know whether others have seen it or not. I showed it to the three gentlemen mentioned because they constitute the House membership of the Joint Committee on Printing.

Mr. CONNERY. In other words, this format has been printed by the Public Printer at the suggestion of the Committee on Appropriations not because of any approval by the House Committee on Printing or the Joint Committee on Printing?

Mr. RABAUT. So he could prove to us and could prove to the House that we have a right, at least, to say that we believe that the \$135,000 can justifiably be saved. There is plenty of time on this bill, and everybody will be given all the time he wants, but I want to continue and finish my remarks.

I want you to turn to the last page of this sample format of the RECORD. On the last page of this sample format of the RECORD there is a copy of a proposed speech as sent out by the Members of the Congress. Under the present system you have a capacity of 475 words per page, or 950 words on two pages. Under the proposed format in the printing of the RECORD the Members of Congress can send out that same sheet with 820 words on a single sheet, or 1,640 words on a double sheet. The reduction in cost of reprints of speeches resulting from the adoption of the improved format will be approximately 45 percent. I think we ought to acknowledge the situation as it exists.

I want to thank the Committee for the attention they have given me.

Mr. MARTIN of Colorado and Mr. DUNN rose.

Mr. RABAUT. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. I just want to say that the gentleman from Missouri [Mr. NELSON] and myself held a little caucus here with the dual formats before us and we rather thought the present format was easier to read.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. I will be glad to yield to the gentleman.

Mr. WHITE of Idaho. Could we not save the Members of the House and the Government a great deal of money by adopting the three-column format and establishing a mat service, so that any Member that wanted to put his remarks before the public in his district could get a mat impression of his speech and run it through the newspapers without going to all the expense and trouble of putting a franking charge on the Post Office Department, when they could put the whole thing before the public just by getting an impression of their speech from that mat and having it run through the newspapers on standard newspaper print?

Mr. RABAUT. That is a very interesting suggestion.

I now yield to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. RABAUT. Yes.

Mr. DUNN. I did not hear all of the gentleman's address, but I want to know whether, with this saving of \$135,000 a year, anyone would lose his job?

Mr. RABAUT. No; not according to the testimony presented to the Committee.

Mr. DUNN. I do not want any more employees losing their jobs.

Mr. RABAUT. I agree with the gentleman. I reserve the remainder of my time and yield 30 minutes to the gentleman from Georgia [Mr. COX].

WHAT SHALL OUR FOREIGN POLICY BE?

Mr. COX. Mr. Chairman, in the confused and unsettled state of the world today, the question of our foreign relations is graver, more delicate, and fraught with more potentialities of danger to our peace than at any time since we made the fateful decision to participate in the World War.

The whole issue of our foreign relations and our national defense has become so befogged by propaganda, hysteria, fear, pride, and resentment that I am impelled to an effort to clarify and simplify the issue in the interests of the national welfare.

I desire to address myself to this question of our foreign relations, not in any spirit of criticism of anybody or of any policy, but rather in a spirit of dispassionate analysis of the fundamental essentials underlying the whole question, in order to promote, if possible, clear thinking on the issue.

There is one common danger which threatens this and other nations of the world alike. That is emotionalism. The questions of our foreign policy, of our relations with other governments and countries with whom we are at peace, and of our national defense, ought, for the sake of world peace and the safety of our own Nation, to be considered with great calmness and deliberation, and not in an atmosphere supercharged with passion, resentments, suspicions, partisanship, economic fears, racial hatreds, or other forms of irrational emotionalism.

At the outset I want to call to the attention of the House the fact that the statements and declarations made by the high officials of our Government and by the Members of the Congress are not only given a significance abroad which we in this country do not attach to many of the expressions, but are twisted and distorted in other countries until they come to mean something entirely different than the ideas in our minds when we give utterance to these all too frequently ill-considered sentiments and arguments.

Mr. Chairman, great confusion has arisen from the secrecy surrounding our foreign policy. A certain amount of secrecy in the conduct of our foreign affairs by those charged with that function is, of course, necessary and inescapable. On the other hand, it is highly desirable, if we are to maintain that calm and deliberative state of mind which will enable us to make the wisest decisions, that there should be no more secrecy about the conduct of our foreign relations than is absolutely essential to the national welfare.

We have already witnessed the confusion, the acrimonious debate, the controversy, and the emotionalism aroused by secret conferences. Harsh words have been spoken which ought not to have been spoken. Controversies have arisen which ought not to have arisen. Suspensions have been engendered which ought not to have been engendered. Divergencies of views have come about which ought to have been avoided. If there is any subject upon which there should be the closest, freest, frankest, sincerest cooperation between the administrative and legislative departments of the Government to the end of helping to maintain world peace and of keeping this country out of war, it is the subject of our foreign relations and our national defense.

Now, Mr. Chairman, let me give you what I conceive to be the fundamentals of the different policies which are urged upon us. I wish to repeat that I am approaching the subject not in a spirit of criticism but in a spirit of a desire to clarify the question, in order that we may think straight in adopting whatever policy we shall eventually embrace with regard to our foreign relations and our national defense.

It serves no good purpose to deny that the President of the United States and the members of his Cabinet possess tremendous power, through their public utterances, to shape sentiments and mold public opinion in other countries. That is also true of Members of the Congress. That being true, the welfare of this Nation, perhaps the blood and the lives of our citizens, demand that all of us should carefully weigh

our words when we publicly discuss the relations existing between other nations, such quarrels as may be in the making between other nations, and our own relations to those international relations and quarrels.

Mr. Chairman, we have two opposing policies urged upon our consideration. Let me observe at this point that, up to certain limits, our national defense needs to be expanded and improved. We might as well recognize, however, that beyond those limits the question of an adequate national defense depends entirely upon which of two policies we adopt in our foreign relations. One of these policies—the one favored by the administration—is an internationalistic policy—at least, to a more or less limited degree. The other policy—opposed to the administration's views—is a nationalistic, or isolationist, policy. Let us first consider the internationalistic policy and reduce it to its essentials.

We are told by administration spokesmen that another world war impends. Some declare that it is imminent—the question of a few months. Others declare that it will come within the next 2 years. All of them declare that if a war breaks out in Europe, we cannot avoid being gravely affected by it and, in all probability, sooner or later being drawn into it. "We cannot remain aloof," say administration spokesmen.

It is further contended by the supporters of the administration policy that the so-called democracies of the Old World—meaning principally France and England—are fighting with their backs to the wall against increasing encroachments and growing power on the part of the so-called "aggressor-dictator" nations, meaning principally Germany, Italy, and Japan.

We are also told by administration spokesmen that the South American republics within the zone of influence of the Monroe Doctrine are likewise faced with both economic and ideological penetration by the totalitarian Governments of Germany, Italy, and Japan. Thus far we have heard little about the totalitarian Government of Russia, although communism, too, is making rapid inroads, it is said, in South and Central America, as well as in this country.

The contention of the administration spokesmen is that we must support an economic alliance with those nations opposed to Germany, Italy, and Japan, and facilitate their purchases of machinery and munitions of war in this country, while we invoke economic sanctions against Germany, Italy, and Japan.

It is further contended by the administration that we can pursue such a policy of favoring one group of nations on a cash-and-carry basis, at the same time invoke economic sanctions against other nations, and still remain "short of war."

The administration spokesmen further assert that if we do not thus throw our economic and moral weight on the side of the so-called European democracies, the new philosophies of force may overrun the other continents and invade our own. We are told by the administration that "when we deliberately try to legislate neutrality, our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor and deny it to the victim."

Behind all of these assertions apparently lies a conviction on the part of the administration spokesmen that if the so-called aggressor nations can by force overcome and subjugate the European democratic nations, they can then utilize the economic and manpower and the material resources of the subjugated nations to support an attack against us that would be a grave threat to our lives and our Nation.

The administration advocates point out to us that if we act now in an economic alliance with the democratic nations of Europe to discourage, by both our attitude and our economic power, the philosophy of force on the part of the dictator nations, a general war will be averted and time will be afforded to find a way for the peaceful settlement of controversial issues.

The administration spokesmen do not tell us how they propose to effectuate the economic sanctions to be invoked against the dictator nations. They do not tell us what policy we would follow in the event the aggressor nations and the

democracies of the Old World became locked in armed conflict, in which case the democratic nations might not have the money with which to make cash payments to us for machines and munitions of war or for foodstuffs and clothing stuffs for their civilian populations, as well as their armed forces.

The administration spokesmen do not say what would be our policy in event the democratic nations should face defeat in such a war and should call upon us again to throw our manpower into the fray on their side.

Mr. Chairman, having thus briefly outlined the fundamental essentials of the administration's foreign policy, I desire now to examine the isolationist policy.

The advocates of an isolationist policy assert that nobody knows whether or not another world war impends, because nobody knows just how far the rulers of the dictator nations are actually prepared to go toward an armed conflict, by reason of their economic limitations, the danger of internal revolution, and so on.

But, say these advocates of isolation, whether or not war comes in Europe, we can avoid being drawn into it by staying at home and minding our own business and trying to solve our domestic problems as rapidly and as successfully as we can. These isolationist advocates point out that the only way we can meet commercial competition in the South and Central Americas is to manufacture and sell our products in the South and Central American countries at prices which will successfully meet the competition of German, Italian, and Japanese goods. These isolationists further contend that if we attempt to take the attitude that our South and Central American neighbors cannot buy from the dictator nations, but must buy from us at a higher price, such an attitude would be, in fact, imperialistic and would be an abandonment of the administration's good-neighbor policy.

These isolationist advocates further assert that force of arms will not stop the spread of ideologies, because ideas are intangible and cannot be killed with bullets. They say further that a peaceful, prosperous, and friendly United States of America would be the very best example to the peoples of the South and Central Americas of the blessings and advantages of democracy. These isolationists contend that the best conceivable defense against the penetration into this country of either communism, nazi-ism, or fascism is an employed, prosperous people who are maintaining themselves and their self-respect by their own efforts.

These isolationists point out that it is a singular fact that throughout all of this discussion over the past year or more about dictator governments little or nothing has been said about the Stalin Government of Russia, which is perhaps the most dictatorial government on earth today and which rules by terrorism, torture, the bullet, and the noose.

The isolationists contend that when we enter into an economic alliance with the democratic governments of Europe, and begin to invoke economic sanctions against the dictator governments of the world, we have then and there ended our neutrality and already have become participants in an economic world war which inevitably will lead us into a world conflict at arms.

The isolationists insist that if we pursue such a policy of economic alliance with one group of nations while invoking economic sanctions against other nations, we cannot hope to remain "short of war," but will be led directly into war. They further assert that as soon as we take part in such an economic contest and begin to try to starve other nations of either munitions of war or food and clothing stuffs, the decision as to when armed conflict will ensue will rest with those nations against whom we are economically at war, and not with us. It will be for them, and not for us, to decide when they shall resort to arms in order to find relief from economic pressures.

Isolationist spokesmen insist that if Germany and Italy, for instance, were to engage in a decisive war with England and France, they would be so exhausted in both an economic and a military sense that they could not even contemplate crossing the ocean to invade and conquer us for half a century to come.

These isolationists further assert that a policy of economic sanctions could be made only partially effective, because there would be no way for us to prevent other neutral nations from purchasing and reselling our munitions and goods, except by invoking economic sanctions against all the nations of the world which might be doing business and carrying on trade with the dictator nations. This, of course, would also be true of embargoes under the Neutrality Act if war should ensue.

Our isolationist friends—some of them, at least—insist that our attitude and expressions on this question, instead of deterring the dictator nations away from war, may well cause them to hasten into a war in the hope that they can win such a conflict before the United States could get into a position to make itself effective on the side of the democracies.

The isolationists point out that we got into the World War by successive steps, which would be repeated in event of another war. They cite, first, that there was a very delicate question as to which side we would take in the last war—whether that of the Central Powers or of the Allies. They also call attention to the fact that at first our allies wanted only money, or rather credits—which meant munitions and supplies. They did not want us to send men. Before the conflict was over, however, we had more men in France than some of the other nations. Following the war our allies were not even grateful for our expenditures of money and men. We were berated for not having gone into the war sooner. The war debts and the post-war debts were scaled down and reduced, and scaled down and reduced, and even today the remainder of those debts is in default.

The isolationists insist that it is illogical to believe that England and France, for instance, are going to purchase American airplanes unless they have positive assurance that in event they are engaged in war they will be able to get both parts and replacements from us. It is further pointed out that in an armed conflict our economic allies, the democracies, would again find themselves short of money with which to purchase machines and munitions of war and other necessary supplies, and probably short of ships with which to transport such machines and munitions and supplies from America to their own shores.

The result would be, say these isolationists, that we would again be asked by the democratic nations to finance their war, and, finally, if they became hard pressed, we would take the last step—as we did in the World War—and send men across to spill their blood. With such an armed conflict in progress, assert the isolationists, the moral obligations resting upon us to stand by our economic allies would be too strong to be resisted.

These advocates of isolation also claim—and not without a great degree of logic—that if an economic and moral alliance with the Old World democracies is a necessity for our own safety, in event they were too hard pressed by the dictator nations in an armed conflict the same reasons would impel us to send our citizens again to foreign battlefields. The isolation advocates insist on this basis that the inevitable final result would be that not only would we have to finance and help fight another war, and not only would we never be able to collect any of the war loans made to finance another war, but the depression in the United States which would follow such a war, as depressions have always followed wars, would be so great as gravely to threaten, if not destroy, our own constitutional form of government and throw us into a fascistic or a communistic dictatorship.

These isolationists insist that if we are going to take the first step of economic alliance with any group of nations, and if we are going to take the second step of invoking economic sanctions against any other group of nations, we ought to face the facts squarely and let the people of the Nation know that such a course probably will lead to our participation in another world conflict. They assert, further, that the people, who have to do the fighting and the dying and the paying in any war in which we are engaged, ought to have the final decision as to whether or not we shall embark upon such a course.

Finally, these isolationists assert that if we are going to try to bring moral pressures and economic sanctions to bear in

an effort to avert war we would be far more effective if we were to take the open position that we would throw the whole force of our resources—our economic and our manpower—on the side of the democratic nations in event of such a conflict, and that we would do it promptly.

This brings us squarely face to face with the question, Do the American people want to go into another world war in an effort to make the world safe for democracy or to end wars?

Now, Mr. Chairman, we can clearly see that the question of an adequate defense—beyond certain well-defined limits which we are informed by our Army and Navy officers are essential as common-sense insurance against eventualities—hinges upon the question of which policy we are to pursue. If we pursue one policy—that of internationalism and economic alliance—then we will need a military machine capable not only of defending our own shores but of maintaining a line of communication with foreign shores where our armies might be fighting. If we are to follow a stay-at-home-and-mind-our-own-business policy, then we will need a military defense mechanism of a much different character.

Thus, it seems to me we are faced with a necessity for a clear choice of either an internationalistic or an isolationist policy before we can determine with certainty the necessities and requirements of our military machine. The House and Senate Committees on Military Affairs seemed to have heard one sort of report from military officers and another kind of report from at least two of our foreign Ambassadors.

The question arises here as to whether two foreign Ambassadors are more capable of weighing the conditions in Europe and judging how imminent is war, and how vitally and how quickly that war may affect us, than are our military officials, with their special training, their constant study of these questions, and their vast network of intelligence agents throughout the world.

Indeed, Mr. Chairman, there have been assertions that these Ambassadors were recalled to Washington by the administration and sent before the congressional committees as high-pressure salesmen rather than as experienced observers and judges of the imminence of war and its probable effects upon this Nation.

However that may be—and I am passing no judgment on that question—we must make a choice as to our advisers. Either they will be our military and naval authorities, who ought to be able to advise us very capably, or they will be civilians who might possibly be actuated by something other than cool, dispassionate, logical analysis based upon accurate information.

I hope, Mr. Chairman, that I have at least made clear the fundamental essentials of these two conflicting policies, and in doing so that I may have emphasized the necessity for cool, calm, dispassionate deliberation on this question, instead of emotionalism, hysteria, suspicion, rancor, hatreds, or resentments.

I have not considered a middle course, so-called, between these two philosophies of internationalism on the one hand and isolation on the other, because, I confess, I have been unable to see any middle course. It seems to me, Mr. Chairman, that we either must take sides or remain completely aloof. It seems to me that if we do take sides we must do so with a full and clear realization that we may be embarked upon a journey that will lead us directly into another World War; while if we take the other course, we may find ourselves standing practically alone as the last great democracy in a world gone mad with blood lust and a philosophy of force.

However, whatever we in the Congress decide to do should be done with calmness and deliberation and a due sense of the momentous results which must, in any case, grow out of our decision. [Applause.]

Mr. STEFAN. Mr. Chairman, the appropriation bill that we now bring before you is the second regular annual supply bill reported thus far this session and deals with appropriations for our legislative establishment for the fiscal year 1940. It comes to you as concrete evidence of how much it costs you to run your business up here on Capitol Hill. Your subcommittee has been working on this bill since January 30

and has had unusual opportunity to examine our proposed legislative expenditures with care. Only recently this House passed the independent offices bill, carrying \$1,604,000,000. This bill was cut \$1,580,000. I call your attention to the present bill, which came to our committee with Budget estimates of \$24,287,946 and which we bring to you with a total of \$21,636,398, a saving under the Budget of \$2,651,548.

You may also be interested to know that requests running into many hundreds of thousands of dollars were eliminated by our subcommittee because we felt that we must begin economizing in every department of government. Included in these eliminations were requests for new terraces and repairs, \$345,000; new pavement in front of the Capitol, \$390,000; moving floors from the Office Building to the House, \$200,000; roofs, \$585,000; printing, \$135,000; new greenhouses, \$90,000; new sidewalks, \$25,000; new personnel, \$340,000; printing and binding, \$108,000; and many other items too numerous to mention here.

You may also be interested to know that there came before us only two heads of activities who asked or suggested reductions. One suggested that we could cut the Government Printing Office appropriation \$135,000 and there was another suggested cut of \$2,500.

Every Member of this House should diligently read the hearings on this bill. It contains valuable information for each Member regarding what it costs to run this House and the legislative branch of the Government. While the hearings contain but 330 pages, there was the equivalent of many pages of "off the record" discussions through which your subcommittee endeavored to learn where further reductions could be made.

The entire hearings, in my opinion, developed the fact that the subcommittees, as well as the full Committee on Appropriations and the entire House membership, are groping pretty much in the dark on how much money we should or should not appropriate for the various activities of the Government. We are entirely dependent upon the honesty and competency of the department and bureau heads who appear before us showing justifications for these expenditures. The value of the Appropriations Committee clerks is beyond estimate. These able men in our service are the guardian angels of committee members and, in my opinion, save the Government many times the amount they receive in salary.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. Yes.

Mr. LANHAM. Not with reference to this particular appropriation bill but with reference to various other agencies of the Government and departments, I recall that in the last Congress the gentleman from North Carolina [Mr. Umstead] made the pertinent suggestion that it would be an expenditure that would make for economy, if the Congress would authorize certain experts to serve as agents of the Committee on Appropriations, and would investigate through the year in the various departments those very items and the way these moneys are expended, in order to know what items could be properly eliminated. Does not the gentleman think that would be a wise provision if the Congress should give as assistants to the Committee on Appropriations men of this character, whose job it would be the year round to investigate these items, these expenditures, and give us expert information through the Committee on Appropriations as to economies that could reasonably and properly be effected?

Mr. STEFAN. I may say to my colleague from Texas that he is making exactly the statement that I was about to make, and I thank him for his contribution. I shall continue from there on. The gentleman has hit the nail on the head.

Mr. LANHAM. Are not their labors so onerous that they do not have time themselves to make this investigation that I speak of.

Mr. STEFAN. There is no question about that. These valuable clerks in the Committee on Appropriations are career men who know more about appropriations than any Member

in the House. I feel that the men occupying the responsible positions as heads of the various departments and bureaus are highly qualified and are possessed of high character. Yet I feel that the administrators in each department and bureau are likely to be so keenly interested in the growth and expansion of their activities that they are not always helpful to committees seeking to reasonably restrain and regulate such expansion.

The membership of these committees, knowing the ever-mounting indebtedness of the Federal Government, must feel that some day a real accounting must be made to the taxpayers. There is a national debt of around \$40,000,000,000 and the deficiency of revenue receipts as compared to expenditures seems not to have been considered by some of the witnesses that appear before the committees.

This is glaringly manifest in one statement made to our subcommittee by a high official. He said: "Reductions do not often happen in Government establishments." I do not quote him by way of criticism but just to show Members how those in Government service feel about it and that they really know that "reductions do not often happen."

For that reason, Mr. Chairman, I feel that this Congress should give immediate study to the possibility of employing disinterested experts. Men who know costs and who know something about efficiency and coordination of business so that that knowledge may be applied to expenditures in the Government establishments. Perhaps some of the present valuable clerks of the Appropriations Committee could be so utilized. But, certainly, if we are to continue to expend the people's money upon the recommendations of employees to whom the funds are entrusted, there is bound to be some over-emphasis leading to appropriations that might otherwise be reduced or eliminated. Disinterested efficiency experts, trained in the matter of saving money for the Government; men who are responsible directly to the Congress, would actually save many millions of dollars every year and the membership would actually know that appropriations are being made according to scientific rather than guesswork standards.

I know that there is an opportunity for more saving in this branch of the Government. I know that there are many activities of doubtful utility that should be eliminated, and I hope that subsequent subcommittees handling future bills of this kind will profit somewhat by whatever savings we have made in this particular bill. I feel, Mr. Chairman, that the committee by saving nearly \$2,000,000 has set the precedent which we should follow in future appropriations.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. CASE of South Dakota. I think the committee has done a very fine piece of work. This reduction is one of the best showings that any subcommittee has brought before the House.

Mr. STEFAN. There should be more. We know that.

Mr. CASE of South Dakota. I would like to get the gentleman's opinion with regard to the roof matter, whether the gentleman thinks there is any immediate necessity for any further investigation, or what should be done as a matter of protection.

Mr. STEFAN. The matter of \$585,000 for the replacement of the roof over this Chamber and the roof over the Senate Chamber came before us suddenly. We knew nothing about it until it came before us all of a sudden. It came as the result of an investigation on the part of a very high type consulting engineer. In answer to my question as to whether or not there was immediate danger he told me that in case we have a 30-inch snow he would recommend that the Members of the House move out. He told us there is 50 percent danger in these roofs. This committee did not want to be on record as failing to safeguard life. They brought before us the question of the Knickerbocker Theater, when the roof caved in some 20 years ago as the result of a heavy snow, and many lives were lost. We did not want to be on record as being niggardly in money when it came

to saving human life. However, they told us they would not do any work until the House was vacant; until the Congress had adjourned.

My concern and the concern of the membership of the committee was with your lives and the lives of these precious people who are sitting in the galleries, who visit here every day. If there is any danger whatsoever, the danger must exist now. At our meeting this morning we eliminated the \$585,000, because we felt we had not received enough expert information. So we have in the bill an item of \$5,000 for immediate investigation, further investigation, with the hope that if there is any immediate danger, your lives and the lives of the public will be safeguarded.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. STEFAN. I yield.

Mr. WHITE of Idaho. Does not the gentleman think that the acoustics of this Chamber should be improved? This is the greatest deliberative body in the world, and this Chamber has the poorest acoustic properties.

Mr. STEFAN. I do not think so. As the result of the installation of these loud speakers, the acoustics are all right, if you will use them properly. But nothing should be done in this entire building which would in any way eliminate any valuable American architecture. There is a movement on foot, and has been for many years, to do a lot of tearing down and changing. I have been fighting, as a member of the Committee on Public Buildings and Grounds, together with my distinguished chairman and other Members of this House, for years and years, to stop modern vandals, who would destroy valuable American architecture. A movement is on foot today to move the front of the Capitol out to meet the House wing; to put up a marble dome, and God knows what; destroy many of the scroll works and valuable things that we should preserve for future generations.

Mr. WHITE of Idaho. The gentleman does not think that the men who designed the ceiling of the Mormon Temple in Salt Lake City were vandals, does he? The gentleman does not think that the men who designed the ceiling of the great Radio City in New York are vandals, does he?

Mr. STEFAN. Mr. Chairman, we do not refer or are we discussing the Mormon Temple or Radio City in New York. The question was asked whether or not the acoustics could be improved. I think there has been a great improvement since we installed this voice-aid system.

Mr. WHITE of Idaho. The gentleman recognizes, however, that in general debate, if a Member does not have access to one of these loud speakers, his voice does not rise any higher than it ever did.

Mr. STEFAN. Well, that is a debatable question. You can add all the microphones you want.

Mr. Chairman, I reserve the balance of my time.

Mr. RABAUT. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. PETERSON].

Mr. PETERSON of Georgia. Mr. Chairman, during the last several days Republican oratory has flown freely as Republican leaders throughout the Nation gathered to observe the birthday of the father of their party, Abraham Lincoln.

I have listened intensely and with a degree of amusement to their ridiculous claims for achievement during recent years and to their equally ridiculous tirades against the present Democratic administration and its accomplishments which have, however, in virtually every instance been supported by the vote of an overwhelming majority of the Republican membership of Congress. Now, Mr. Chairman, as a Member of this Congress, as a member of the Democratic Party, and as one who loves his country, I do not intend that this challenge go unanswered.

After having listened to their self-praise, their claims of present-day accomplishment, and being myself familiar with Republican leaderships and their results during the last quarter of a century, I recalled the political philosophy of the founder of that party, the great humanitarian, the fearless courageous leader, Abraham Lincoln, and I then secured a

copy of the Republican platform of 1860, upon which Lincoln was elected President, and again read its provisions. I could not help but be amused at the tremendous contrast between the principles of Republicanism, as announced and practiced by Lincoln, and Republicanism, as practiced by Republican leadership during my lifetime. Regardless of our views toward prevailing conditions and the sectional issues of 1860, there could be no doubt but that Abraham Lincoln, like the founder of our great Democratic Party, Thomas Jefferson, firmly believed in observing and promoting the rights, the opportunities, the liberty and freedom of the average citizen of America. It was upon his love for and devotion to the meek, the humble, and the lowly citizen that he based the greatness of his party and the determination of his efforts. It was his love for humanity that gave a soul to the Republican Party. The Republican Party in recent years, however, has practiced doctrines as far from these as the East is from the West.

The Republican Party, under whose rule I have lived the major portion of my life, has practiced a governmental policy of special privilege, unjust economic discriminations, and selfish protection for favored interests that has sapped the economic vitality of this Nation, pauperized the producers of our raw products, concentrated the wealth and the purchasing power of our people in the hands of a few dominating families, and brought our Nation to the brink of destruction. Their satellites, like the Scribes and Pharisees of old, pronounce beautiful prayers of praise on the street corners and in the public places, but practice the iniquities of special privilege in their secret councils.

When I read of Lincoln and then of the leaders of Lincoln's party today, I am reminded of the description of the mighty Caesar as given by Cassius to Brutus, when he said:

'Tis a common proof that lowliness is young ambition's ladder,
Whereto the climber upward turns his face;
But when he once attains the upmost round
He then unto the ladder turns his back,
Looks in the clouds,
Scorning the base degrees
By which he did ascend.

The principles of the lowly Lincoln have today become the scorn of the party of Lincoln. Could Abraham Lincoln return today and observe the travesties perpetrated by Republican leaders in his name, he would scourge them from the party even as Christ drove the money changers from the temple. [Applause.]

Mr. Chairman, in 1932 the American people, disgusted with hypocritical Republican leadership, turned in their hour of desperate need, as they had done so often before in the history of our Nation, to the principles and to the leaders of democracy. They accepted and proclaimed the political doctrine as announced by the Democratic Party in the campaign of 1932, and they still believe in those doctrines. True it might be that our Democratic leaders in their anxiety to ameliorate the desperate plight of the great mass of our citizenship listened too intently to the false doctrines of economic and political theorists who follow the false gods of planned economy, socialism, and communism. The average citizen, however, has no desire to turn back to the equally false doctrine of the Republican leadership, special privilege, by which the average citizen has been driven to poverty and servitude. They will not return to it. [Applause.]

Much good has been accomplished by Democratic leadership during the last 6 years. Many evils have been corrected, many injustices removed. It is only natural that at the same time some evil should have crept in and some false doctrines at times confused those who occupied high place. The Democratic Party today, however, holds firmly the torch of human liberty within its fearless grasp; and here in the Congress, in this House of Representatives, abides that Democratic leadership which loves our freedom and our liberty, a leadership that is courageously and successfully promoting, protecting, and defending the weak, the needy, and the destitute in spite of the scorn and ridicule of a party leadership which, having lived sumptuously upon the economic lifeblood

of a great people for over half a century, has grown immune to the pleading cries of the average citizen in his hour of need.

Much yet remains to be done. We must learn again the principles of the true American system of government, principles forgotten during years of Republican exploitation. The great people of our country forgetting for a time that the price of liberty is eternal vigilance were bought with their own gold into almost complete servitude. But America has now awakened. We will learn again the true principles of free government and apply them to our problems yet unsolved. Under Democratic leadership we are learning them again and we are applying them. Under the banner of democracy we shall continue to carry the torch of freedom. The scorn of a diseased Republican Party will serve only to point out our errors and give courage to our efforts. [Applause.]

Mr. Chairman, what, except the sneers of a cynic, is the Republican Party offering as a solution to our unsolved problems? How would they solve the problems of the manufacturers, the laborers, the miner and the farmer except by a return to their iniquitous practices of greed and avarice? What leadership do they offer to the average citizen of this country in his desperate effort to earn a living for himself, his wife, and his children except the leadership of despair, of economic servitude divested of both liberty and private initiative? Such leadership, Mr. Chairman, travels the highway toward feudalism, toward monarchy, toward the divine right of kings. Mr. Chairman, Americans over a century and a half ago marched with George Washington in command against the forces of tyrannical power, and in the blood of their comrades struck down by the rule of brutal force, out of this highway of human servitude across the wilderness of trials and experimentation, into the long-sought roadway of free government.

They perfected a new and untried political organization known as Americanism and used it to secure for themselves and their posterity their inalienable rights.

Abraham Lincoln loved that political system and gave his life in the strengthening of it; but today the Republican Party, made great through the inspired determination of a great leader, has lost its soul; its useful day has past. There still remains, however, a living, breathing, growing democracy in whose ranks march millions of descendants of the followers of Washington, good American citizens who love their freedom, their liberty, and their free institutions. Their devotion to the cause of Americanism will save our institutions and preserve the rights and the liberties of our people. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, I regret exceedingly that I have not a prepared address to answer my distinguished colleague from Georgia. He must have put much time and effort into the preparation of that manuscript. Imagination had to run wild in the efforts he made to try to find some excuse for the unfortunate conditions that prevail in the Democratic Party today.

I extend to you Members on the Democratic side today my sympathy. It is a sad condition of affairs when the majority party finds itself with dissension prevailing such as prevails among you men today. It is not surprising that dissensions drive deeper wedges day by day into your ranks. It could not be otherwise with the New Deal's disturbing presence in your midst. With its vacillations and inconsistencies to contend with, how could harmony prevail? I do sympathize with your unfortunate lot. It is a pathetic condition.

I have read in the newspapers of the futile efforts you have made to try to bring about a degree of harmony, to try to find some place where you men could find common ground. I am sorry for every one of you men who have resented the purge. Of all men, I am surprised at the distinguished gentleman from Georgia coming here today and trying to belabor with his words the Republican Party, for it was in Georgia that the purge persisted; it was in Georgia that this one-man party

system, against which most of you men are rebelling, had its worst effect. [Applause.] It was in Georgia that you men felt the lash of the Simon Legrees in the past primary campaign, as one of your distinguished sons, one of the valiant men of the Democratic Party, one of those fearless and courageous leaders dared defy the White House and appear as a candidate for another body.

Then it was that the invective; then it was that the patronage whip; then it was that the buying power of your party's leadership tried to purge your party of a brilliant son of Georgia.

I am sorry for your discord. I am sorry for the dissension. It is only because of the dissension in your own ranks that the gentleman from Georgia resorted to the tactics he used today. You are divided. We are united. Complete harmony prevails among Republicans. [Applause.]

We have a united front today. It is not necessary for the minority leader to stand up to try to bring together a warring group of factions. It is not necessary for the minority leader on this side to send out pleas that the membership be present. It is not necessary in any way for the minority leader to take the position that the men are afraid to come to the floor of the House and take a stand. It can only be fear that depletes your ranks here on the floor.

Mr. PATRICK. Will the gentleman yield?

Mr. DITTER. I decline to yield.

Mr. PATRICK. I do not blame the gentleman.

Mr. DITTER. May I say to my distinguished friend that if his side of the House will give me additional time I will be happy to yield.

Mr. RABAUT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DITTER. I yield to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. I would like to ask the gentleman what they have to fight for over there, how you are going to have any lack of harmony in the Republican Party, when you lambast the Democrats for being too liberal and reach right out and embrace the Townsend plan in one sweep?

Mr. DITTER. May I answer the gentleman by saying that I know of no declaration of the party leadership which has embraced the Townsend system; however, I do know the leadership on the minority side has embraced every liberalism for which Lincoln contended as against the collectivism and regimentation of the present New Deal party in power. [Applause.]

Mr. KNUTSON. Will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is it not passing strange that the new dealers find it necessary to put to the front as their defender a man who has perhaps as bad a New Deal record, as far as voting goes, as any man on that side?

Mr. DITTER. That is the unfortunate and embarrassing position that my distinguished colleague who preceded me finds himself in. On vote after vote he repudiated this New Deal policy. Time after time he took exception to what today is the Democratic policy. I want you men on this side to bear in mind one thing. The Democratic Party is responsible for the New Deal, and nobody on this side can avoid responsibility for the failures and the futility of the efforts that have been made by the New Deal to correct the conditions from which the country is suffering. May I repeat the Democratic Party is responsible for the New Deal. Its trust may have been betrayed. It may have been deceived and hoodwinked. But try as it will, the Democratic Party cannot escape the responsibility for the New Deal debacle.

May I remind the group on this side that we still have, some 11,000,000 unemployed. We still have the great problem of our social difficulties and our economic distresses unsolved. We have had 6 years of this New Deal. After 6 years of lending and spending, of ranting and chanting, of dealing and squealing, the problems which you promised to solve remain unsolved.

Mr. Chairman, the Republican Party is not in any way ashamed of the solidarity that prevails in its ranks today. It flaunts this solidarity in the face of a discordant, disrupted, disorganized group on this side. It flaunts this solidarity and harmony in the face of every one of you who came to your party caucus a few days ago and repudiated the efforts of the White House to make your party a one-man party. The Republican Party stands where Lincoln stood; for a liberalism as broad as the need of humanity, for a common sense that knows that every dollar that is spent has to be earned, that every dollar wasted is somebody's toil thrown away.

Mr. GEYER of California. Will the gentleman yield?

Mr. DITTER. I decline to yield.

Mr. GEYER of California. This must be a filibuster.

Mr. DITTER. I cannot accept that as a challenge, sir, when I only have 10 minutes. Give me an hour and I will reply.

Mr. McCORMACK. The gentleman was given 5 minutes by this side. Will the gentleman yield?

Mr. DITTER. May I say to the gentleman, I will yield to my friend from Massachusetts providing he will not at this point give voice to the same expression of opinion with reference to the constitutional responsibilities of a Member of Congress, such as he expressed last week—

Mr. McCORMACK. Is the gentleman yielding on condition?

Mr. DITTER. During the consideration of the tax bill. Mr. McCORMACK. Is the gentleman yielding on condition? I never thought the gentleman would do a thing like that.

Mr. DITTER. I never thought my distinguished friend would take the stand he did a few days ago. If the gentleman now repudiates the statement he made last week, with reference to constitutional responsibility on the part of a Member of Congress, or if he wishes to amplify in any way that statement I shall be happy to yield.

Mr. McCORMACK. The gentleman's observation—

Mr. DITTER. I have not yielded to the gentleman except for a purpose and with a condition. [Applause.]

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. SHANNON].

Mr. SHANNON. Mr. Chairman, I feel that it would be fitting at this time to spread upon the records of this legislative branch of our Government some words of tribute in recognition of the things that the late Pontiff, Pope Pius XI, stood for and exemplified in a long life of spiritual guidance and intelligent and forceful leadership of one of the greatest Christian organizations existing in the world today. It is significant that today millions of persons outside of the church of which he was the supreme ruler and doctrinal arbiter have added their testimonies of regret at his passing to the many millions the world over who acknowledge his apostolic succession and his spiritual leadership. Significant, too, is the grave concern that is being universally expressed as to the choice of his successor, for in these perilous times of wars and rumors of wars his voice was always symbolical of the message that was bequeathed to us by the Master he acknowledged as the apostle of brotherhood among men and the Prince of Peace and Good Will.

It matters not what may be our differences in matters of creeds, in forms of worship, in methods of religious organization. Fundamentally all followers of the gentle Nazarene who came to bring a new gospel to the world 2,000 years ago are in accord if they accept that gospel. The great religious organization of which Pius XI was the head—and the two hundred and sixty-first, I am reminded, in that succession—is one of the oldest in point of continuity as a religious government now in existence. Its history goes back to the dim dawns of modern civilization.

DOWN THE CENTURIES

I recall in this connection the eloquent words of a great Protestant historian, Thomas Babington Macaulay. In one of his essays reviewing a book dealing with the life of the papacy,

he said, referring to the long continuance of the Roman Church and its spiritual influence down the ages:

She saw the commencement of all governments and of all the ecclesiastical establishments that now exist in this world. She was great and respected before the Saxon set foot in Britain, before the Franks passed the Rhine, when Grecian eloquence was still in flower at Antioch, when idols were still worshiped in the temple of Mecca. And she may still exist in undiminished vigor when some traveler from New Zealand shall, in the midst of a vast solitude, take his stand upon a broken arch of London Bridge to sketch the ruins of St. Paul's.

I make this quotation not in any spirit of religious controversy but simply as a reminder on this occasion of the far-flung backgrounds of history that lie behind the man who has just ended his succession and passed on, leaving that great organization, with its millions of devoted adherents, awaiting in anxiety for the next spiritual leader in line who, it is hoped, will have the courage, the energy, the faith, the freedom of soul, and the great humanitarian inspiration that Pius XI displayed throughout his long life and his noble pontifical reign. His last days were spent in a changing world menaced by ominous signs of spiritual disintegration. The ancient tenets of his church and of the Master whose work he sought to carry on so faithfully, he realized, are being flouted in many lands. Racial and religious hatreds are being fomented and the old and cruel doctrines of force and conquest and pagan brutalities are seeping into the political atmosphere of many countries and threatening many more. The gentle philosophy of Him who said "Love thy neighbor as thyself" is being supplanted by a philosophy of brute force and the crashing of the moral standards that inevitably go down in the paths of wars and conquest.

A COURAGEOUS SPIRITUAL LEADER

This great ruler of a spiritual world set his face courageously to oppose these modern trends—to warn us against the changes that he saw coming, to lift up his voice in eloquent encyclical pleas to mankind to stand by the faith of the fathers and the moral doctrines he deemed essential to the continuance of civilization and the spirit of peace among men. His greatest concern was for the maintenance of the moral standards that make for the very existence of that civilization. We are told by the press dispatches that the very last word upon his lips was "peace." Throughout his pontifical life this man pleaded for it, fought for it, stood up for it in season and out of season. He was valiant for the truth and always courageous in speaking his mind in the face of its enemies.

Gentle though he was in spirit and in his dealings with those around him, this Pope was a strong man in every way. In his youth a climber of mountains and a follower of an outdoor life, he became inured to physical hardships. But he was not only physically strong; he had strength of will, of heart, of purpose. Even in the hours of his illness he rose to his feet to conduct the daily duties of the Vatican that required his attention. A great scholar, an informed librarian, a scientist, a statesman; these great qualities of his mere manhood were surmounted and directed by his supereminent recognition of the spiritual place that he held as the supreme leader of a great religious organization whose reason for being, he deemed, was the regeneration of mankind and the inculcation of the higher virtues of faith, hope, and charity, upon which his church was founded. He brought these considerations to the solution of every problem that came to his hands, and let me say he dealt with these problems in a wholly modern manner. He dodged no issues. He never compromised. Matrimony to him was an indissoluble sacrament, uniting one man and one woman until death did them part. Education to him meant the education that built up the moralities. He spoke his mind about the influences that were at work in the theater, in literature, in the press, in social frivolities and freedoms to undermine these fundamental moralities. He was undaunted by dictators or political despots. The sophistries of politicians did not bewilder him. With a clear insight he saw the growing evils of an unbalanced industrial system and warned against their tendencies, fairly and impartially. Within that free little Vatican City he viewed the world with a free

mind, a free soul, and a heart that understood the "still sad music of humanity," untarnished by worldly aims or selfish schemes of aggrandizement. It was a spot of earth that he kept free from purely physical concerns, dedicated solely to the higher concerns of spirit and the welfare of the higher natures of men, the welfare of the soul, not merely in a world to come but in the world we now live in.

HIS LAST THOUGHT FOR PEACE

These are not mere generalities. Pius XI, by the testimony of men of all creeds today, won the admiration of all by his modern methods of dealing with social problems and his outspoken efforts to bring contending factions together and to settle the disputes of statesmen and nations by timely advice and cooperation. He cautioned the industrial world against low wages to workingmen and spoke to workingmen against inordinate demands. He hated communism, not the communism that is created by the specious sophistries of scheming politicians, but the real communism that denies God and hates religion. I mean that sort of communism that is exemplified in a growing spirit of infidelity, of disbelief in Christianity and all that it stands for, and the sort of communism whose aim and purpose is the re-creation of a pagan world, whatever the name you may apply to it. He denounced the modern so-called nationalism as well. "It is a real evil," he said, "and it is not an exaggeration to call it a malediction in the field of religion." Above all, he hated war. His voice died out with the word of peace upon his lips. Those lips are silent now, but let us hope that those words of his departing spirit may live to arouse the world to a realization of the logic of peace and the horror of war.

Mr. STEFAN. Mr. Chairman, I yield 45 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

TRADE TREATIES

Mr. TREADWAY. Mr. Chairman, before addressing myself to the subject of trade treaties, I want to say that I would have greatly enjoyed participating in the debate that has just been going on. I wish to congratulate our friend, the gentleman from Pennsylvania [Mr. DITTER] on being an able exponent of the policies of Abraham Lincoln, a defender of the Constitution, and a prover of the merits of the Republican attitude on great public questions. It was a gem of a speech, and I believe the gentleman well deserves all the praise he received from both sides of the House.

Mr. Chairman, I realize that our friends on the majority side of the House have the advantage over those of us on the minority side in that they are able to make use of all the governmental departments and agencies in gathering material for their remarks. Despite this fact, they have failed to make out a case for the trade-treaty program. Nor have they answered or in any way refuted the basic criticisms of the program which its opponents have presented.

Proponents of the program originally contended that it was the only method by which our foreign trade could be restored. It was said that we must reduce our tariffs in order to secure export markets; that congressional methods of tariff revision were too cumbersome, and hence Congress must surrender its tariff and treaty-making authority to the President, without reserving the right of ratification or rejection of the treaties and without laying down a legislative formula to control the President in making reductions in rates.

TRADE RECOVERY BEGAN UNDER TARIFF ACT OF 1930

I most emphatically deny that the trade-treaty program is the only way our foreign trade can be restored. If it be true, as trade-treaty proponents unjustifiably contend, that the Tariff Act of 1930 was in a measure responsible for the 1929 world-wide depression, then it must be equally true that that same act was responsible for the upturn in our foreign trade—both in imports and exports—between 1932 and the time the trade-treaty program went into effect. Those advocating the program, however, are so hard pressed for evidence of the alleged benefits of trade treaties that they even claim the treaties were responsible for the upturn

in trade which resulted long before the treaties ever went into effect. In 1934, only one trade treaty—that with Cuba—was in effect, and it was only operative during the last 4 months. During 1935, only three additional treaties came into effect—that with Belgium on May 1, that with Haiti on June 3, and that with Sweden on August 5. During the entire year 1935, our total exports to these countries increased by approximately 28 millions over the previous year.

Even if all this increase be credited to the treaty program—which I do not concede, since the general trend of exports to all countries was upward—but even if it is all credited to the effect of the treaties, the total is very small in comparison with the total recovery of our export trade from 1932 to 1935. During that period, our total exports increased from \$1,611,000,000 to \$2,283,000,000, or by \$671,000,000. Now, if we subtract the increased export trade which may or may not have resulted from the operation of the four trade treaties in effect in 1935, we have a balance of over \$640,000,000, representing increased export trade from 1932 to 1935, which cannot be credited in any sense to the trade-treaty program. This fact certainly disposes of the contention that the trade-treaty program is the only way by which our export trade can be restored.

CONGRESSIONAL TARIFF POWERS SURRENDERED UNDER TREATY PROGRAM

As to the question whether congressional methods of tariff revision are too cumbersome, the record speaks for itself. The proposition is somewhat moot, inasmuch as it has been shown that the Tariff Act of 1930, which the Congress itself wrote, brought about a substantial recovery in our export trade. It was contended that the President must have a free hand in the negotiation of the trade treaties in order to deal effectively with other governments whose heads had similar authority. But while the Congress of the United States has surrendered its authority over tariff and treaty making to the President, legislative bodies in most of the countries with which treaties have been negotiated have reserved the right to approve or reject the treaties. Thus this argument is disposed of. The real reason why the administration wanted a free hand in writing the trade treaties was that it was not certain that Congress would approve the treaties when negotiated, and I am quite sure that that is true insofar as most of them that thus far have been negotiated are concerned. However, that is no justification for surrendering the tariff and treaty-making power to the Executive, in direct contravention of the most fundamental provisions of the Constitution.

NO PRECEDENT FOR STAR-CHAMBER METHODS OF NEGOTIATION

Just a word as to the method of negotiating the trade treaties. Whenever any criticism is made of the present star-chamber procedure, by which negotiations are carried on behind closed doors, with representatives of foreign countries sitting around the table with a small group of self-styled tariff experts, trade-treaty proponents always attempt to draw an analogy between such methods and the manner in which previous tariff bills have been written in Congress. They charge that when the Republicans wrote the tariff bill of 1930 the Democratic members of the Ways and Means Committee were not permitted to assist in drafting the bill. That, of course, is nothing new, since the Democrats did the same thing when they were in power. However, the important point is that when a tariff bill is finally drafted, whether by Republicans or Democrats, it is brought before both Houses for discussion.

But when the trade treaties emerge from the secret council chambers there is no opportunity for review or criticism. Only after they have been signed by the President and thus been made binding on this country are their terms ever made public. Then it is too late to do anything about them. No hearings are ever held on a completed treaty. No opportunity is given Congress to approve or reject them. The people have no voice, through their elected Representatives and Senators in the proceedings at any juncture. In my opinion, democracy and representative government cease to exist under such a system. It is very much analogous to

the system of government by decree which exists in certain foreign countries.

OUR TARIFFS NOW WRITTEN BY FOREIGNERS

I want to say that I would much rather trust my Democratic colleagues to write a tariff schedule in the interest of our people—even though Republican Members were excluded—than I would to turn this function of the Congress over to emissaries of foreign governments, whose only interest is to secure a greater share of our rich domestic market at the expense of American agriculture, industry, and labor. Under present procedure, these foreign representatives have more to say about the tariff rates of this country than we Members of Congress who are sent here as the representatives of the people, and to whom is vested under the Constitution the exclusive power to regulate tariff rates. How much longer are you Democrats going to permit this outrageous situation to exist? Certainly the people are not going to permit it to exist beyond 1941.

ACT OF 1930 WRITTEN ON SCIENTIFIC BASIS

In this connection, I want to refer briefly to one of the stock Democratic jibes at the Hawley-Smoot Tariff Act of 1930, which falls in the category of demagoguery. I refer to the wholly unfounded charge that a certain interested private citizen had a hand in its preparation. Of course even our Democratic friends know that there is no truth in the charge. I can testify of my own knowledge how the Tariff Act of 1930 was written because I participated in the drafting. Outside of the Republican members of the Ways and Means Committee, the only persons present were Government officials, mostly employees of the Tariff Commission who had special knowledge of the items being considered from time to time. No outside persons were ever present. Rates were fixed, not on the basis of what some person or group desired, but on the basis of what was necessary to equalize foreign and domestic production costs, as indicated by studies made by the nonpartisan experts of the Tariff Commission. This cost-of-production formula was incorporated in the flexible tariff provisions, enabling the President to adjust duties up or down in accordance therewith as conditions of competition changed subsequent to the passage of the act. This formula has been completely eliminated and ignored under the trade-treaty program.

Whatever may be the demerits of Republican tariff measures, they have at least had the virtue of being written in the interest of the American people, which is more than can be said of the trade-treaty program.

TREATIES NOT CONDUCTIVE TO PEACE

Since the enactment of the Reciprocal Tariff Act in 1934, a new argument has been advanced in support of the treaty program of which nothing was heard when the legislation was first proposed. I refer to the contention that the treaty program is conducive to world peace. The argument was not advanced until after it became apparent that the treaty program was failing to bring about the great boom in our export trade which was promised. The peace argument was brought forth in an effort to distract attention from the failure of the program in other directions. But after 4½ years it is now quite apparent that it is equally a failure insofar as preserving peace is concerned.

NO TANGIBLE CONTRIBUTION TO PEACE CAN BE CITED

We are all in favor of peace, and certainly no one any more so than I. But let us seriously ask ourselves, Just what concrete contribution has the treaty program made toward world peace since it has been in operation?

No one can cite a single tangible result in that direction. On the other hand, we find that during the entire time the program has been in operation conditions throughout the world have grown progressively worse. Never was peace more in jeopardy than today.

SUPPORT OF TREATY PROGRAM BASED ON MISLEADING PROPAGANDA

The present trade-treaty program no longer has a leg on which to stand, yet I do not deny that it has widespread support, particularly in the press, based very largely upon the one-sided and frequently misleading propaganda with

which the State Department floods the country. When the other side of the picture is presented—and there is evidence that the people and the press are gradually awakening to what is actually going on under the treaty program—there will, I am sure, be a decided change of attitude. I am told that in one congressional district the sole issue on which the successful Republican candidate campaigned was opposition to the treaty program. I have noted also that the chief proponent of the trade-treaty program here in this House during the past 4 years has been returned to private life by his constituents.

Last Sunday was the birthday of Abraham Lincoln, who, I may say, was a great protectionist. Lincoln once said:

I have faith in the people. Let them know the truth and the country is safe.

I, too, have faith in the people, and when they find out the truth about the trade-treaty program they are going to take steps to restore the traditional protective-tariff policy of this country and put back in the hands of their elected Representatives and Senators in Congress the power and duty of fixing tariff rates in accordance with that principle.

EXAMPLE OF STATE DEPARTMENT PROPAGANDA

A moment ago, I made a passing reference to the "frequently misleading" propaganda of the State Department. This is not a mere unfounded charge on my part. Let me give you a definite example: Not long ago a Mr. Edminster, an official of the State Department's trade-treaty division, made a speech down in North Carolina in which he endeavored to cite some of the alleged benefits of the treaty program to that State, pointing particularly to the large increase in cigarette exports. Whether purposely or unintentionally I do not know, but Mr. Edminster failed to tell the good people of North Carolina that 91 percent of the increased exports of cigarettes went to nontreaty countries. Then, later in his address, he had the audacity to say that the opposition to the trade-treaty program was largely based upon "misinformation and misunderstanding."

MEMBERS WHO VOTED FOR TREATY PROGRAM ASK EXEMPTION OF THEIR PRODUCTS

I have no doubt but that many Members of the House and Senate who voted for the Reciprocal Tariff Act have grave misgivings about their action. It is of course an undeniable fact that many of these Members have appeared before the Committee for Reciprocity Information asking that no reductions be made under trade treaties on the products of their particular district or State. Of course the tariff has always been a "local issue" within the Democratic Party. When Republican tariff bills have been before this body, we have seen Democratic Members vote in favor of tariffs on the products of their section and then vote against the bill on final passage. So there is nothing inconsistent in their attitude of favoring the sacrifice of home industries to foreign competition so long as the industries sacrificed are not located in their own sections.

SELFISH POSITION OF PROPONENTS

I believe the record will show that the only defense of the trade-treaty program in this House has come from a few Members on the other side of the aisle who have one or two export products in their districts on which concessions have been obtained from some foreign country. While these Members are apparently willing to see industries and workers in other sections injured in the mere hope that the products of their own sections may find a larger outlet abroad, they overlook the fact that whatever increased market may be obtained abroad will be offset by an equal if not greater loss of sales in the home market to those who have been sacrificed in order that the foreign market might be obtained.

Let me illustrate the point in this way: Suppose we consider that the reduction made on British woolen goods under the British treaty was to enable American automobile producers to sell more cars to Great Britain. By reason of the destruction of our own woolen industry and throwing the employees out of their jobs, the motorcar industry loses one

or more sales in the home market for every additional sale it makes abroad. This cannot be denied.

BIPARTISAN OPPOSITION TO TREATY PROGRAM GROWING

It may or may not be significant, but the fact is that there are now pending before the Ways and Means Committee a number of bills seeking to repeal the Reciprocal Tariff Act and abrogate the treaties made thereunder. Others provide for Senate or House and Senate ratification. In the other body, one of the distinguished Members of the majority party has introduced a resolution (S. Res. 69, 76th Cong., 1st sess.), reading as follows:

Resolved, That it is the sense of the Senate that foreign-trade agreements entered into under the act entitled "An act to amend the Tariff Act of 1930," approved June 12, 1934, are treaties which under the Constitution can be made only by and with the advice and consent of the Senate; and, there being nothing in such act which provides that such agreements should not be ratified by the Senate, as other treaties are ratified, it is the sense of the Senate that such agreements should be made effective only if the Senate has advised and consented to their ratification.

I cite this resolution merely as evidence of the growing bipartisan opposition to present trade-treaty methods. I concur in the view expressed in the foregoing resolution that the so-called trade agreements are in effect treaties and should be ratified by the Senate. In order for them to be valid as executive agreements, such as were negotiated under the Tariff Acts of 1890 and 1897, they must not involve the exercise of any legislative powers such as the President now has under the Reciprocal Tariff Act. As I pointed out in my remarks of January 10, 1939, the latter act lays down no legislative rule or formula to control the President in making rates, and he therefore exercises discretionary legislative authority contrary to the Constitution.

HOUSE SHOULD HAVE SAY IN TREATY RATIFICATION

While I agree that the present so-called trade agreements are in effect treaties, and are therefore subject to Senate confirmation, I do not believe that this alone would validate them. As the treaties affect the revenue, they cannot be made valid and operative, in my opinion, without the concurrent approval of the House of Representatives. As I discussed this phase of the question in my remarks last month, I shall not go into it again in detail. Whether viewed as treaties or as executive agreements, the present so-called trade agreements are in either case clearly unconstitutional.

UNJUSTIFIED CLAIMS OF TREATY PROPONENTS

Let us turn now to the practical side of the trade-treaty program. I have already referred in passing to the extravagant claims made by proponents of the program, and I now want to show you how unjustified these claims are. One of the principal arguments made in favor of the program is that under its operation, exports have increased more rapidly to treaty countries than to nontreaty countries, and hence it is contended that the trade treaties must be responsible for this increase. When we consider the total trade to treaty countries, and compare it with the total trade to nontreaty countries, it will be found that our exports increased faster to the first group, taken as a whole. However, when we come to analyze our export trade to individual treaty countries, the results are not so favorable to the treaty program. Trade-treaty proponents never present this side of the picture. Here are the facts:

EXPORTS TO NONTREATY COUNTRIES GREATER IN MANY CASES

Take first our trade with the South American countries. It will be found that our exports to several nontreaty countries in South America have increased a great deal more than our exports to many treaty countries. For example, comparing exports in the first 11 months of 1938 with the same period in 1935, our exports to Argentina, a nontreaty country, increased by 73 percent, while our exports to Brazil, a treaty country, increased by only 37 percent. Likewise, exports to Venezuela, a nontreaty country, increased by 178 percent, while exports to Colombia, a treaty country, increased by 81 percent.

Turning to Europe, we find that exports to Germany, a nontreaty country, which in addition is excluded from the benefits of our treaty concessions, increased by 26 percent as

against only a 21-percent increase in our exports to France, a treaty country. Exports to Norway, a nontreaty country, increased in approximately the same percentage as our exports to Sweden, a treaty country. Many other similar examples could be given, all of which tend to prove that there is absolutely no justification for the claim made by trade-treaty proponents that the treaty program is directly responsible for the larger increase in our export trade to treaty countries. If there were any basis for this claim, exports to individual treaty countries should consistently show a larger increase than exports to nontreaty countries, which we have seen is not the case.

TREATY PROGRAM DID NOT PREVENT EXPORT DECLINE LAST YEAR

If the trade-treaty program exerts such a beneficent influence upon our export trade, then why did it not prevent the sharp drop in our export trade last year to several of the larger treaty countries? I refer particularly to our exports to Canada, Cuba, Brazil, Belgium, and France. In the case of numerous nontreaty countries, notably Denmark, Soviet Russia, Ireland, Chile, and Venezuela, our exports were greater in 1938 than in 1937. All of which shows that it is a mere coincidence that our exports to treaty countries, taken as a unit, have increased faster than our exports to nontreaty countries, taken as a unit.

The same holds true of exports of agricultural products as applies to exports in general. In fact, there is not even any ground for arguing that the trade-treaty program has substantially benefited the major farm products, because few concessions of any consequence have as yet been obtained for such products. I referred to this matter in my remarks last month and shall not go over the ground again.

FAVORABLE TRADE BALANCE IN 1938 NOT DUE TO TRADE TREATIES

Trade-treaty proponents have called attention to the large favorable trade balance last year—that is, the excess of exports over imports—and have thrown out the inference that it is entirely due to the trade-treaty program. As a matter of fact, the treaty program had nothing whatever to do with it, and I will show you why. In the first place, the trade-treaty program was supposed to increase our export trade, yet exports declined last year by 7.6 percent over 1937. Thus our favorable trade balance last year was not due to any increase in exports. What, then, was responsible for it?

The answer is to be found in the fact that imports declined by more than \$1,000,000,000 last year over 1937. The circumstance that imports were less than exports gives us a favorable trade balance. But is the trade-treaty program to be given credit for the decline in imports? Not at all. The purpose of the trade-treaty program is not to discourage imports, but to encourage them. No tariff rates have ever been increased under the treaty program; they have only been lowered.

Thus we find that there is no ground whatever on which we can give the treaty program credit for the favorable trade balance last year. Yet we constantly hear proponents of the program pointing to the favorable trade balance as evidence of the benefits of the treaty program. This is further indication of the campaign of misrepresentation by which support for the program is sustained.

While the trade-treaty proponents now point with pride to the favorable trade balance, with which the trade-treaty program had nothing to do, I very well recall that one of the original arguments for the treaty program was that since we were a creditor nation it was "unhealthy" for us to have an excess of exports over imports. While I have never subscribed to this theory, I cite the argument merely to show how the trade-treaty proponents have changed their position.

REAL CAUSE FOR DECLINE IN IMPORTS IN 1938

While we have seen that the trade-treaty program was not responsible for the decline in imports last year we have not ascertained what was the real cause. The answer is to be found in the resumption of somewhat normal agricultural production in the United States, obviating the necessity for large imports of foreign agricultural products, and in the decline in purchasing power among our people due to the Roosevelt depression. This is not merely an opinion on my

part. It is corroborated in official departmental publications. In the November 5 issue of Commerce Reports it is stated:

Import trade reflected the recession in business activity and the improvement in agricultural production in the United States.

The Department of Agriculture, in the August 13, 1938, issue of Foreign Crops and Markets, states:

The decrease in business activity influences the value of practically all our imports, both agricultural and other. It was accompanied by lower prices and by a general falling off in demand. Raw materials were needed in smaller quantity by factories and finished products were purchased to a lesser extent by workers.

There is food for thought in these two quotations.

While the Tariff Act of 1930 was unjustly blamed for the depression of 1929, the fact is, on the other hand, that the Trade Treaty Act of 1934 did not prevent the Roosevelt depression of recent date. It did not prevent the decline in farm income over \$1,000,000,000 last year. It is very likely that the trade-treaty program was to some extent at least responsible for the Roosevelt depression, because it proceeds upon the fallacious principle that our prosperity at home is dependent upon the foreign market, whereas history has proved beyond any doubt that insofar as the United States is concerned, its prosperity is primarily dependent upon the home market.

PROSPERITY BASED ON HOME MARKET

The fact that our imports decline in times of depression and increase when we are prosperous definitely shows that our foreign trade will take care of itself when conditions at home are good; in other words, that increased foreign trade is a consequence, and not the cause, of domestic prosperity.

EXPORTS OF WAR MATERIALS A LARGE FACTOR IN PRESENT EXPORT TRADE

Just a word about the connection of war materials with our present export market. Trade-treaty proponents have tried without success to dispute the fact that our present export trade is sustained to a considerable extent by increasingly large exports of war materials. I have previously made the statement—and I stand by it—that if it had not been for the large exports of war materials in 1937 we would have had an unfavorable trade balance in that year. This is shown by the table inserted in the RECORD of April 12, 1938, by my colleague from Massachusetts [Mr. MARTIN].

GOVERNMENT PUBLICATIONS PROVE TRUTH OF CHARGE

I say now that the exports of war materials made up a large part of our total export trade in 1938, and that if it had not been for such exports, our total export trade would have declined last year by much more than 7.6 percent. Let me quote from the February 11, 1939, issue of Commerce Reports:

Exports of a number of manufactured articles for which demands in foreign countries had greatly increased in 1937, partly as a result of armament programs, continued to expand during 1938.

The article goes on to point out that exports of aircraft were several times larger in 1938 than in 1929, and also states that fuel-oil exports were above the 1929 total. On February 9 the majority leader in the other body inserted in the RECORD a statement by the Department of Commerce dealing with foreign trade. It contains this significant statement:

The demand for American machinery and metal manufactures has continued strong, due in a considerable measure to the heavy requirements of the rearmament programs of several European countries which have prevented those normally large exporting countries from supplying both export and domestic demands.

In view of these statements from the Department of Commerce, I trust that no Member on the majority side will now get up and try to deny—as several have done in the past—that a large part of our present export trade is in war materials.

ALLEGED PEACE PROGRAM SUSTAINED BY WAR EXPORTS

The preservation of peace is, as I have previously pointed out, one of the arguments now being used to sustain diminishing support for the trade-treaty program, but here we have the spectacle of the program being saved from complete disrepute by the large exports of war materials, with which it, of course, has no direct connection. The dove of peace thus feeds on armament exports.

MORE THAN 1,000 DUTY REDUCTIONS MADE UNDER TREATY PROGRAM

Let us now analyze the trade-treaty program from the standpoint of what it has done to our tariff structure. The Tariff Act of 1930 theoretically is still the law of the land, but it has been completely emasculated by the trade-treaty program. The United States Tariff Commission recently published a document of 171 pages showing changes made in the Tariff Act of 1930 under the flexible tariff and under the trade-treaty program. All but a few of the changes were made under the latter. In order to know what the tariff on a given article now is, you first look up the article in the Tariff Act of 1930 and then turn to this 171-page document of the Tariff Commission to see if the rate has been changed.

I have previously called the attention of the House to the fact that under the various trade treaties now in effect, some one-thousand-odd reductions in duties have been made. The result has been that this administration has brought about a piece-meal, but general, downward revision of the tariff.

Under the trade-treaty law, the President cannot reduce a duty by more than 50 percent. That is one provision of the act at least for which we can be thankful, but of course the fact remains that a 50-percent reduction is a rather drastic one.

SEVEN-TENTHS OF REDUCTIONS ARE OF MORE THAN 30 PERCENT

Now to what extent has the President availed himself of his authority to reduce tariffs the full 50 percent? I quote from an analysis of the treaty reductions, made by the American Tariff League. That organization found that the total number of reductions made under the treaty program (excluding the purely bilateral treaty with Cuba) total 1,056. Of this number, 365 rates, or over one-third, were reduced by the full 50 percent. One hundred and forty-four rates were reduced from 40 to 49 percent. Adding these to the first mentioned, we see that half the total number of reductions amounted to more than 40 percent. If we include the duties that have been reduced 30 percent or more, we find that the total covers seven-tenths of all the reductions. Let me repeat these figures, because they are important to bear in mind. They show what has been going on under the treaty program. Remember this: One-third the reductions have amounted to the full 50 percent; one-half are more than 40 percent; seven-tenths are more than 30 percent.

EIGHT-TENTHS OF REDUCTIONS BELOW LEVEL OF MODERATE 1922 RATES

If these figures are not sufficiently astounding to arouse the interest of the Members, then listen to what I am going to tell you now. Let us see how the reduced rates compare with the comparable rates under the 1922 Tariff Act, which was in existence before the act of 1930 was passed. The American Tariff League finds that only 928 of the 1,056 reduced rates can be compared directly with the 1922 rates, due to differences in classification, and so forth. Of this total, 776, or more than 83 percent, were reduced below the level of the comparable 1922 rates. Think of that! Over eight-tenths of the reductions below the level of the moderate 1922 rates. Is it any wonder that opposition to the trade-treaty program is growing by leaps and bounds?

WHOLE WORLD GETS BENEFIT OF OUR REDUCTIONS

It would be bad enough if the benefit of these reduced rates were only extended to the individual country with which a particular treaty is negotiated, but when we consider the fact that all the countries in the world save Germany get the benefit of our treaty reductions without giving us any reciprocal concessions in return, it becomes obvious that the trade-treaty program not only threatens the existence of domestic industries but will inevitably result in surrendering our rich domestic market for lean foreign markets.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Do I correctly understand that Cuba is the only country with which we have a trade agreement that does not extend to all other countries of the most-favored-nation clause insofar as the Cuban concessions are concerned?

Mr. TREADWAY. The gentleman is correct in that statement. Cuba is the only one.

Mr. CRAWFORD. Looking forward to a proposition we will be considering here within a few days pertaining to the Philippine Islands, wherein the State Department is supporting a bill proposing that we extend the most-favored-nation clause to the Philippines until 1961, this will give us two countries where the most-favored-nation clause does not extend to other countries. Sometime when the gentleman has more time, if he cannot do it now, I wish the gentleman would comment on that phase of the Philippine situation.

Mr. TREADWAY. I should be very pleased to join the gentleman in some comment of that kind, because I know from personal experience that the gentleman from Michigan is very well posted both on the sugar situation in Cuba and the general trade situation in the Philippines, having toured that section within a very brief period of years. I should be pleased to take up a discussion of that question.

Mr. CRAWFORD. I thank the gentleman.

PRESENT TREATY PROGRAM NOT TRULY RECIPROCAL

Mr. TREADWAY. Mr. Chairman, the present trade-treaty program goes under the name of "reciprocity," but it has no right to that name. Reciprocity contemplates mutual benefits, but the present program is a strictly one-sided proposition in favor of foreign nations and against the interests of our own people.

The generalization of the treaty concessions is defended by the administration on the ground that concessions usually are made only with respect to products of which the treaty country is our chief source of supply. However, I have shown in past speeches upon this subject that this rule is not universally followed, and that in many instances which I have cited nontreaty countries have been the chief beneficiaries of our concessions without giving us anything in return.

ADMINISTRATION FAILS TO ENFORCE PROVISION OF LAW DENYING TREATY RATES TO CERTAIN NATIONS

In this connection I want to call attention to a provision of the Reciprocal Tariff Act which, if it were being enforced by the administration, would automatically deny the benefits of our treaty concessions to many countries which are now the objects of our generosity—or I should say of the administration's generosity. I refer to the provision which states that if any country discriminates against our commerce, it shall be denied the benefit of the most-favored-nation clause. That provision is not being enforced today. As I have indicated, only one country is on the blacklist despite the fact that many nations are actively discriminating against American commerce. This was admitted by Assistant Secretary of State Sayre before the Ways and Means Committee when that committee was considering the resolution to extend the life of the treaty program. It has also been admitted by another administration tariff spokesman—Commissioner Ryder, of the Tariff Commission—in an article appearing in the London Political Quarterly for December 1937. Thus under present procedure we are not only giving up our home market to the world without getting equivalent concessions in return but we are actually giving it up to many countries which are very definitely discriminating against our own goods.

Secretary Hull partially justifies the generalization of our concessions on the ground that we are thereby setting an example for world-wide removal of trade restrictions. Aside from the injury that results to American producers from this policy, the pitiful part is that the world is not following our example. As was stated in a recent publication of the Tariff Commission:

The policy of bilateral balancing of trade appears to have become more widely accepted in fact than in theory.

In other words, the world is proceeding along the lines of bilateral trading rather than along the lines of most-favored-nation treatment, as provided for under the present program. This is further proven by the article in yesterday's papers stating that Argentina would not enter into a most-favored-

nation treaty offered by the United States but wanted a strictly bilateral agreement.

MOST OF REDUCTIONS ARE ON COMPETITIVE FOREIGN PRODUCTS

Continuing with the discussion of the nature of the reductions made under the trade-treaty program, it is hardly necessary for me to remind the House that by far the great majority of the reductions were on foreign articles that directly compete with the products of our own agriculture, industry, and labor. Herein lies the chief objection to the present trade-treaty program, and I want to emphasize that fact as much as I can.

NO JUSTIFICATION FOR IMPORTING THINGS WE ALREADY HAVE

I have many times stated that the only purpose of foreign trade is to exchange our own surpluses for the things we need but do not produce ourselves. No one can successfully challenge that statement. The trade-treaty program, by encouraging and inviting increased imports of competitive products, surrenders our rich domestic market while it vainly attempts to build up our relatively unimportant foreign market. There cannot possibly be any gain to the Nation thereby. It is only when foreign trade is carried on without injury to our own people that it is profitable. Nothing is gained when for every additional dollar's worth of foreign trade an American export industry obtains, a dollar's worth or more of domestic trade must be taken from some other American industry and given up to foreign producers. Nor is it fair or in accordance with the doctrine of "equal rights for all and special privileges for none," to strike down one American industry or one group of American workers in an effort to help the export trade of another American industry or another group of American workers.

Anyone who accepts the principle that the only justification for foreign trade is the exchange of our own surpluses for things we need but cannot produce ourselves necessarily cannot support the present trade-treaty program. Not only does it work an injury on our own people and our national economy, but it involves a needless sacrifice of the American market.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield for a question?

Mr. TREADWAY. I dislike very much not to yield to my friend from Virginia, but I have so many more items to cover I should like to proceed. I am sure the gentleman has ample arguments of his own with which he always favors the House.

There is an ample demand in this country for noncompetitive products to provide foreigners with money with which to buy our own products. It is suicidal to continue to follow the present policy of allowing foreign producers to furnish us not only with the things we need but also with the things we already have in abundance and thereby displace our own products and take away the means of livelihood of large segments of our own people.

NO ONE SEEKS EXORBITANT TARIFFS FOR UNITED STATES

Trade-treaty proponents take the attitude that all criticism of the present trade-treaty program arises from those who want to fasten exorbitant tariff rates on the country and shut out all foreign imports. They also take the attitude that all who espouse the doctrine of reciprocity must necessarily support the present alleged reciprocity program 100 percent. I should like to discuss these two propositions very briefly.

The first hardly needs an answer, it being so patently absurd. All Republicans have ever demanded in the way of tariff rates is the equalization of foreign advantages in costs of production. No one could successfully contend that a rate which merely put the American producer on the same footing as the foreign producer was exorbitant or constituted an embargo rate.

If any of the rates of existing law are too high—exorbitant—they can be reduced to a proper level under the flexible tariff provisions which the Republican Party wrote into the Tariff Acts of 1922 and 1930. These provisions are still law, although the present administration has not made much use

of them—certainly not to adjust rates upward where conditions demanded.

PRESENT RECIPROCITY PROGRAM ENTIRELY DIFFERENT FROM THAT SPONSORED BY MCKINLEY

As to the second proposition just stated, I want to say that there are all kinds of reciprocity, and just because a person is favorable to the general policy of reciprocity he is not thereby committed to the support of the present program of pseudo reciprocity. From time to time reference has been made by trade-treaty proponents to the fact that President McKinley was a great exponent of reciprocity. Quotations have been read from some of his speeches as endorsing the present alleged reciprocity program. If McKinley knew this, I am sure he would turn over in his grave. The present program is about as far from the type of reciprocity that he and the Republican Party have sponsored as the North Pole is from the South. Those who have quoted from McKinley in support of the present trade-treaty program have purposely failed to give a complete statement of his views. They have lifted certain sentences from the context of his speeches without adding the qualifying words.

PRESIDENT MCKINLEY'S EXPOSITION OF TRUE PURPOSE OF RECIPROCITY

I have many times read to this House McKinley's version of the true principles and purpose of reciprocity. I will do so again, because apparently there are some who neither heard nor read the quotation to which I refer. President McKinley, in his inaugural address of March 4, 1897, speaking of the object of reciprocity, said that the "end in view" was always to be—

The opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves and which do not involve any loss of labor to our own people but tend to increase their employment.

Now that is a definite, clear-cut statement, which is not subject to any misinterpretation or misconstruction. Under McKinley's conception of reciprocity, concessions would only be made on noncompetitive foreign products. Under the present program, most concessions have been on competitive products which involve a loss of labor to our own people and tend to increase unemployment. Herein is the difference between the two concepts of reciprocity.

Under McKinley, reciprocity went hand in hand with protection for American agriculture, industry, and labor. Under the present program, protection for American producers has been abandoned. Duties have been reduced far below the cost-of-production differential.

REDUCTIONS NOT CONFINED TO "EXCESSIVE" RATES AS CLAIMED

I recall that when Secretary Hull appeared before the Ways and Means Committee in 1937 in connection with the resolution to extend the life of the treaty program, I asked him some questions relative to the necessity for maintaining tariff protection. He replied that the question of tariff protection per se did not arise in connection with the treaty program, adding:

This program calls merely for dealing with excessive, unreasonable, and trouble-breeding restraints and restrictions on trade.

If the Secretary had confined his reductions under the trade-treaty program to duties which were in truth "excessive and unreasonable"—if any there be—I am sure there would be no widespread opposition to the treaty program today. But he has not done so, as evidenced by the drastic reductions made on over a thousand articles, eight-tenths of the reductions being below the level of the moderate 1922 rates, half of which had not been increased when the 1930 act was passed. We all recall the statement made by Mr. Roosevelt in 1932 that he did not consider any of the agricultural tariffs to be excessive and would not reduce them, yet the Secretary of State, with the President's approval, has reduced the duties on a long list of farm products, many of them the full 50 percent permitted under the Trade Treaty Act.

A CONCRETE ILLUSTRATION OF ADVERSE EFFECT OF TARIFF REDUCTIONS

Trade-treaty proponents will contend that I am unduly alarmed about the prospect of injury to American interests

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by reason of the reductions under the trade-treaty program. I could very well answer by saying that they in turn are unduly optimistic about the benefits which they seem to think will flow from the treaty program. However, I would rather answer by a definite, concrete illustration of what the treaty program is doing. I hold in my hand an advertisement being circulated in this country by a British tailoring concern, announcing that their representative will be in certain cities at certain hotels on certain dates to solicit orders for British-made suits. At the bottom of the front side of the card a sticker has been attached on which there is printed in bold red type the following:

Owing to the new trade agreement the duty on imported clothing is now only 30 percent, which makes a reduction of approximately \$15 per suit.

Now this is a direct tangible result of the trade-treaty program, and we can see how it works out in actual practice. Here is a British concern soliciting orders in America with a view to depriving American tailors of the opportunity to furnish clothing from fabrics made by American workmen out of American wool. Of course, that is exactly what the trade-treaty proponents want, namely, to give foreign producers a greater share of the home market.

ADVERSE EFFECTS SOMETIMES INDIRECT

Even where the reduction in our tariff rates does not directly result in the displacement of American products, it does have the indirect effect of forcing down the price structure, and with it the general level of our wage and living standards. When duties are reduced our producers must reduce their costs so as to compete with the products of cheap foreign labor. They reduce profits, they reduce wages, they get along with less help—anything to enable them to meet the competition. This is why the adverse results of the reductions do not always show up immediately in increased foreign imports. But the effect is just as harmful. Of course, where the American producer, even by going to these lengths, cannot meet the foreign price, he must throw up the sponge, close down his factory, and dismiss his employees.

On February 8, 1939, the gentleman from Rhode Island [Mr. SANDAGER] inserted in the RECORD a statement showing that the French trade agreement had cost workers in the American lace industry \$3,500,000 in wages annually. Now that is just one industry. Add the loss of wages to workers in other industries by reason of the trade-treaty program and you will have a staggering total. We must keep in mind that approximately half the total number of reductions were made under the British treaty, which only became effective on January 1 of this year. After it has come fully into operation and the whole world begins to take advantage of the reductions made thereunder it will, in my opinion, have a very serious effect upon American workers, not only by depriving them of employment in many instances but by reducing the wage scale of those who are still fortunate enough to retain their jobs.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield for an observation?

Mr. TREADWAY. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. In connection with our domestic industries being affected, I wish to read a brief paragraph from a letter from Mr. E. H. Cooley, manager of the Massachusetts Fisheries Association, in which he states:

Canadian smoked fillets are quoted this morning on the Boston fish pier at from 11½ to 13 cents per pound, when the lowest cost of production in Boston is 14½ cents a pound, this being the cost of production, not including any profit whatever.

In other words, under that agreement Canadian fish are being sold in this country at less than the cost of production here.

Mr. TREADWAY. I thank the gentleman.

INCONSISTENCY OF ADMINISTRATION'S INTERNAL AND FOREIGN TRADE POLICIES

We have yet to hear any proponent of the trade-treaty program attempt to reconcile the inconsistency between the

administration's domestic program and its foreign trade program. Perhaps this is understandable, because it would involve the difficult task of justifying its policy of curtailing American crops while encouraging farm imports from abroad; of trying to reopen employment opportunities in industry while giving foreign workers greater opportunities to furnish the goods consumed in our own market; and of increasing costs of production at home by various policies while giving foreign producers a greater competitive advantage in the American market than they had before by drastic tariff reductions. This inconsistent policy has not been justified or explained because it cannot be.

LABOR MOST ADVERSELY AFFECTED BY INADEQUATE TARIFFS

The burden of inadequate tariffs falls principally upon the shoulders of labor, and no policy could be more at cross-purposes with the effort to raise wages and improve labor standards than the collateral policy of tearing down our tariff structure. Present reductions affect 40 percent of our imports, which means that a serious threat to the welfare of American workers is involved therein.

PROSPERITY CANNOT BE RESTORED BY TARIFF REDUCTIONS

I believe that anyone who will give serious thought to the question will come to the inescapable conclusion that we cannot restore prosperity in America by indiscriminate lowering of the protective tariff; that we cannot maintain existing wage and living standards, let alone increase them, by subjecting our workers to direct competition with the products of the low-wage countries of the rest of the world; that we cannot raise the income of our farmers or the price level of agricultural products by inviting foreign countries to flood our home market with farm products; or that we cannot revive industry and encourage reemployment by permitting foreign producers to supply the goods consumed in the American market at prices which our own manufacturers cannot meet.

THREAT OF TARIFF REDUCTIONS CONTRIBUTES TO UNCERTAINTY

One of the greatest drawbacks to recovery is the uncertainty as to the future. Yet under the trade-treaty program there constantly hangs over every American industry dependent upon tariff protection—both agricultural and manufacturing—like a sword of Damocles, the possibility that the tariff protection which has enabled it to compete in the home market with foreign producers and pay the American scale of wages to its employees will be withdrawn. It is no wonder when we add to the ruinous tariff policy the other administration policies that contribute to fear and uncertainty as to the future and reduce the possibility of profitable enterprise, that American business and industry is in a state of the jitters. Nor is it any wonder that the farmers of the country, with their foreign market destroyed by the program of scarcity and artificial price stimulation, with their home market gradually being surrendered to the foreign producer, with millions of American workers, who constitute the farmer's greatest and richest market, out of jobs, and with the balance threatened with a lower standard of living by reason of industrial tariff reductions. I say it is no wonder that the farmers of the country are in a state of despair.

RESTORATION OF REASONABLE TARIFF PROTECTION WOULD BE BIG STEP TOWARD RECOVERY

In my opinion, the restoration of a reasonable level of protection for the products that we are capable of producing in America would be as big a step in bringing about recovery as any that could be taken. By "reasonable protection," I mean, of course, such tariffs as would equalize competitive conditions in the home market and give our own producers at least an equal opportunity to supply domestic needs.

THE RELATION OF TARIFF PROTECTION TO NATIONAL DEFENSE

Before concluding, I want to call attention to a phase of the tariff question to which little attention has been paid, but which is very apropos at this time, when there is before Congress legislation providing for the national defense. I wonder if it occurred to any of the Members—either yesterday or the day before, when this legislation was before the House—the important part which the protective tariff plays in contribut-

ing to the national defense. It would seem to me that at a time when all the world is arming to the teeth and in every way preparing for the emergency which seems inevitable but which we all hope may never occur, it would seem to me that at this time we should go rather slow in destroying our own industries and making ourselves dependent on foreign nations for our needs.

One of the industries essential to national defense is the iron and steel industry, yet the administration has in numerous instances made drastic reductions in the tariffs on iron and steel products which are vital to national defense. I do not mean that the particular products are necessary, but it is essential to maintain certain industries manufacturing purely commercial products whose plants, in the event of war, can be converted into the production of war matériel. I believe that the Secretary of War will bear out this statement.

Under the recent British treaty the duty on woollens was reduced. If war comes, we will need woollen goods to provide uniforms for our soldiers, and we do not want to be dependent upon Great Britain for such goods, because it may be difficult to get them across the water through a possible submarine blockade. I could give any number of similar illustrations. Not only do we need the factories, but we need the skilled hands to turn out the products.

WAR DEPARTMENT REALIZES THE NECESSITY FOR PROTECTION

In this connection, I would like to cite a letter written by Secretary of War Good to the Ways and Means Committee at the time it was considering the tariff bill of 1930.

Secretary Good asked that the committee give protection to the domestic production of certain types of steel cylinders used in peaceful pursuits, because the factory could be readily converted to the manufacture of guns in the event of war. I quote a brief passage:

The process of construction of these cylinders, like the process of construction of guns, requires skilled and specialized labor. Such skilled and specialized labor could be readily diverted from cylinder making to gun making; but if such labor were not on hand and skilled in this work, it would take a number of months to train it to such work.

Without reading the balance of the letter, I shall insert it in its entirety at this point:

WAR DEPARTMENT,
Washington, March 7, 1929.

HON. WILLIS C. HAWLEY,
Chairman, Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR MR. HAWLEY: In recent years the Midvale Co., of Philadelphia, have developed steel vessels and cylinders, together with their methods of manufacture, which are used in the fertilizer, chemical, power, oil, and other industries. In some cases these cylinders are up to 90 inches in diameter and over 50 feet in length, weighing as much as 250,000 pounds. The largest size requires a steel ingot weighing more than 200 tons to start its manufacture. The methods of manufacture and the machinery utilized in manufacture of these cylinders would be an extremely valuable asset to the United States in event of war, as furnishing a facility which could be readily converted to the manufacture of large guns.

In addition, these particular cylinders are utilized in improved methods of cracking crude and low-grade oils and in the manufacture of synthetic ammonia, both of which industries would be very vital to this country in a national emergency. In the manufacture of these cylinders the Midvale Co. is met with considerable competition from abroad, particularly from the Krupp Co., of Germany, who are using their gun-making machinery for the making of these cylinders.

Quite generally the gun-making machinery in our large steel companies, which was installed before the World War and which was greatly expanded in its extent during the World War, has now been laid aside or scrapped, and the making and installation of similar machinery in event of another emergency would take so much time as to very greatly delay the production of vital guns.

The War Department therefore looks upon the production of these heavy forged steel cylinders and the machinery for fabricating them as a very great asset to national defense not only from the standpoint of the making of guns but also from that of the making of gasoline and ammonia.

The process of construction of these cylinders, like the process of construction of guns, requires skilled and specialized labor. Such skilled and specialized labor could be readily diverted from cylinder making to gun making, but if such labor were not on hand and skilled in this work, it would take a number of months to train it to such work.

I therefore urge upon your committee the high desirability from a point of view of national defense of giving to this particular indus-

try the protection that is necessary in order that the manufacture of these cylinders and vessels be continued in this country.

Very sincerely,

JAMES W. GOOD, *Secretary of War.*

The foregoing letter relates to one particular industry, but there are many others which are equally essential to national defense. We should not jeopardize our national defense by destroying these industries through drastic tariff reductions.

TREATY PROGRAM HAS BEEN TRIED AND FOUND WANTING

To return more particularly to the trade-treaty program, I would like, before I conclude my remarks, Mr. Chairman, to read a brief quotation from a speech recently made by President Munro, of the American Tariff League, to which I subscribe 100 percent. Said he:

We have had 4½ years of the trade-agreement program. Much of the policy has obviously been inconsistent with practices at home, and as we have reviewed the record, it has failed equally of developing our export market or of contributing materially to world peace. In addition, it has laid the foundation for a period of foreign competition more devastating than any we have ever experienced in the United States. I believe that the trade-agreement program has had time enough for a fair trial, and that in its present form it has been found wanting.

Mr. Chairman, the more study I give to the administration's trade-treaty program, the more sure I become that it is not in the interest of the American people. It divests Congress of its right to legislate; it permits emissaries of foreign governments to have a hand in determining this country's tariff policy with which is ultimately bound up the welfare of the entire Nation; it encourages importations of foreign products of farm and factory which we already produce for ourselves and thereby takes away the means of livelihood of our own people and aggravates our unemployment problem; it trades off our rich domestic market for lean foreign markets; it sacrifices domestic industries and workers engaged in production for the home market, in which is consumed nine-tenths of what we produce, in what has been a futile effort to help other industries and workers engaged in export trade; and it undermines and destroys the protective tariff system under which our Nation has become the greatest and richest in the world.

It is this sort of thing, Mr. Chairman, that will lead to a turn-over in the election next year. This information is going to reach the voting public between now and the elections of 1940. While we divest ourselves of our right to write tariff bills and place that right in the hands of our competitors in foreign countries, the voters here at home will, with full information before them, see to it that this foolish trade-treaty program is certainly wiped off the statute books as a result of the election that will come in the fall of 1940.

It has failed to accomplish the purposes for which it was intended, but instead has aggravated our economic problems. The Reciprocal Tariff Act should be speedily repealed and the trade treaties entered into thereunder promptly abrogated insofar as they involve reductions in duty on competitive foreign products.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from California.

Mr. HINSHAW. Would the gentleman venture the prognostication that the cotton States will be looking for a tariff on cotton within the next few years?

Mr. TREADWAY. Well, I think they will probably need it if they are to continue to survive down there, in view of the great expansion and development of cotton production in many countries.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. REED of New York. Did the gentleman notice a statement of Secretary Ickes asking for an appropriation for the relief of the Puerto Ricans who have been made destitute by the Cuban trade agreement?

Mr. TREADWAY. That is another illustration of the point I have been trying to make for the last three-quarters of an hour.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman.

Mr. CULKIN. Has the gentleman noted that the distinguished Secretary of State who claims that these trade agreements make for peace, is now the chief proponent in the administration, next to the President, of strong armament here in America?

Mr. TREADWAY. There is, of course, an inconsistency in considering the trade-treaty program as a method of securing peace and at the same time, as the gentleman from New York has said, increasing our armament by such a tremendous sum as indicated in the appropriation of yesterday.

Mr. CULKIN. That is a confession on the part of the Secretary of State that this policy has failed.

Mr. TREADWAY. There is no question about it.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman.

Mr. H. CARL ANDERSEN. Is it not a fact that in October 1932 our President, then a candidate, made this assertion and upon this assertion gained the votes of millions of American farmers?

I do not intend to lower the tariff on agricultural products, because by so doing it would be entirely inconsistent with my ideas upon the farm question.

Mr. TREADWAY. He not only did that, but he promised the people economy in appropriations and a reduction in the expenses of the Government, and his accomplishments along that line have certainly been a great failure.

Mr. BATES of Massachusetts. And he was going to lead the way in that respect.

Mr. TREADWAY. Yes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes; I yield to the gentleman.

Mr. CRAWFORD. Has the gentleman read what the press has had to say with reference to the Argentine, I believe it is, in the last few days, which interested me very much in this connection? I am informed that between 1933 and 1937 the percentage of increase in our exports to Cuba, a reciprocity-agreement country, increased 291 percent, while in the case of Chile, Peru, Uruguay, and Venezuela, with which we did not have trade agreements, the increases in trade were 349 percent, 286 percent, 264 percent, and 255 percent, respectively. As I understand, we do have a trade treaty with Brazil. Is that correct?

Mr. TREADWAY. Yes; that is correct.

Mr. CRAWFORD. Does the gentleman think there is any danger in the Brazilian situation working around to what the newspapers now indicate with reference to Argentina and further embarrassing our situation there?

Mr. TREADWAY. I believe some of the high officials of Brazil are here now kowtowing to this Government in an endeavor to secure loans with which to buy our own goods. Is not that correct?

Mr. CRAWFORD. I think that is correct.

Mr. TREADWAY. Well, that is a good example of the situation.

I hope this study of the trade treaties will be generally carried on throughout this session of the Congress, because, to my mind, there is nothing of more value to the American people. [Applause.]

I thank the members of the Committee for their attention.

Mr. RABAUT. Mr. Chairman, I yield 20 minutes to my colleague, the gentleman from Alabama [Mr. JARMAN].

Mr. JARMAN. Mr. Chairman, it is my purpose in the time allotted to me today to give the members of this Committee, insofar as I can, the whole story about a phase of this legislation which was rather generally discussed on the floor this morning, but in which discussion I was not permitted to greatly participate.

The distinguished gentleman from Michigan [Mr. RABAUT], the very able chairman of this subcommittee, who, I am sure, has done an excellent job in most respects, did not tell you the whole story in this connection, naturally, because of the fact that his is a big job. He is a big cog in the wheels of a very important committee. Time was not available for him to go into the details of every little phase of his bill. Consequently, as I understood him, he only gave you the last phases of this matter. I refer to the reduction of—I do not know how much it is now, but it was \$135,000 once, and I have heard it referred to as \$125,000 and as \$120,000. I have forgotten what the amount was that was used in the debate today, with respect to the appropriation for publishing the CONGRESSIONAL RECORD.

As I say, I am sure the Appropriations Committee has done a good job as it sees it. I am sure it has honestly performed its duty as it saw its duty, despite the fact that I think it very greatly erred under the conditions with respect to this particular matter.

I became a member of the House Committee on Printing, and as such of the Joint Committee on Printing, less than a year ago. The distinguished gentleman from Michigan said this morning that this matter had been in the lap of his committee for 2 years. Consequently I may also be guilty of not giving the House the whole picture, because I do not know what occurred prior to last March, but I shall tell you the whole story since then.

My first information of a proposed change in the format of the CONGRESSIONAL RECORD came from a letter from the Public Printer last November, I believe, in which he stated that he wrote at the instance of the chairman of the Joint Committee on Printing, and he submitted with that letter what I call a brief, and not being a lawyer, just as I am not a printer, it may not be a brief, but I took it to be one, stating his reasons for believing that this change would be beneficial.

Among them was the fact that \$135,000 would be saved. Needless to say, the prospect of such an economy greatly appealed to me. He requested that I express my reaction to that change to the chairman of the Joint Committee on Printing by December 15. Along with that letter, in addition to the brief, came this set of descriptions, I suppose you would call it, of the change—a so-called comparison between the new and old publication. Mind you, I said "this set." That is set No. 1. That is the set that came to the attention of the Joint Committee on Printing in November or December, and we will lay that aside. It came with the statement that that was the best change that could be made in the CONGRESSIONAL RECORD. That was a great change, and would save \$135,000. In compliance with that letter I wrote the chairman of the Joint Committee on Printing on December 13, and I read a paragraph from that letter:

I have read these recommendations very carefully and studied the exhibits which accompany them. As a result, I am strongly of the opinion that they should be approved unless you are aware of some objection to doing so with which I am unfamiliar.

I did not hear any more from that. I did not know what action the committee took, but I did hear in passing along in the corridor—from whom I do not know, and I cannot recall it exactly—a remark that the older Members or the leaders or something to that effect—I am not sure of the quotation—of the House and the Senate vetoed that No. 1 proposal.

The next thing I heard was when the distinguished chairman of the legislative committee came to me in the cloak room a week ago day before yesterday—Tuesday, February 7—and asked me if I could get my committee together and join him in his committee room up in the corner within an hour and a half, or something to that effect. I told him I would gladly try, and he told me what he wanted—to discuss this No. 1 proposal. I stated that I had already voted for that provisionally and supposed I was for it unless there was something about it with which I was unfamiliar. He said, "Yes; I have your correspondence." At the appointed time my committee went to his committee room. It is my privilege to preside over my small committee, and it is small, but it is

important. It is by no means the size nor of the importance of the Committee on Appropriations, and yet it is a committee which I believe is entitled to its integrity.

We met up there and we were again shown No. 1, the format, and I read the subcommittee the paragraph which I have just read to you. I called their attention to the fact that my first impression was for it, but suggested they notice that I made a reservation. I did not know what the elder statesmen thought of this, and just because I happen to be chairman of a committee I did not think it behooved me to take the bit in my mouth and give him the letter that he requested. He wanted me to give him a letter to the effect that the House Committee on Printing approved it, and I said I left that reservation in the letter to Chairman Lambeth, because I did not believe it behooved me to take the bit in my mouth and put over a proposition whether or no. The distinguished gentleman from Pennsylvania, my colleague on the committee [Mr. RICH], was present.

He stated that he wrote the chairman of the joint committee about as I did, except his reservation was that if the Public Printer could do what he said he could do—that is, save \$135,000—he was for it. The other member of the committee was present, the distinguished gentleman from Massachusetts, a very able member of this House and of this committee, a man who is going to accomplish much on any committee on which he serves or in any capacity in which he functions, the gentleman from Massachusetts [Mr. CONNERY]. He had not seen No. 1, and we thought at the time it was advisable for the committee to know what it was doing. So I suggested that Mr. CONNERY take this exhibit No. 1 home and study it, which he did. Mind you, I had told the committee, and so had the distinguished gentleman from Pennsylvania [Mr. RICH], that we had voted for this with certain reservations.

Mr. CONNERY took exhibit No. 1 home that night, thinking that was what he was called upon to act on. The more I thought about the matter, and Mr. CONNERY shared my view, the more I wanted to know. I knew that I had voted on this matter on December 13. I presumed that the membership of the joint committee had all voted on it. I wanted to know what that vote was. I wanted the joint committee to perform its proper function and not be pushed around. Consequently, I engaged in a conversation, which I was requested to keep in confidence, which convinced me that there was good reason not only that I not give the gentleman the letter he desired, but that the change not be made.

Of course, I wanted to learn from my predecessor, chairman of this committee, who, different from me, was also chairman of the joint committee, what happened as a result of that vote. So I wired my distinguished predecessor, that lovable gentleman, Walter Lambeth, down in Carolina, where I hope he is thoroughly enjoying the rest which he so richly deserves, and I quoted this paragraph I have quoted to you and asked him what was the result of that vote. In reply I received a wire from his secretary to the effect that Walter would be out of town until next week, but that I would find what I wished in a telegram from him to the Public Printer dated December 29 and in a letter of December 23; if that did not give me what I wished, she would contact him and wire me further.

I contacted the Public Printer and requested copies of these communications. Instead of copies he sent me the originals. When I read that letter and that telegram, my mind was made up, that I not only should not give this committee a letter stating that the Committee on Printing of the House approved this change without further action of the joint committee, but that I should protest the change, because of the action of my predecessor, taken in good faith, little more than a month ago, since which the joint committee had had no opportunity to act.

So last Saturday I called the distinguished gentleman from Michigan [Mr. RABAUT], chairman of the subcommittee, and read him the telegram. He just waived it aside. He said, "I have got some new dope. Are you going to be in your office all day?" I said, "Yes." He said, "Can you come up

here directly when the Public Printer and some others come?" I said, "Yes." He said, "I will call you." And he did.

I went again to his office. A partial membership of the committee was there, the Public Printer was there, as was Mr. Ansel Wold, the clerk of the Joint Committee on Printing. I was immediately shown some other exhibits, entirely different from those that were distributed to us in November or December. They were shown to me by the distinguished gentleman with the statement that they were far superior to what I assumed was alleged to be the best thing possible back in November. Time does not permit me to explain the difference, but there is quite a difference. I will say, too, for the gentleman who I understand is the father of this, that I believe it to be an improvement over No. 1. But I asked the chairman of the committee, "Where did that come from and when?" He said, "I went down to Mr. Wold's office yesterday and he prepared this and the Public Printer prepared these samples—or whatever you call them—last night."

He took me to task for calling it a "format" this morning. I am not a printer. I do not know what it is. But the Public Printer prepared that, and they had it there that morning. I said, "Mr. RABAUT, do you mean to tell me that Mr. Wold is the only one connected with the Joint Committee on Printing who has seen this until now, and yet you expect me to approve it?" I have forgotten his reply, but it was to the effect that "it was so good." Of course, I immediately gave him to understand that I could not approve it. I said to the committee that I wanted to read them the law on the subject and also a telegram which I had read to the chairman over the telephone.

I need not read to you distinguished and learned members of this Committee the law, because you know the law, but I would like to put it in the RECORD, so, if you will permit me, I shall read the law which covers this subject:

The Joint Committee on Printing shall have control of the arrangement and style, type, spacing, etc., of the CONGRESSIONAL RECORD, and while providing that it shall be substantially a verbatim report of the proceedings, shall take all needed action for the reduction of unnecessary bulk, and shall provide for the publication of an index of the CONGRESSIONAL RECORD semimonthly during the session of Congress and at the close thereof.

That is the law on the subject. Did you hear anything there about the Committee on Appropriations?

Then I read this telegram, and in doing so I can but express the opinion that I misunderstood the distinguished chairman of this committee this morning, although I asked him and he repeated it, when I thought he said that the only objection to this change was in the Senate. I must have misunderstood him, although, as stated, I asked him and he repeated it, because I read this telegram to him and his associates on the committee that morning, having previously read it to him over the telephone.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. Yes; gladly.

Mr. RABAUT. Did the gentleman look upon the suggestion with favor or disfavor when he first came to my office, in his opinion—not in my opinion, but in his own opinion. Did the gentleman look upon it with favor or disfavor?

Mr. JARMAN. Decidedly with favor, but with the reservation expressed in that letter; but that was a different format.

Mr. RABAUT. Will the gentleman yield further?

Mr. JARMAN. Yes. You did not accord me that courtesy this morning, but I am glad to yield further.

Mr. RABAUT. Oh, I beg your pardon. I did yield.

Mr. JARMAN. I am mistaken again.

Mr. RABAUT. If you looked at it with favor, as you just said you did, I never had it in mind that you were unfavorable to it, and with that encouragement I went forward with the new RECORD.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. JARMAN. I yield further to the gentleman, if he desires.

Mr. RABAUT. No. I just wanted to say to the gentleman that his favorable attitude toward it was what encouraged me to go further and see if we could have an improved format. We do not say that this is the format that should be taken.

Mr. JARMAN. Which one are you talking about?

Mr. RABAUT. I am talking about the one we were talking about this morning. I am not trying to confuse the issue. I want to clarify it.

Mr. JARMAN. That is No. 3. I have not gotten to that yet. I was still talking about No. 2.

Mr. RABAUT. Well, that is out of the picture so far as the one I am talking about is concerned. There will be a greater saving in using format No. 2 rather than No. 3.

The suggestion is only that the committee wanted to back up the right we thought we had to make this saving, with the approval of the Joint Committee on Printing, and we think the gentleman's committee will act favorably. If the committee does not act favorably, then the Government Printing Office can come back and ask for additional appropriation from the deficiency committee.

Mr. JARMAN. I ask the gentleman if he does not remember me telling him in his room or in the committee room substantially this—of course, I may leave out the crossing of a "t" or the dotting of an "i" or something—but does not the gentleman remember my saying to him: "Mr. Chairman," or "Mr. RABAUT," or "Louis," or whatever I said:

If you will proceed in the normal, the legal way, as indicated by the law I quoted, and not cut this appropriation now but permit the Joint Committee on Printing to perform its proper function without duress, as far as I am concerned as an individual and as probably the vice chairman of the committee, if I do not change my mind and still feel that it is a good thing, I will pledge you my best efforts toward action by that committee, which, of course, would mean the same thing, because if you do not cut the appropriation and the committee puts this into effect by the use of either one of these three styles, naturally the difference would be covered back into the Treasury.

Does the gentleman remember my telling him that?

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. RABAUT. I would like to ask the gentleman one question. Was it on the gentleman's first or second appearance before the committee that he made that statement?

Mr. JARMAN. I think it was my second.

Mr. RABAUT. The first time the gentleman came before the committee I was encouraged to proceed. I noticed a great change when he came the second time, but I could not account for it.

Mr. JARMAN. The gentleman, I am sure, remembers calling me over yonder in the corner the morning following my first appearance before his committee, does he not, and asking me what I was going to do about that letter; and I told him that after having had this confidential conversation I had wired Walter Lambeth, and that I wanted to wait until I received a reply? Does the gentleman remember that?

Mr. RABAUT. Yes; I do.

Mr. JARMAN. That was early in the morning.

Mr. RABAUT. Yes.

Mr. JARMAN. Then in the afternoon he told me that they had already talked about this format. That they were ready to come before this House and ask for a cut in the appropriation and were going to stand by that decision and could take no other attitude despite my protest and the wire from the former chairman of the committee.

Mr. RABAUT. But the gentleman did not take that attitude until after the gentleman from Massachusetts [Mr. CONNERY] spoke, until after he refused to sign the letter.

Mr. JARMAN. After?

Mr. RABAUT. That was the first time the gentleman came before us objecting to it.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I yield and ask the gentleman from Massachusetts to answer the gentleman from Michigan.

Mr. CONNERY. For the information of my very able colleague from Alabama and for the information of the gentleman from Michigan, if he will remember correctly, my reason

for not being willing to sign any letter of approval was because the time I was asked to do so was the first information I had of this proposition. Being a new member of the joint committee I did not feel that it was proper for me to sign something about which I had no knowledge whatsoever.

Mr. JARMAN. I agree with the gentleman on that and thank him.

Mr. CONNERY. If the gentleman will yield further, I am sure my able chairman and colleague from Alabama will readily agree with me that the gentleman from Michigan has as fine a labor record as any Member of this House during his entire career in the House of Representatives; but, Mr. Chairman, there is a certain angle here that must not be overlooked, and I would like to quote an excerpt from a letter which I, as a member of the Joint Committee on Printing, received from the Public Printer with reference to this change. At one point the Public Printer states:

There are normally in the Office—

Meaning the Government Printing Office—

8,000 jobs upon which the employees can be used at all times. The lessening of the time required to produce the CONGRESSIONAL RECORD will enable this Office to use the time of those people to produce other congressional work and departmental work, and will assist us in placing ourselves on a more nearly current basis.

The Public Printer states, to repeat: "The lessening of the time required to produce." I emphasized, you will note, the word "time."

I say that that lessening of time is a lessening of labor, and if \$100,000 or \$125,000 is to be saved on the production of the CONGRESSIONAL RECORD, 70 to 80 percent of the saving is going to be made at the expense of labor. Referring to the statement made by the Public Printer that the Printing Office is now operating 3 months behind schedule, it seems to me that, instead of a reduction of the appropriation, there should be an increase in the appropriation to provide for additional personnel. There should be no cutting of this appropriation by any \$125,000.

Mr. JARMAN. I thank my able colleague for his contribution.

The chairman of the committee has intimated that I changed my mind because of the opinion of my able colleague from Massachusetts. I say to him that if I were going to be a follower, I know of no one I would prefer to follow than him; but, as a matter of fact—and I cannot refrain from calling his attention to it—he must know that I had other reasons than that, because he heard this telegram read twice, and I answer his inquiry about whether I changed my mind at the instance of the able gentleman from Massachusetts by reading this telegram, which was my main reason for changing my mind if I did. I did not really change it, because I had that reservation all along. This telegram is dated December 29, 3 days before Mr. Lambeth served his time out as a Member of this House, as able chairman of the Committee on Printing of this House, and as the equally able chairman of the Joint Committee on Printing of the two Houses.

Mr. A. E. GIEGENGACK.

Re tel.:

Heartily approve changed masthead, exhibit D.

That is something else that is not concerned here.

Wold—

He is the clerk of the Joint Committee on Printing—

writes 27th that Speaker BANKHEAD, Representatives RAYBURN, WOODRUM, MARTIN of Massachusetts, Vice President, and Senator McNARY strongly oppose three-column format. Suggest you lay the entire matter before Senator HAYDEN—

Who will become chairman of the joint committee—

Personally, I will concur in his judgment. Regret difficulties account not being able to come to Washington and absence from office until this afternoon.

WALTER LAMBETH, M. C.

Mr. Chairman, that is what made me take advantage of the reservation I made rather than anything else.

I must conclude with one or two more things.

Mr. SPARKMAN. Will the gentleman yield?

Mr. JARMAN. I gladly yield to my colleague and friend, the distinguished gentleman from Alabama.

Mr. SPARKMAN. I notice in the report on this bill the following statement:

Under the law the Joint Committee on Printing is vested with authority to fix the format of the CONGRESSIONAL RECORD, and members of the joint committee are now considering the advisability of making the proposed change.

May I ask if the joint committee has reached any decision in favor of the changed format?

Mr. JARMAN. None whatever. It reached a decision on December 29 against the change, and it has had no meeting since.

Mr. SPARKMAN. I observe a table of figures set out on page 20 of the report. It seems that the amount budgeted for the Government Printing Office would be reduced \$135,000.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SPARKMAN. May I ask this question: The full amount for the regular format was allowed by the Budget?

Mr. JARMAN. That is what I understand.

Mr. SPARKMAN. And this reduction has really been below the Budget figure?

Mr. JARMAN. That is as I understand it.

Mr. SPARKMAN. The Appropriations Committee in appropriating money based on the new format is really doing so ahead of any action on the part of the legislative committee?

Mr. JARMAN. Absolutely. It is doing so contrary to the action of the legislative committee taken on December 29, which has been explained.

Mr. CONNERY. Will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Massachusetts.

Mr. CONNERY. For the further information of the gentleman from Alabama [Mr. SPARKMAN] may I clarify his statement by saying not only before any action was taken but before the Joint Committee on Printing has even started to consider the proposition or has even had the matter laid before them for consideration. There has been no meeting of the Committee on Printing to take up this matter.

Mr. RABAUT. Will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Michigan.

Mr. RABAUT. It is all very well to talk about pushing the committee around and to speak of certain responsibilities. We did not push the committee around, because your committee has until the last deficiency bill to make a decision in this matter. Your committee has had this matter before it, not just since you have been chairman of the committee on the House side or vice chairman of the entire committee, but just as long as it has been placed before the Committee on Appropriations. The Appropriations Committee for 2 successive years has had the Public Printer walk into its meeting and say: "Gentlemen, if you wish to save \$135,000 on the printing of the CONGRESSIONAL RECORD, it can be done in this form."

The Committee on Appropriations did not take cognizance of the request last year, but it thought that this year it should recognize that it could save some money.

If the Joint Committee on Printing does not feel the Public Printer is correct, after due study has been given the subject, it can very well refuse to order the change and submit all the reasons it finds for making such decision. If the committee refuses, then it is up to the Public Printer to return to the Committee on Appropriations and ask for a new appropriation to cover the cut that has been made by the Committee on Appropriations. If the Committee on Printing finds he is correct and that committee can concur, the two committees will then be in accord, and the RECORD will be brought out in some other form than now, thereby effecting the saving. That is the only position my committee takes. It does not seek to legislate. It just seeks to reduce the appropriation for the printing of the CONGRESSIONAL RECORD, which is entirely within the jurisdiction of that committee.

Mr. JARMAN. In doing so you are saying we must do a certain thing.

Mr. RABAUT. No; we say the thing should be studied and the Committee on Printing has indicated its intention to study the problem.

Mr. JARMAN. The gentleman agrees with me in this, though, that had this cut not occurred, and the joint committee as he says has until June 1 to make a decision, as far as the saving is concerned it would not make a particle of difference?

Mr. RABAUT. There would be a difference in the position of the Committee on Appropriations in ignoring a saving which it has twice been invited to effect and the committee is cognizant of that.

Mr. JARMAN. The committee is interested in its position?

Mr. RABAUT. The committee is aware of the position in which it finds itself.

Mr. JARMAN. That goes along with something I said in the committee meeting the other day.

I must hurry along because I know the gentleman has other Members to whom he must yield time. The gentleman's theory apparently is that the first action should be taken by the Committee on Appropriations, in direct contrast with the law. My theory is that the action should be first taken by the Committee on Printing. In line with this, I understand that considerable investigation has occurred.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield 5 additional minutes to the gentleman from Alabama.

Mr. JARMAN. In line with that thought considerable investigation has occurred. The House physician was requested to get expert testimony from the Army and Navy, and reported to the chairman of the committee on the floor here yesterday afternoon. I take it that it is the duty of the Joint Committee on Printing to make such an investigation and to have whatever hearing is necessary. It is not the duty of the Committee on Appropriations to do that. I may be entirely wrong about this matter; I do not know, but I believe I can understand the English language. I believe I can understand the law I have read to you. I believe it means just what it states. I believe I can understand that telegram.

In addition, let me say that someone has suggested to me that before final action occurs on this matter I discuss the question with a very venerable and unanimously beloved Member of this House on that side, who, as I understand, is probably still in the newspaper business, or has been, the very able and distinguished gentleman from Massachusetts [Mr. LUCE]. I have had no opportunity to do that. A suggestion was made by someone else that the matter be discussed with Senator BORAH, Senator NORRIS, and gentlemen of that type. I wish to say to the committee that I have not, and I hope I never shall, reach the stage of my life when I regard everything old and venerable as obsolete and to be disregarded and kicked out. I never have and I hope I never shall reach the stage when I shall wave aside the opinions of gentlemen like the gentleman from Massachusetts, the gentleman referred to in this telegram, and the able gentlemen at the other end of the Capitol.

I wish to call attention to exhibit No. 2, the second proposal, which appeared Saturday morning, and to the fact that apparently a third proposal appeared on the floor this morning.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I gladly yield to the gentleman from Michigan.

Mr. ENGEL. May I say to the gentleman I am not a member of this subcommittee, but I am a member of the Committee on Appropriations. I do not believe there is a member of the full Committee on Appropriations who does not recognize the right of the Joint Committee on Printing to determine the form of the RECORD.

Mr. JARMAN. I am glad to have that information.

I cannot yield further to the gentleman unless I am given more time.

Mr. STEFAN. Mr. Chairman, I yield 3 additional minutes to the gentleman from Alabama.

Mr. ENGEL. While I do not wish to disclose anything particularly that happened in committee, I may say that I asked in committee whether, if the Joint Committee on Printing did not approve this new format, we could bring in a deficiency appropriation for the Government Printing Office, and they said "yes." It had not occurred to me that if the RECORD was changed the saving might be made by having the money go back into the Treasury. I just do not want the gentleman to feel that the Committee on Appropriations is trying to take away any rights that belong to his committee or any other committee.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Will not the gentleman from Michigan agree that this subcommittee has been presumptuous in the method it has used in presenting this matter to the House? Would it not have been much better if the subcommittee had waited for the Joint Committee on Printing to submit this proposition after giving it thorough examination?

Mr. ENGEL. I was not here when the discussion occurred between the gentleman from Michigan [Mr. RABAUT] and the gentleman from Alabama [Mr. JARMAN]. I do believe the saving should be effected, but it should be effected only if and when the Committee on Printing has acted on the proposal. If we wish to let it go as it is, there is no question but that the Public Printer will have to continue the printing of the RECORD as it is now being printed until authorized to change it by the Joint Committee on Printing.

Mr. JARMAN. There is no doubt about that.

Mr. ENGEL. There is no question about that at all. If the Joint Committee on Printing does not act, or refuses to act, or refuses to make the change—

Mr. JARMAN. Or decides it is not advisable to act, may I add?

Mr. ENGEL. Absolutely; that is up to you.

Mr. JARMAN. Give us the discretion. It is ours.

Mr. ENGEL. Surely. Then the Committee on Appropriations will have to, and undoubtedly will, come back with a deficiency appropriation.

Mr. JARMAN. Is there any difference as far as the money is concerned how the matter is handled, whether one way or the other?

Mr. ENGEL. If the change is made, the saving will be effected and the money will go back to the Treasury.

Mr. JARMAN. I know; but if the Committee on Appropriations had not seen fit to make this reduction and the Joint Committee on Printing should decide that one of these three formats is preferable and put it into effect before July 1, would not the Government be financially in the same shape as it is in now?

Mr. ENGEL. The excess appropriation would revert to the Treasury.

Mr. JARMAN. Exactly. That is what I pleaded with this subcommittee to do. I appreciate the contribution of the gentleman, and I am pleased to hear his statement about the Committee on Appropriations not wanting to usurp the authority of my committee, because, frankly, I think the testimony indicates a contrary attitude. I know the gentleman did not entertain that attitude.

Mr. ENGEL. I am not speaking for the full committee.

Mr. JARMAN. I am speaking for the Committee on Printing, which is a small one, it is true, but the question is important.

In conclusion, I wish to discuss just two more points. As I said, there is no one who realizes more strongly than I do the importance of the great Committee on Appropriations of this House. I know it is one of the most important committees of the House. I do not feel that it is the only committee, however; there are 46 other standing committees in the House. I believe the question is fundamental as to whether the House is going to be permitted to function in the normal, legal, regular way through these 47 committees, not just the largest ones, or whether the power of the small committees is going to be

usurped by the larger ones, in which case we may just as well disband the smaller committees. I think this question is fundamental.

[Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I yield 3 additional minutes to the gentleman from Alabama.

Mr. JARMAN. As I started to say when I was last interrupted, whenever the time arrives that I feel the advice of such venerable gentlemen as Mr. LUCE, Senator BORA, and the other people I have mentioned should be blandly waved aside just simply for one committee to accomplish something and make a name—whenever that time arrives, Mr. Chairman, I expect to turn in my commission to the people of the great Sixth District of Alabama, because I do not think I should continue to represent them here; and as for me, let us assume that one of these three formats is fine, indeed; let us assume that the change would be the best action ever taken by this House; let us assume that these venerable gentlemen can read it much better; let us assume it would be better on their eyes, I say to you that if 10 Members of that stripe feel that what has been to them for all these years their second Bible is being changed in such a way that it will deteriorate for them and be more difficult for them to read, I say to you gentlemen that even if they are entirely mistaken, even if it would be much preferable for them, I do not consider the saving—and no one is more anxious to save \$125,000 than I am—but I would not consider the saving as worth while at the expense of dissatisfaction and unhappiness on the part of 10 such gentlemen in this House and on the other side, and I say to you that the Joint Committee on Printing should have an opportunity to go into that matter and see whether that is correct or not.

You have been very generous and I thank you very much and I thank both of the gentlemen for their generosity in yielding me time. [Applause.]

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, 9 days have elapsed since the President of the United States requested an additional \$150,000,000 for the Works Progress Administration, and only 43 days remain before the ax will fall on approximately 2,000,000 people who are now on W. P. A.

Yesterday I obtained special permission to address the House and I asked the question, "What is the Committee on Appropriations doing on this matter? Why is it that the Committee on Appropriations is not meeting on this matter, a matter which is so vital, not only to the unemployed of this country who are on W. P. A., but a matter which is so vital to the entire Nation itself?"

I do not believe there is any alibi or any excuse that can be properly advanced for any delay in this matter. There can be no real excuse for the committee not acting on it at once. This matter is of an emergency nature. It was presented to this House on February 7 by the President in an emergency message under the authority given him by Congress when we passed the W. P. A. deficiency bill.

There can be no question in anyone's mind as to the emergency character of the entire W. P. A. situation and the need for action without delay, for action at once. I think it is only proper that at this time I read the language contained in the President's message, to emphasize that he requested action at once without any delay.

The President said:

Therefore on a program of gradual reduction, from 1,500,000 persons to 2,000,000 would be thrown out of Works Progress Administration employment; or, with the addition of those dependent on them, from 6,000,000 to 8,000,000 Americans would no longer receive Federal Government aid.

Now, get this:

I ask that the Congress commence immediate consideration of these simple and alarming facts.

The English contained in this language is mighty clear. The President did not say that the committee should meet in March or the end of March, the President asked for immediate consideration and immediate means now and not tomorrow or a month from now.

The President also added:

The operations of the Works Progress Administration are of such magnitude that if a reduction such as I have above described has to be carried out, orderly and efficient planning requires that this be known definitely by the first week in March. It is equally important that the executive branch of the Government be informed at the earliest possible moment what additional funds, if any, will be available on and after April 1.

It is likewise important that the country and the unemployed be informed at the earliest possible moment.

The President asks specifically for consideration before the 1st of March and he states that the executive branch of the Government should know where it stands before the 1st of March, and then the President states as follows, and I call the attention of the Committee on Appropriations to this particular section of the President's message:

That the need for orderly planning of the Works Progress Administration program requires that the Administrator should know by the early part of March what funds will be at his disposal after April 1 and that, due to the time required for congressional action, this can be brought about only by my reporting to the Congress on the situation at this time.

I therefore recommend to the Congress immediate consideration of legislation providing an additional sum of \$150,000,000 for the Works Progress Administration to be available in the balance of the current fiscal year.

I realize that perhaps I may be a lone voice crying in the wilderness, as I am crying out here day in and day out in behalf of immediate consideration of this additional appropriation.

It is my intention to daily call to the attention of the country and to the Congress the fact that the Committee on Appropriations is not giving immediate consideration to this emergency and that it is not giving immediate consideration to the President's message in which he asked for immediate consideration. I am not alone in making this demand. I believe that many of the Members of the House join with me in this demand, and I know that I am also speaking for millions and millions of our people throughout the country in making this demand. The W. P. A. issue before the Congress is by no means dead. Nor can you kill it by delay or by the raising of extraneous issues. The American people will not permit you to ignore this problem. This serious emergency will affect 8,000,000 Americans who are dependent upon W. P. A. It will affect every business and industry in the country. If you are opposed to W. P. A., vote against it; but let the Congress have an opportunity to adequately debate the issue and let the country have an opportunity to send its representatives before the committee and let these representatives from all fields of American life be heard, so that the vast damage to the welfare of the Nation, caused by the cut in W. P. A. appropriations, can be understood by Congress. Mr. Chairman, I demand action; a majority of the American people demand action. Any stalling at this time is not fair, and it is hitting below the belt the millions of people directly or indirectly to be injured by the cut Congress made in the appropriations. I appeal to the Members of the House who believe in adequate appropriations for the W. P. A. to join with me every single day in this one-man war which I have started to force the Committee on Appropriations to give the message by the President of the United States the immediate attention it requests, to give the welfare of the unemployed and the welfare of this Nation immediate consideration.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. Yes.

Mr. MICHENER. Does the gentleman want to tell us that he is the only representative of the President in advocating the President's policies?

Mr. MARCANTONIO. I have given no such impression. I do not speak for the President. The President has spoken for himself and the country on this question, and he has done a swell job. By the way, does the gentleman speak for the Republican Party?

Mr. MICHENER. No.

Mr. MARCANTONIO. Very well; and I am speaking my own convictions on the matter as well as those of millions of others who feel the same as I do about this issue.

Mr. MICHENER. But the gentleman has stated that he is making a one-man fight.

Mr. MARCANTONIO. I said that I have started a one-man war, and I am asking the other Members of the House who want the additional \$150,000,000 appropriated for W. P. A. to join with me in daily demanding that the Committee on Appropriations act at once. I think that is quite clear. I yield back the remainder of my time.

Mr. STEFAN. Mr. Chairman, I now yield to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, the great State of Illinois honored itself and paid proper tribute to the womanhood of the world when it placed in Statuary Hall, the Westminster Abbey of the United States, a statue of Frances E. Willard, "Our White Ladye," as she is called. As one who has a high regard for the womanhood of America and a deep respect for the position that woman holds in the present scheme of things, I rise to pay tribute in this centennial year of Frances E. Willard's birth to that great woman from the State of Illinois. [Applause.]

Mr. Chairman, Frances E. Willard has long held the honor of being the sole representative of the women of America in the Hall of Fame at the National Capitol. That indeed is a singular honor but one for which Miss Willard had every qualification.

In 1864 the Congress of the United States authorized the establishment of the now famous gallery known as Statuary Hall in the old Chamber of the House of Representatives, and provided that the several States were at liberty to place there fitting statues of two of their respective immortals. A whole galaxy of these statues was soon presented by the States. They stand lifelike and real, though of heroic size. It was not until 1899, however, after the short but undeniably inspiring life of Frances E. Willard had ended, that the State of Illinois made a move to fill its second place in the Hall with a white marble statue of "Our White Ladye." The resolution of the State legislature, in authorizing this, spared no words in praise of Miss Willard; indeed it lauded her as being "illustrious for historic renown and distinguished for civic service in Europe and America, in a new, unexplored field of Christian endeavor, the effect of whose efforts and achievements and the influence of whose spotless life and sublime example have been so marked that the world has wondered and admired the author, the organizer, and advocate of purity and temperance, Illinois' most illustrious deceased citizen." The same resolution proudly boasted that the purpose of this unusual honor to the memory of a woman was twofold: The first of course, to immortalize Frances E. Willard herself, and the second, to "show to all nations how exalted a sphere woman occupies in the great State of Illinois."

Mr. Chairman, this year, 1939, is the centennial year of Frances E. Willard's birth. The story of her life is too well known to be retold here. It suffices to say that she came of pioneer stock, Puritan stock, with stamina and will and hardy endurance. It is necessary to say too that the Willard family enjoyed an unusually beautiful home-life, enriched by devotion to ideals and heightened by intellectual curiosity. Frances Willard was ever inspired by this memory of her youth. It gave her the basic principles upon which she builded her career, the foundation for her successful life. Long after, in speaking of the ideal woman, Miss Willard said that the mission of this ideal woman was to "make the whole world homelike." She believed "the true woman will make every place she enters homelike—and she will enter every place in this wide world."

Mr. Chairman, the life of Frances Willard still remains a moving inspiration for womankind and it will ever remain so. She was guided unfailingly along the paths of her three great convictions in life by an ever-increasing spiritual growth, a vivid intellect, and by a singular devotion to duty that compelled her to deny the intrusions of all other interests. She looked upon her convictions as other than human. They were God-given inspirations that commanded her abilities and utilized them for the freeing of woman-kind from the thralldom fostered by past generations. Her greatest conviction was that of temperance. It was a con-

viction that might well be said to have come to her as part of her inheritance. She took it up with a crusading zeal. She welded together the forces that advocated temperance and through the medium of her great organization, the W. C. T. U., she made the country and then the world conscious of the newly found powers of women. She was an excellent organizer and a fine orator. These abilities combined brought the success that marked her incessant travels to almost every city and town in the entire country. She preached her great conviction unceasingly.

Miss Willard lived during that period of great reforms which came as an aftermath to the horrors and discouragement of the Civil War. Everywhere gifted people, men and women, were becoming aware of the problems that are those of civilization, and everywhere they strove with a new energy to vitalize the forces of social reform. Miss Willard soon realized that her chosen doctrine, temperance, would be immeasurably strengthened should the right of suffrage be gained for women. With great daring for that time, she took up the cause of equal suffrage and preached it with amazing success. Her difficulties were great. Women themselves were afraid to touch this subject and looked upon those who advocated it as somewhat bold and even possessed of characteristics unbecoming to women. Miss Willard triumphed over opinion and by her triumph gained strength for the cause. She felt that she could not fail because she was guided by a spiritual conviction that told her, "You are to speak for woman's ballot as a weapon for protection for her home."

The third great conviction was that of the compelling power of God. A study of Miss Willard's career would indicate that this conviction was the underlying cause for her great success. She had infinite faith in Christianity and an abiding faith in the evangelical method of teaching and preaching the Gospel. At one point in her career she allied herself with perhaps the most powerful and compelling of all the evangelical teachers, Dwight L. Moody, and went forth to preach with a fervor that was truly amazing.

It is gratifying to know that by the time of her death in 1898 Frances Willard was recognized both at home and abroad as the great moral force she had proven to be. She was a factor, one of the most important indeed, that had come forth to rekindle a faith in the power of man to do good. At the same time she was a pioneer among women and for them she led the way to new heights of power and influence. She aided them to achieve their rightful place in guiding and assisting the destiny of the human race. Whittier grasped the true meaning of her worth when he wrote:

She knew the power of banded ill,
But felt that love was stronger still,
And organized for doing good,
The world's united womanhood.

Mr. Chairman, the following epitaph written by the American poet, Robert McIntyre, makes a fitting close to any tribute to the life and work of Frances E. Willard:

OUR WHITE LADY

So pale she lies, in sweet repose!
Not whiter lie the winter snows
On this sad earth. From her cold brow
Unloose the braided myrtles now,
And bind the wreath of cypress there.
Put lilies in her hands and hair;
Come, gather round her, ye who stand
"For God, and home, and native land."

Doth thine anointed vision see,
Brave daughter of democracy,
How Church and State together bow
Above thy casket, weeping now?
They loved thee so, best of our best,
Thou Miriam of the mighty West,
Who dauntless led thy deathless band,
"For God, and home, and native land."

White Ladye, though before thine eyes
The portals fair of Paradise
Unfold on thine enraptured view
The heaven that shone thy white soul through—
Though high the victor's anthem swells
Where thou dost walk the asphodels,
Still shalt thou lead us, still command
"For God, and home, and native land."

Mr. STEFAN. I yield 30 minutes to the gentleman from South Dakota [Mr. MUNDT].

Mr. MUNDT. Mr. Chairman, as I stand down here in the Well for the first time before this distinguished body, I fully realize that, traditionally, for a new Member the ratio of listening to speaking should be predominantly on the side of the business of listening, and I conform to that policy, because I believe that in a body like this the observations of experience are probably more valuable than the observations of enthusiasm.

But I am also mindful this afternoon of another somewhat axiomatic statement, to the effect that self-preservation is the first law of nature. Consequently, I believe you will agree with me that when anything or anybody seeks to destroy or to tear down a man's home or his homeland, his right of self-preservation becomes paramount and overcomes some of the other man-made axioms. Since this has recently happened to me, I am shunting aside this afternoon the important tradition of silence, to replace it with the tradition of defense and take leave on this busy day to register my protest.

It is in connection with another axiomatic statement that I desire to talk with you. You have all seen among your copybook maxims the old statement saying that "Seeing is believing," but today I point out to you that seeing is not necessarily believing; that it is sometimes highly deceptive and highly deceiving, and I choose to talk on the theme that seeing is deceiving, because of a Government film which I recently saw with my own eyes. I refer to the film entitled "The Plow That Broke the Plains." This talk is intended as a refutation and a rejoinder to that malicious and slanderous attempt to misrepresent the homeland of millions of thrifty people living west of the Mississippi River.

"THE PLOW THAT BROKE THE PLAINS"

The immediate reason that I asked leave to talk to you today is that a short time ago I was asked over to Maryland to address the Izaak Walton League. Being interested in the work of conservation I went over, thinking I would enjoy an evening with my fellow conservationists. I must confess that the evening was sadly marred for me when the chairman announced the fact that they were going to show a film that night depicting the general territory from which the speaker came, and then turned loose upon that innocent audience this film, "The Plow that Broke the Plains"—a film which proudly displays the subtitle, "A documentary film of the United States Government."

Early in the picture a map is displayed, flashing across the screen showing three-quarters of my home State of South Dakota, and the major portions of the States of Montana, North Dakota, Wyoming, Colorado, Nebraska, Kansas, Oklahoma, and Texas. During the entire presentation of this sound motion picture a mournful voice accompanies the scenes which are displayed, and this voice says substantially this:

This is the area of great drought. This is the region of loose soils and high winds. This is the section of no rivers, no trees, and no lakes. This is the story of how a people have ruined the great cattle country and made it a wasted wilderness of disappointment, despair, and distress.

I am willing to admit that during the past 6 years South Dakota and these other States have experienced their share of distress; that we have had drought and grasshoppers; but what section of the United States has not, during the past 6 years, had its share of distress, and by what rhyme or reason is the money of the taxpayers used to concoct a motion-picture show to present to the world at large just the disagreeable and unfortunate aspects of the homeland of some 30,000,000 people?

While my section has had its fight with loose soil and high winds, there have been insect plagues in Dixie; there have been floods in Ohio; we have heard much of hurricanes in New England, earthquakes in California, and typhoons in Florida. We have heard of distress here, there, and elsewhere, but where would there be any justice in having our Government use our money to take a picture just showing this distress?

What would you think, for example, if your Government were to take pictures showing the monotonous white steps of the tenement region of Baltimore and say, "This is the background for the song, 'Maryland, My Maryland'?" Or if it were to show the havoc of the hurricane, and only the havoc of the hurricane, and say to the people of my district, "This is New England"; or if it were to show the people running from an earthquake in California to the accompaniment of the music "California, Here We Come"? Or if it were to point the camera down First Street SW., in Washington, D. C., and tell the people of America, "This is Washington, D. C."? Or if it were to take 100 feet of film showing a man in different positions scratching fleas on the sands of Florida, and say, "This is Florida"? But that is what they have done to South Dakota and the other States mentioned in the map displayed on this film, "The Plow That Broke the Plains."

NOT EVEN THE PROVERBIAL HAPPY ENDING

In contrast to this picture they showed one the same night entitled "The River," which tells a sad enough story about the people of the South, and indicates that they have not exerted a very wise intelligence in their relationship to the soil, but which at least shows the improvements they have learned from experience. The end of this story describes the people of the Mississippi Valley, which has been covered by a flood, growing up and building back and expanding; but in "The Plow That Broke the Plains" we are not even given the courtesy of the proverbial happy ending, because from beginning to end it is a drama of distress.

Consequently I have addressed a letter to the governmental agency which, at your expense and mine, is circulating, free of charge, this disgraceful misrepresentation of my homeland, and I shall insert the letter in the RECORD in full, asking them to be kind enough to withdraw this film from circulation. I think that is a fair request. The people of my State do not want it and do not like it. The people of other sections are entitled to the truth and not such a biased presentation of just one aspect of a great territory.

The letter is as follows:

FEBRUARY 15, 1939.

MR. LOWELL MELLETT,

*Executive Director, National Emergency Council,
Washington, D. C.*

DEAR MR. MELLETT: The other night while attending a public meeting over in Maryland, I saw, for the first time, the motion picture with sound accompaniment, entitled, "The Plow That Broke the Plains," which I understood was filmed for the Farm Security Administration under the direction of Pare Lorentz. It is my further understanding that this picture is now being distributed, free of charge, to schools and other organizations requesting it from the United States Film Service which operates under the direction of the National Emergency Council of which you are the executive director.

Inasmuch as an early scene in this motion picture portrays a map in which fully three-fourths of my home State of South Dakota is pictured along with major portions of such States as Montana, Wyoming, North Dakota, Nebraska, Colorado, Kansas, Oklahoma, and Texas, I am extremely distressed that this picture should be exhibited in its present form. While I have no desire to impugn the motives of those originally preparing this picture at public expense, I cannot help but resent the fact that its continued exhibition gives an entirely erroneous and unfairly desolate impression of this great homeland of millions of thrifty and happy people.

I have traveled extensively in every State pictured in this map, and while soil erosion is unquestionably a problem which we must solve in this area, "The Plow That Broke the Plains" creates the impression among those not familiar with this territory that the devastation is far more widespread and hopeless than is actually the case.

Either deliberately or unintentionally, the picture incorrectly implies a complete lack of rivers, lakes, and trees in this area, despite the fact that there are over 1,000 miles of river in South Dakota alone, and it indicates that the territory has become virtually worthless for agricultural purposes. It omits any reference, either by picture or spoken word, to the beautiful Black Hills of my home State, for example; to the 500 new lakes which have been built in South Dakota since 1930; to the many prosperous, comfortable homes which dot the entire area pictured on this map; to the fertile fields and friendly wood lots which cover much of this territory; to the prosperous, modern towns of Oklahoma, Kansas, Texas, Nebraska, and all the other States described by the narrator of the picture; to the splendid progress being made in controlling this soil erosion; to the successful experience enjoyed in the raising of new trees through the shelterbelt program; and to a host of other

benefits and advantages which are typical of this great area, and which should be included in the picture if it is to give an impartial and honest impression to its audience.

Therefore, because the circulation of this picture so unfairly labels a great section of our country as a territory of lost hope and exhausted opportunities I respectfully request that you immediately announce an executive order withdrawing this picture from circulation and discontinuing all further exhibitions of "The Plow That Broke the Plains."

I have discussed this matter with a number of other Congressmen from the States covered by this picture, and I find them in complete agreement with me in this request. If necessary, I can have others join me in this appeal; but I feel you will readily see the justice of my position and gladly comply with its provisions. The continued exhibition of this picture cannot be considered as anything less than a direct affront to the fine American citizens who are enjoying this area as their homeland and who are constantly working to make it a happier and a more attractive place in which to live. I shall appreciate a letter from you conveying your consideration of this request.

Sincerely yours,

KARL MUNDT,

Member Congress, First District, South Dakota.

P. S.—Since dictating this letter I am in receipt of notice that the South Dakota Editorial Association at its annual midwinter meeting last week adopted a resolution asking that "The Plow That Broke the Plains" be withdrawn from circulation. So you see that it is apparent that among the people most affected by this picture its continued showing is highly unpopular and offensive.

K. M.

I hope and I expect that after this matter has been brought to the attention of the proper authorities, this picture will be withdrawn or modified and revised to show the complete story, showing the improvement which has taken place in the last few years, together with the many natural advantages and opportunities of this area. If so, I will feel that my efforts have been richly rewarded. If not so, I must continue the fight with whatever resources are at my command, because it is grossly unfair and unjust to so condemn a section of the country, and I shall continue to fight until successful, for the benefit of the fair name of my State and a fair deal for this region of the Middle West.

MOSQUITO CONTROL IN A "DESERT"

It may be there are some of you who feel that this film presents a true picture of this section of the country. If so let me point out that this is not even the attitude of the Government which took the film at your expense and which circulated it through the department known as the United States Film Service at your expense, because while the picture was being circulated another Government department sent its agents out into my State which they picture on the map as a land of no lakes, no rivers, and no trees, and sought to establish in the capital city of Pierre a mosquito-control board to eliminate mosquitoes from the swamps to save the natives from malaria. [Laughter.] Consequently there must have been a fallacy in the picture which describes this land as a second cousin to the Sahara Desert without even giving us the courtesy of putting an oasis in the desert or admitting that a camel could live there.

Mr. Chairman, this year the United States plays host to the people of the world by staging two mammoth expositions, one the New York World's Fair, the other the Golden Gate Exposition, of which we have heard something this afternoon. South Dakota is on the main line of travel between these two great expositions. The citizens of my State are eager to point out to the tourists from throughout America the fact that the statements and the conditions presented in this film are false.

We invite you to visit this region, but we do not want a sign nailed up at the border of South Dakota stating, "Out where the worst begins! South Dakota, a land of disappointment, disaster, and dust! Pray you, avoid it."

And we do not want our money being spent by our Government, from taxes which we pay, promoting a motion picture carrying such a fictitious message to the people of America. We want at least to have the right and the privilege other people have to work out our own problems and to solve the distressful situations which have engulfed us in part as they have reached around to touch the people of all other sections of the country.

GOVERNMENT URGES PEOPLE TO SEE FILM

This enterprising department of the Government is not content merely to let the people who request it enjoy the free distribution of this picture but it has become so energetic that it is now sending out circulars advertising the fact that the film is available. So South Dakota and the other States represented not only have to fight a free motion-picture show but the whole Government propaganda machine putting out literature of this kind to induce people to get this picture which is called a documentary film and, consequently, by the uninitiated and the unknowing believed to be typical of this section of the country. Let me read you a passage from a paragraph here in this advertising folder:

A saga of the Great Plains area of the United States. This film of American history surveys the various movements in the Great Plains area, the passing of the buffalo, the successive invasions of the range cattle, the homesteader, and the large-scale farmer. Tremendous, too, are the disastrous dust storms which whip across once fertile areas.

Notice the past tense implication—once fertile areas.

Carrying away rich topsoil and bringing tragedy to the Great Plains.

A DRAMA OF DELUSION

Here are Government documents themselves trying to bring distress to my section of the country. This great drama of delusion to which we are compelled to pay portions of our tax money is the most disgraceful attempt of which I know anything about to misrepresent the environment of the homeland of a large section of happy, prosperous, patriotic Americans. It happens that I have traveled and spoken in all of the States represented by the map at the beginning of this picture. I know the spirit of the people there, I know the topography of the ground. I have fished in the inland lakes in Texas on the very spot this map shows as being nothing but a sea of shifting sand. I have seen the broad streets of the modern cities of Oklahoma which this picture also includes in this land of distress and disaster. I have watched with amazement the productivity of the fields rich in harvest in Nebraska and in Kansas, in South Dakota and in North Dakota. I have seen the great grazing territories of Wyoming and Montana. I have caught trout in the silvery streams of Colorado—all in the section which this film depicts as a modern American desert! I know from personal observation that the people are not the short-sighted soil wreckers and crude ground hogs described by this infamous picture.

If at any time our folks have had to farm too hard or too much, it is not because they were trying to get rich quick; it was not because they were more avaricious than the average man; it was simply because they had to compete against occasional short crops, added to the perpetually unfair prices paid for the products of the agricultural section of America.

I may say to you candidly and honestly, with simple midwestern frankness, that despite the destructive aspects of this film, I believe the great area pictured therein, even today, has the greatest degree of man-acre opportunity available in the Western Hemisphere. No overcrowded sections of population there. No restrictions making it important that a man shall have a big private capital before he may go into business. No sit-down strikes. No wars between classes and groups. Just a thrifty, forward-looking people trying to improve what is already a splendid and verdant homeland.

STILL OPPORTUNITY ALONG THE OREGON TRAIL

Mr. Chairman, there is still wealth in the West. There is still opportunity along the Oregon Trail. The new wealth produced in the area pictured by this film as being a land of lost hope, is the new wealth, I submit, that is turning the wheels of the factories of America today. It is giving employment to the people in the large cities of this land. The tonnage hauled from that great producing area has kept the railroad business from collapsing entirely. Our farmers who have fought these short crops, caused by occasional lack of moisture; our farmers who find themselves today the only great occupational group for whom the Government has

established no definite price legislation, now find themselves subjected to this offensive criticism, by the unique activity of their own Government attempting to discredit and disparage the country in which they live.

By trying to keep tourists from visiting it, trying to discourage people from the surrounding country buying from the people within this area, pointing the finger of condemnation, scorn and contempt at a group of people whose activities have largely kept America from complete economic collapse, the Government is handicapping this section.

NO PRICE AND NOW NO PRAISE FOR THE FARMERS

Look at the rest of the record. Where do we find price-fixing legislation today? We find it for labor. We find it for business. We find it for railroads. But not for these farmers who fight inclement weather at times, and who are now fighting this new hazard; these farmers who are trying to do their best to supply the foodstuffs of America, with the catch-as-catch-can prices they have to accept in the open market. Instead of being encouraged for their efforts, they find themselves subjected to this tirade of scorn.

COME OUT AND SEE FOR YOURSELVES

Mr. Chairman, and all America, on behalf of my native State of South Dakota I invite you to visit us next summer. I invite you to come and see with your own eyes why I condemn the film "The Plow That Broke the Plains" as the most dastardly, and disgraceful attempt to besmirch a fair section of the country that has ever been conceived by any nation anywhere. I want you to see the more than 1,000 miles of rivers in the State of South Dakota alone, which brands certainly as an untruth that melancholy voice that says "it is a land of no lakes, no trees, and no rivers."

I want you to come and fish and swim in the more than 1,000 lakes we have in the State of South Dakota today. I want you to visit the more than a million acres of native forest land in the State of South Dakota, and to sit in the shade of the hundreds and thousands of other little wooded lots, planted by the ambition and the vision of the farmers who are not deserting their homes, as indicated by this picture, but are trying to improve them and pass them on to their children in an enhanced and improved state.

I want you to see the fertile fields of my home State of South Dakota on which today is raised some of the richest spring wheat to be found in the country, on which we raise some of the best potatoes, the best barley for malt purposes, and the finest flax, corn, and alfalfa that you can find in America.

THE FIGHT WILL GO ON IF IT MUST

I want you to check with your own eyes the statements I have made from the standpoint of the fact that this region is the opposite to what it has been pictured in this film, the withdrawal of which today I am respectfully requesting, and the withdrawal of which I shall continue to insist upon until either the National Emergency Council or this young man from South Dakota comes out on top. The fight is going on because I believe the cause is right and just.

May I call attention to the fact that the annual farm production of South Dakota today is equal to the production of Maryland, Delaware, New Jersey, Connecticut, and Massachusetts combined. May I call your attention to the fact that this year, while they are showing this picture representing our State as a vast area of dust, the national corn-husking contest of America was held on one of the fine cornfields of my home State of South Dakota.

I want you to come out and check for yourself the accuracy of what I am stating here this afternoon and then to realize with me the humiliation I must suffer, visiting in Maryland or some place nearby and having people watch this film, believing it to be typical of that section of America from Canada to the Gulf, but which is fortunate enough to lie west of the Mississippi River.

I want you to visit the beautiful Black Hills. I want you to see the site that Calvin Coolidge chose for his summer White House. I want you to see the Rushmore Monument on which the sculptor is carving the most colossal statues

to be found in Christendom. I want you to watch the deer and elk play out in the hills. I want you to enjoy hunting ringneck pheasants in the best pheasant territory in the Nation, a country in which the pheasants are almost as thick as mosquitoes in a Jersey swamp!

I want you to see the gold mines of the Black Hills, because there you will see the richest 100 square miles of land to be found anywhere. I want you to visit this busy, friendly, happy State. The United States News for February 13 pictured a map of the United States telling the true story of the West. It shows that South Dakota which just a few years ago had the greatest per capita wealth in America is again on the way back to national leadership.

Here we have South Dakota on the map with a red line around the State. There is no red ink in the State and less red doctrine there than you can find in any other State in America. [Applause.] You will find there are seven States in America which in 1939 have better than the average national recovery, and among the States is South Dakota, not a land of dust and doubt but a land of prosperity and opportunity. [Applause.]

Now I thank you very much for letting me come down here this afternoon and express myself in defense of my State. I do want you to agree with me that with respect to this film, "Seeing is deceiving." I want you to come out and visit us and see for yourselves the rectitude of my position when I humbly ask that this Government agency withdraw "The Plow That Broke the Plains" from circulation.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. I should like to add to my colleague's remarks the fact that he has support for his position from home. I received just now a letter signed by Mr. John H. Craig, secretary of the South Dakota Press Association. The letter reads as follows:

FEBRUARY 13, 1939.

HON. FRANCIS CASE,
Washington, D. C.

DEAR MR. CASE: The people of South Dakota feel the State is being done an injustice by the showing of the moving picture "The Plow That Broke the Plains." The South Dakota Press Association passed a resolution at its winter convention on Saturday in Huron asking the Senators and Representatives from this State to use their influence in having the film put out of circulation.

Mr. MUNDT. I thank the gentleman. The letter is very fine.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. No doubt the gentleman will receive from the director of the bureau handling this film an answer to the gentleman's protest. Am I correct in assuming that the gentleman intends to ask unanimous consent to place that answer in the RECORD so the other side of this question will be given to the Members of Congress and the public generally?

Mr. MUNDT. If he withdraws the film I shall be pleased to put it in the RECORD. If he intends to keep on showing this film he will have to handle his side of the fight from his end.

Mr. EBERHARTER. In other words, if the director answers the gentleman's protest the gentleman will not put that answer in the RECORD, so the Members of Congress can see the subject from his viewpoint and the viewpoint of those who are responsible for the film?

Mr. MUNDT. I have lived in the West all my life and I know that what I have said is correct. If he will answer me according to the rules of correctness and withdraw his film I certainly will be glad to put the answer in the RECORD. If he proposes to defend the policy of trying to bring disgrace to my homeland I will object to having it put in the RECORD, instead of putting it in myself. [Applause.]

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield.

Mr. CASE of South Dakota. Does not the gentleman feel that the film has already had circulation and has been speaking for itself in defamation of the State of South Dakota?

Mr. MUNDT. Yes; this film has been in circulation and playing for 2 years now. We have made protests in other manners and now we are going to try to appeal to the justice of the Members of Congress, so if we must we can bring pressure to bear to withdraw that film from circulation. I have no desire to impugn the motives—although they would be easier to impugn than to interpret—of the man who made the film. I am objecting to the film because of the reaction of the people who have never seen the area.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MUNDT. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. I may say to the gentleman I have seen that beautiful State of his, and I know the gentleman speaks the truth. Also, when I was in Hot Springs, I was informed the people there did not lock their front doors at night, because the community was so honest.

Mr. MUNDT. I thank the gentlewoman.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield further?

Mr. MUNDT. I yield.

Mr. EBERHARTER. Does the gentleman believe it is quite fair for him to present his side of this subject and have it spread in the CONGRESSIONAL RECORD and then not permit the other side to present its viewpoint and place it in the RECORD?

Mr. MUNDT. I am sure the gentleman can see how obvious an answer there is to that. Does the gentleman believe it is fair for the National Government for 2 years to spread its side of the story on the screens of America and never give us a chance to tell the truth? [Applause.]

Mr. EBERHARTER. If the gentleman will permit, I may say I believe this film can be doing a great deal of good to the State of South Dakota and that it will make the people conscious of the fact that it is necessary for this Government to spend a good deal of money in such sections of the country in order to rehabilitate them. For that reason I believe the film is doing the State of South Dakota some good in that respect. It is only fair for the gentleman to put the answer of the Director in the CONGRESSIONAL RECORD.

Mr. MUNDT. If the conditions were as dry in our State as they appear in the picture, which they are not, it would be quite as unnecessary to show this picture there as hanging a thermometer in Alaska to tell the Eskimos it is cold. You could not do any good any place else by displaying this picture.

[Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I yield 1 additional minute to the gentleman from South Dakota.

Mr. CASE of South Dakota. May I suggest that the people of South Dakota would be perfectly willing to have them place the other side of the story in the RECORD if the administration will also give us a film so we can answer the film that has already been in circulation.

Mr. MUNDT. Splendid; that is exactly right and you would assume that would be fair, would you not?

Mr. EBERHARTER. I did not hear the statement of the gentleman.

Mr. MUNDT. We as taxpayers have a lot of money invested in this film that is doing us harm and my colleague from South Dakota suggests that if they will print a film showing the advantageous side of South Dakota we will be glad to give them an opportunity to present their case on the floor here.

Mr. EBERHARTER. The subject the gentleman had before the House was this particular film "The Plow That Broke the Plains." I think we ought at least to give the administration or whoever is responsible for this film an opportunity to present their reasons to the Members of

Congress and the people of the United States generally for showing this film in this manner.

Mr. MUNDT. They have been showing their film for 2 years. The period of refutation has just begun. [Applause.] [Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and to read into the RECORD a short editorial from the Boston Sunday Post of January 8, 1938.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Chairman, on Friday night, February 17, in the fine city of Woburn, Mass., in my congressional district, the people will gather for a ceremony to unveil a bronze plaque to the memory of a man who has done much for the advancement of our country and whose invention has meant employment for thousands of our citizens. I refer to Charles Goodyear, the discoverer of the vulcanization of rubber.

This being the one hundredth anniversary of his discovery, it is particularly fitting that notice of it should be taken in Woburn, for it was here that his experiments were made and perfected. The plaque I mentioned is being placed in the social hall of the Goodyear School in East Woburn.

On the floor of the House I want to pay my tribute to Charles Goodyear, who, through all kinds of adversity and hardship, illness, poverty, disappointments, struggled on through the years of tireless work until he reached his goal and a glorious success. What an example he sets for the present generation. What an inspiration to us all. He typifies all that is fine in the New England character.

Charles Goodyear, who was to rise from relentless adversity and debtors' prison into high service of his fellow man, was born in New Haven, Conn., December 29, 1800. His father, Amasa Goodyear, was a practical-minded Yankee manufacturer credited with many inventions.

When the boy was 7 the family moved to nearby Naugatuck. There his father started a factory for the manufacture of some of his inventions, which included the first closed lamp for burning oil and an improved spring-steel hay fork.

Young Charles was a quiet, serious boy who showed little aptitude for things mechanical. Of a religious turn of mind, he joined the church at 16 and hoped to become a minister. His father needed his help, however, and for a while he worked in the factory.

Later he went to Philadelphia and apprenticed himself to learn the hardware trade. Upon reaching his majority he came back to Naugatuck to become associated with his father.

In 1824 he married his childhood sweetheart, Clarissa Beecher. Two years later they moved to Philadelphia, where Charles opened a hardware store, selling principally his father's products.

For a time the business, said to have been the first retail hardware concern in the United States, was successful. Then young Goodyear, never physically strong, was taken sick. During 2 years of ill health his business declined.

Then several of his creditors failed. In a valiant effort to meet his obligations, to keep his business going, and to provide for his loyal wife and their child he began selling his patents.

His courageous efforts were unavailing. He lost his store and suffered the humiliation of confinement in a debtors' cell. Released, he turned to inventions of his own in an effort to clear up his debts and regain his feet.

A "safe-eye" button, spring-lever faucets, an improved air pump, and a boat constructed of metal tubes helped him get a new start. It was while he was working on a washer for his spring-lever faucet in 1832 that he became interested in rubber.

Charles Goodyear was 20 years old when American traders began bringing back from Brazil some of the cumbersome

rubber shoes made by natives of the Para jungle. These were turned out from clay models over which the Indians poured the milk, or latex, of the rubber trees.

Manufacturers in this country and in England were keenly interested in making in their own factories these shoes, which they called gum elastic, as well as other products of rubber.

But this early rubber, when spread on cloth, would melt and run in summer, grow brittle and crack in winter. Garters and suspenders containing rubber threads had to be kept away from a stove or fireplace.

The fate of an industry, destined to become one of the world's largest and most important, was here to be determined.

It was in 1832, while Charles Goodyear was struggling for a foothold, that he stepped into the store of E. M. Chaffee, in Roxbury, Mass., to buy a life preserver for one of the metal-tube boats on which he was working.

Chaffee had been experimenting with the manufacture of patent-leather shoes, which he made by dissolving rubber in turpentine, adding lampblack for color, and spreading over cloth. His innovations seemed to be going well, and he expanded into making rubberized clothing, caps, and life preservers.

Goodyear saw these products in Chaffee's store. But his interest at the time was not on rubber but on inventions which would produce ready cash. His quick mind saw an improvement which he could make in an inflation tube, and he forthwith sold the idea to Chaffee.

It was a year later that Goodyear returned to the Roxbury store with other ideas which he hoped to sell. He found the merchant in distress. Some \$20,000 worth of his rubber goods had decomposed in the summer heat. To keep word of this from spreading, Chaffee had to haul the goods stealthily out of his store under cover of night, and secretly bury them.

Now, at this fateful moment Goodyear's interest was definitely aroused. It was motivated partly, no doubt, by his friend's ruin, but principally because here was a challenging problem.

Once started he was never to cease until success rewarded his doggedness, his sacrifices, his genius, and abounding faith. The road was to lead through extreme poverty, discouragement, imprisonment, and almost every loss that a man may suffer.

Even while Goodyear was conducting his endless and apparently fruitless experiment, the bottom fell out of the American rubber trade. Friends and relatives begged him to drop the work which now seemed indubitably foredoomed to failure.

Refusing, he labored on without flagging, the faith firmly fixed in his mind that there must be some method by which rubber could be treated to make it permanently usable, to keep it from melting in heat, cracking in cold.

Contemporary annals enable us to pick up his unhappy trail in New Haven in 1835. He was trying desperately to hit upon a way to remove the stickiness from his rubber.

In an interlude of financial despair he sold his furniture—even to the linens spun by the toiling hands of his wife. He left his family in a New Haven boarding house and set out for New York, determined to find money to continue his work.

In a dingy, barren, little room, three flights up, in a crooked street in Greenwich Village, his brother-in-law, William De Forrest, was to find him, surrounded by a jumble of kettles, white lead, rubber, and shellac.

He was now trying quicklime and boiling water. At last he seemed to have achieved a rubber cloth with a dry, non-adhesive surface. Taking one of his wife's old silk petticoats, he rubberized it and cut the cloth up into several sample rain hats.

These appeared to be capable of resisting heat as well as rain, and once again Goodyear envisioned success. He made up rubber sheets, and various articles of clothing, wearing the latter about the streets of New York to prove

their practicability. A visitor who sought him was told by one of his scornful neighbors:

If you meet a fellow wearing a rubber cap, rubber stock, coat, vest, and shoes, and with a rubber money purse without a cent in it—that will be Goodyear.

He sent some of his products to the Mechanics Institute and received a silver medal, his first award. Just as he was preparing himself for a long overdue measure of acclaim, it was discovered that acid dropped on the sheets neutralized the lime and made them again sticky and unusable.

One eventful day he discovered that a nitric acid treatment apparently would enable his rubber to resist heat. In an outburst of exuberance he made up rubberized cloth bandages, rubberized articles of wearing apparel, rubberized paper on which he wrote a glowing letter to President Andrew Jackson.

A partner came to him with money. They took over an abandoned rubber factory on Staten Island and went into the manufacture of rubber shoes, rubberized clothing, life preservers. He sent for his family to join him.

Then came the panic of 1837. The partner and financial backer went broke; the Goodyears lost everything they had. But the brave little family rallied. While Goodyear went fishing for food for the table, his wife and children took to making rubberized aprons and piano covers by hand and selling them for the bare necessities. Mrs. Goodyear made and sold bonnets of pasteboard.

There was the bitter day when, there being nothing else of intrinsic value in the house, Goodyear set out penniless for New York to pawn the last of the family's silver spoons. To pay for his fare across on the ferry he had to give his umbrella to one of the guards.

But further backing was not to be found. Setting out for Boston he looked up Chaffee again, and got the use of that despairing manufacturer's idle rubber machinery. Still confident of his acid-gas method of treating rubber, Goodyear resumed his experiments and turned to making shoes.

This went well, and soon he was able to sell his patent rights to a Providence company which successfully operated under them for many years.

But the urge to improve his rubber to the perfection he dreamed of had not left Goodyear. He sold out completely, realizing some \$5,000 from the disposal of manufacturing licenses, and took his family to Roxbury where the possibilities of still another bankrupt rubber factory had aroused his attention.

He learned that the foreman of the defunct company, Nathaniel Hayward, had attained some success by spreading sulphur on rubber sheeting and drying it in the sun. Goodyear bought his patent and hired Hayward as his foreman.

Goodyear now began an extensive business in the making of life preservers, and took a Government contract for 150 mail bags.

While he was away on a business trip, however, the mail bags decomposed and the life preservers, which had been so confidently shipped out, were returned as worthless. The new method seemed only to have cured the surface.

Having invested everything, Goodyear saw it lost. His furniture was sold under the hammer. He moved his uncomplaining family to Woburn, and settled down to making rubber shoes by hand to provide a bare living.

Now the white frame house beneath the towering elms of Woburn became the focus, the point upon which the story turns.

It was a bitter day early in 1839. While his patient wife was out driving a bargain for food, Goodyear was in the kitchen, eternally compounding and mixing, kneading and rolling his sticky mass of sulphur and rubber. In some manner he dropped a handful of it on top of the hot stove.

Legend says that he dropped it by accident, startled and chagrined when Mrs. Goodyear suddenly returned to find him "experimenting again." Goodyear was to deny in the later years that his discovery was entirely by accident.

Whatever the case was, his alert mind was quick to see what had occurred. To his eager amazement he discovered that the rubber had not melted. It had only charred.

High excitement possessed him. "If the process of charring could be stopped at the right point," his biographer later was to report his reasoning, "it might divest the gum of its native adhesiveness throughout."

He noted that the charred rubber retained its flexibility. Nailing it to the outside of the kitchen door, he let it remain there overnight in subzero temperatures.

Next morning he found that the extreme cold had not affected it.

Now he was sure he was on the right track. But he realized that he must determine the exact degree of heat and period of time necessary to get a perfect cure and smooth surface.

Although, after the heart-breaking years, his dreams seemed about to come true, he forced himself to proceed with extraordinary caution to make test after test.

Day after day, when his wife had finished her baking and left the kitchen free, he made up compounded batches of his rubber and put them in the oven for 1, 2, 3, 6 hours.

He traveled to Lynn and there tried it out in the steam heat of a mill. He tried curing rubber cloth before an open fire by boiling it in his wife's saucepans, by hanging it over a teakettle spout, by roasting it in hot ashes, in hot sand, before a slow fire, before a quick fire.

After hours he haunted the bakeshops of Woburn, importuning the bakers to let him use their ovens. They, as other townspeople, complacently believed the frail little man a harmless lunatic.

At last Goodyear convinced himself he had definitely discovered the process he had so long sought. He named it "vulcanization," for Vulcan, mythological deity of fire.

Unsuccessfully he sought urgent financial aid. He tried contacts and friends in both Boston and New York. They let him know sharply that they were "through with him and his confounded rubber."

The months of 1839 had been dragging on as Goodyear persisted with his tests. He was exhausted and ill and began to be plagued by the fear that he would die before he could carry his work on to the success he was certain awaited.

He sold his library, even his children's schoolbooks, for \$5. His family went into the nearby woods to gather fuel; they ate half-grown potatoes. Still he refused to quit.

Convinced that in a big oven of his own he could carry his tests to the final conclusion, he scraped his last pennies together and built one 6 feet square.

In his loved ones' extremity, he received a letter from France wanting to buy his old nitric-acid process for curing rubber. It was characteristic of the man that he wrote back declining the money, stating he had found a better process and would write again when his tests were completed.

It was at this crucial point that his brother-in-law, De Forrest, sent Goodyear \$50 to come to New York in a final effort to raise capital. There he met William Rider, a merchant, who furnished capital to start a factory in Springfield, Mass., for making the shirred cloth which Goodyear had invented by pressing rubber thread into fabric.

Two years later, in 1842, Rider went bankrupt, and De Forrest became the financial backer of the Springfield factory. Goodyear put his two brothers, Nelson and Henry, in charge of the plant.

Meanwhile he continued subjecting his process of vulcanization to such a series of conclusive tests that at last he was satisfied he had perfected it.

The plant prospered with the manufacture of articles made of Goodyear's new "vulcanized" rubber. Under his direction more and more articles were turned out, and all proved invariably satisfactory.

In 1843 Goodyear filed a formal application for patent on the discovery of vulcanization. The patent was issued to him on June 14, 1844.

The following is an editorial in the Boston Sunday Post of January 8, 1938:

The city of Woburn has achieved coast-to-coast fame in recent months as a place in which municipal economy is being carried out by a forthright and energetic mayor.

But lest the opinion go out that the municipality is noteworthy only for his crusade, the lion's cage, and lighting by moonlight, the residents this month will observe a centenary of one of the greatest scientific discoveries of modern times.

Through this discovery an entire new world of progress has been possible. Without it the automobile and a host of other common-places of modern life would have been impossible.

It was 100 years ago this month that Charles Goodyear, a bankrupt hardware dealer, recently out of jail for nonpayment of his just debts, discovered the process of vulcanizing rubber.

This changed rubber from a puzzling, sticky substance, of little commercial value, to the serviceable commodity it is today. It made possible the myriad inventions which go with the modern age.

It built factories and cities.

It seems strange that Woburn is still a small city with a population in the 20,000's, while the process discovered in a Woburn kitchen in 1839 should have built such places as Akron, Ohio, with a population of nearly 275,000.

Here, Mr. Chairman, I can say why that is possible. It is due to the fact that we pay higher wages in Massachusetts than in other sections of the country.

But it happened. Goodyear was in his poor and almost barren home 100 years ago this month, puttering with rubber in the kitchen.

His wife, who must have been the soul of patience, was out at the greengrocers, trying to make a few pennies buy a meal. For 7 years this strange, persistent man had been struggling with the ill-smelling, hard-to-handle substance.

The hardware business had gone the way of neglected things, and whatever money the Goodyears had was used up in living and paying for the experiments.

On this particular cold morning he was kneading rubber on a marble slab with a rolling pin. His wife burst in through the kitchen door and so startled the absorbed chemist that he dropped some of the rubber on the top of a hot stove. He had mixed the rubber with sulphur, and in a moment he saw that the heat had changed the consistency of the substance.

It was this accident that started him off on the course which led to the vulcanization of rubber. He named the process himself, and through it rubber became the tremendous factor that it is today.

It would be hard indeed to visualize on that frosty morning the vast forests which would be devoted to the production of rubber, the vessels which would bring the crude product to civilization, and the huge factories, employing thousands of hands, which would spring up to make rubber into thousands of forms.

His invention brought him great honor here and abroad. He probably never realized the full import of his process, for the automobile age was yet ahead.

But he brought to Woburn an added fame, a tradition, and a legend.

Mr. STEFAN. Mr. Chairman, I yield 3 minutes to the gentleman from Montana [Mr. THORKELOSON].

Mr. THORKELOSON. Mr. Chairman, I would be ungrateful indeed if I did not recognize and appreciate the able discussion by my colleague the gentleman from South Dakota [Mr. MUNDT]. I also resent the film that the gentleman spoke about a while ago, because Montana does not deserve a reputation of that sort. Montana is a State of nearly 147,000 square miles, with paved roads throughout the entire State. Montana is a State in which you will find the largest and richest mines in the world, a State that has produced gold and is now producing gold, tin, and also manganese. Manganese is a metal we are importing today from Russia. We have streams in indefinite number and we have one of the largest inland lakes in the world in Montana. The headwaters of the Columbia River and the headwaters of the Mississippi are located in Montana. Montana is also an agricultural State.

So I say, I would be ungrateful indeed did I not refer to the State of Montana, although that is not my main purpose in rising. Montana asks for nothing except the right to work and produce, unmolested by the Federal Government. The greatest handicap we have in Montana is the pernicious influence of the Federal departments, which deliberately misrepresent the State of Montana and the rest of the Western States. I received a resolution today from the Legislature of the State of Montana, which I shall read in part:

Be it resolved, That it is the prayer of your memorialists, the Twenty-sixth Legislative Assembly of the State of Montana, that the Congress of the United States should, by proper legislation, right the wrong suffered by these farmers, processors, and wage

earnings engaged in the growing and manufacturing of beet sugar by immediately raising the domestic sugar quota to permit the unrestricted production of sugar within the continental limits of the United States, and to maintain the protective market by quota reductions and adequate tariffs on foreign sugar.

Mr. Chairman, it is well to bear in mind that when a people are asking for their constitutional rights as reserved to them by the Constitution in amendments 9 and 10, public rights are nearly lost. When a people must petition the Government they have nourished for 151 years to give them back the rights which they originally reserved to themselves, something has happened to our Government that is not for the general welfare of the United States.

That, Mr. Chairman, is approximately our position today. When the sugar producers of Montana petition this body to restore their right to produce and supply our own tables with our own production, it is not only for the welfare of the people in my State, but it is for the general good of the people in every State of the Union.

Had this been a special or partisan request, no support would have been given to it by me before this House. However, this involves a problem of magnitude, and is therefore the concern of Congress. It also concerns the welfare of the Nation and must therefore be corrected not only as an aid in our present state of peace but as a greater necessity should trouble overtake us. I shall ask my colleagues to give this serious consideration because it concerns every State in this Union, and it is for the general interest and general welfare of the United States.

Mr. Chairman, just one observation contained in the memorial which I desire to especially emphasize; that is, the higher wages and income of the beet workers and growers over that enjoyed by the sugarcane workers in the offshore areas. I call the attention of the House to the most unusual statement appearing in the Appendix of the Record on page 540. Wages of \$9.72 per day for those working in domestic sugar-beet fields is worthy of our serious attention. Any industry that can pay such high wages on basis of present purchasing power of the dollar is worthy of perpetuation, protection, and expansion. I challenge any other line of agricultural activity to show such excellent returns to the hand laborers. This is a group of workers with purchasing power which far exceeds that of anything we can hope to obtain in the tropical areas. The industry in the offshore areas is not built and operated on such an economy, and in no wise can Cuba show such a fair division of the proceeds with the field workers.

The memorial follows:

House Joint Memorial 7

A memorial to the Congress of the United States of America requesting it to assist the beet-sugar industry in Montana

Whereas only 29.5 percent of domestic sugar sales are allotted to domestic producers at present, Cuba has practically the same amount, and our insular possessions 41.5 percent, American producers are rightfully entitled to all of the domestic market that they are able to supply; and

Whereas the import quotas of raw sugar as set at the present time have brought the farmers, the workers in the beet-sugar factories, and the laborers in the beet fields in direct competition with the poorly paid labor in the sugar-producing territories outside of continental United States, such competition has the direct result of lowering the standard of living of these farmers and laborers to a level incompatible with the American way of life; and

Whereas sugar beets can be effectively grown at a reasonable profit in this State and there is no food more valuable to the consumer in nutritive worth even at a much higher price than at present; and

Whereas the production of sugar beets provides employment at good wages for many times as many workers as the same acreage of other crops adapted to this latitude and any control of the expansion of sugar-beet acreage means more unemployment and more relief clients who could otherwise make a living in this industry; and

Whereas there is grave danger that the present policy, if continued, will result in many now employed in this country losing their means of livelihood, thereby further increasing the already tremendous burden of unemployment; and

Whereas our beet growers, if permitted to make a reasonable amount of money, are, due to their higher standard of living, many times better customers for eastern industry as are foreign sugar laborers and planters; and

Whereas an orderly and sound expansion of beet plantings in accordance with the development of suitable land and the building of new factories to take care of the increased production is a

reasonable and necessary process to the building up of this State and should be encouraged; and

Whereas the expansion of the domestic production of sugar should be encouraged as a problem of national economy and defense; the acute shortage of sugar during the World War demonstrated our need for a much higher domestic sugar production in time of emergency; and

Whereas because of the high altitude of this region there are practically no substitute crops for sugar beets and the restriction of the beet industry means the throttling of our agriculture by eliminating the best cultivated crop in a proper rotation for maintaining soil fertility and weed control; and

Whereas the development of profitable agricultural operations is so vital to the business of all of Montana as well as of the entire United States, and should be given most serious consideration by all individuals and law-making bodies; and

Whereas the Beet Growers' Association of Montana, supported by the Montana Federation of Labor and Montanans, Inc. (the State chamber of commerce), have given serious and careful consideration to the present sugar quotas and the above facts have been definitely established: Now, therefore, be it

Resolved, That it is the prayer of your memorialists, the Twenty-sixth Legislative Assembly of the State of Montana, that the Congress of the United States should, by proper legislation, right the wrong suffered by the farmers, processors, and wage earners engaged in the growing and manufacturing of beet sugar, by immediately raising the domestic sugar quota to permit the unrestricted production of sugar within the continental limits of the United States, and to maintain the protective market by quota reductions and adequate tariffs on foreign sugar; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of Montana in Congress.

Mr. RABAUT. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. COSTELLO, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R. 4218, making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes, and had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to insert in connection therewith certain excerpts from the proceedings of the American Federation of Labor, and also certain excerpts from the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a communication I received with respect to the Gilbertsville Dam.

The SPEAKER. Is there objection?

There was no objection.

Mr. TURNER. Mr. Speaker, I introduced a bill in regard to promotion in the Navy, and I ask unanimous consent that the bill and a short explanation be printed in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend in the Record my remarks and to include therein both a letter and a sworn statement addressed to me by David Lasser, president of the Workers' Alliance of America.

The SPEAKER. Is there objection?

Mr. FADDIS. Mr. Speaker, reserving the right to object, just what is this material about the Workers' Alliance?

Mr. MARCANTONIO. The president of the Workers' Alliance was attacked in a transcript of an alleged conversation placed in the Record by the gentleman from Oklahoma [Mr. BOREN]. I submit that Mr. Lasser's version should go in the Record. It is only fair play to permit it to be inserted.

Mr. FADDIS. Owing to the fact that the gentleman from Oklahoma [Mr. BOREN] is not present, I will object at present, Mr. Speaker.

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I made in Committee of the Whole this afternoon and include therein certain brief excerpts.

The SPEAKER. Without objection it is so ordered.
There was no objection.

Mr. RABAUT. Mr. Speaker, in recognition of the exceptional ability of the Right Reverend Joseph M. Corrigan, rector of the Catholic University of America, Washington, D. C., I ask unanimous consent to insert in the RECORD a very able eulogy on His Holiness, Pope Pius XI, delivered by him on Wednesday last.

The SPEAKER. Without objection it is so ordered.
There was no objection.

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an address by myself at the Lincoln Day dinner at Charleston, W. Va.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a Lincoln Day address made by the Honorable FOREST A. HARNES on February 14, 1939, at Kokomo, Ind.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend in the RECORD a memorial received from the Senate of Montana.

The SPEAKER. Is there objection?
There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to revise and extend the remarks which I made in Committee of the Whole and include therein a letter of which I read a portion at that time.

The SPEAKER. Without objection it is so ordered.
There was no objection.

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to extend my remarks and include an address given by myself on Abraham Lincoln, February 13.

The SPEAKER. Without objection it is so ordered.
There was no objection.

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a letter from a constituent.

The SPEAKER. Without objection it is so ordered.
There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BUCK, from February 17 to 21, inclusive, on account of attendance at opening of Golden Gate International Exposition, San Francisco, Calif.

To Mr. HAVENNER, for 1 week, on account of official business.

ADJOURNMENT

Mr. RABAUT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until tomorrow, Friday, February 17, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Friday, February 17, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building, Washington, D. C.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Friday, February 17, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill.

COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Naval Affairs Committee of the House of Representatives on Friday, February 17, 1939, at 2 p. m., for the purpose of continuing the consideration of H. R. 2880, "To authorize the Secretary of the Navy

to proceed with the construction of certain public works, and for other purposes," carrying out partially the recommendations of the Hepburn report.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Friday, February 17, 1939, at 10:30 a. m., to hold hearings on the report on Calumet-Sag Channel, Ill., and Indian Harbor and Canal, Ind.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m. Tuesday, February 21, 1939.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m., Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Tuesday, February 21, 1939, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

424. A letter from the president, Board of Commissioners, District of Columbia, transmitting a report on H. R. 2261, a bill to restore two former policemen to duty and to set aside the decision of the trial board; to the Committee on the District of Columbia.

425. A letter from the Acting Secretary of the Navy, transmitting the draft of a proposed bill to authorize the Secretary of the Navy to contract for the production of designs, plans, and specifications for public works in the interest of national defense; to the Committee on Naval Affairs.

426. A letter from the Acting Secretary of the Interior, transmitting one copy of legislation passed by the Assembly of the Virgin Islands; to the Committee on Insular Affairs.

427. A letter from the president of the Capital Transit Co., transmitting a correction in the annual report of the Capital Transit Co. for 1938; to the Committee on the District of Columbia.

428. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill to authorize necessary facilities for the Coast Guard in the interest of national defense and the performance of its maritime police functions; to the Committee on Merchant Marine and Fisheries.

429. A communication from the President of the United States, transmitting three supplemental estimates of appropriations for the Navy Department for the fiscal year 1939 aggregating \$321,700 and a legislative proviso affecting existing appropriations (H. Doc. No. 157); to the Committee on Appropriations and ordered to be printed.

430. A communication from the President of the United States, transmitting a supplemental estimate of appropriation in the amount of \$1,125,000 for the fiscal year ending June 30, 1939, to remain available until expended, for the War Department, for development of rotary wing and other aircraft authorized by the act approved June 30, 1938 (H. Doc. No. 156); to the Committee on Appropriations and ordered to be printed.

431. A communication from the President of the United States, transmitting a supplemental estimate of appropriations amounting to \$155,000 for the fiscal year ending June 30, 1939, to remain available until expended, for the Panama Canal, for completion, within the Canal Zone, of a memorial to Maj. Gen. George W. Goethals (H. Doc. No. 158); to the Committee on Appropriations and ordered to be printed.

432. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Maritime Labor Board for the fiscal year 1939, amounting to \$30,000 (H. Doc. No. 159); to the Committee on Appropriations and ordered to be printed.

433. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1933 in the sum of \$91.67, and supplemental estimates of appropriations for the fiscal years 1939 and 1940 in the sum of \$57,067, amounting in all to \$57,158.67, and two drafts of proposed provisions pertaining to existing appropriations for the Department of State (H. Doc. No. 161); to the Committee on Appropriations and ordered to be printed.

434. A communication from the President of the United States, transmitting proposed provision effecting the appropriation for the War Department for Army transportation (H. Doc. No. 162); to the Committee on Appropriations and ordered to be printed.

435. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Commerce for the fiscal year 1939, amounting to \$985,000, together with two drafts of proposed provisions pertaining to existing appropriations (H. Doc. No. 163); to the Committee on Appropriations and ordered to be printed.

436. A communication from the President of the United States, transmitting a draft of a provision of legislation pertaining to an existing appropriation for the Department of Labor for the fiscal year 1939 (H. Doc. No. 164); to the Committee on Appropriations and ordered to be printed.

437. A communication from the President of the United States, transmitting a proposed provision pertaining to existing appropriations for the Post Office Department to provide funds required under certain appropriations to meet deficiencies or additional requirements for the fiscal years 1937, 1938, and 1939, aggregating \$951,000 (H. Doc. No. 166); to the Committee on Appropriations and ordered to be printed.

438. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the fiscal year 1938 in the sum of \$46,500, and supplemental estimates of appropriations for the fiscal years 1939 and 1940 in the sum of \$2,151,000, amounting in all to \$2,197,500, for the Department of Justice (H. Doc. No. 167); to the Committee on Appropriations and ordered to be printed.

439. A communication from the President of the United States, transmitting a proposed provision affecting an existing appropriation for the Department of Agriculture for the fiscal year 1939, under the heading "International Production Control Committee" (H. Doc. No. 168); to the Committee on Appropriations and ordered to be printed.

440. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Board of Tax Appeals for the fiscal year 1939 in

the sum of \$12,000 (H. Doc. No. 169); to the Committee on Appropriations and ordered to be printed.

441. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Railroad Retirement Board for the fiscal year 1939 amounting to \$325,000 (H. Doc. No. 170); to the Committee on Appropriations and ordered to be printed.

442. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Treasury Department for the fiscal year 1939 amounting to \$5,381,950 (H. Doc. No. 171); to the Committee on Appropriations and ordered to be printed.

443. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Securities and Exchange Commission for the fiscal year 1939 amounting to \$365,000 (H. Doc. No. 172); to the Committee on Appropriations and ordered to be printed.

444. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 14, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Connecticut River between Hartford, Conn., and Springfield and Holyoke, Mass., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted August 23, 1935 (H. Doc. No. 165); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RABAUT: Committee on Appropriations. H. R. 4218. A bill making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes; with amendment (Rept. No. 43). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. R. 3655. A bill to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931; with amendment (Rept. No. 69). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Patents. H. R. 153. A bill to transfer jurisdiction over commercial prints and labels, for the purpose of copyright registration, to the Register of Copyrights; without amendment (Rept. No. 70). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'LEARY: Committee on Merchant Marine and Fisheries. H. R. 2382. A bill to amend section 704 of the Merchant Marine Act of 1936, as amended, and to amend section 706 (a) of the Merchant Marine Act of 1936; with amendment (Rept. No. 71). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. S. 323. An act for the relief of E. C. Beaver, who suffered loss on account of the Lawton, Okla., fire, 1917; with amendment (Rept. No. 44). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 309. A bill for the relief of the estate of Dr. David O. Clements, deceased; without amendment (Rept. No. 45). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 312. A bill for the relief of Roland P. Winstead; with amendment (Rept. No. 46). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 329. A bill for the relief of R. L. Scott; without amendment

(Rept. No. 47). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 727. A bill for the relief of Charles Dancause and Virginia P. Rogers; without amendment (Rept. No. 48). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 728. A bill for the relief of Catherine Ward; without amendment (Rept. No. 49). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 743. A bill for the relief of Eva C. Netzey, William G. Stuff, Lois Stuff, and Harry E. Ridley; and the estates of Clyde C. Netzey and Sarah C. Stuff; without amendment (Rept. No. 50). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 767. A bill for the relief of Benjamin Weisenberg; with amendment (Rept. No. 51). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 838. A bill for the relief of the estate of Mrs. Ray E. Nies; with amendment (Rept. No. 52). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1076. A bill for the relief of Floyd Gattton; with amendment (Rept. No. 53). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1183. A bill for the relief of Ben L. Kessinger and M. Carlisle Minor; with amendment (Rept. No. 54). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1229. A bill for the relief of Edwin L. Wade; with amendment (Rept. No. 55). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1279. A bill to confer jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claims of the Italian Star Line, Inc., against the United States; with amendment (Rept. No. 56). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1363. A bill for the relief of George Houston; with amendment (Rept. No. 57). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1429. A bill for the relief of William C. Reese; without amendment (Rept. No. 58). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1430. A bill for the relief of Hyman Ginsberg; with amendment (Rept. No. 59). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1836. A bill for the relief of Jack Nelson; with amendment (Rept. No. 60). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1857. A bill for the relief of Nell Mullen; with amendment (Rept. No. 61). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1907. A bill for the relief of Mrs. Lawrence Chlebeck; without amendment (Rept. No. 62). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2086. A bill for the relief of Joseph Sciortino; with amendment (Rept. No. 63). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2098. A bill for the relief of Katherine Patterson; without amendment (Rept. No. 64). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2160. A bill for the relief of S. Uttal; with amendment (Rept. No. 65). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2251. A bill for the relief of Russell Anderegg, a minor, and George W. Anderegg; with amendment (Rept. No. 66). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2356. A bill for the relief of the International Grain Co., Inc.; without amendment (Rept. No. 67). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3082. A bill for the relief of Frank Gedney; without amendment (Rept. No. 68). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 704) granting a pension to John B. Ellis; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2486) granting a pension to George Austin; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2500) granting a pension to Colonel L. Stacy; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2502) granting a pension to Arvil Roberts; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2503) granting a pension to Harrison Lykins; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2506) granting a pension to Perry Osborne; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2507) granting a pension to Stephen Hays; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 2579) granting a pension to Thomas G. Solosky; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 4219. A bill to reclassify salaries of employees in the custodial service of the Post Office Department and in the custodial service of the Treasury Department and the custodial service of the Department of the Interior of the United States, including all positions therein, and for other purposes; to the Committee on the Civil Service.

By Mr. BLAND:

H. R. 4220. A bill to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

By Mr. COFFEE of Washington:

H. R. 4221. A bill to provide that the benefits of the naturalization laws shall not be denied any person because of his having received relief from a governmental agency; to the Committee on Immigration and Naturalization.

By Mr. DINGELL:

H. R. 4222. A bill authorizing special-delivery messengers to be covered into the classified civil service as substitute clerks and carriers, and for other purposes; to the Committee on the Civil Service.

H. R. 4223. A bill extending the classified civil service to include special-delivery messengers; to the Committee on the Civil Service.

By Mr. LEA:

H. R. 4224. A bill to amend the Communications Act of 1934, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PIERCE of Oregon:

H. R. 4225. A bill to amend the Agricultural Adjustment Act, as amended, with respect to orders and marketing agreements for hops; to the Committee on Agriculture.

By Mr. RANDOLPH:

H. R. 4226. A bill to promote the general welfare through the appropriation of funds to assist the States in establishing and developing demonstration centers in adult civic education during a 3-year period; to the Committee on Education.

H. R. 4227. A bill extending the classified executive civil service of the United States; to the Committee on the Civil Service.

By Mr. SMITH of West Virginia:

H. R. 4228 (by departmental request). A bill to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the Interior, to acquire certain collections for the United States; to the Committee on Mines and Mining.

By Mr. SMITH of Virginia:

H. R. 4229. A bill authorizing the conveyance to the Commonwealth of Virginia a portion of the naval reservation known as Quantico in Prince William County, Va.; to the Committee on Naval Affairs.

H. R. 4230. A bill authorizing the conveyance to the Commonwealth of Virginia of certain parcels of property in Fairfax, Warwick, Princess Anne, Prince George, and Roanoke Counties, Va., which are now portions of certain military reservations used for highway purposes; to the Committee on Military Affairs.

By Mr. THORKELSON:

H. R. 4231. A bill for the construction of a fish hatchery at Lima, in Beaverhead County, Mont.; to the Committee on Merchant Marine and Fisheries.

By Mr. VOORHIS of California:

H. R. 4232. A bill to limit the traffic in war munitions, to promote peace, and for other purposes; to the Committee on Foreign Affairs.

By Mr. WHITE of Idaho:

H. R. 4233. A bill relating to certain entries for stock-raising homesteads; to the Committee on the Public Lands.

H. R. 4234. A bill to authorize the exchange of lands adjacent to national forests in Adams and Valley Counties, Idaho; to the Committee on the Public Lands.

By Mr. CELLER:

H. R. 4235. A bill to establish a United States Court of Appeals for Administration to receive, decide, and expedite appeals from Federal commissions, administrative authorities, and tribunals, in which the United States is a party or has an interest, and for other purposes; to the Committee on the Judiciary.

H. R. 4236. A bill to provide for the more expeditious settlement of disputes with the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. McREYNOLDS:

H. R. 4237. A bill authorizing payment of the burial expenses and expenses in connection with last illness and death of native employees dying while serving in offices abroad of executive departments of the United States Government; to the Committee on Foreign Affairs.

By Mr. MAHON:

H. R. 4238. A bill for the purpose of encouraging and fostering the development of civil aeronautics and air commerce in the United States by providing for a student-pilot training program and authorizing an appropriation therefor; to the Committee on Interstate and Foreign Commerce.

By Mr. FLAHERTY:

H. R. 4239. A bill to provide automobile liability for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. RICHARDS:

H. R. 4240. A bill to provide for the relief of the Catawba Indians in South Carolina; to the Committee on Indian Affairs.

By Mr. SCHULTE:

H. R. 4241. A bill to amend the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and

February 27, 1931, and for other purposes; to the Committee on the District of Columbia.

By Mr. FLAHERTY:

H. R. 4242. A bill to amend the World War Veterans' Act, as amended; to the Committee on World War Veterans' Legislation.

By Mr. HARNESS:

H. R. 4243. A bill granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Peru, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. HILL:

H. R. 4244. A bill to amend the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Agriculture.

By Mr. MILLER:

H. R. 4245. A bill to authorize a modification of the project for local flood protection at East Hartford, Conn.; to the Committee on Flood Control.

By Mr. BLAND:

H. R. 4246. A bill to authorize necessary facilities for the Coast Guard in the interest of national defense and the performance of its maritime police functions; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS:

H. R. 4247. A bill for the relief of Frank J. Hamann; to the Committee on Military Affairs.

By Mr. BALL:

H. R. 4248. A bill granting an increase of pension to Clara Prentiss Billard; to the Committee on Invalid Pensions.

By Mr. BARTON:

H. R. 4249. A bill for the relief of Stephen Kelen; to the Committee on Immigration and Naturalization.

By Mr. BLOOM:

H. R. 4250. A bill for the relief of Emma H. Ridley; to the Committee on Claims.

H. R. 4251. A bill for the relief of Chazkiel (or Charles) Lewkowski; to the Committee on Immigration and Naturalization.

By Mr. D'ALESSANDRO:

H. R. 4252. A bill for the relief of J. George Bense Co.; to the Committee on Claims.

By Mr. DICKSTEIN:

H. R. 4253. A bill for the relief of Arthur Weiss; to the Committee on Military Affairs.

By Mr. DINGELL:

H. R. 4254. A bill granting a pension to Henry M. Tunis; to the Committee on World War Veterans' Legislation.

By Mr. DONDERO:

H. R. 4255. A bill granting a pension to Mary A. Beemer; to the Committee on Invalid Pensions.

By Mr. EATON of New Jersey:

H. R. 4256. A bill for the relief of the estate of George B. Spearin, deceased; to the Committee on Claims.

By Mr. FISH:

H. R. 4257. A bill for the relief of the estate of Bartholomew Lawler; to the Committee on Claims.

By Mr. HOFFMAN:

H. R. 4258. A bill granting a pension to Ella F. Lane; to the Committee on Invalid Pensions.

By Mr. JENSEN:

H. R. 4259. A bill granting a pension to Elizabeth Cooper; to the Committee on Invalid Pensions.

H. R. 4260. A bill for the relief of J. Milton Sweney; to the Committee on Claims.

By Mr. LUTHER A. JOHNSON:

H. R. 4261. A bill for the relief of Maude Smith; to the Committee on Claims.

By Mr. KEOGH:

H. R. 4262. A bill for the relief of Santo Giannetto; to the Committee on Claims.

H. R. 4263. A bill for the relief of Domenico Spinelli; to the Committee on Claims.

By Mr. LANDIS:

H. R. 4264. A bill for the relief of Corabell Wuensch, Jackie Lee Wuensch, and Mary Rainbolt; to the Committee on Claims.

By Mr. MACIEJEWSKI:

H. R. 4265. A bill for the relief of Rachel or Rochel Bursk; to the Committee on Immigration and Naturalization.

By Mr. MICHENER:

H. R. 4266. A bill granting a pension to Matilda Roach; to the Committee on Invalid Pensions.

By Mr. PIERCE of Oregon:

H. R. 4267. A bill for the relief of the Lamm Lumber Co.; to the Committee on Claims.

H. R. 4268. A bill for the relief of the Algoma Lumber Co.; to the Committee on Claims.

H. R. 4269. A bill for the relief of the Forest Lumber Co.; to the Committee on Claims.

By Mr. SCHIFFLER:

H. R. 4270. A bill for the relief of Cecilia Niland; to the Committee on Claims.

By Mr. SHEPPARD:

H. R. 4271. A bill granting a pension to Mary Elizabeth Gutting; to the Committee on Pensions.

By Mr. TERRY:

H. R. 4272. A bill for the relief of Jessica J. Armour; to the Committee on Claims.

By Mr. THORKELOSON:

H. R. 4273. A bill for the relief of Lu Knowles Maxey; to the Committee on Military Affairs.

By Mr. TINKHAM:

H. R. 4274. A bill for the relief of Nick Marsoobian; to the Committee on Military Affairs.

H. R. 4275. A bill for the relief of Harry Vrontas; to the Committee on Claims.

By Mr. WARREN:

H. R. 4276. A bill granting an increase of pension to Estelle Rose Simmons; to the Committee on World War Veterans' Legislation.

By Mr. WELCH:

H. R. 4277. A bill for the relief of Paul Little; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1131. By Mr. CHIPERFIELD: Petition of Oneida (Ill.) Townsend Club, No. 1, urging the committee to report out House bill 2; to the Committee on Ways and Means.

1132. By Mr. CURLEY: Resolution of the New York State Council of Parks, opposing claims of the Government to the ownership of lands under tidal waters of the State of New York or any other State; to the Committee on the Public Lands.

1133. By Mr. EATON of New Jersey: Resolution adopted by the mayor and Council of the Borough of North Plainfield, opposing enactment of proposed legislation to make municipal bonds subject to Federal tax; to the Committee on Ways and Means.

1134. By Mr. GILLIE: Petition of Gerald Schooley, of New Haven, Ind., and 100 residents of Fort Wayne, Ind., stating that they are not in favor of changing the Wagner Act; to the Committee on Labor.

1135. By Mr. HALLECK: Petition of the Woman's Home Missionary Society, Logansport, Ind., favoring legislation for control of the motion-picture industry, and urging that hearings be held thereon; to the Committee on Interstate and Foreign Commerce.

1136. Also, petition of the Woman's Christian Temperance Union and the King's Daughters of Christian Church, Brook, Ind., favoring legislation for control of the motion-picture industry, and urging that hearings be held thereon; to the Committee on Interstate and Foreign Commerce.

1137. By Mr. HART: Petition of St. Patrick's Holy Name Society of St. Patrick's Roman Catholic Church of Jersey

City, N. J., expressing opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1138. Also, petition of the 64 priests of St. Michael's Monastery, Union City, N. J., expressing a protest against the lifting of the Spanish embargo; to the Committee on Foreign Affairs.

1139. Also, petition of the New Jersey Catholic Daughters of America, numbering 15,000, Jersey City, N. J., expressing their desire to keep the Spanish embargo; to the Committee on Foreign Affairs.

1140. Also, petition of St. Michael's High School Alumni of St. Michael's Roman Catholic Church, Jersey City, N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1141. Also, petition of Rev. Fr. Dominic J. Del Monte and the members of the Catholic War Veterans of Our Lady of Libera Post, No. 150, West New York, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1142. Also, petition of Rev. Walter A. Hennessey, pastor, and parishioners of the Immaculate Conception Roman Catholic Church, Secaucus, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1143. Also, petition of the members of St. Joseph's Benevolent Society, St. Joseph's Roman Catholic Church, Union City, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1144. Also, petition of the Keep the Spanish Embargo Committee, opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1145. Also, petition of the Young Men's Independent Club of West New York, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1146. Also, petition of the members of the Guild of Catholic Lawyers of the Archdiocese of Newark, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1147. Also, petition of Rev. Thomas F. Burke, pastor, and parishioners of St. Mary's Roman Catholic Church, Jersey City, N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1148. Also, petition of the Federation of Holy Name Societies, Essex Division, Newark, N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1149. Also, petition of the Hudson County, N. J., board of directors, Ancient Order of Hibernians of America, Jersey City, N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1150. Also, petition of Rev. LeRoy E. McWilliams and the members of St. Michael's Holy Name Society of St. Michael's Roman Catholic Church of Jersey City, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1151. Also, petition of Rev. James A. Mackinson and parishioners of St. John's Roman Catholic Church, Jersey City,

N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1152. Also, petition of Rev. Walter P. Artioli, pastor, and parishioners of Our Lady of Mount Carmel Roman Catholic Church, Jersey City, N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1153. Also, petition of Rev. William J. Carlin, pastor, and 4,000 parishioners of St. Joseph's Roman Catholic Church, Jersey City, N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1154. Also, petition of Rev. A. Auth, pastor, and the parishioners of St. Nicholas' Roman Catholic Church, Jersey City, N. J., expressing their opposition to repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1155. Also, petition of Right Rev. R. J. Byer, rector, and parishioners of St. Augustine Roman Catholic Church, Union City, N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1156. Also, petition of the Holy Name Society of St. Nicholas' Church, Jersey City, N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1157. Also, petition of Rev. A. V. Dunn and parishioners of St. Anne's Roman Catholic Church, Jersey City, N. J., expressing their opposition to the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1158. Also, petition of the members of Hoboken Council, No. 159, Knights of Columbus, Hoboken, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1159. Also, petition of the members of the New Jersey State Council, Knights of Columbus, and Thomas C. Madigan, State advocate, Belmar, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1160. Also, petition of the instructresses of St. Nicholas' School, St. Nicholas' Roman Catholic Church, Jersey City, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1161. Also, petition of the members of Paulus Hook Council, No. 475, Knights of Columbus, Jersey City, N. J., opposing the repeal of the joint resolution imposing an embargo on the shipment of war materials to either party of the Spanish civil war; to the Committee on Foreign Affairs.

1162. By Mr. LUTHER A. JOHNSON: Petition of Sadie Hammett, secretary, Local No. 730, National Federation of Post Office Clerks, Corsicana, Tex., favoring House bill 3812; to the Committee on the Post Office and Post Roads.

1163. Also, petition of Rev. J. M. Youree, Hillsboro, Tex., opposing amending Social Security Act so as to include disabled and retired ministers; to the Committee on Ways and Means.

1164. By Mr. KEOGH: Petition of the State Council of Parks, New York City, concerning any claim of the Government of the United States to the ownership of the lands under tidal waters of the State of New York or any other State; to the Committee on the Public Lands.

1165. By Mr. KRAMER: Resolution of the Woodcrest Democratic Club of Los Angeles, relative to the preservation of

the Redwood Mountain area of big trees under national-park status; to the Committee on the Public Lands.

1166. Also, resolution of the Assembly and the Senate of the State of California, relative to the enactment of legislation to secure all aged citizens against want or poverty by means of a system of Federal old-age pensions; to the Committee on Ways and Means.

1167. By Mr. REED of Illinois: Petition of Marie E. Mock, Joliet, Ill., and 17 interested persons, recommending the adherence to the general policy of neutrality as enunciated in the acts of August 31, 1935, and May 1, 1937; to the Committee on Foreign Affairs.

1168. By Mr. SHAFER of Michigan: Petition of the Woman's Foreign Missionary Societies of Kalamazoo and Vicksburg, Mich., protesting against exportation of war materials; to the Committee on Foreign Affairs.

1169. By Mr. THORKE: Petition of the Legislature of the State of Montana, memorializing the Congress of the United States for the passage of the legislation for the creation and establishment of the Townsend recovery plan, and for benefits to be paid to all persons over the age of 60 years; to the Committee on Ways and Means.

1170. By the SPEAKER: Petition of Rev. E. V. Headen, Pinellas Park, Fla., and others, petitioning consideration of their resolution with reference to churches of America under the Social Security Act; to the Committee on Ways and Means.

SENATE

FRIDAY, FEBRUARY 17, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O God, who art the fountain of wisdom, whose statutes are good and gracious, and whose law of beauty in the universe reveals by night and day, in rhythmic folds, the streaming robe of an eternal glory: Descend to meet us on our upward way that we may learn the law that is Thy kingdom here on earth, our way of freedom, and our path to Thee.

Guide and direct the thoughts and aspirations of Thy servants here, that in the deliberations of this day they may ordain for the governance of our Nation only such things as shall please Thee, to the glory of Thy name and the safety, honor, and welfare of our people; that justice and truth being established among us we may lead the nations of the world into that enduring peace which alone is the fruit of righteousness. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 16, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	King	Russell
Andrews	Downey	Lee	Schwartz
Ashurst	Ellender	Lodge	Schwellenbach
Austin	Frazier	Logan	Sheppard
Bailey	George	Lucas	Shipstead
Bankhead	Gerry	Lundeen	Smathers
Barbour	Gibson	McKellar	Smith
Barkley	Gillette	McNary	Stewart
Bone	Glass	Maloney	Thomas, Okla.
Bridges	Green	Mead	Thomas, Utah
Brown	Guffey	Miller	Tobey
Bulow	Gurney	Minton	Townsend
Burke	Hale	Murray	Truman
Byrd	Harrison	Neely	Tydings
Byrnes	Hatch	Norris	Vandenberg
Capper	Hayden	Nye	Van Nuys
Caraway	Herring	Overton	Wagner
Clark, Idaho	Hill	Pepper	Walsh
Clark, Mo.	Holman	Pittman	Wheeler
Connally	Hughes	Radcliffe	White
Danaher	Johnson, Calif.	Reed	Wiley
Davis	Johnson, Colo.	Reynolds	

Mr. MINTON. I announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LEWIS], and the Senator from Nevada [Mr. McCARRAN] are detained on important public business.

The Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained.

Mr. NORRIS. I announce that the senior Senator from Wisconsin [Mr. LA FOLLETTE] is absent on important business. I desire this announcement to stand for the day.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Hess, one of his secretaries.

SENATOR FROM TENNESSEE—AMENDED PETITION OF CONTEST

The VICE PRESIDENT laid before the Senate the amended petition of John Randolph Neal, Esq., of Knoxville, Tenn., contesting the election of the junior Senator from Tennessee [Mr. STEWART] and making sundry charges and allegations relative thereto, which was referred to the Committee on Privileges and Elections.

RELIEF OF F. E. PERKINS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation for the relief of F. E. Perkins, on account of a shortage in his accounts due to the peculations of a former employee in the governmental service, which, with the accompanying paper, was referred to the Committee on Claims.

CHANGES IN TITLE V OF SOCIAL SECURITY ACT

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Labor suggesting certain changes in title V of the Social Security Act relating to the three parts of the title administered by the Children's Bureau of the Department of Labor, which was referred to the Committee on Finance.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of Utah, favoring the enactment of the so-called Harrison-Thomas-Larrabee bill, providing Federal aid to education in the States, which was referred to the Committee on Education and Labor.

(See memorial printed in full when presented today by Mr. THOMAS of Utah.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by the Polish section, International Workers Order, of Hamtramck, Mich., praying that adequate funds be allotted to the subcommittee of the Committee on Education and Labor to continue investigation of violations of civil liberties, etc., which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a resolution adopted by officers and members of the congregation of the First Presbyterian Church of Pinellas Park, Fla., protesting against any attempt to place the churches of America under the operation of the Social Security Act, which was referred to the Committee on Finance.

He also laid before the Senate a resolution of the Washington (D. C.) Branch of the American League for Peace and Democracy, protesting against amendment of the National Labor Relations Act, with specific reference to the so-called Walsh and Burke amendments, which was referred to the Committee on Education and Labor.

Mr. CAPPER presented a letter in the nature of a petition from officers of Farmers Union Local No. 606, of Ellis, Kans., praying for the enactment of the so-called Frazier-Lemke farm refinancing bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a petition, numerous signed, of sundry citizens of Wichita, Kans., praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law to include civil as well as international conflicts, which was referred to the Committee on Foreign Relations.

He also presented the petition of members of Mary Rugles Local Union of the W. C. T. U., of Syracuse, Kans., praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which was referred to the Committee on Interstate Commerce.

Mr. GERRY presented a concurrent resolution of the Legislature of the State of Rhode Island, protesting against the enactment of the so-called Neely bill, being the bill (S. 286) to impose taxes on fuel oil, which was referred to the Committee on Finance.

(See concurrent resolution printed in full when presented by Mr. GREEN on the 16th instant, p. 1453, CONGRESSIONAL RECORD.)

Mr. THOMAS of Utah presented the following concurrent memorial of the Legislature of the State of Utah, which was referred to the Committee on Education and Labor:

Memorializing Congress of the United States to approve the Harrison-Thomas-Larrabee bill

Be it resolved by the Legislature of the State of Utah (the Governor concurring therein):

Whereas there is now pending before Congress a proposed measure known as the Harrison-Thomas-Larrabee bill which provides Federal support to the public schools of the several States for the purpose of aiding the States in the support of education; and

Whereas the sovereignty of the several States in matters pertaining to the administration and general control of the schools is in no wise jeopardized by the provision of said bill; and

Whereas the principle of equalization of educational opportunity has been recognized as sound in State and local administration and is believed to be equally as sound nationally: Now, therefore, be it

Resolved by the Legislature of the State of Utah (the Governor concurring): That we urge the Congress of the United States to give approval to the Harrison-Thomas-Larrabee bill; be it further

Resolved, That the secretary of state forward copies of this memorial to the Congress of the United States and to the Utah delegation in Congress requesting the Utah delegation to present this resolution to the congressional committees studying said bill.

Mr. JOHNSON of California presented the following joint resolution of the Legislature of the State of California, which was referred to the Committee on Finance:

Assembly joint resolution relative to memorializing the President and Congress to enact legislation to secure all aged citizens against want or poverty by means of a system of Federal old-age pensions

Whereas the subject of adequate support for aged persons is a matter of deep concern and vital interest to the people of this State and of the United States; and

Whereas the present system of Federal and State aid to the aged results in differences and inequalities among the States in respect to amount of aid and conditions under which aid is obtainable by aged persons and thereby causes unrest among the people, many of whom migrate to those States in which the aid is most nearly adequate and most easily obtainable; and

Whereas such migration brings about an unbalanced population and increases the problem of unemployment and the burden of relief in those States to which migration occurs; and

Whereas efforts are being made in many States to solve the very urgent question of security for the aged by State law; and

Whereas the question of aid to the aged is Nation-wide in scope and can best be solved by Federal legislation dealing equally and on the same terms with all the people: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorialize the President and the Congress of the United States to enact such Federal legislation as will secure each aged citizen within the United States against want or poverty by an adequate, uniform, and liberal system of Federal pensions; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Member of the House of Representatives from California in the Congress of the United States, and that such Senators and Members from California are respectfully urged to support such legislation.

Mr. JOHNSON of California also presented a joint resolution of the Legislature of the State of California, favoring the making of provision for Kern River flood control, which was referred to the Committee on Commerce.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 9th instant, p. 1268, CONGRESSIONAL RECORD.)

Mr. JOHNSON of California also presented a joint resolution of the Legislature of the State of California, favoring the continuation of the W. P. A. Federal art project, which was referred to the Committee on Education and Labor.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 9th instant, p. 1268, CONGRESSIONAL RECORD.)

Mr. JOHNSON of California also presented a joint resolution of the Legislature of the State of California relative to Federal aid to State or Territorial veterans' homes, which was referred to the Committee on Military Affairs.

(See joint resolution printed in full when laid before the Senate by the Vice President on the 9th instant, p. 1268, CONGRESSIONAL RECORD.)

PROHIBITION OF ADVERTISING OF ALCOHOLIC BEVERAGES

Mr. CAPPER. Mr. President, I desire to call to the attention of the Senate, and ask to have printed in the RECORD, the recommendations for legislation, made for the third consecutive year, by W. S. Alexander, Administrator of the Federal Alcohol Administration of the Treasury Department, in his annual report to Congress.

The VICE PRESIDENT. Without objection, the matter referred to will be printed in the RECORD.

The recommendations are as follows:

Radio advertising of alcoholic beverages; advertising in Sunday newspapers; advertising portraying women, children, and religious objects and insignia; and advertising referring to the tonic, food, or medicinal qualities of alcoholic beverages should be prohibited.

I bring again to the attention of the Congress the fact that the present law does not prohibit radio advertising of alcoholic beverages. Although for a number of years there has been little or no advertising of distilled spirits over the radio, beer and wine are being so advertised. Unless radio advertising of alcoholic beverages is prohibited by law, it is not unlikely that the distilled-spirits industry will desire to make use of this medium. I am convinced that radio advertising of alcoholic beverages is against good public policy and should be prohibited.

Mr. CAPPER. I have introduced a bill—S. 575—which would prohibit the advertising of alcoholic beverages in newspapers and over the radio, in interstate commerce, and express the hope that the Committee on Interstate Commerce will report it favorably to the Senate at an early date. The dry States are entitled to this assistance from the Federal Government.

INDEPENDENT OFFICES APPROPRIATIONS—REPORT OF COMMITTEE ON APPROPRIATIONS

Mr. GLASS. Mr. President, from the Committee on Appropriations I report back favorably, with amendments, the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1940, and for other purposes, and I submit a report (No. 70) thereon.

I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia for the immediate consideration of the bill reported by him?

Mr. KING. I object.

The VICE PRESIDENT. Objection is heard.

ASSISTANT CLERK, COMMITTEE ON MANUFACTURES

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 78, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution (S. Res. 78) submitted by Mr. BYRNES on the 13th instant was read, considered, and agreed to, as follows:

Resolved, That the Committee on Manufactures hereby is authorized to employ an assistant clerk to be paid from the contingent fund of the Senate at the rate of \$2,000 per annum until the end of the Seventy-sixth Congress.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PITTMAN:

S. 1464. A bill to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States; and

S. 1465. A bill to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931; to the Committee on Foreign Relations.

(Mr. REYNOLDS introduced Senate bill 1466, which was referred to the Committee on Naval Affairs, and appears under a separate heading.)

By Mr. LOGAN:

S. 1467. A bill for the relief of the Standard Oil Co., Inc., in Kentucky; to the Committee on Claims.

By Mr. NEELY:

S. 1468. A bill granting a pension to Josie Sebrell Rayburn; and

S. 1469. A bill granting a pension to Roy Wilcox; to the Committee on Pensions.

By Mr. McKELLAR:

S. 1470. A bill to provide for the registration and fingerprinting of aliens; to the Committee on Immigration.

By Mr. JOHNSON of California:

S. 1471. A bill for the relief of Elmira Margaret Vanatta; to the Committee on Claims.

S. 1472. A bill granting a pension to Roy C. Thompson, who served in the Navy under the name of Robert Fuller; to the Committee on Pensions.

By Mr. BYRD:

S. 1473. A bill to extend the time for filing claims for refunds of amounts collected under the Agricultural Adjustment Act; to the Committee on Agriculture and Forestry.

S. 1474. A bill for the relief of Thomas G. Abbitt; to the Committee on Claims.

By Mr. HATCH:

S. 1475. A bill granting a pension to Nancy Cornwell Williams (with accompanying papers); to the Committee on Pensions.

S. 1476. A bill to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

S. 1477 (by request). A bill to repeal section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended; to the Committee on Indian Affairs.

By Mr. GIBSON:

S. 1478. A bill for the relief of Haim Genishier, alias Haim Satyr; to the Committee on Immigration.

By Mr. SHEPPARD:

S. 1479. A bill for the relief of J. H. Bowling; to the Committee on Claims.

S. 1480. A bill granting an increase of pension to Mrs. Hugh Lenox Scott; to the Committee on Pensions.

By Mr. SMATHERS:

S. 1481. A bill to provide for the appointment of an additional district judge for the district of New Jersey; to the Committee on the Judiciary.

By Mr. MEAD:

S. 1482. A bill to provide for the insurance by the Reconstruction Finance Corporation of loans made by banks to business enterprises for the purpose of enabling such enterprises to increase their productions, extend their operations, and modernize their plants, and for other purposes; to the Committee on Banking and Currency.

(Mr. SHEPPARD introduced Senate Joint Resolution 74, which was referred to the Committee on Post Offices and Post Roads, and appears under a separate heading.)

AVIATION FACILITIES IN ALASKA

Mr. REYNOLDS. Mr. President, at the present time the Committee on Military Affairs is giving consideration to the question of providing for the United States of America an adequate national defense. This morning I am desirous of introducing a bill which will interest itself exclusively with the installation of aviation facilities in the far north, as a matter of fact, in the Arctic Ocean at a point located between the Lena Delta and the northern mainland of the territory of the United States which may be designated as that of Alaska.

I am thoroughly of the opinion that the fortifications and developments in which we should initially interest ourselves are those in contemplation by the Navy and the War Departments of the far north, particularly in the coastal regions of Alaska, in the Pacific Ocean, and in the Bering Sea.

Mr. President, before introducing this bill I desire to state that in my opinion we should improve our developments at the old capital of Alaska—Sitka—and in addition thereto at Seward; and then, proceeding farther into the Pacific, we should make greater developments—which have been agreed upon, I may add—at Unalaska and at Dutch Harbor.

In speaking of Dutch Harbor, I desire to bring to the attention of the Members of the Senate an island which lies approximately 1,008 miles north of Dutch Harbor, and which is designated as Wrangell Island. About the year 1867, according to my best recollection, this island was discovered, it is said by some historians, as a result of the *Jeannette* having been lost in Arctic waters. Among the members of that expedition endeavoring to make their way to the mainland of Siberia, Melville, the chief engineer of the *Jeannette*, in company with a number of the men of that ship, planted the first American flag upon Wrangell Island. It is said by those who are familiar with the history of the island that later, about 1881, it was rediscovered by those of the United States of America who were at that time in the Arctic upon some sort of an expedition in which they were interested and upon which they had been sent.

Mr. President, I claim that today the United States is the owner and the possessor of Wrangell Island. I am desirous of solidifying, if I may thus express it, America's possession of that island by way of bringing about the establishment of a naval base at Wrangell Island. Without reflecting upon the intelligence and the knowledge of the Members of this body, I dare say that very few of them have ever heard of Wrangell Island; yet I want to say to you, Mr. President, that the day will come when Wrangell Island will be for the United States of America one of the most important spots anywhere in the Western Hemisphere, not only from a defense standpoint but from the standpoint of the development of aviation, which is proceeding so phenomenally and rapidly at the present time.

In this connection I desire to take advantage of this opportunity of informing the Members of this body who are not thoroughly familiar with the location of Wrangell Island that Wrangell Island is on a direct line between the city of New York and Manila, the capital of the Philippine Commonwealth. In addition to that, I desire to inform the Members of the Senate who are interested in national defense and world-wide airplane communication that Wrangell Island is almost on a direct line—attributable to the contour of the earth—between the capital of the United States of America and the capital of the empire of the Orient, that is to say, Japan; in other words, Tokyo, the city to which I now refer.

Wrangell Island is said to be about 150 miles long by approximately 60 miles in width. It is accessible by boat approximately 3 months out of the year. It is accessible by airplane certainly every month of the year; but, of course, we understand that planes landing there would have to be equipped with skids.

Wrangell Island is the world's principal breeding ground of the polar bear. It is one of the principal breeding grounds of the walrus. It is the world's greatest breeding ground for the white fox. In addition thereto it is said by those who are familiar with that section of the world that Wrangell Island is a very important breeding ground, not of the hair

seal—for we find many breeding grounds of that mammal in Labrador and regions farther north—but of the fur seal. Experts in geology have told us that there are large deposits of coal and iron ore on Wrangell Island.

I say that the United States today should provide itself in some manner with the opportunity of acquiring, without delay, peaceful possession of Wrangell Island. As a matter of fact, in 1924 Mr. Carl Lomen—one of the Lomen brothers, the reindeer owners of Alaska, who reside at Nome, Alaska, and are the owners of Lomen & Co., Inc.—made an arrangement with an expedition to the effect that he and those under his supervision would take charge of Wrangell Island. As a result thereof, according to the information I have, about 12 Eskimos and 1 white man were sent to Wrangell Island, where they remained for several months. Shortly after they arrived there, say after a period of several months, I am informed that those who were representing the Soviet Union sent a ship there and took from the island the Eskimos and the white man, and carried them southward to a point near Vladivostok in the Pacific. The white man died, and I am informed that a couple of the Eskimos died. Several years later the Russians decided that they wanted to provide themselves with the possession of this all-important island. As a result thereof they sent to Wrangell Island some 25 or 30 Tchuktches—that is to say, some 25 or 30 Siberian Eskimos—with several members of the Siberian army; and they are today in possession of that post, and are now maintaining there a sort of weather bureau.

I desire to impress upon the Members of this body who are interested in national defense that we have certainly been somewhat negligent—and I am not laying the blame to anybody—in not having heretofore acquired rightful and peaceful possession of Wrangell Island, because in truth and in fact by right of discovery we are the owners of Wrangell Island.

Only yesterday in the committee room of the Military Affairs Committee of the Senate, where was present our Assistant Secretary of War, Mr. Louis Johnson, of West Virginia, mention was made of the newly-to-be-established aviation posts in the far North; and I inquired of him whether or not an airplane base was to be established at Fairbanks. He then told me that such was the plan, but that it remained for us to acquire a few hundred acres of land, so that we could proceed with the establishment of this very important base at Fairbanks. In that connection I recall that last summer I was in virtually every section of Alaska. I not only went to the capital of Alaska, which is visited annually by many thousand American tourists, but, in addition, I went on the Pacific to Seward, and to Dutch Harbor, and to Unalaska, and other points in the Aleutian group, which, I may mention in repetition at this time, extend to the island of Attu, hundreds upon hundreds of miles into the Pacific Ocean. It may be interesting for the Members of this body to learn that the island of Attu is many miles west of the Hawaiian group.

In mentioning the Hawaiian group I may say, for the information of the Members of the Senate who are interested in the national-defense program, some of whom are asking that we spend about \$5,000,000 for the fortification of Guam, in oriental waters, that, in my opinion, if we fortify Attu, the most western of the Aleutian group, we shall have gone sufficiently far into the Pacific Ocean. I say that because, if we go farther, we shall be getting out of the sphere of influence of the United States of America; and if we fortify Guam, we shall be getting into that territory merely for the purpose of pulling Great Britain's chestnuts out of the fire at Hong Kong, at Canton, and in China. We shall be seated there at Guam merely for the purpose of pulling out of the fire the chestnuts of the French Republic in Indochina, a section in which the French are vitally interested at the present time as a result of the Japanese having forcibly occupied the island of Hainan, which is only a few steps from Hong Kong and only a few miles from Saigon, the capital of Indochina.

So at this time I avail myself of the opportunity of saying that when the national-defense bill shall come to the Senate I, for one, even if the only one in this body, will do my utmost

to defeat any move to expend a single American dollar on the fortification of Guam, because in making expenditures of money there we would be getting into troubled waters, and so surely as that we sit and stand here today we will live to see the day when we will regret that we ever expended any money there.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield to the Senator from Minnesota.

Mr. LUNDEEN. I am astonished to hear the Senator's statement. Is not the Senator in favor of saving the world? We have people who want to save the world all over again.

Mr. BARKLEY. Mr. President—

Mr. REYNOLDS. I am in favor of saving the 130,000,000 people of the United States. I am in favor of taking care of the men, women, and children who are inhabitants of the United States, and I am in favor of letting every other country in the world take care of its people. That is my answer to the question.

I yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I rose merely to ask the Senator to yield to me for the purpose of suggesting that all this debate is proceeding by unanimous consent. There has grown up in the Senate in the last few weeks a habit of Senators introducing bills during the morning hour and making speeches with respect to those bills. I have not objected to that, and I do not object now; but as the matter now being referred to will come up in connection with the national-defense bill when it arrives in the Senate from the committee, it strikes me, when Senators are waiting to introduce bills and offer resolutions, that the morning hour should not be interrupted by a discussion of the sort which is now under way.

If the Senator would forego the discussion for the present, I would appreciate it, because the morning hour is set apart for the introduction of bills, the offering of resolutions, and other routine business, and it is not customary for Senators to address themselves to bills they introduce when they introduce them, which can be done only by unanimous consent. If the Senator will keep that in mind and not embark upon a long discussion, I should appreciate it.

Mr. REYNOLDS. Certainly; and I am about to conclude. My reason for introducing myself upon this hour was, first, that I am leaving Washington at 1 o'clock for Norfolk, Va.

Mr. BARKLEY. I regret that very much. [Laughter.]

Mr. REYNOLDS. I regret it myself, because I shall be very lonesome away from the mellow and sunny smiles of my colleagues in the Senate. I am to deliver an address in Norfolk tonight as the result of an invitation extended to me by people of Virginia, North Carolina's sister State.

Secondly, I took this opportunity because I knew that the Members of this body were greatly interested in the national-defense program, and I knew that they would be glad to hear something about Wrangell Island, because very few people ever heard of Wrangell Island.

Mr. BARKLEY. If the Senator will yield, I am sure we have all enjoyed the Senator's discussion of Wrangell Island, but what I was trying to avoid was getting into a wrangle over Guam. [Laughter.]

Mr. REYNOLDS. As a matter of fact, Mr. President, I was merely putting the Senate on guard, in view of the fact, so thoroughly am I interested in protecting Uncle Sam, that I expect to speak for several days with reference to Guam when the matter comes up for consideration. Now that we have the old fellow back home, I want to keep him here, and I want to keep his nose out of the business of other nations. We have the old man here. We love him, and we are going to keep him here at our fireside.

Mr. McKELLAR rose.

Mr. REYNOLDS. I am delighted to yield to the senior Senator from Tennessee.

Mr. McKELLAR. I thank the Senator very much. I merely wanted to introduce a bill. [Laughter.]

Mr. REYNOLDS. That is perfectly all right. I am glad to provide the Senator with time sufficient for that purpose.

In conclusion, I wish to send to the desk the bill to which

I have referred, which I am introducing, and I take this opportunity of reading the opening paragraph:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized and directed to establish and develop naval aviation facilities, with which shall be included the authority to purchase or otherwise acquire land and to construct buildings and accessories at Wrangell Island.

Which is the island I have just described.

I thank the Members of the Senate for having indulged me for these few minutes.

The VICE PRESIDENT. The bill introduced by the Senator from North Carolina [Mr. REYNOLDS] will be received and appropriately referred.

The bill (S. 1466) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

DEPARTMENT OF NATIONAL DEFENSE

Mr. KING. Mr. President, the Senator from North Carolina has referred to national defense, and, inspired by his statement, it is my purpose to introduce a bill providing for the establishment of a Department of National Defense, and for other purposes. I had expected to introduce the bill this morning, but will wait until the next session of the Senate to do so.

There is confusion growing out of the lack of coordination upon the part of the various arms having to do with national defense. Many governments have consolidated their various military agencies and now have but one department in charge of national defense. They found that having three independent agencies or departments handling this one activity resulted in overlapping and more or less confusion, and they have therefore consolidated the Army, Navy, and aviation activities and placed them under one head.

The bill which I propose to introduce provides for the creation of a Department of National Defense, with assistant secretaries, one dealing with what we denominate military matters, one dealing with naval affairs, and a third dealing with aviation activities. In my opinion, one department of the character I have indicated would make for economy, and certainly for efficiency. I shall present a bill to accomplish that result, and I hope that it will receive favorable consideration.

CENTENARY OF THE BIRTH OF FRANCES E. WILLARD

Mr. SHEPPARD. Mr. President, this is the year in which occurs the hundredth anniversary of the birth of Frances E. Willard. Throughout the year her birth is being celebrated in this country and abroad. A movement is on foot to have a special stamp issued and sold throughout the year, and I am introducing a joint resolution providing for this action, which I ask to have set out in the Record at this point.

The VICE PRESIDENT. The joint resolution introduced by the Senator from Texas will be received and appropriately referred, and, without objection, will be printed in the Record.

The joint resolution (S. J. Res. 74) authorizing the issuance of a special postage stamp in honor of Frances E. Willard was read twice by its title, referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the Record, as follows:

Resolved, etc., That the Postmaster General is authorized and directed to issue a special series of postage stamps of the denomination of 3 cents, of such design and for such period as he may determine, commemorative of the one hundredth anniversary of the birth of Frances E. Willard, one of our greatest pioneer leaders for advancement of women and protection of the home. There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of the resolution.

Mr. SHEPPARD. Mr. President, exactly 34 years ago today the United States Senate and also the United States House of Representatives suspended ordinary business to pay tribute to the memory of a great woman. On that day the Congress of the United States accepted from the Commonwealth of Illinois a statue of Frances E. Willard to be placed in Statuary Hall in the Nation's Capitol. By law each State is permitted to present statues of two distinguished citizens. The statue of Frances E. Willard is the only one of a woman

to be found in this Hall. But as we study the life and work of this eminent woman we no longer wonder why the great Commonwealth of Illinois should choose a woman as one of its two representatives in so distinguished a setting.

Born in New York State, of New England ancestry, reared on a farm near Janesville in Wisconsin, Frances Willard spent most of her adult life in Illinois. Even as a child she exhibited those principles and philosophies which were to make her known throughout the world as the "uncrowned queen of purity and temperance." She attended college at Evanston, Ill., and was graduated with honors. She rounded out her education by travel and study in Europe and then returned to Evanston and became president of the Evanston College for Ladies, the first female college entirely under the control and direction of women. This college was later to become the woman's department of Northwestern University, and Frances Willard became its dean and professor of aesthetics.

It was in 1874 that Miss Willard resigned her connection with Northwestern University, and the same year marked her active entry into the work which claimed the major portion of the rest of her life—temperance. She became president of the Illinois Woman's Christian Temperance Union and her executive ability and faculty for organization permitted her to organize thousands of women throughout the United States in a Nation-wide crusade. Her influence and the fame of her deeds spread like magic and during her active life she probably addressed a larger number of public audiences than any woman or man of her time.

Miss Willard's work in the cause of temperance seems to overshadow, in the public mind, her history-making accomplishments in other fields. She was not only an advocate and untiring worker in behalf of temperance, but she was an ardent campaigner for purity in politics, equal rights for women, and, as a means to secure political reform, woman suffrage.

It was in 1888 that Frances Willard realized the need for a clearing house of women's activities in the United States and the world. She brought 5,000 women together in Washington, D. C., where the National Council of Women was formed, with Miss Willard as president.

One of Miss Willard's preeminent faculties was her ability to anticipate the future. Think of it! Sixty years ago hers was a lone voice in the wilderness pleading for an 8-hour day, for courts of conciliation and arbitration, and for justice as opposed to oppression and greed. While with the Evanston College for Ladies she initiated the honor system in the school government, thus anticipating by an entire generation the self-government now popular in all leading American educational institutions.

This year the Nation and the world join in celebrating the centenary of Frances Willard's birth. And it is most fitting and proper that we should pause in our everyday endeavors at this time and try to take stock of the good which Miss Willard's life and career brought to this world.

We consider her life as a woman of culture, a woman suffragist, an educator, and the fountainhead of one of the greatest movements in all history, we realize that there really is no method by which we can measure all the good Miss Willard did. The hundreds of thousands of women organized in the cause of temperance are but a suggestion of the real results of her activities. Probably the highest benefits of her life must remain intangible. No one dares argue but that she made purer the moral atmosphere of the United States and the world. She made people cleaner minded and saner; millions of wives and children bless her name, and as long as this world shall exist the name of Frances E. Willard will shine with an ever-increasing brightness.

In a day when a woman's place was narrowly circumscribed she dared to preach and lead womankind into the paths of emancipation now enjoyed. She became truly "the mother of all mothers, the sister of all wives, to every child a lover in her sacrifice of her life to the happiness of others."

It is not so strange, after all, that the people of the State of Illinois should choose a woman of her character to honor

before the entire world. Her life and work were dedicated not only to Americans but to all humanity. And Illinois, in which State she spent 40 years of her life, in so honoring Frances Willard has honored all womankind.

Womankind has never had a more staunch supporter than Frances Willard. She was the first to organize women into a united front. It was her poet friend, John Greenleaf Whittier, who wrote of her:

She knew the power of banded ill,
But felt that love was stronger still,
And organized for doing good
The world's united womanhood.

The next time you pass the statue of Frances E. Willard, stop and ponder the inscription upon its base. There you will find these hallowed words:

Ah! it is women who have given the costliest hostages to fortune. Out into the battle of life they have sent their best beloved, with fearful odds against them.

Oh, by the dangers they have dared; by the hours of patient watching over beds where helpless children lay; by the incense of 10,000 prayers wafted from their gentle lips to Heaven, I charge you give them power to protect along life's treacherous highway those whom they have so loved.

Frances E. Willard wrote those words many years ago. They have been the inspiration and the call to action of women ever since her time.

Thirty-four years ago today, Mr. Littlefield, of Maine, joining, as a Member of Congress, in the acceptance of Miss Willard's statue in Statuary Hall, declared:

The home is the basic unit of our Christian civilization. It is the foundation upon which our free institutions rest. Upon its integrity, purity, and character the character and quality of our civilization depend. It is a holy shrine. Whatever profanes it pollutes the sacred temple of liberty itself. Whoever defends and ennobles it insures to our children and our children's children the blessings of freedom and the enduring of a "government of the people, for the people, and by the people." A civilization based upon a lecherous and debauched home is rotten to the core.

Statesmen, warriors, and patriots may strive and build and achieve, but all their striving, building, and achieving is in vain, even "as sounding brass or a tinkling cymbal," if it disregards the eternal moral verities and does not conserve the true happiness and the highest welfare of mankind. This divinely gifted woman bent every energy, shaped every purpose, and devoted every aspiration of a godly life to the consummation of this happiness and welfare. It is fitting that her work should be thus recognized.

When Illinois decided to place another statue in the Capitol Hall of Fame, many outstanding names came to mind. Probably no State in the Union has been more fortunate in this respect than Illinois. There were Lincoln, Douglas, Grant, Logan, and a host of others.

I repeat that it is not surprising that the people of Illinois should choose Frances Willard for a distinction like this. She was a dreamer, but she was also a doer. In every land women rise and call her blessed.

Mr. President, I ask unanimous consent that a statement concerning Frances Willard made by former Senator Cullom, of Illinois, and a list of groups which will participate in celebration of the centenary of Frances E. Willard be printed in the RECORD at this point.

THE VICE PRESIDENT. Without objection, it is so ordered.

The matters referred to are as follows:

Thirty-four years ago Senator Cullom, of Illinois, said:

"The State of Illinois presents to the United States the statue of a great woman, whose name is familiar wherever the English language is spoken.

"The Senate has frequently suspended its ordinary business to pay tribute to the memory of eminent statesmen who have passed away. * * * For the first time in the history of the Senate a day has been set apart that we may talk of a woman. * * *

"Miss Willard was a worthy representative of her sex, known to the world for her devotion to the cause of temperance and for her efforts in the interest of the human race. * * *

"She was not only an advocate of temperance but of all other beneficial, progressive reforms—purity in politics, equal rights for women, and, as a means to secure political reform, woman suffrage. She believed that there is such a power in the influence of women as, if it were exerted right, would shake the kingdom to the center."

"Frances Willard was recognized as an able public speaker, perhaps the greatest woman speaker in the country. She had a rare gift of eloquence and magnetism which drew thousands into the

temperance ranks. During her years of active life she probably addressed a larger number of public audiences than any man or woman of her time. * * *

"I am proud that the State of Illinois was the home of Frances E. Willard * * *."

"Illinois especially mourned the death of Miss Willard. It was in Illinois, in the vicinity of Chicago, that she commenced her great work and had lived for more than 40 years, and it was to Illinois that her remains were brought, and it was there that the most touching tributes of respect were paid to her. Her body lay in state at Willard Hall, in the Women's Temple, in Chicago, where it was viewed by more than 20,000 people * * *."

"The world has been better because Frances E. Willard lived. She devoted her life unselfishly to the cause of humanity, and she brought sobriety into the homes of untold thousands; and at her death she left an organization that has been and will continue to be a potent factor for good in the world."

"The State of Illinois, in presenting the statue to the United States to be placed in Statuary Hall among the figures of the greatest men that have lived in the United States, has honored itself, has justly honored a great woman, and has paid a tribute to all American womanhood."

GROUPS WHICH WILL PARTICIPATE IN CELEBRATION OF CENTENARY OF FRANCES E. WILLARD

Alpha Phi Sorority, American Library Association, Daughters of the American Revolution, General Federation of Business and Professional Women, International Bureau Against Alcoholism, Library of Congress, Methodist Episcopal Church, National Council of Women, National Temperance and Prohibition Council, National Woman's Christian Temperance Union, Northwestern University, Women's National Radio Committee, and Willard Sorority.

International: Alpha Phi International Fraternity; The Sorbonne, University of Paris; Ruben Blanc, France; Blue Cross, France; International Council of Women; International Temperance Union; International Bureau Against Alcoholism; World's Woman's Christian Temperance Union (54 countries).

With Susan B. Anthony and May Wright Sewall, Frances Willard was cofounder of the National Council of Women.

She founded the first international organization of women, the World's W. C. T. U., still the largest international organization of women.

She was a charter member of the Daughters of the American Revolution and was a founder of its first local unit, the Chicago Chapter.

She was the second president of the National Woman's Christian Temperance Union, serving for 19 years. She was likewise second president of the World's Woman's Christian Temperance Union, serving for 7 years. She was president of the Alpha Phi Sorority (the national organization). Founder of the Illinois Presswomen's Association.

CHANGE OF REFERENCE

On motion by Mr. McKellar, the Committee on Education and Labor was discharged from the further consideration of the bill (S. 1254) to extend certain provisions of the National Housing Act, as amended, and it was referred to the Committee on Banking and Currency.

NATIONAL RESOURCES BOARD—AMENDMENT

Mr. HAYDEN submitted an amendment intended to be proposed by him to the bill (S. 1265) to establish a Department of Public Works, to amend certain sections of the Social Security Act, and for other purposes, which was referred to the Special Committee to Investigate Unemployment and Relief and ordered to be printed.

AMENDMENT TO LEGISLATIVE APPROPRIATION BILL

Mr. TRUMAN submitted an amendment proposing that two persons employed in the office of each Senator and one person employed in the office of each Member of the House of Representatives, to be designated by the Senator or Member in whose office they are employed, shall be entitled to receive a mileage and per diem allowance for going to and returning from each session of the Congress, etc., intended to be proposed by him to House bill 4218, the legislative appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed.

NOTICE OF MOTION TO SUSPEND THE RULES—AMENDMENT

Mr. BYRNES submitted the following notice in writing:

In accordance with the provisions of rule 40 of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes, the following amendment, viz: At the proper place, to insert the following:

"Sec. 6. No part of any appropriation contained in this or any other act for the fiscal year ending June 30, 1940, shall be available for the payment of enlistment allowance to enlisted men for reenlistment within a period of 3 months from date of discharge as to reenlistments made during the fiscal year ending June 30, 1940, notwithstanding the applicable provisions of sections 9 and 10 of the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service,' approved June 10, 1922 (37 U. S. C. 13, 16)."

Mr. BYRNES also submitted an amendment intended to be proposed by him to House bill 3743, the independent offices appropriation bill, 1940, which was ordered to lie on the table and to be printed.

(The amendment intended to be proposed by Mr. BYRNES appears above.)

DUTIES OF UNDER SECRETARY OF AGRICULTURE—CHANGE OF REFERENCE

On motion by Mr. ASHURST, the Committee on the Judiciary was discharged from the further consideration of a letter from the Secretary of Agriculture, dated February 8, 1939, requesting the enactment of legislation to give the Under Secretary of Agriculture authority to perform such duties as may be required by law or prescribed by the Secretary of Agriculture and involving discretion, and the letter, with the accompanying paper, was referred to the Committee on Agriculture and Forestry.

PRESERVATION OF THE CHARACTER OF THE REPUBLIC—ADDRESS BY SENATOR BAILEY

[Mr. BYRD asked and obtained leave to have printed in the RECORD an address delivered by Senator BAILEY on December 10, 1930, at the annual dinner of the Southern Society of New York City, which appears in the Appendix.]

THE ADMINISTRATION'S FOREIGN POLICY—ADDRESS BY SENATOR LEE

[Mr. LEE asked and obtained leave to have printed in the RECORD a radio address on the foreign policy of the administration delivered by him February 12, 1939, which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR BRIDGES

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an address on Abraham Lincoln delivered by Senator BRIDGES on February 11, 1939, which appears in the Appendix.]

MR. JUSTICE FRANKFURTER

[Mr. MEAD asked and obtained leave to have printed in the RECORD an article on Mr. Justice Frankfurter by Harry H. Schlacht, published in the East Side News, Saturday, January 7, 1939, which appears in the Appendix.]

ORDER OF BUSINESS

The VICE PRESIDENT. The morning business is closed, and the next order of business is the calling of the calendar under rule VIII.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the call of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

PROPOSED AMENDMENT OF COMMUNICATIONS ACT OF 1934

Mr. WHITE. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD and as a part of the remarks I am now making, a statement made by me concerning Senate bill 1268, proposing to amend the Communications Act of 1934.

The PRESIDING OFFICER (Mr. CLARK of Missouri in the chair). Is there objection?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WHITE ON SENATE BILL 1268, PROPOSING TO AMEND THE COMMUNICATIONS ACT OF 1934

This bill, when studied and when its implications are understood, will meet the general condemnation it deserves.

In a letter dated January 23, addressed to the chairman of the Interstate Commerce Committee of the Senate, the President states that he is thoroughly dissatisfied with the present legal framework and administrative machinery of the Commission; that legislation is necessary to effectuate a satisfactory statutory reorganization;

that legislation is also needed to lay down clear congressional policies on the substantive side, so clear that the new administrative body will have no difficulty in administering or in interpreting them; and that he hopes the Interstate Commerce Committee will consider the advisability of such new legislation.

The President does not suggest the changes in organization or the policies he believes to be desirable, but he states that he has asked Chairman McNinch to give Senator WHEELER his (Mr. McNinch's) recommendations.

Now, it should be noted first that the present legal framework and administrative machinery of the Commission with which the President expresses dissatisfaction is in no small part the handiwork of Chairman McNinch and, next, that in the 20 months or thereabouts since Mr. McNinch was confirmed as chairman there have come from the Commission no recommendations as to policies on the substantive side. On the contrary, efforts to undertake a congressional study of principles and of policies by the Congress have been blocked by Commission and executive hostility.

I presume to assert that these recommendations of Mr. McNinch do not reflect the considered judgment of any person informed as to our communication problems and do not make contribution to the communication services of our country.

This McNinch bill discloses two major purposes. It first provides for a three-man Commission. This proposal challenges every previous declaration of the Congress on this subject, and it repudiates the heretofore expressed opinions of Mr. McNinch himself.

The Radio Act of 1927 created a five-man Commission. That number was then considered by the Congress necessary to effectively deal with the problems of radio alone. When the Communications Act of 1934 passed the Senate it provided for five Commissioners. This reflected a second judgment by the Senate that a smaller Commission than five was not desirable. The House amended this Senate bill of 1934 by increasing the number of Commissioners to seven. The legislation in the House was in charge of Mr. RAYBURN, of Texas, then chairman of the Interstate Commerce Committee of that body and now majority leader. The report to the House was submitted by Mr. RAYBURN. This House judgment as to the minimum number of Commissioners was later accepted by the Senate and made its own judgment. The pending McNinch bill now asserts both Houses of Congress to have been wrong in their judgments and proposes to reduce the number from seven, to which the Congress had increased it from five, to three members. So far as I am advised, neither the Commission as a whole nor the communication interests affected, nor other informed or affected persons, have ever recommended such a reversal of policy.

It is significant that at the very time Chairman McNinch would have the Congress accept his judgment that three men will better understand and more efficiently administer the work of the Commission than seven Commissioners he is urging upon the Appropriations Committee of the House as a vital necessity an increase of 63 in the other personnel of the Commission. He would have us believe that, while the increased work of the Commission demands increased personnel in all other directions, the membership of the Commission should be reduced from seven to three. It is important to recall, too, that in October 1937, in referring to the abolishment of the three divisions of the Commission theretofore set up, Mr. McNinch said "the aggregate wisdom and judgment of seven minds is surely greater than any two or three of the seven."

But Mr. McNinch now urges that the burden of knowledge and of decision in the entire field of communications shall be placed upon three Commissioners. I appeal from Mr. McNinch of 1939 to Mr. McNinch of 1937. I am strongly opposed to a three-man Commission. An increase in the Commission's present numbers is to be preferred to a reduction.

The second major purpose of the bill seems to be the authorization of the appointment of three administrative assistants for three general divisions of communications.

No change in law is necessary to authorize the creation of three divisions or the designation of three administrative assistants. The Communications Act of 1934 specifically authorizes the establishment of divisions, the fixing of their functions, and the appointment of a director for each. It does not, however, place the divisions or the directors thereof "under the administrative supervision of the Chairman" as does this McNinch proposal and this is its offense in the view of those sponsoring the pending bill.

When Mr. McNinch became Chairman, he promptly proposed an order abolishing the three divisions existing under the authority of the 1934 act. His theory, as then expressed by him, was that seven members could not be divided in this way; and that experience had shown that these divisions were really only composed of two Commissioners because of (and I quote Mr. McNinch) "the impracticability of the Chairman keeping himself currently informed and attending meetings has resulted in two members of the Commission carrying an unnecessary load of responsibility and exercising an undesirably large portion of the powers and functions of the Commission" and because "the aggregate wisdom and judgment of seven minds is surely greater than any two or three of the seven." Mr. McNinch, having abolished divisions but a short while back, now proposes to recreate them but as reestablished each division is to be in charge of an administrative assistant to act "under the administrative supervision of the Chairman." Manifestly if this assistant is an employee, the decisions of the Chairman will be his decisions. And what may this assistant pass upon? Anything and everything which the board may assign or refer to him save only "the making of final decisions in contested proceedings involving the taking of testimony at public hearings." In the broadcasting division included in his powers would be the

making of rules and regulations, the classification of radio stations, prescribing the nature of the service to be rendered by each class, the allocation of frequencies to stations, the regulation of the kind of apparatus, special regulations for network broadcasting, the granting of construction permits, licenses, renewals, modifications, assignments, and many other authorities. These were as to the powers which might be conferred on this Chairman-dominated assistants in the other divisions.

Who wants one man to have such powers subject to the doubtful remedy of review by the Commission of three of whom one would be the Chairman from whose decision the appeal is filed?

But if it is urged that no such broad powers will be vested in the assistant who is to act under the supervision of the Chairman, then it follows that all these problems, in all the fields of communication, must be determined by the Commission itself. In this event we face the fact that three men who formerly, according to Mr. McNinch, could not do that part of the tasks assigned to a single division, must now assume all the burdens of the communication problem in its vastly increased weight and complexity. This is a burden which three men cannot meet.

In 1937, according to Mr. McNinch, "the aggregate wisdom and judgment of seven minds is surely greater than any two or three of the seven." Can it be that in 1939 this is no longer true? Must we now understand whatever seven minds might have had of knowledge in 1937 that in this good year of 1939 the aggregate wisdom and judgment of three men is greater than that of the seven? The plain truth of the matter is that the aggregate wisdom and judgment of seven men is not now wanted. Mr. McNinch, in the name of cooperation, demands the yielding to his direction of the experience, knowledge, judgment, and conscience of the other Commissioners. And it is because some Commissioners will not thus unconditionally surrender that they are to be legislated out of office. A legislative purge of Commissioners of independence and courage is now demanded.

Stripped of all pretense, this bill, in disregard of all previous congressional purpose and drafted without present congressional study, proposes, through his statutory administrative control of the division assistants and through his influence as Chairman, to vest in one man authority over the vast communication interests of this country and in particular a life-and-death power over broadcasting, one of the two means of reaching the mind and influencing the thought of America. The bill makes contribution only to the political efficiency of the Commission. It does this through the centralized power hereinbefore referred to, and through the provision transferring all officers and employees of the present Commission, other than the members thereof whose offices are abolished, from their present protected civil-service status to a temporary status. It serves no good end whatsoever. The bill is crude in draft, wrong in principle, political in purpose, and carries in its terms and implications a sinister threat to all our communication facilities and to the country itself.

No statutory change is necessary in order to make effective the framework and administrative machinery of the Commission. It does require legislation to abolish the present Commission of seven and to create a Commission of three and to centralize power in the Chairman as is now proposed. It does require legislation to force out of office men who think for themselves and who act independently and courageously. These are the real reasons for the McNinch bill.

It is my purpose to introduce in the near future alternative proposals which will not be subject to the objections found in this McNinch bill but which will contribute to a more effective legal framework and administrative machinery than the Commission now labors under.

COOPERATION BETWEEN GOVERNMENT AND BUSINESS

Mr. HATCH. Mr. President, for months, even for years, the leaders of business and industry have been calling upon the administration for cooperation, an end to name calling, for a breathing spell, and for a general period of fairness and good feeling.

Some prominent officials have been belittled and demeaned for their aggressive attitudes in calling a spade by its proper name in colorful and vigorous language.

Frankly, I have long been one of those who have advocated a closer spirit of cooperation. I have been perfectly willing to, and have on some measures pending in the recent sessions of the Congress made concessions, or what I thought were concessions, in an effort to inspire and bring about a better feeling between the administration and the business interests of the country. It seems to me that the welfare of the country demands better understanding and closer cooperation between Government and business and all other interests to which the welfare of our country is so closely tied. I have sought to help in some way to bring that condition about. I have never indulged in the practice of attributing evil and unworthy motives to anyone in or out of Government. The motives and patriotism of our officials and of the leading businessmen of the Nation have never been questioned by me. In fact, dealing in personalities and

bitter invectives seems to me to be unwise and tends to defeat the aims and purposes for which we are all striving.

I have not changed my thinking in the least as to the wisdom and desirability of a better feeling on the part of Government and business generally. I believe in cooperation; I believe in sympathetic understanding of all our problems. I strongly believe that the problems which confront our country today are so great and so grave that they will never be solved and will never be successfully met until we can have that feeling of understanding and the desire for true cooperation which many are seeking. I shall not abate my efforts to do everything I can in a reasonable and proper way to bring about closer and better feeling among all who are in any way concerned in arriving at an honest solution of the vexatious problems of this day.

Mr. President, entertaining these thoughts, which are not new by any means, but have been with me for a long time, it will be understood how I felt a day or two ago when I received a letter from a very good friend of mine in the State of New Mexico enclosing an editorial which I shall presently present to the Senate. He is a man in whom I have every confidence. I appreciate his personal friendship very highly. My remarks today do not refer to the writer of the letter. They refer to the editorial which he had clipped from *The Traffic World*, a publication which calls itself "an independent national journal of transportation; a working tool for traffic men, rail, water, motor vehicle, air, material handling, and distribution." The issue to which I refer bears date of January 28, 1939, only a few days ago. The editorial is headed "Another Rotten Appointment."

It relates mainly to Mr. Amlie, recently nominated by the President of the United States to a position on the Interstate Commerce Commission. It is not my purpose today to discuss that nomination. I may or I may not vote for confirmation of the nomination of Mr. Amlie. I have not decided how I shall vote on that question. That indecision is based upon the simple fact that I have not as yet obtained the adequate information which I desire before I cast my vote. However, in connection with his appointment, or that of any other man, I certainly shall not proceed upon the premise that the President of the United States has made "another rotten appointment."

Mr. President, I recently asked the Research Bureau of the Library of Congress to assemble for me all the speeches which have been made by Mr. Amlie since he has been a Member of Congress. They are on my desk at this time. I have had them condensed and digested. There is also on my desk a long list of so-called questions and answers, supposed to expound the political philosophy of Mr. Amlie. The committee hearings have not as yet been printed. I have asked for copies of the hearings. When that material is assembled, I expect diligently to study it and arrive at as honest a conclusion as I can as to the fitness of Mr. Amlie for that office; and I shall vote on his nomination exactly as I please.

It is said that Mr. Amlie is opposed to the capitalistic system. I have read that statement in the press. It is also said that he would overthrow our form of government. If that be true, certainly I shall not vote for the confirmation of Mr. Amlie. While he has a perfect right to entertain any views of government he may desire and to expound his theory of government, in my opinion, a person entertaining such views should not occupy an official position in which he is called upon to deal primarily with a great industry which, under our present system, is altogether dependent upon the maintenance of the capitalistic system. Further than that I have not thought as to Mr. Amlie, and I am not discussing at this time his nomination or his confirmation. That question will come up later.

However, I am discussing the editorial entitled "Another Rotten Appointment." No industry has sought the good graces of Government more than has the transportation industry. No industry requires the good graces of Government more than does the transportation industry; and no industry can benefit more from a friendly, sympathetic understanding of its problems, and from an honest effort to solve those problems, than can the transportation industry.

Mr. BURKE. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. BURKE. Did I correctly understand the Senator from New Mexico to say that if he should find from his study of the speeches, writings, and other utterances of nominee Amlie that the nominee does not believe in the capitalistic system the Senator would vote against his confirmation?

Mr. HATCH. That was the statement the Senator made. If Mr. Amlie is opposed to the capitalistic system, I said—and I meant it—that I do not believe a man entertaining such opinions should be in the position of having to deal with a system such as the transportation system.

Mr. BURKE. I venture to say that the Senator will have no difficulty in reaching his decision as to how to vote, because the nominee makes it very clear that he does not believe at all in the profit system and would change it just as quickly as it can be done.

Mr. HATCH. That is aside from the question I am discussing at this time. I did not intend to leave any doubt as to what I thought about the point the Senator from Nebraska has raised. I am very firm in my convictions on that subject. However, I am equally firm in my view as to editorials such as the one I am now discussing, which is entitled "Another Rotten Appointment" by the President of the United States.

Continuing my remarks, no industry stands to lose more from an attitude of bitterness, hatred, and antagonism than does the transportation industry of this country. Probably it is true, Mr. President, that the leaders of that great industry earnestly desire a real era of good feeling and understanding, and that they seek cooperation. Yet a journal claiming to be devoted to the welfare of that industry broadcasts throughout the Nation an editorial entitled "Another Rotten Appointment."

What else does the editorial say? I read:

President Roosevelt's record of bad appointments is piling up. To mention only the worst and most important of them, there was Hugo Black, for the Supreme Court—

I happen to be one who believes in the ability and integrity of Mr. Justice Black. However, he is not an issue before the country today. The high office he holds can not be benefited by dragging his name even through the stately and dignified Chamber of the United States Senate, let alone besmirching and publishing that name in such a manner in such an editorial. The very interests which the journal claims to serve may well depend upon the future decisions of the Supreme Court of the United States. The name of Mr. Justice Black should not be so branded and so used.

The author continues:

There was Murphy, as Attorney General—another insult to right-thinking people.

Later I shall return to Attorney General Murphy. I continue with the quotation:

Then there was Harry Hopkins, for Secretary of Commerce—a joke, and a reward for political administration of relief.

I shall not quote further from the editorial at this time, but I ask unanimous consent that the entire editorial be printed as a part of my remarks.

The PRESIDING OFFICER (Mr. MINTON in the Chair). Is there objection to the request of the Senator from New Mexico? The Chair hears none, and the editorial may be printed in the RECORD.

The editorial is as follows:

[From the *Traffic World* of January 28, 1939]

ANOTHER ROTTEN APPOINTMENT

President Roosevelt's record of bad appointments is piling up. To mention only the worst and most important of them, there was Hugo Black, for the Supreme Court—an insult to the bar and to the whole Nation; there was Murphy, as Attorney General—another insult to right-thinking people; then there was Harry Hopkins, for Secretary of Commerce—a joke, and a reward for political administration of relief. Now, when the country needs, as it never did before, members of the Interstate Commerce Commission who have some conception of the transportation problem and some capacity to deal with it, he sends to the Senate the nomination of a man to be a member of that Commission who is not known,

among those identified with transportation, to have any qualification for the position, but who is known as an advocate of Government ownership. The President has often been reported as saying he was against Government ownership of the railroads, except as a last resort, yet he appoints to the body that regulates the railroads a man who does not believe in private ownership. It is impossible to reconcile such things as that.

The nominee, Thomas R. Amlie, is a "lame-duck" Wisconsin Progressive Congressman. He served in the House in the Seventy-second, Seventy-fourth, and Seventy-fifth Congresses and was defeated in the Wisconsin primaries last year for the United States senatorial nomination on the Progressive ticket. He has been active "in the movement for new political alignment" and a movement "to coordinate the liberal groups of the Nation." The quoted phrases are from the former Congressman's approved biography in the Congressional Directory. Perhaps the President felt that, with the need for coordination in the transportation field, a coordinator of "the liberal groups" could do a little coordinating for the railroads!

This nomination should be rejected by the Senate. Protest against its confirmation should be made to every Senator. The President should be informed that he has made the worst sort of appointment. By it he reveals either an utter lack of understanding of the transportation problem or a "don't care" attitude.

Mr. HATCH. Neither shall I discuss the appointment of Mr. Hopkins as Secretary of Commerce, except to say that it happens that at this moment, while this very editorial is being circulated throughout the country, Harry Hopkins is devoting every bit of ability which he possesses to bringing about better feeling and a spirit of cooperation between Government and industry, including even the transportation industry itself.

Of course, Mr. Hopkins was not made Secretary of Commerce because of political administration of relief. I have had something to say about politics in relief. I have tried to make my position on this subject plain and certain. I believe the Members of the Senate understand what I think about politics in relief. Every reading and informed person in the United States knows of the close personal friendship which exists between the President of the United States and Mr. Hopkins. He knows the confidence which the President reposes in the integrity and ability of Mr. Hopkins. He knows that that confidence is not misplaced, for the loyalty of Mr. Hopkins to the President and his administration has been proclaimed throughout the length and breadth of the land.

Those who ask for fair play, and who seek sympathy and understanding, might play fair themselves. They might at least make some effort to treat others with some sympathy, with some cooperation, and with some understanding. In my opinion, Mr. President, it is "hitting below the belt" to say that Harry Hopkins was appointed Secretary of Commerce because of political administration of relief. To refer to the editorial calling him a joke is altogether unnecessary, for, whatever his enemies have said, no man I have heard speak every called Harry Hopkins a joke. His intelligence and his ability have never been doubted. The statement bears its own condemnation on its face.

Let it not be thought that I am saying that criticism of public officials is not oftentimes warranted, proper, and, perhaps, even necessary. Frequently the right kind of criticism is helpful. Sometimes it is so well phrased that it is instructive, corrective, and also even amusing and entertaining. I am quite sure Mr. Hopkins himself, who has not dodged the barbs of the critics, really enjoyed an editorial which was recently published in the Washington News, as I enjoyed it. It was so good, and such a pertinent thrust, that I feel sure no man could bear resentment, but would appreciate the fineness of the opponent's steel.

Let me read that editorial as an example of what I think is fair criticism:

HARRY LEAKS A SECRET

Harry Hopkins now says that he thinks the Senate made a bad mistake when it voted down the Hatch amendment forbidding politics in relief.

Well do we remember that hot summer night of sweat and oratory when the Senate got down to the final vote on the Hatch amendment, when the "purge committee" was cracking the whip, and a majority of the Senators said "Me, too," to the proposition that W. P. A. should be left free to play politics.

In the cool reflection of January Mr. Hopkins announces he was in favor of the Hatch amendment. But—

"Where, where was Roderick then?
One blast upon his bugle horn
Were worth a thousand men."

I believe Harry Hopkins will say with me that that editorial is the decent kind of criticism to which no man can object.

The difference in the type of criticism between the editorial from which I have been quoting and the one which I have just read is the difference between a master and an amateur.

But let me say a word concerning the statement in the editorial from the Traffic World referring to Attorney General Murphy. I am acquainted with the Attorney General of the United States. I first met him at the Democratic convention in Philadelphia in 1936, when we both served on the platform committee. At that convention I observed him closely throughout the course of our meetings. I heard him expound his views of government. I watched his career as Governor of the great State of Michigan. I was a member of the subcommittee that considered his nomination to the high position which he now holds. I heard him testify before that subcommittee. I heard his statement about his activities as Governor of Michigan in connection with the sit-down strike. Is it necessary for me to say that I was greatly and favorably impressed with him and that, as I watched him testify that day and as I studied his honest, open, frank, earnest, and sincere face and saw the character of the man standing out as it did, I was not only greatly and favorably impressed, but I was utterly convinced that he is a man, able, honest, intelligent, earnest, sincere, patriotic, whose single ambition is unselfishly to serve his country? Yet the editorial says that his appointment is an "insult to all right-thinking people." My further immediate reaction to the testimony of Attorney General Murphy that day was that for the citizens of a great State to defeat a man of his character and ability for Governor meant a loss to the State, but I am sure that loss to the State was a gain to the Republic when he became Attorney General of the United States.

To say that his appointment is "another insult to all right-thinking people" tends, Mr. President, to destroy what I spoke of in the very beginning. It tends to destroy the efforts of all who have tried to bring about real cooperation, understanding, and sympathy. By all means let us have harmony; let us have sympathy, understanding, cooperation, and confidence. I think the country needs all those attributes, but let us remember there are two parties to the bargain, and sympathy, understandings, cooperation, and confidence, to say nothing of fair dealing, are required of each side.

I feel, Mr. President, I have been wholly and totally inadequate to discuss this type of assault in the manner in which it should be discussed. The subject requires the services of an expert. I invite the attention of an expert to this editorial. I refer the editorial to the Secretary of the Interior, Mr. Ickes.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Harry M. Brennan to be collector of customs at Louisville, Ky.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CIVIL AERONAUTICS AUTHORITY

The legislative clerk read the nomination of Clinton M. Hester, of Montana, to be Administrator of the Civil Aeronautics Authority.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Harlee Branch, of Georgia, to be a member of the Civil Aeronautics Authority.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Robert H. Hinckley, of Utah, to be a member of the Civil Aeronautics Authority.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Oswald Ryan, of Indiana, to be a member of the Civil Aeronautics Authority.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of G. Grant Mason, Jr., of the District of Columbia, to be a member of the Civil Aeronautics Authority.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Edward J. Noble, of Connecticut, to be a member of the Civil Aeronautics Authority.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

AIR SAFETY BOARD

The legislative clerk read the nomination of Sumpter Smith, of Alabama, to be a member of the Air Safety Board within the Civil Aeronautics Authority.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Thomas O. Hardin, of Texas, to be a member of the Air Safety Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

MARITIME LABOR BOARD

The legislative clerk read the nomination of Robert W. Bruere, of New York, to be a member of the Maritime Labor Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Louis Bloch, of California, to be a member of the Maritime Labor Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Claude E. Seehorn, of Colorado, to be a member of the Maritime Labor Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST GUARD OF THE UNITED STATES

The legislative clerk proceeded to read sundry nominations in the Coast Guard.

Mr. BARKLEY. I ask unanimous consent that the Coast Guard nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Coast Guard nominations are confirmed en bloc.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I make the same request regarding the post-office nominations.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations for promotion in the Navy.

Mr. BARKLEY. I also ask unanimous consent that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Navy nominations are confirmed en bloc.

NOTIFICATION TO PRESIDENT OF CONFIRMATION OF ARMY NOMINATIONS

Mr. SHEPPARD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the Army nominations which were acted upon at the last executive session of the Senate. The War Department desires to make some transfers and would like to have action on the nominations completed.

The PRESIDING OFFICER. Without objection, the President will be notified of the confirmation of the Army nominations at the last executive session of the Senate.

AUTHORIZATION FOR THE REPORT AND SIGNING OF BILLS, ETC., DURING ADJOURNMENT

Mr. BARKLEY. Mr. President, as in legislative session, I ask unanimous consent that during the recess or adjournment of the Senate following today's session all committees may be permitted to report bills, resolutions, and nominations; that the Vice President may be authorized to sign any bills that may become ready for his signature; and that the Secretary of the Senate may be authorized to receive messages from the House of Representatives.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 1 o'clock and 5 minutes p. m.) the Senate adjourned until Monday, February 20, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 17, 1939

DIPLOMATIC AND FOREIGN SERVICE

The following-named persons for appointment as Foreign Service officers, unclassified, vice consuls of career, and secretaries in the Diplomatic Service of the United States of America:

Niles W. Bond, of Massachusetts.
William O. Boswell, of Pennsylvania.
Donald W. Brown, of New York.
Charles R. Burrows, of Ohio.
V. Lansing Collins, 2d, of New York.
Arthur B. Emmons, 3d, of Massachusetts.
Nicholas Feld, of Mississippi.
William N. Fraleigh, of New Jersey.
Fulton Freeman, of California.
John C. Fuess, of Massachusetts.
Ogden H. Hammond, Jr., of New Jersey.
Boies C. Hart, Jr., of Connecticut.
Richard H. Hawkins, Jr., of Pennsylvania.
Martin J. Hillenbrand, of Illinois.
Delano McKelvey, of the District of Columbia.
Robert C. Strong, of Wisconsin.

COLLECTORS OF CUSTOMS

Mabel Gittinger, of Iowa, to be collector of customs for customs collection district No. 44, with headquarters at Des Moines, Iowa. (Reappointment.)

Joseph J. Cunningham, of North Providence, R. I., to be collector of customs for customs collection district No. 5, with headquarters at Providence, R. I. (Reappointment.)

PROMOTIONS IN THE NAVY

MARINE CORPS

The following-named lieutenant colonels to be colonels in the Marine Corps from the 29th day of June 1938:

Harold C. Pierce
James L. Underhill
Keller E. Rockey

Lt. Col. Alphonse De Carre to be a colonel in the Marine Corps from the 5th day of September 1938.

Lt. Col. Samuel L. Howard to be a colonel in the Marine Corps from the 1st day of October 1938.

Lt. Col. Lyle H. Miller to be a colonel in the Marine Corps from the 3d day of January 1939.

Lt. Col. Ralph J. Mitchell to be a colonel in the Marine Corps from the 1st day of February 1939.

Lt. Col. DeWitt Peck to be a colonel in the Marine Corps from the 1st day of February 1939.

The following-named majors to be lieutenant colonels in the Marine Corps from the 29th day of June 1938:

George F. Adams	William P. T. Hill
Shaler Ladd	Ray A. Robinson
Richard H. Jeschke	

Marine Gunner Thomas W. P. Murphy to be a chief marine gunner in the Marine Corps to rank with but after second lieutenant, from the 7th day of June 1938.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 17, 1939

COLLECTOR OF CUSTOMS

Harry M. Brennan to be collector of customs for customs collection district No. 42, with headquarters at Louisville, Ky.

CIVIL AERONAUTICS AUTHORITY

TO BE ADMINISTRATOR IN THE CIVIL AERONAUTICS AUTHORITY

Clinton M. Hester

TO BE MEMBERS OF THE CIVIL AERONAUTICS AUTHORITY

Harlee Branch	G. Grant Mason, Jr.
Robert H. Hinckley	Edward J. Noble
Oswald Ryan	

TO BE MEMBERS OF THE AIR SAFETY BOARD WITHIN THE CIVIL AERONAUTICS AUTHORITY

Sumpter Smith
Thomas O. Hardin

MARITIME LABOR BOARD

TO BE MEMBERS OF THE MARITIME LABOR BOARD

Robert W. Bruere
Louis Bloch
Claude E. Seehorn

COAST GUARD OF THE UNITED STATES

TO BE CHIEF BOATSWAINS

Boatswain Willie Skipper
Boatswain Vladimir Nikolsky
Boatswain William H. Jackson

TO BE GUNNER

Gunner Harold W. Parker

PROMOTIONS IN THE NAVY

Homer B. Hudson to be lieutenant commander.
David L. Nutter to be lieutenant commander.
Harry A. Dunn, Jr., to be lieutenant commander.
John H. Brady to be lieutenant commander.
Henry F. Agnew to be lieutenant commander.
John K. B. Ginder to be lieutenant commander.
Rodger W. Simpson to be lieutenant commander.
Henry Mullins, Jr., to be lieutenant.
Francis D. Walker, Jr., to be lieutenant (junior grade).
Clark A. Hood, Jr., to be lieutenant (junior grade).
Russell Kefauver to be lieutenant (junior grade).
Charles M. Oman to be medical director.
Franklyn C. Hill to be medical inspector.
Victor B. Riden to be medical inspector.
Cyrus C. Brown to be medical inspector.
Edward J. Goodbody to be medical inspector.
Ralph J. Arnold to be paymaster.
Clinton A. Neyman to be chaplain with rank of commander.
William P. Williams to be chaplain with rank of commander.

Archib B. Brown to be chief pharmacist.

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POSTMASTERS

ARIZONA

Annie Laura Kent, Parker.

CONNECTICUT

William Liberty, Voluntown.

INDIANA

Ruth A. Shaw, New Augusta.
Peter Holzer, Osgood.

MAINE

James B. Daily, Pittsfield.

MASSACHUSETTS

Viola W. Humphrey, East Wareham.

MICHIGAN

Sidney Reynolds, Howard City.
Daniel I. McBean, Manitou Beach.

PENNSYLVANIA

Michael J. Musilek, Dunlo.
Alice B. Carrick, Loupurex.

TEXAS

Robert W. Klingelhoefer, Fredericksburg.
Janet S. Barron, Iola.
William D. T. Storey, Littlefield.
Helene W. Derda, Los Fresnos.
William N. Roberson, Temple.

WASHINGTON

Grace A. Johnston, Orting.

WISCONSIN

Opal R. Parent, Cable.
Margaret E. Ingham, Lynxville.
Henry Stanke, Marathon.
Gustav A. Prenzlow, Mattoon.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 17, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, guardian of the night season and the creator of the morning dawn, may we not fail to look eagerly to Thee for our guidance, seeking no other reward than Thine approval. We thank Thee for our daily blessings poured forth from Thine inexhaustible stores of divine love. By Thy mercies may we follow after love, the soul's immortal purpose, life's most blessed attainment, and heaven's most glorious vocation. Oh, let it rise to the highest sphere and become an example, an inspiration, and a compelling witness. Be Thou the deliverer of everyone from care, trouble, and sickness. May they see the rainbow of good health and promise beyond all suffering and falling tears. In good health, in strength of mind, body, and soul do Thou keep our President, our Speaker, and all Members of the Congress. In the holy name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had agreed without amendment to a concurrent resolution of the House of the following title:

H. Con. Res. 8. Concurrent resolution amending the first paragraph of House Concurrent Resolution 4 of the Seventy-sixth Congress.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 12. An act for the relief of Dica Perkins;

S. 26. An act to empower the President of the United States to create new national forest units and make additions to existing national forests in the State of Montana;

S. 128. An act for the relief of Fred H. Beauregard;

S. 129. An act for the relief of Howard Arthur Beswick;

S. 142. An act for the relief of Jack Lecler Haas;

S. 186. An act to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree;

S. 189. An act to provide for the confiscation of firearms in possession of persons convicted of felony and disposition thereof;

S. 494. An act to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King," John Philip Sousa, composer of the Stars and Stripes Forever;

S. 513. An act to provide for the promotion on the retired list of the Navy of Fred G. Leith;

S. 545. An act for the relief of George H. Pierce and Evelyn Pierce;

S. 588. An act to provide for an additional midshipman at the United States Naval Academy, and for other purposes;

S. 633. An act for the relief of Ray Wimmer;

S. 746. An act to authorize Maj. Andrew S. Rowan, United States Army, retired, to accept the Order Carlos Manuel de Céspedes tendered him by the Government of Cuba in appreciation of services rendered;

S. 1012. An act for the relief of the legal guardian of Joy Montgomery, a minor;

S. 1102. An act to continue the functions of the Reconstruction Finance Corporation, and for other purposes;

S. 1106. An act for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn.;

S. 1117. An act to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938;

S. 1119. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212);

S. 1123. An act to amend paragraph 57 of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913;

S. 1125. An act to provide for the appointment of research assistants in the public schools of the District of Columbia, and for other purposes;

S. 1126. An act to provide alternative methods of enforcement of orders, rules, and regulations of the Joint Board and of the Public Utilities Commission of the District of Columbia;

S. 1129. An act to amend paragraphs 31 and 33 of an act entitled "An act to amend section 7 of an act entitled 'An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes,' approved July 1, 1902, and for other purposes," approved July 1, 1932;

S. 1130. An act to amend Public Law No. 111, Sixty-sixth Congress, entitled "An act for the retirement of public-school teachers in the District of Columbia";

S. 1157. An act for the relief of the legal guardian of Roy D. Cook, a minor;

S. 1294. An act to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted; and

S. 1295. An act to amend section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Co-

lumbia,' approved June 20, 1906, as amended, and for other purposes."

EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short letter from the Automobile Club of Michigan concerning highways.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to revise and extend certain remarks I expect to make on the pending bill and to include therein certain brief quotations and also an address by certain learned societies extolling the Congressional Library.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALLEN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio speech delivered by my colleague the gentleman from Missouri [Mr. HENNINGS].

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein letters I have written, together with replies thereto.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. NELSON asked and was given permission to extend his own remarks in the RECORD.

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech by Mr. George E. Stringfellow, vice president of the Edison Co.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech by the rector of Catholic University.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

CORRECTION

Mr. HOFFMAN. Mr. Speaker, my attention has been called to the CONGRESSIONAL RECORD of February 7, 1939, pages 1183 and 1184, where are printed certain statements made by me in a colloquy with the gentleman from Montana [Mr. O'CONNOR].

A copy of Mr. WOODRUM's remarks made on the floor of the House, which included the colloquy between the gentleman from Montana [Mr. O'CONNOR] and myself, was not sent to me for inspection, and I did not learn of the error in the RECORD until yesterday morning.

As printed, the RECORD shows that I made certain references to the right of employers to appeal from decisions rendered by trial examiners or by the N. L. R. B.

The RECORD is in error, for I made no statement at that time about the right of appeal given by the act to employers. My observations were made as to the failure of the act to give to employees the right to appeal from decisions of the trial examiner and from decisions made by the Board.

The error occurs by reason of the use of the word "employers," when I meant and when I said "employees."

Even the most casual reader of the act knows that the act itself gives the employers the right of appeal under certain circumstances. All who have studied the act know that employees are not given such right by the act, except as an employee might fall under the designation of "any person aggrieved by final order of the Board," in section 10 (f).

Those who have studied the decisions of the Board and the briefs filed in its behalf will recall that it does not admit that a "person aggrieved" and referred to in this subdivision of section 10 includes an employee.

The point which I made on February 6, and which I desire to renew, is that the act is unfair to employees; that it deprives them of the right of collective bargaining through representatives of their own choice; that it denies to them their day in court.

I renew my challenge issued on the 6th day of February to the gentleman from Montana [Mr. O'CONNOR] to point out that provision of the Labor Act which gives the employee the right to appeal from a decision of the Board in a representation case or in any complaint case where the employer acquiesces in the order of the Board.

Let the gentleman show me any provision in this act which gives the worker, the employee, the right to appeal to the court to protect him in his constitutional right of free speech, freedom of action, or his right to enter into a contract with his employer, all of which have by the decisions of this Board on occasion been denied the worker.

The SPEAKER. Without objection, the RECORD will be corrected accordingly.

There was no objection.

LEGISLATIVE APPROPRIATION BILL—1940

Mr. RABAUT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4218) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes; and pending this request, I ask unanimous consent that general debate continue until 2 o'clock, the time to be equally divided and controlled by the gentleman from Nebraska [Mr. STEFAN] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4218, the legislative appropriation bill, 1940, with Mr. COSTELLO in the chair.

The Clerk read the title of the bill.

Mr. STEFAN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, the House is now taking up the annual appropriation bills. We are confronted with a serious situation because of the fact that as each of these appropriation bills comes before the committee and the House we are asked to increase the amounts carried in previous years. Much of this increase is caused by additional expenditures for new projects and developments of the last 3 or 4 years and their operation. The operating cost of the Government is rapidly becoming so large as to present a formidable task to the American people to determine what their future course shall be. The national debt totals \$40,000,000,000. The Government has gone in the red since the 1st of last July to February 13 to the extent of \$2,063,000,000. By the 1st of June this year's deficit will have increased until it reaches the staggering sum close to \$4,000,000,000. The President has estimated that the deficit for the following year will be about \$3,500,000,000. The taxpayers of this country are already burdened to the extent that everybody is asking Members of Congress to relieve him of taxation. Yet in the face of this situation we find the Government embarking upon all kinds of business, forcing private individuals out of business; and practically every governmental enterprise is a tax-free organization. Thus our tax base is becoming narrower and narrower. It will soon break down with the heavy load of taxation.

How long can we continue going the way we have been for the past 6 years? This is a question I ask the membership in all seriousness. No individual could possibly do it, no business in this country could do it. Then why have the Government do something we know will break us down as a Nation?

The ultimate outcome will be financial ruin. I know of no one in this country who is more responsible than the Congress, except the President of the United States, who

forced a rubber-stamp Congress. It is your responsibility and you have not been able to meet it in the past 8 years.

There is one thing I think this country ought to do. The men and women back home should try to make the suggestion to the Members of Congress that we economize in the operation of our Government rather than having everybody in the various districts trying to get what they can out of the Federal Government just because "everybody is doing it."

Mr. Chairman, I want to read a statement that appeared in one of the Washington newspapers during the past week.

[From the Washington Post of February 12, 1939]

IT CAN HAPPEN HERE, WHEELER TELLS LAWYERS—WARNS COLLEGE GROUP TO GUARD LIBERTIES—CALLS UNITED STATES RULE BEST

The American people "are fooling themselves if they think what's happened in Germany, Italy, and Russia can't happen here," Senator BURTON K. WHEELER (Democrat), of Montana, warned last night.

"In Germany 70,000,000 people who have always prided themselves on their intelligence fell under the iron heel of a dictator," Wheeler reminded his audience of 500 at the forty-third annual banquet of the Washington College of Law.

Disturbing signs in this country, he said, are the widespread corruption in local government, apparent indifference of many citizens to the duties of citizenship, and the growth of political and economic intolerance, which he described as no less a danger than racial or religious intolerance.

The legislator appealed to young attorneys and law students for active participation in civic life and the "eternal vigilance which is the price of our liberties."

We have heard a great deal in the last week or two about national defense. One of the very necessary requirements for national defense is a good, sound financial structure. Any country that is endeavoring to protect its own shores through the military force should realize that in order to do so, from a military standpoint, its house should be in order financially, because no nation can go ahead with a program such as has been proposed by the present administration without impairing our national credit, both from a military standpoint and economic and social standpoints. It just is not possible for us to continue in that manner.

Mr. Chairman, I had the opportunity to take note of a criticism made by an editor in Canada. If that particular editor had been in this country, he would certainly have been termed by the New Deal an "economic royalist," or some other kind of a fanatic who was not in sympathy with the operation of the Government, just as we have seen in the past 4 or 5 years. Let me read what the editorial states in reference to the New Deal:

It has been the most colossal spendthrift in history, and without results; it has welshed upon its platform promises of retrenchment; it is squandering the money of the people in partisan propaganda; it has elevated many a political accident to high office, including the Supreme Court; it has badgered and impeded business, big and small; it has held up to public ridicule and hate the producers of material wealth, for party purposes; it has built up power by exploitation of the misery of 13,000,000 of unemployed and has accomplished nothing for the latter after 5 years of glib promises and expenditure of twenty billions; it has sapped the morale of the people by inculcating the idea that the Government owes everyone a living; it has adopted the policy of scarcity, paying farmers for that which they did not raise and at the same time spent billions to increase productivity of the soil; it has murdered hundreds of thousands of pigs while human millions cried for sustenance; it has encouraged class hatred by abuse from high place; it has set capital against labor and labor against capital; it has tacitly sanctioned mob expropriation of property, and it has abridged the personal freedom guaranteed by the Constitution.

Mr. Chairman, that is a rather pointed editorial to be published in a foreign newspaper in reference to the people of America. It is hard to believe that a foreign country would publish anything of that kind; and as I stated before, if that had been published in this country by one of our newspapers, the New Deal would criticize it in a manner that would not be consistent with good fellowship nor neighborliness.

Mr. KERR. Will the gentleman yield?

Mr. RICH. I yield to the gentleman from North Carolina.

Mr. KERR. Will the gentleman please name the editor who wrote this article?

Mr. RICH. I have the article here, and I am not going to divulge the Canadian newspaper, because I do not want to

heap any additional coal on the fire nor have anyone criticized for an editorial such as this, because it is exactly as I believe personally so far as the New Deal administration is concerned.

Mr. KERR. The gentleman has answered that question. Now, will he please answer this question: Is that not an anonymous communication that was circulated to every Congressman in the Congress during the last session?

Mr. RICH. Yes; a great many Members of Congress, as I understand, received a letter similar to this.

Mr. KERR. With no one's name signed to it.

Mr. RICH. If this is not true as being published in a Canadian paper, then I will put it in the RECORD as my own remarks about the New Deal, so that you will not be found wanting so far as anyone in the House of Representatives trying to get this before the country is concerned, for I think of the New Deal just what the article states of it. In my judgment, it is wrecking our Nation morally, spiritually, and financially.

[Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I yield the gentleman from Pennsylvania [Mr. RICH] 5 additional minutes.

Mr. KERR. May I interrupt the gentleman further? I understand he subscribes to what is contained in this anonymous letter which was sent to the Members of Congress?

Mr. RICH. I subscribe to the statements made there. I think it is a true statement of the New Deal. I subscribe to it, so there will not be any question about authenticity or about any one believing what the article states of the New Deal.

Mr. Chairman, I ask unanimous consent to place in the RECORD a comparison of the receipts and expenditures of the Government for this year and last year. It is a very small item.

The CHAIRMAN. May I ask if that statement is taken from another document? If, so, the gentleman will have to secure permission in the House.

Mr. RICH. Then I will have to take the time to read it. There are only about a dozen lines.

The CHAIRMAN. Without objection, the gentleman will be permitted to read the statement.

There was no objection.

Mr. RICH. The statement is as follows:

UNITED STATES RECEIPTS AND COSTS

Government expenses and receipts for the current fiscal year through February 10, compared with a year ago:

	This year	Last year
Expenses.....	\$5,533,061,609.73	\$4,533,590,772.02
Receipts.....	3,494,122,338.32	3,709,593,795.99
Gross deficit.....	2,038,939,271.41	823,996,976.03
Net deficit.....	2,013,291,171.41	772,450,326.03
Cash balance.....	3,146,800,937.27	3,010,767,506.18
Working balance.....	2,490,835,277.62	1,228,996,847.26
Public debt.....	39,733,653,568.08	37,576,083,402.60
Gold reserve.....	14,747,047,905.25	12,755,584,764.74
Customs.....	196,693,895.93	248,629,218.82

WHERE ARE YOU GOING TO GET THE "MONEY"?

Can any Member of Congress tell me why we have to carry a cash balance of over \$3,000,000,000 in the banks of this country and pay interest on that money? I should like some Member of Congress to get up and say why anyone in this country would want to carry a cash balance of \$3,000,000,000. It is just ridiculous. Our deficit this year is almost three times as large as last year. Why?

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the gentleman from Montana.

Mr. O'CONNOR. Is it not a fact—and I do not ask this question of the gentleman in a contentious manner, because I have a high regard for what the gentleman has to say, as he always gives the House valuable information, that as a usual thing the chambers of commerce throughout the United States are opposed to the New Deal? Is not that generally the fact as far as what we call the "knife-and-fork clubs" are concerned?

Mr. RICH. I do not know whether or not the chambers of commerce are opposed to the New Deal, but I believe that any

man who is not opposed to the New Deal as it has been operating the last 5 or 6 years has something wrong with his head. I say there is something wrong with such a man. If this New Deal is going to be carried on and if this Congress is going to continue the New Deal, then I say we want a new Congress.

Mr. O'CONNOR. Is it not a fact that many of these chambers of commerce are importuning Members of Congress to get everything out of this Congress they can get for their localities, yet they are advising us every chance they have to balance the Budget? How can we balance the Budget and at the same time fill their requirements?

Mr. RICH. There is a lot in what the distinguished gentleman from Montana says. I will say there are too many people in this country coming to the Members of Congress and making requests. I pity the fellows who have weak backbones and try to agree with all these people, and I exclude the distinguished gentleman from Montana from the spineless ones. We ought to stand up here and tell the people back in our districts when they ask for something that is not right, not sensible, not honest, and not just, that we cannot give it to them. This is what I tell the people in my district. However, I have the best people in America in my district, and they do not make unreasonable requests of me.

Let us get some real red blood in our veins and try to get jobs for the people back home. Let us try to do things in an honest and honorable way and get the people of this country to work, give them jobs. If we restore confidence in the people of this country by having a wise administration here, we will get work for the people back home, and we will not have to have the New Deal trying to say to everybody, "Here, we hand you something on a silver platter." We do not want that kind of a government. We want a pay-roll government, and let me give you the definition of a pay roll.

WHAT IS A PAY ROLL?

To the man who shares in its benefits, it is a blessing.

To the man who must meet it, week after week, month after month, year after year, it is at once a tremendous responsibility and a great satisfaction.

To the community, which looks for support in its business, its trade and its industries to those who receive a share of the money distributed through it, the pay roll is an indispensable necessity, without which the whole community suffers.

Meeting pay rolls has been a troublesome problem for many a businessman, many an industrialist, large and small, in recent hard years. Our annals of heroism do not mention, but should, these men who have put up valiant fights to maintain pay rolls in the face of overwhelming odds because of a sense of obligation to those who work for them and depend upon them.

It is commonly agreed that it is preferable that the Nation's wealth should be distributed through the medium of private industrial pay rolls, in an honest exchange of money for honest work, than that it should be distributed, through Government agencies, in relief or in "made work."

Millions of men throughout the Nation are eager to regain a proud position on an industrial pay roll. Let those who will rant about "wage slave"—the proud American citizen desires above all else an opportunity to draw his wage in return for his labor.

That is a pay roll, and that is what we want here in America. It can, must, and will be had if we do our duty in Congress. [Applause.]

[Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, there has been a great deal of talk lately about this so-called relief bill. I wish to review briefly some of the situations preceding that bill and some of the situations that occurred during its consideration, as well as some of the situations that exist now with reference to that bill, so the Members of Congress and the people may have the benefit of what little information I have been able to gather currently upon the subject.

The Committee on Appropriations began consideration of that bill and found as it approached that consideration that the number of unemployed was at its peak in June of 1938, yet notwithstanding the fact that the number of unemployed has gradually decreased from that day to the present time. As late as the 12th of November the number of people on W. P. A. employment had gradually and steadily increased.

There was some reduction after the middle of November. I believe the reduction totaled 200,000; but of what was the roll made up? I believe that is a matter of great interest to the country and to the people.

Things are different now than they were when you and I were in school. I hold in my hand a clipping from a current paper which reads, "Sports round-up. Florida football players draw checks." It appears that an investigation has just disclosed that 19 members of the 'varsity team of the University of Florida football squad were drawing relief checks from the Government during the 1938 off season. It does not appear that they had any relief status. It also appears that after they went back to school in the middle of September the checks continued to be issued, and the Secretary of the Treasury sicked the F. B. I. onto the situation to try to find out what was being done with the money for which the checks were issued subsequent to the boys' returning to school. It appears the boys did not get the money. It does not appear that the money was being used for relief.

I have here another item that comes from another direction. This roll was loaded with aliens, it appears, aliens who were in this country who were not citizens of the United States. I have here the record of one man up in Escanaba, Mich., who was killed while on W. P. A. employment. There will be a claim for damages from the Government under the Federal Employees' Compensation Act because of this man's death, yet he left an estate large enough so that in his will he named a bank up there as executor, and soon after he died the will was proved and letters were issued, and it appears that he had \$2,500 in the bank and owned a double house, that he rented for \$20 a month in the clear, and other property.

Down in Queens City there is a fellow who has been on W. P. A. employment. He owned a store block and rented it to tenants. He evicted one tenant who was unable to take care of himself, and that fellow could neither get relief nor get W. P. A. employment, yet the landlord, who owned two stores with apartments above, was on W. P. A. employment during all that time.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes; for a question.

Mr. COCHRAN. Does the gentleman know whether the landlord was on the roll as a relief employee or a nonrelief employee?

Mr. TABER. I understand that he was on as a relief employee.

Mr. COCHRAN. Does the gentleman know whether he is still on?

Mr. TABER. I do not.

Mr. COCHRAN. If he is and the gentleman will furnish his name to the W. P. A. officials, he will not be on very long.

Mr. TABER. I am not so sure about that, from my experience.

Mr. COCHRAN. When we have 3,000,000 people on relief, if we have a half dozen or a dozen or 50 or 100 isolated cases, does the gentleman believe that is a reflection upon the W. P. A.?

Mr. TABER. I feel that a cross section of violations of honest governmental operations gives evidence that the whole structure is rotten to the core. This is my experience with it in case after case in my own locality. It is absolutely impossible to have the thing put upon an efficient and honest basis and this has been my experience right along with it. I have no confidence whatever in the whole set-up. During the time that our unemployment situation has been so bad I have procured figures indicating a steady increase in the number of immigrants allowed in here from foreign shores. Immigration has increased in the period July to November 1938, inclusive, as follows:

	1937	1938
July.....	5,311	6,385
August.....	5,952	7,357
September.....	6,094	8,226
October.....	7,543	8,225
November.....	6,452	6,844
	31,352	37,037

Or an average of 20 percent.

Into this country, I am advised, large numbers are coming on visitors' permits, who stay here and get jobs here and throw our own people out of employment. I am going to ask later on to put some of that in the RECORD. It is because of all these things as to the number on the W. P. A. roll who are aliens and the number who have been on ever since the operation started that we are having difficulty. If the Administrator of the W. P. A. would get some kind of efficiency in his set-up and would eliminate those who are on the roll and who have been on ever since it started—and nearly 50 percent throughout the country have been on since it started—we would have no difficulty in taking care of all the relief cases that really need attention.

Now, we are up against a great lot of propaganda all the time. We are up against a lot of propaganda paid for by the Government of the United States to try to influence Members of Congress, by threats or otherwise, to force us to vote for or consider matters that we ought not to consider.

I hold in my hand an envelope addressed to me in which I received a document yesterday sent out by the National Bituminous Coal Commission, Washington, D. C., official business. I do not know how many of you received this. It was sent under a franked envelope; and what is it? "To all employees of the Coal Commission"—printed on paper that evidently was paid for by the Government, printed at Government expense in violation of the rule that says that propaganda shall not be paid for out of Government appropriations or with Government money, and this is what it says:

To all Employees of the Coal Commission:

There will be a regular membership meeting of Local 26, held on Thursday, February 16, 1939, in room 805 of the Walker Building, at 4:30 p. m. You are cordially invited to attend. You have noted in the press that the President has asked the Congress for an additional \$150,000,000 for the W. P. A. Listed below are the names of the Appropriations Committee members, and it is suggested that the members of Local 26 who can do so, telegraph members of this committee, as well as your local Congressman and Senators, stressing the desirability of this appropriation. It is not necessary that only telegrams be sent. Letters and post cards are also useful.

There follows a list of the House Appropriations Committee for 1939 with the Democrats in one column and the Republicans in another:

HOUSE APPROPRIATIONS COMMITTEE, 1939

Democrats: Edward T. Taylor, Colorado (chairman); Clarence Cannon, Missouri; Clifton A. Woodrum, Virginia; Louis Ludlow, Indiana; Thomas S. McMillan, South Carolina; Malcolm C. Tarver, Georgia; Jed Johnson, Oklahoma; J. Buell Snyder, Pennsylvania; James McAndrews, Illinois; Emmet O'Neal, Kentucky; George W. Johnson, West Virginia; James G. Scrugham, Nevada; James M. Fitzpatrick, New York; Louis C. Rabaut, Michigan; Joachim O. Fernandez, Louisiana; Millard F. Caldwell, Florida; David D. Terry, Arkansas; John M. Houston, Kansas; J. Burrwood Daly, Pennsylvania; Joe Starnes, Alabama; Ross A. Collins, Mississippi; Charles H. Leavy, Washington; Joseph E. Casey, Massachusetts; John H. Kerr, North Carolina; George H. Mahon, Texas.

Republicans: John Taber, New York; Richard B. Wigglesworth, Massachusetts; William P. Lambertson, Kansas; D. Lane Power, New Jersey; J. William Ditter, Pennsylvania; Albert E. Carter, California; Robert F. Rich, Pennsylvania; Charles A. Plumley, Vermont; Everett M. Dirksen, Illinois; Albert J. Engel, Michigan; Karl Stefan, Nebraska; C. J. McLeod, Michigan; Francis H. Case, South Dakota; Dudley A. White, Ohio; Chester C. Bolton, Ohio.

Now, I call upon the Attorney General of the United States to prosecute not only this violation of the postal law in sending out propaganda of this kind, but also the violation of the law which prohibits the expenditure of Government funds for propaganda purposes. If there was a legitimate case for an increase in appropriations, there would be no occasion whatever for propaganda.

If the Administrator of the W. P. A. will get rid of those who have not any business being upon the W. P. A. rolls, who have no relief status, there will be plenty of room for those who need relief. The relief rolls in the local communities, according to the information that has come into the hearings, have been gradually going down, and yet and in spite of that, and in order to keep the W. P. A. rolls up, orders have gone out right now to different cities to place more and more upon the W. P. A. rolls in order to hold up the number. In cases where the administrative officials of cities have not made a request for more, orders have gone forth to put more and more on in those places. When it gets to be April 1 those in real

need will be dropped from the rolls so that they can put pressure on Congress to appropriate needlessly a large sum of money. Would you not think that it would be possible with a situation such as we are in, with the pending application for an increased appropriation, to get an honest administration of that law, designed to do the job and do it right, and not waste the people's money?

I call attention now to some of the things they are spending your money for in this W. P. A. I have here in my hand a copy of the hearings before the House subcommittee. On page 139 there is a list of those who are drawing salaries of over \$3,000, and they run up as high as \$7,200 on this so-called theater project. There are 24 of them. There are probably 1,000 on this project, who are drawing salaries in excess of the relief allotments. There are upon the so-called writers' project a very large number, probably to the tune of 10,000. There are upon the theater project as many more, and a little more on the art project, where they are paying big prices and wasting the money of the people.

Is it not a fair thing to ask that these administrative officials purge their roll and come before Congress promptly showing they have gotten rid of their aliens, showing they have gotten rid of some of those who have been permanently on that roll? We have projects right here in our Government departments that have been going on ever since this W. P. A. business started. We have one project with approximately 1,000 on it, and upwards of 60 percent of them have been on ever since the thing started who are drawing from \$85 to \$125 a month—in a department of this Government, and not one of them has ever had a relief status. Maybe it is the right thing to let them juggle you with this sort of thing, but there are probably 100,000 employed on these Federal projects where the people who are so employed have not the least semblance of relief status. I am making this statement so that these things may be in the Record, and so that we may have some idea of what this thing is all about. When they come here and ask us for money, let us tell them to come here with clean hands. I hope that some of these things that I have said will be of interest, and I hope that they will be effective in an attempt to purge this situation and clean it up.

Mr. RABAUT. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Chairman, only a few days ago this House passed a national-defense bill. Only a few days before that this House struck out of the independent offices appropriation bill the appropriation for the building of one of the most necessary things in our national-defense program, and it is in connection with that that I shall address you for a few minutes.

The Tennessee Valley Authority carries on its activities in a region strategically located for purposes of national defense and abounding in many of the raw materials necessary to modern warfare. Its entire peacetime program of developing a navigable waterway on the Tennessee River, providing flood protection for productive areas in the Tennessee and Mississippi River Valleys, development of quantities of electric power, production of fertilizer to build up the land, and its general program of conservation of land, forest, and water resources are a definite and invaluable contribution to the strength of the Nation in the event of war.

The inland location of the region, with protection from attack provided both by distance from the coast and by mountains, is of prime importance.

To appreciate the value to national defense of large blocks of available power and of dependable inland waterways, it is necessary only to recall that limited power supplies and railway congestion seriously handicapped the United States in the World War. It is significant that although eight out of nine locations recommended for wartime nitrate plants were in the Tennessee Valley and the ninth not far away, two World War nitrate plants were built elsewhere because of the lack of power in the Tennessee Valley, the strategic location. T. V. A.'s power developments will help prevent a recurrence of such a situation.

The improvement of the Tennessee River, in connection with other waterways, will add substantially to the transportation facilities of the country, connecting with an inland-waterway system composed of 5,700 miles of 9-foot channel and 3,200 miles of auxiliary channel. Gilbertsville Dam is the vital link in the Tennessee waterway. Likewise, Watts bar and Coulter Shoals dams are necessary to open up the rich area of east Tennessee and the industrial area around Knoxville.

Modern wars are economic wars, and disruption of the economic life of a country is a modern wartime weapon. Navigation prevents the disruption of the transportation systems by taking over the job of the railroads and leaving them free for pressing wartime service. Waterways function with a smaller personnel, and this would leave skilled personnel available in time of war for other purposes.

Steps have been taken to insure that the inland navigation system will contribute its share toward fulfilling wartime transportation needs. Nearly all the railway terminals on the Mississippi River have been developed since the World War and will help to coordinate the two types of transportation. The Federal barge lines have been established with a wartime emergency in mind. Many barge manufacturers are now established along the inland waterways and could go into full-time production on a moment's notice.

The inland waterway system aids in the building up of the interior of the country. A vital need in wartime is to have industry protected from attack. In China, for example, it took only a few thrusts on the part of the Japanese to paralyze Chinese industries, because they were largely concentrated along the seacoast. The geographic position of our waterway system removes it from dangers of disruption to which more easterly railroads might be subject.

The Tennessee Valley Authority, while performing its civic functions, is also perpetually in a state of preparedness. It maintains nitrate plant No. 2 at Muscle Shoals in stand-by condition, so that it may quickly begin production of chemicals needed in time of national emergency. A part of the plant is devoted to phosphate production, the largest plant in the United States for production of elemental phosphate. Phosphate is an important material used in war for smoke screens and incendiary shells. There never was a sufficient supply of this material during the World War, but the present plant at Muscle Shoals and several plants elsewhere are now equipped to produce a wartime output of phosphorus.

The production of phosphate fertilizer and the spreading of its use through experimentation and example is of definite wartime importance. During the World War a critical problem was whether to use certain elements, such as phosphorus, potash, and nitrates, in the land as fertilizer or in munitions. Vast amounts of these elements are needed for plant foods. If the soils of the Nation can be built up to a stable condition during peacetime they can stand the emergency demands of war much better than they can now, and these elements can be diverted to fill other needs. A productive agriculture is a wartime necessity.

The Authority carries on a continuous research in the chemical field, and the results of this research will be of definite significance in time of emergency.

The natural resources of the valley include a large variety of minerals, some of which are among the 32 strategic minerals necessary to fight a modern war. The Tennessee Valley has some minerals in which the United States generally is deficient. In addition, it has access to other raw materials along routes that can be easily controlled and protected in case of war. With the facilities and power to manufacture these materials into needed wartime goods, and the development of transportation facilities to carry both raw materials and finished goods, the national-defense value of the region is vastly enhanced.

So far as military metals and chemical materials are concerned there are in the Tennessee Valley or nearby large deposits of iron ores and zinc, and lesser amounts of lead and copper. There are also certain possibilities as to aluminum, manganese, and chromium, which are being studied.

The valley is well supplied with coal suitable for coke and byproducts. There are reserves of rock phosphate and of limestone, a specially high-grade deposit of the latter being located at Muscle Shoals. One salt deposit is known to exist in southwest Virginia and another in Mississippi. There are pyrites in western North Carolina and southeastern Tennessee which are large producers of sulphuric acid. When the river is made fully navigable the region will, of course, be in easy transportation range of other supplies, such as the Louisiana sulphur mines. With the upstream dams interconnected and supplying the Muscle Shoals plants, the power necessary for processing these materials for a wartime demand will be available.

The electric furnaces in nitrate plant 2 which are not required for phosphorus production can be adapted to other uses that may be required to prevent bottlenecks in a national war program. They can be used for producing calcium carbide, a step in the making of acetylene, which is required in large quantities in the working and fabricating of steel. Acetylene is also the basis for other chemicals needed in military operations. Other possible uses for these furnaces are in the making of steel and ferro-alloys, abrasives, and refractories, any one of which might at some point develop a critical shortage. In case of necessity some of the furnaces might be converted to the electrolytic manufacture of aluminum or of chlorine—used in war gases—or of various alkalis and alkali metals.

This flexibility of use in a plant directly subject to Government control would be of great value as an instrument for making up whatever deficiencies might appear in the productive capacity of the Nation's industrial plant.

T. V. A. is also making a worth-while contribution to national defense through the restoration of forest resources within the area. In the last war there was considerable substitution of wood for coal as fuel. Walnut was used on a large scale for gunstocks. Locust-tree nails were used in construction of wooden ships. Nitrocellulose products were used in explosives. Forest conservation assures that such materials will be available in abundance, should the need for their wartime use again arise.

The Tennessee Valley area has been recognized for decades as a part of a natural national-defense area of the United States, between the Ohio and Tennessee Rivers and the Great Smoky Mountains. The work of the Authority in developing and conserving the many resources of this region—minerals, forests, land, power possibilities, navigation—inevitably contributes to the strength of the Nation in time of war. [Applause.]

Mr. RABAUT. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, I had not intended to even enter into this debate. You know how in these general debates we kind of talk in general terms, and I was very much impressed when following the splendid address by the gentleman from Georgia [Mr. PETERSON] the gentleman from Pennsylvania [Mr. DITTER] became immediately inspired and sprang to his feet and waxed eloquent and so sympathetic with the Democrats—the minority sympathizing with the majority. He cried, and wept, and wailed, and gnashed his teeth, and great big tears ran down his face. We became sorry for him, and I want to read to you some of the things that he said:

I do sympathize with your unfortunate lot. It is a pathetic condition. I have read in the newspapers of the futile efforts you have made to try to bring about a degree of harmony—

And that is the way the Republicans get their marvelous opinions and information about the Democrats—

to try to find some place where you men can find common ground. I am sorry for every one of you men who have resented the purge. Of all men, I am surprised at the distinguished gentleman from Georgia coming here today and trying to belabor with his words the Republican Party, for it was in Georgia that the purge persisted; it was in Georgia that this one-man party system, against which most of you men are rebelling, had its worst effect. It was in Georgia that you men felt the lash of the Simon Legrees in the past primary campaign, as one of your distinguished sons, one of the valiant men

of the Democratic Party, one of those fearless and courageous leaders dared defy the White House and appear as a candidate for another body.

I wish I could quote more, because it is so interesting as he goes along. Those of you who heard and enjoyed the speech of that learned gentleman from Pennsylvania will remember how he belabored the Democratic Party, and how he took to task that eminent Georgian in saying he was suffering from a one-man Government, a one-man party system. What could be more absolute and positive evidence of the strength and solidarity of the Democratic Party than that the leader still enjoys his popularity, as all of the polls show, individually, still showing the strength his character has maintained for him all through wherever he goes. He may attempt his purge, but still the people of the Democratic Party say, "Mr. President, we respect your feelings and your desires, but we vote our convictions and send back whom we please and who pleases us."

The Republicans rail at us. Why, gentlemen, you do not reckon well. Georgia is not going to vote Republican. Neither is Maryland. Did you ever see one of those fellows who had little enough judgment to enter into an argument between a man and his wife? They lay down their argument and pummel the living fire out of him and then go back to arguing again if they want to. That was their business. So, if we want to purge and carry on on the basis of democracy all in the Democratic Party, why, that is the way it is done. That is one of the finest things that a democracy exhibits to the people of the land. You cannot do that on the other side. We are on the pacific side of the Atlantic. We can do what we please in or out of the party and then go back and vote as we please. That is democracy. If the President wants to come down to my State and say, "I would rather you would vote for another man," I would say, "Mr. President, I salute you as the leader of my party and a member of my party, but I do not think I will vote that way." We are Democrats together still. But when it comes to the Democratic campaign, and when it comes to the broad principles, here is the way we are founded. We work out small things and get ready for big ones.

This is a two-party system in America. Do you know what that means? It means there are two parties here: A permanent party, the Democratic Party, and a temporary party, the Republican Party, at this juncture in our national existence, which has been preceded and served by the Whigs, the Federalists, the Constitutional Unionists. There were others. The Republicans have had their day. Mark you, this is a prediction. There will never be another Republican in the White House. [Laughter.] They have really run over their day. [Laughter.] It hurts them. There will never be another Republican there, and I will state why.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. I will yield later if I can get some time.

Mr. GIFFORD. It would not fit later on.

Mr. PATRICK. I do not yield until later. I wish I could, but I cannot. As Democrats we cannot yield for the next 2 years. Now, the Republican Party has lived far beyond the time the Lord created it to exist, anyway. The Republican Party was organized on July 6, 1854, according to best authority. The purpose of it was to do a single thing. The Democrats, for once in their life, had quit rolling. Slavery was in the land, and the Republicans got together and organized a party. They were made up of a bunch of Federalists and Know-nothings and Whigs—some holdover Whigs. They still put up a great deal of that doctrine. They got together up here in Jackson, Mich., on that date—

Mr. RABAUT. That is a controversial subject.

Mr. PATRICK. Yes; that is a controversial subject. It is a little uncertain whether it was there. Jackson, Mich., claims it, but some others say that will not do. Anyway they got together to overthrow slavery. It delights me when I hear the Republicans come forth as defenders of the faith and saviors of the Constitution. Their watchword when they organized was that "There is a law higher than the

Constitution." They said the Constitution was a covenant with death and an agreement with hell. That is the way the Republican Party had its birth and that is the way its first campaign was waged. Of course, it was waged against slavery. Now, the Republicans can embody, embrace, and love the Constitution when they feel like it saves their representative forces, special forces, that they have represented through the years. But the Federalists came on, and the Whigs and the Republicans. Now, the Republicans have had their day. There will never be another Republican. They have outlived their usefulness.

Now, they forget all these things. A two-party system is always like that. Somebody will rise up in the course of time and smack the Democrats down, no doubt; but the Republican Party cannot do it. It has got to be somebody that can look forward. What do the Republicans say? You know, it is a funny thing. That is why these crocodile tears were flowing so freely yesterday. Mr. Republican is not trying to say, "Let us grab the ball and make a touchdown." He is saying, "The Democrats have dropped the ball. We are sorry for them. We will get it and run through." That is a negative situation. It reminds me of the fellow who says, "I am going to marry that beautiful Mrs. Haymarket." "Why?" "Why, I am so sorry for her poor husband. He has to work out in the rain. He is going to take cold. It will run into pneumonia and it will kill him. I will borrow a lot of money from Uncle Satterfield and I will have my face lifted, and she will fall in love with me and we will get married." [Laughter.] They have not thought how far they must go. You know, at the caucus we discussed general principles. They would have you believe there was lack of harmony here. The Democratic Party is great.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. Let me get this chart off of my chest and then I will yield.

To show you what happened, the Republicans cannot get control in 1940 and sweep into office in the United States, you should know, and I have the statistical chart here to prove it. From 1900 on this little 1938 upswing, in which at the last election they elected a small bunch of Republicans to the Congress, is not an unusual thing at all. It always happens. It always scares the other party half to death, and the party that is in always comes out better because of the scare. You can go down from 1902, 1906, 1908, and on down, and on the off years you will find what has happened. The Republicans are getting drunk on mighty cheap "likker" and are getting "hopped up" on a very inferior grade of stimuli. They forget to finger the pages of history and review how people react to party principles. These little upswings have always occurred. Throughout the history of the last 40 years there is scarcely a single exception. Sometimes it may be more, sometimes less, but the interesting thing is how it approaches the general election. There are still 30,000,000 votes to be had one way or the other—30,000,000 who could vote and are still non-voters. Here is how the Democrats and Republicans got that vote all through the years. Let me show you first what the Republicans did. In 1900 the Republicans got 7,000,000; in 1904, 7,000,000; in 1908, 7,000,000; in 1912, 7,000,000; in 1916, 8,000,000. Then comes the woman-suffrage amendment general vote swell—Harding, 16,000,000; Coolidge, 15,000,000; Hoover, 21,000,000, when 5,000,000 voters went hay wire or voted against Al Smith, but came right back to their party again—Hoover got 15,000,000; Landon, 16,000,000, and all like that. But what happened with the Democrats running all down those years—that is, in 1904, 1908, and so on, to this last midterm election? The Democrats throughout those same years got 6,000,000, 5,000,000, 6,000,000, 6,000,000, 9,000,000, 9,000,000, 8,000,000, 15,000,000, 23,000,000, and 27,000,000. Where did those additional Democratic votes come from? We see they did not come off the G. O. P. elephant's back.

Now, I think the Republican elephant is dead enough that we can at last talk out in meeting. Oh, listen to what happened! We had not been winning voters from the Republicans and they had not been winning them from us to any enhancing degree through those years, so there was just one thing that could be done, and the Democrats went out and

did it in those years, claimed the unclaimed voters; got men to register and vote who had never registered or voted before in their lives; and I tell you there are 30,000,000 still floating around, who do not belong to any party. You cannot get them by merely pointing to party iniquities of opposing parties. We could certainly have done that were it possible when the oil scandals and all the like touched so dangerously close to the very White House. We learned one thing, that no matter how deep these iniquities may run, no matter how far removed from you, if you expect to smack your opponents down simply on their own faults, you cannot do it. Not in America. But the Democrats went to town. We got out the unregenerate, we remembered the forgotten folks. We hailed the needy workmen, the nonvoter. We called to them and they came in, registered, and voted Democratic; and now, how you would like to get them from us! You cannot do it to save your lives.

Mr. KNUTSON and Mr. HOFFMAN rose.

Mr. PATRICK. I cannot yield. As soon as I can I will yield.

We have done a great injustice to Government through the years in this Nation by fighting this man and that man and by fighting against parties merely as parties. If we will, instead, do what the Democrats have done this time, go out and win the unregenerates and nonvoting populace and bring into the party those who are not in any party, and can swell our ranks from those who have never voted before—having once done that, having once been baptized in the gospel of that political faith, the percentage to the right or to the left through the years has not, except on one occasion, and then for a special reason, varied more than 1,000,000 votes. We have done this this time, and we are coming back, because you will never get them away from us.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. Yes; I yield to the splendid and agreeable gentleman from Massachusetts.

Mr. GIFFORD. It has been said, you know, that he who fights and runs away may live to fight another day. I have noticed so frequently recently that gentlemen on the other side do not remain on the floor after they make their speeches. Two words were used yesterday. Somebody on the Democratic side of the aisle referred to the Republican Party as deceased.

Mr. PATRICK. Yes.

Mr. GIFFORD. I would like to say that the gentleman's party is diseased—badly diseased.

Did not the gentleman when he spoke of getting the unregenerate get that confused with degenerate?

Mr. PATRICK. I may have—yes; it is very probable I did. But not in the light of his interpretation.

[Here the gavel fell.]

Mr. RABAUT. Mr. Chairman, I yield 5 additional minutes to the gentleman from Alabama.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. I yield.

Mr. McCORMACK. I call the gentleman's attention to the fact that only twice in the history of our country has a minority party gained the White House when it did not capture the House in the preceding off Presidential year. I also call to the gentleman's attention the fact that giving credit where credit is due—because the Republicans did make certain gains in the House—the gains came about mostly because of local issues. [Laughter.] The fact still remains that the Democratic Party still has either the fifth or sixth largest majority that any major party has had in the political history of our country.

Mr. PATRICK. I thank the gentleman for his hearty contribution. Let me ask you something: Where would the Republicans go today for leadership? Where are there any among them worthy and capable to lead? By contrast the Democrats have almost too much leadership, real leaders too.

Mr. HOFFMAN. We would go to Alabama.

Mr. PATRICK. Thank you; we do have it. The Republicans have no one to turn to, no one in their ranks who can gather their scattered remnants together. There was

never such a deplorable dearth of leadership as that which faces them. They never experienced anything like it in their lives since Lincoln's day.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. PATRICK. Let me state this—hold your point, Mr. HOFFMAN.

Mr. HOFFMAN. Yes; if I can.

Mr. PATRICK. The gentleman is likely to lose it?

He is liable to lose it.

Here is an interesting thing in reference to those figures: The Democratic gains during the last 15 years have been 15 times as great as the increase in population, taking it on a percentage basis. I repeat, 15 times as great. The figures show the gains for the Democrats and for the Republicans. It is a most amazing thing. Of course, it is heartbreaking to the Republicans, but a mighty blessed thing to the Democrats. The Democratic gain has been 300 percent, whereas the Republican gain during the last 16 years has only been 17 percent. The population of the country through those years is only 21 percent. These are the folks who have come on and have been added to the polls and who have voted for their first time in the United States.

Mr. HOFFMAN. Will the gentleman yield? I wonder if the Democratic deficit has followed the same percentage.

Mr. PATRICK. Please do not try to get my mind off onto something else.

The gentleman cannot stay by the issue. That is not important nor complimentary. He wants to talk about something else. Where is the gentleman from Pennsylvania who usually hollers, "Where are we going to get the money?"

Mr. HOFFMAN. The gentleman waited until he went home.

Mr. PATRICK. We will now take the key States of New York, Pennsylvania, Ohio, California, and Illinois. In New York the Republicans went from 1,600,000 to 2,100,000, while the Democrats jumped up from 731,000 to 3,181,000. You could not get five more representative States than these.

In Pennsylvania in 1920 the Republicans were 1,218,000 and in 1936, 690,000. Now, let us look at the Democrats. In Pennsylvania in 1920 the Democrats only had 503,000. In 1936 they had 2,353,000.

In Ohio in 1920 the Republicans had 1,182,000, and in 1923, 1,127,000, and the Democrats went from 780,000 in Ohio in 1920 to 1,747,000 in 1936.

Mr. HOFFMAN. Will the gentleman yield?

Mr. PATRICK. I have two more States I want to cover and these do not include Maine and Vermont either.

In California in 1920 the Republicans had 624,000 and in 1936 they had 836,000, while the Democrats had 229,000 in 1920 and 1,766,000 in 1936.

In Illinois the Republicans in 1920 had 1,420,000, and in 1936, 1,570,000. The Democrats had 534,000 in 1920, and 2,282,000 in 1936.

Mr. Chairman, that is not a bunch of Republican votes. That is a bunch of votes that the Democrats have added of folks who never voted before. So if we will keep from grabbing one another by the seat of the pants and trying to throw each other around, and if we try to keep from getting somewhere at the expense of one another and get down to creating faith and confidence in our Nation and building ourselves up, we will not only get better government, but we will get nearer to that place where people of this country have been trying to get all the time.

[Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HOFFMAN. Will the gentleman yield?

Mr. PATRICK. I yield to the gentleman from Michigan.

Mr. HOFFMAN. I noticed the gentleman based his figures on 1936 so far as Ohio, Pennsylvania, Illinois, and Michigan are concerned and he talked about all these people who never voted before. May I ask, does the gentleman intend to let the colored folks in the South vote in the next election?

Mr. PATRICK. I will take care of that.

Mr. HOFFMAN. Answer that question.

Mr. PATRICK. The gentleman asked the question. Let me answer it in my own way, though it has nothing to do with it. My point is we must win votes by party merit rather than to rail at the other party; but if you want a picture, here it is:

The Republicans under Hoover promised us plenty. They promised us prosperity. Whereas, when we hove up on their program we had idle smokestacks standing everywhere like tombstones at the head of business. Everybody, men and boys, was at dusty road crossings trying to hitchhike. We had the biggest failures by the smallest banks and the most complete flops by the biggest banks. We could not get jobs nor pay for jobs we already had; and when we got a pay day it was not enough to take home. The fires of industry were extinguished. Everything they promised we did not get. We had more misery and failures during this time than we had ever had before, and all under a promise of prosperity, while the wolf stood at the front door and the stork came down the chimney. [Laughter and applause.]

[Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, the only purpose I had in mind in taking this time was to repeat the question I asked the gentleman from Alabama [Mr. PATRICK], and which he did not answer.

Mr. PATRICK. I would not miss this masterpiece.

Mr. HOFFMAN. I just wanted to ask the gentleman again the question I asked him when he was speaking a few minutes ago. The gentleman was talking about voters who had never cast a ballot prior to 1932 or 1936, and you intimated, if you did not state, that they won the elections for you in those years. I wished to know and I now ask whether you intend at the next election to let the colored folks in the South vote, and more especially in the gentleman's district in Alabama, does he intend to see that they vote? The gentleman said that he would answer the question but he did not answer it.

Mr. PATRICK. I have one or two boxes in my county where there is a majority of Negro voters, but we are safe in the South and had to pick up most of our votes in the East, where there were so many Republicans.

Mr. HOFFMAN. You have control of registration and the ballot boxes down there, so you did not need the Negro vote?

Mr. PATRICK. Of course, we recruited voters as much as we could where they had not had their eyes opened and had voted Republican.

Mr. HOFFMAN. Do you intend to let them vote in the South?

Mr. PATRICK. The Republicans?

Mr. HOFFMAN. Do you intend to let the colored folks vote?

Mr. PATRICK. There was a certain incident a few years ago and we have not had many Republicans since.

[Here the gavel fell.]

Mr. STEFAN. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, far be it from a youngster to participate in this political discussion. It is best he sit back and familiarize himself with the tactics of both parties to prepare for the future.

Some few moments ago my distinguished colleague the gentleman from Alabama [Mr. SPARKMAN] consumed some time speaking about the inland waterways, Muscle Shoals, T. V. A., and other Government-subsidized industries affecting in many ways the railroads of this country. Since most of my life has been devoted to railroading I feel it my duty to answer the gentleman at this time.

May I preface my remarks by informing my colleagues that my father spent some 40 years behind the throttle of a locomotive, and for 24 years prior to my coming to Congress I was myself employed by a great railroad of this country.

This has given me a sympathetic understanding of many railroad problems—from the standpoint of the employee,

the management, the public, the investor, and the Government—all of the factors which must be considered in any solution of the American railroad problem. However, I shall not undertake to give you a complete answer—not in 10 minutes, anyway. But I am glad to have this opportunity to discuss the railroad situation, which is nearing a crisis and should command public consideration.

Let me say at the outset there is no substitute for rail transportation. There is no panacea, no cure-all for the difficulties besetting the railroads. No man, or set of men, can wave a magic wand and say "Presto" and change the conditions confronting the railroads.

Some gentlemen with a limited knowledge of the multitude of problems which go to make up "the" railroad problem, advocate Government ownership and management as the only solution. Instead of being a solution, however, that change in ownership and management would only create new and more vexing problems. Those of you who experienced Government operation of the railroads during the World War are the least likely to urge that approach to the problem. In fact, the Government has no desire to take over the railroads. The President and others high in administration circles have expressed their opposition to Government ownership of the railroads within the last year.

Some of the roads, however, are confronted with a desperate situation. Unless action is taken to relieve such roads, there is danger of drifting or forcing the railroads into Government ownership, despite the desires of the carriers, the Government, and the public. It has been suggested that a forthright declaration of policy by Congress on the principle of private ownership and operation of the railroads might go far toward ending uncertainty and bolster the confidence of the investing public and the credit of the railroads.

The railroads may be likened to a patient suffering from a long list of complications. The chief trouble is competition from unregulated transportation facilities, most of them enjoying some sort of subsidy. Gradually, at first, and then rapidly, the railroads have seen their freight and passenger traffic go to coastwise shipping, river transport, inland waterways, busses, trucks, private automobiles, pipe lines, and airplanes.

This has resulted in an unequal and economically wasteful competition for traffic among the various modes of transportation. I say unequal competition because of Government subsidies of some sort to most of the other modes of transportation not enjoyed by the railroads. That governmental favoritism has resulted in the creation of transportation facilities beyond the ability of the traffic to support all; hence it is economically wasteful competition. The railroads certainly have a right to object to favoritism to competitors in matters of regulation, taxation, and subsidies.

Therefore the first step toward solution of the railroad problem is the adoption of a national transportation policy based on the Jeffersonian theory of government—equal rights for all, special privileges for none—in matters of regulation, taxation, and subsidies. Once the policy is declared machinery must be created to enforce it. That policy must provide fair and impartial regulation of all modes of transportation. It should be administered so as to preserve the special advantages of each mode.

Within the last year the railroad problem has been studied by a dozen public and private organizations. There are some differences, of course, but there is general agreement among them on the major factors of the problem and the steps that must be taken to solve it. It would be impossible to review all of them in the short time allotted me. Since I regard the soundest of all the reports to be the one made by the committee appointed by the President, I shall touch briefly upon the summary of the recommendations made by railroad executives, railroad union officials, and a member of the Interstate Commerce Commission.

The I. C. C., that committee recommended, would administer all regulatory provisions with respect to rates, services, valuation, and accounting of all modes of transportation.

A new rate-making rule would be applied to all modes of transportation.

The controversial long-and-short-haul clause would be repealed.

The I. C. C. would have its powers extended with respect to intrastate rates in connection with a general readjustment of interstate rates.

A fair and reasonable system of tolls for commercial use of inland waterways would be established and the Inland Waterways Corporation would be eliminated and its properties sold.

Railroads would be relieved of certain unjust taxes by State and National legislation, and the Government would bear the expense of eliminating grade crossings.

Railroads would be reimbursed by the Government for all costs in excess of any direct benefits to them resulting from the alteration or reconstruction of bridges and other facilities in connection with the improvement of navigable waters and flood-control projects.

The reduced-rates provisions of the so-called land-grant statutes would be repealed.

As a means of immediate relief the powers of the Reconstruction Finance Corporation would be enlarged to cover the purchase or guarantee of railroad obligations and to make loans to the roads, receivers, or trustees, and the requirements respecting I. C. C. approval of such matters would be modified.

Among the most important of these recommendations is one for the creation of a new and independent agency. It would be charged with the duty of investigating and reporting to Congress on the relative economy and fitness of all modes of transportation and the extent to which they are being subsidized, with recommendations for further legislation.

After that job was completed this new transportation board would be charged with the responsibility for administering as to all modes of transportation regulatory provisions relating to new construction or operations and abandonment of facilities or operations. It also would approve the issuance of securities, consolidations, mergers, leases, acquisition of control and interlocking directorates, and exercise all functions of a research or promotional nature relating primarily to any mode of transportation now vested in other Federal agencies.

The I. C. C. would be relieved of responsibility for a general plan of railroad consolidation and the initiative restored to the carriers. Approval by the Transportation Board would be based upon the public interest and fair and equitable arrangements made to protect the interest of the employees affected.

The I. C. C. also would be relieved of all responsibility in railroad reorganizations. A single court would be established, vested with exclusive jurisdiction over such matters, and the judges would be selected with especial reference to their experience in and qualifications for this service. The Federal district courts would retain jurisdiction over all matters not connected with reorganization.

From this brief summary it may be seen that the problems of the railroads are many, varied, and highly technical, and even the sponsors of that report did not claim their recommendations would solve all of the problems. They did feel, and I agree with them, that the recommendations, if adopted, would go far toward solving not only the railroad problem but create stability in the entire field of transportation.

Perhaps the strongest argument that can be put forward for prompt action by Congress on the railroad problem is the tremendous loss in railroad revenues, which hits the investors, and the wholesale discharge of employees, as a consequence of those losses. For instance, the gross earnings of the railroads was \$5,500,000,000 in 1921. In 1938, it was \$3,500,000,000—a loss of \$2,000,000,000 annually. In 1921 the railroads employed 1,660,000 persons and in 1938 they employed less than 940,000. In other words, almost three-quarters of a million railroaders have been put out of work in 17 years.

Those figures, of course, only tell a small part of the story, but they should be sufficient to convince the public that something should be done to maintain the railroads, which provide the Nation with its lowest-cost mass transportation.

Right now Congress is considering and legislating on the national defense. Only yesterday, before the House passed the \$367,000,000 Army defense bill, designed to give us 5,500 war planes, bulwark Panama Canal defenses, and place industry on a war preparedness footing, SAM RAYBURN, the Democratic leader, told the House that we might have to defend ourselves this summer.

Nobody denies that the railroads constitute one of the strongest arms of the national defense. What a calamity would befall us if the railroads were inadequate to meet any war emergency. It behooves us to see to it that the railroads are given an opportunity to rehabilitate themselves. Despite the tremendous decrease in earnings, the railroads have maintained their rights-of-way and structure and equipment sufficiently to carry the volume of business offered, but a war would put the railroads to a severe test. When it comes to war, the railroads alone can provide the necessary military transport service.

Let me repeat, that despite the development of new transportation facilities, the railroads are just as essential today as they ever were in war or in peace.

In that connection, let me read the "final word" of the President's committee, which indicates the fairness of its report, made less than 2 months ago. It stated:

It is manifest that the public interest will not be served by attempting to balk economic progress or to restrain any newly developed transportation agency from performing those functions which it has shown a peculiar ability to fulfill. We suggest no such policy of retrogression. To the contrary, we urge the adoption of a progressive policy which will recognize the changing conditions and will shape future legislation accordingly.

In other words, the only sound approach to the American railroad problem is to place all modes of transportation on an equal footing so far as regulation, taxation, and subsidies are concerned. Place no stumbling block in the way of newly developed transportation agencies, but do not unduly penalize the old, time-tested railroads. Go forward and adopt a plan that is fair alike to the American public that pays the transportation bills, the stockholders who furnish the capital, and the railroad workers who furnish the manpower and skill to make the railroad industry outstanding in economy and efficiency. Thus will we solve the railroad problem—a great national problem. [Applause.]

Mr. RABAUT. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. LEWIS].

Mr. LEWIS of Colorado. Mr. Chairman, it is most gratifying that the Committee on Appropriations has included in this bill substantial sums for the Library of Congress, one of the really great libraries of the world. As has been said by an eminent historian, this Library "has come straight from the heart of democracy."

This occasion is, I believe, most appropriate to say something of this institution, which is truly "a symbol of what democracy can accomplish on its own behalf," and to review the career of Dr. Herbert Putnam, the great Librarian, who for 40 years has devoted his life to the development of the Library of Congress.

Since the 5th day of April 1899, Dr. Herbert Putnam has served Congress and the people of the United States as their Librarian. Now, upon what may be the eve of his entry on new duties as our Librarian Emeritus, I cannot refrain from paying tribute to a career at once distinguished and devoted.

Circumstances beyond his control may have dictated that his life should be spent among books. He was born in New York City—the family residence was at 107 East Seventeenth Street—on September 20, 1861, the son of George Palmer and Victorine (Haven) Putnam. The father, one-time collector of internal revenue in New York by appointment of Abraham Lincoln, was the founder of a well-known publishing house which bears his name to this day. Prepared for college by James H. Morse, headmaster of a school on upper Broadway, young Putnam was admitted to Harvard in June 1879. Graduating in 1883 with a bachelor of arts degree, he returned to New York, where he spent the following academic year in attendance at the law school of Columbia University. His life work began—though perhaps he did not himself

realize it—in the autumn of 1884, when he accepted the appointment of librarian of the Minneapolis Athenaeum. Two years later he was to write of himself:

I have not indulged an appetite for exploration "in this or foreign countries"; what journeys have fallen to my lot have been between Minneapolis and New England, with some deviations to other cities whose libraries deserved investigation.

In the matter of degrees, I have risen no further than an A. B.; like all good Americans, I trust to get as far as "C." one of these days. No books, pamphlets, articles, addresses, or other literary progeny rest upon my conscience.

Nevertheless the literary progeny of others rested very heavily upon his conscience, indeed, and although he had intended establishing a legal practice in Minneapolis—he had been admitted to the Minnesota bar in 1885—he retained his post in the Athenaeum for 4 years. There he modernized antiquated methods, revised the charging records of books on loan, inaugurated a new system of cataloging and classification, opened the alcoves to readers, insisted that "there are two great problems of library management—one to get the books for the readers, the other to get the readers to the books."

In the summer of 1887 he visited the British Isles—the provincial towns as well as the great cities—where he purchased at second hand some 8,000 volumes in behalf of the Athenaeum; and in September 1888 published an article, perhaps his first, in the Unitarian Review, entitled "Simplicity as a Test for Truth," an essay on the ethical teachings of Tolstoi. Chosen to be the first city librarian of Minneapolis in November 1888, a public library building costing nearly \$400,000 was erected under his supervision, which was generally regarded as one of the three or four best-equipped structures of its kind in America; for its collections he purchased about 50,000 volumes, both at home and abroad; through his personal enterprise large additions were made to its original endowment; and when he left the institution it had grown to be the fifth in the United States in point of circulation and to occupy a similar rank in the matter of income.

For personal reasons he resigned that position in December 1891, removed to Cambridge, Mass., was admitted to the Suffolk bar, and practiced law in Boston until the 18th of February 1895, when, with no solicitation * * * on his part, but selected by the trustees because of his proved capacity and brilliant executive reputation, he was elected librarian of the Boston Public Library. This old institution had struggled along without a director for 2 years and had fallen into a condition approaching disorganization. The new building on Copley Square, "that superb palace of books, beautified by Puvis de Chavannes, Sargent, Abbey, St. Gaudens, and MacMonnies," had been recently completed, but it was to be Dr. Putnam's task to open it and make it available for public use. This he did with marked success.

The juvenile room, believed to have been the first room wholly devoted to the service of children in any of the larger libraries of the country, was equipped with suitable tables and chairs and books and proved so acceptable an innovation that the service was rapidly extended to the branches. New impetus was given to cooperation with schools. The interlibrary loan system was reorganized and its scope widened. A special libraries department was created. Another hour was added to the evening opening. A separate reading room for newspapers was provided. Of Dr. Putnam's accomplishments while at the head of the Boston Library, a successor, the late Dr. Charles F. D. Belden, has left this record:

When Mr. Putnam assumed charge there were 9 branches and 12 delivery stations. At the end of his 4 years there were 10 branches, 5 minor branches, called "reading rooms," and 56 deposit stations. The direct home circulation increased from 832,113 in 1894 to 1,245,842 in 1898. The library grew from a total of 610,375 volumes at the close of 1894 to 716,050 at the close of 1898.

He was, as the secretary of his Harvard class proudly reported, "a progressive, original, practical, and tactful Commander, with a positive genius for creating enthusiasm and interest among his subordinates."

John Russell Young died in January 1899, and President McKinley found himself faced with the responsibility of

appointing a Librarian of Congress who should preside over the affairs of the institution whose building had been completed but 2 years before. The name of Dr. Putnam was presented, but was withdrawn at his own request. The President then selected a former Member of Congress, but, in response to an insistent demand for an able and practical Librarian, of established capacity, the Senate declined confirmation. Once again the President turned to Putnam, who now accepted the office as a call of professional duty. On March 13, 1899, he was nominated, a fortnight later sent in his resignation to the board of the Boston Library, and on April 5—the Congress was then in recess—he entered upon the great and exacting duties of his new office. He was confirmed December 12, 1899.

Spread upon the official records of the board of trustees of the Boston Public Library is found the following minute under date of March 24, 1899:

In accepting the resignation of Mr. Herbert Putnam as librarian, the Trustees of the Public Library of the City of Boston desire to put upon their records the following notes:

That they recognize the harmonious and helpful relations between the Librarian and the trustees from the day he accepted the office; the remarkable administrative qualities he has shown—in directing the alterations by which the Library Building has been so well fitted for its purposes—in increasing to so large a degree the interest the public takes in the library until today it has a larger constituency than any other—in instituting so successfully the work of the Public Library in connection with the Public Schools, and in making the public realize that this institution created and supported by it, really belongs to it, and needs its ever-enlarging patronage and generosity.

That they appreciate the feeling which leads Mr. Putnam, at much personal sacrifice, to give up his position here to take charge of the Congressional Library at Washington, and his desire to make it the culmination of the library system of this country, and in time one of the great Libraries of the world.

That their highest regard goes with him in the difficult work he is about to assume and their faith in his gifts to bring it to the most successful issues.

That faith has been admirably justified by the achievement but only a disciplined imagination could have foreseen in the spring of 1899 the development of an institution "universal in scope, national in service," within a span of 40 years. For when first he examined the existing situation "with a responsible eye" it was with the realization that it would take a quarter of a century to "get the house in order." In his own words:

The building stood as planned; the outside quadrangle, the octagonal reading room centered within it, and the three main book stacks radiating from it—north, east, and south—to the quadrangle itself. For the accommodation of material there were those three stacks, providing for about 1,800,000 volumes; for the accommodation of readers the main and the periodical reading rooms; and for the accommodation of the service, besides the Copyright Office, spaces and equipment here and there in the outside quadrangle. The printed books and pamphlets had been shelved in the stacks; the manuscripts were cased in a corner pavilion; but the maps, music, and prints remained still on the floors or on packing cases.

The printed collections lacked (1) a systematic classification, (2) a shelf list, (3) a catalog, save a manuscript author-list on cards as compiled at the Capitol by an inadequate staff, without adequate bibliographic apparatus. There was the beginning of an organization for classification, shelf-listing, and cataloging; but for these three processes and the accession work also, the staff numbered but 27 persons.

With contagious enthusiasm he set about his work, obtained from Congress the important requests which he had formulated for the development of the Library, increased the working force in each division, and secured a doubled appropriation for the purchase of research materials.

By 1924 the first objective had been won with—

- (1) All spaces in the building duly differentiated and equipped for specialized, as well as general, uses.
- (2) The specialized material installed in appropriate cases.
- (3) A scheme of classification, systematic and elastic, with an appropriate nomenclature.
- (4) Adoption of processes of cataloging, including forms of entry, now standardized for American libraries.
- (5) Actual application of the classification and cataloging to a large portion of the collection of printed books.

Concurrently there had been "a development and diversification of the service." The Library had become increasingly the resort of scholars. The service to Congress had

been intensified by the creation of a Legislative Reference Division. The community at large had been benefited by the actual loan of books required for serious uses and not locally available; by publication of "select (topical) lists," of special catalogs and calendars in book form, and, in a few cases, of actual texts of historical manuscripts in the possession of the Library; by information furnished through correspondence, and by supplying at cost to other libraries, societies, and individuals, printed cards, a byproduct of the Library's cataloging operations. Parenthetically it may be mentioned that the distribution and sale of printed catalog cards, inaugurated by Dr. Putnam in 1901, has not only proved of inestimable value to the libraries of the United States through economies effected in their own procedures but has accounted for a sum of over \$3,000,000 covered into the Treasury of the United States.

By an act of Congress, approved March 3, 1925, "The Library of Congress Trust Fund Board" was created. Of its five members, three are ex officio: The Secretary of the Treasury, the chairman of the Joint Committee on the Library, and the Librarian; and the other two are appointed for 5-year terms by the President. This legislation not only foresaw authority to accept endowments but also to receive gifts of money for immediate disbursement. In what it had done, and, along the conventional lines intended still to do, the Government had reached about the limit in the forms of outlay feasible from the Public Treasury. The Trust Fund Board made possible an extension and diversification of such forms. As a result Dr. Putnam has written:

The collections have been enhanced by a huge importation of source material of concern to the investigator, and the personnel by the accession to our staff (in the incumbents of our four "chairs," and in our corps of "consultants") of numerous specialists in various fields of learning, who with the equipment of teachers or investigators are here not to teach or pursue research, but to aid in the serious use of the collections by assisting in the interpretation of them.

Today the collections comprise more than 5,500,000 volumes and pamphlets, 1,400,000 maps and views, 1,194,000 pieces and volumes of music, 542,000 prints, 97,000 bound volumes of newspapers, and so many manuscripts that a numerical estimate is not feasible. The Library possesses the largest collection of books on aeronautics in the world, the largest collection of Chinese books outside of China and Japan, and probably the largest collection of Russian books outside of Russia. In the Division of Manuscripts are the papers of nearly all the Presidents and of many statesmen. Through a Rockefeller grant reproductions of European archives relating to the history of the United States have been secured. In the rare-book collection are about 83,000 items; among them are many first editions, rare bindings, some 25,000 early American pamphlets, over 1,500 bound volumes of American eighteenth century newspapers. Of the more than 4,600 fifteenth century books, 3,000—including the St. Blasius-St. Paul copy of the Gutenberg Bible—were purchased by a special act of Congress in 1930. In the northwest courtyard is the auditorium for public concerts of chamber music, presented to the Government by Mrs. Elizabeth Sprague Coolidge in 1925; adjoining it is the pavilion given by Mrs. Matthew John Whittall in 1938, where the quintet of Stradivari stringed instruments and Tourte bows—her previous gift to the Division of Music—will be kept on exhibit when not in actual use. At the expense of an anonymous donor a gallery on the second floor has been recently remodeled as a center for Hispanic studies. At present, endowment funds exceed \$2,000,000, and gifts of money received for immediate disbursement have amounted to about \$1,415,000. The main building and the annex contain nearly 36 acres of floor space and about 414 miles of steel shelving. But of more impressive dimensions is the spirit of the place, a spirit breathed into it by its director.

Dr. James Truslow Adams, in the epilogue to his *Epic of America*, gave expression to it when he wrote:

The Library of Congress . . . has come straight from the heart of democracy, as it has been taken to it, and I here use it as a symbol of what democracy can accomplish on its own behalf. Many have made gifts to it, but it was created by ourselves through

Congress, which has steadily and increasingly shown itself generous and understanding toward it. Founded and built by the people, it is for the people. Anyone who has used the great collections of Europe, with their restrictions and red tape and difficulty of access, praises God for American democracy when he enters the stacks of the Library of Congress.

But there is more to the Library of Congress for the American dream than merely the wise appropriation of public money. There is the public itself in two of its aspects. The Library of Congress could not have become what it is today, with all the generous aid of Congress, without such a citizen as Dr. Herbert Putnam at the directing head of it. He and his staff have devoted their lives to making the * * * books and pamphlets serve the public to a degree that cannot be approached by any similar great institution in the Old World. Then there is the public that uses these facilities. As one looks down on the general reading room * * * one sees the seats filled with silent readers, old and young, rich and poor, black and white, the executive and the laborer, the general and the private, the noted scholar and the schoolboy, all reading at their own library provided by their own democracy. It has always seemed to me to be a perfect working out in a concrete example of the American dream—the means provided by the accumulated resources of the people themselves, a public intelligent enough to use them, and men of high distinction, themselves a part of the great democracy, devoting themselves to the good of the whole, uncloistered.

Forty useful years. Only once in that long span has his life's work been interrupted. From the autumn of 1917 to the autumn of 1919 he served as director of the American Library Association War Service, devoted to the supply of reading matter to the American troops preparing for or engaged in the war.

The service covered the various cantonments in this country and the training camps abroad, and, following the armistice, continued circulation among the diminishing detachments, the maintenance of collections, and reading rooms at Coblenz, a considerable establishment of the "A. E. F. University" at Beaune, books and magazines for the transports, and even for such outlying posts as Vladivostok. It included numerous library buildings, a large personnel, typical American equipment and methods, over 5,000,000 books, and the expenditure of about \$5,000,000. But the direction of it was from the main headquarters in the Library of Congress; and, except for some trips of inspection to the cantonments in this country, Dr. Putnam did not go to France until December 1918, where he supervised the remaining operations which finally reduced themselves to the activities of the American Library at Paris, an institution which still survives not as a mere relic but as a continuing demonstration of American library methods. It was typical of his trait of submerging his own personality in that of the institution he serves that he refused to accept the distinguished service medal awarded him for this work on the ground that credit was due to the entire library organization.

It will be remembered that in 1886 he hoped to add a C. to his A. B. That letter still eludes him, but others compensate, perhaps, for the deficiency. Among the honorary degrees awarded him have been Litt. D. from Bowdoin, 1898, Brown University, 1914, Princeton University, 1933; LL. D., Columbian—now George Washington—University, 1903, the University of Illinois, 1903, the University of Wisconsin, 1904, Yale, 1907, Williams, 1911, Harvard, 1928, and New York University, 1930. From 1902 to 1906 he was an Overseer of Harvard College.

Dr. Putnam is a Fellow of the American Academy of Arts and Sciences, Boston; of the National Institute of Arts and Letters; and a member of the American Academy of Arts and Letters. He is a member of many other learned societies. Among them are: American Philosophical Society; Massachusetts Historical Society; Colonial Society of Massachusetts; American Antiquarian Society; Hispanic Society of America; honorary member of the Royal Asiatic Society, north China branch; Phi Beta Kappa.

He was United States delegate to the International Library Conference in London, 1897; a member of the administrative board of the Congress of Arts and Sciences at the Louisiana Purchase Exposition in St. Louis in 1904; United States delegate to the Congrès International de Bibliographie in Paris, 1900, and to the World Congress of Libraries and Bibliography in Rome in 1929. He was United States representative at the

celebration of the five hundredth anniversary of the birth of Johann Gutenberg at Mainz in 1900. He has twice served as president of the American Library Association. In 1928 he was decorated a Knight of the Royal Order of the Pole Star of Sweden, and the following year received the Roosevelt distinguished-service medal.

These honors he has accepted as bestowed upon his office as personified.

"The 'story' of an executive absorbed in his job," he wrote a few years ago, "is in the main the story of the institution which he is administering." It is to be hoped that, though his role be changed, the story shall be for him and for the Library continued.

At the meeting held in Washington, D. C., January 27, 1939, the American Council of Learned Societies presented an address, as follows:

TO HERBERT PUTNAM, LIBRARIAN OF CONGRESS, 1899-1939

AN ADDRESS IN APPRECIATION OF HIS SERVICES TO SCHOLARSHIP AND TO THE ADVANCEMENT OF KNOWLEDGE, PRESENTED ON BEHALF OF THE SCHOLARS OF THE UNITED STATES BY THE AMERICAN COUNCIL OF LEARNED SOCIETIES

Great and good friend: The American Council of Learned Societies esteems itself fortunate that the rotation of its meetings brings it to Washington in this year of 1939, which marks for you the conclusion of 40 years of active duty as Librarian of Congress and the inauguration of another term of service, which we hope may be prolonged far into the future as Librarian Emeritus.

This council, composed of delegates from 20 academies, societies, and associations of American scholars devoted to the advancement of those studies that we term collectively the humanities, may appropriately claim the honor of addressing you in the name of American scholarship and on behalf of those fields of study that are concerned with the intellectual experience of mankind.

For the studies that we represent are dependent to an unusual degree upon the collections that find their natural resting places in the great libraries of the world, and it is upon such libraries, as well as upon their custodians, that scholars must chiefly rely for the materials that are essential to the advancement of knowledge.

The dependence of American scholars upon the Library of Congress was recognized by this council when it selected Washington as the principal seat of its activities, and the justification of that selection has been demonstrated in innumerable ways and by daily experience.

For you, and the collaborators and associates whom you have chosen, have made the Library of Congress a national institution, the peer in all respects of its great prototypes, the British Museum and the Bibliothèque Nationale. You have made of it an indispensable instrument on the American continent for the promotion of learning and the increase of knowledge. Under your guidance it has exerted a profound and lasting influence upon libraries throughout the world, and because of that influence scholars of other countries are better served by their own national libraries, and American scholars, to whom the hospitality of foreign libraries is generously accorded, are able to make more effective use of their resources.

You have set an example in planning and creating apparatus which has rendered the greatest service to scholars everywhere. The catalogue of the Library of Congress, printed upon cards and widely distributed, has become a bibliography of first resort; the Union Catalogue, in which you have brought together the resources of the most important American libraries, is a practical move toward realizing the age-long dream of the universal library; you have made the facilities of the Library of Congress available for the preparation of many tools of research, such as the Census of Medieval and Renaissance Manuscripts, the Census of Indic Manuscripts, and the Catalogue of Alchemical Manuscripts, to mention only three such works.

You have led in adapting the most modern photographic processes to the needs of the scholar, and have not only made widely available for purposes of research copies of your own collections, but have enormously increased those collections by adding to them photographs of materials hitherto accessible only in distant depositories. By such means, for example, you have added nearly 2,000,000 pages of unique documents relating to the history of the United States from the archives and libraries of foreign countries; and similarly, you have accumulated collections of paleographic facsimiles and of photographs of literary and historical manuscripts needed by American scholars in the course of their investigations; and you have also inaugurated systematic photographic exchanges with other libraries, thereby enriching their collections as well as your own.

In your development of the resources of the Library of Congress, you have foreseen the needs of future generations of scholars and have taken advantage of opportunities that might never recur to anticipate them. Impressive evidences of such foresight are the great collections in Slavic literature and history, in the history and literature of Spain, Portugal, and Hispanic America, and in the history and civilization of India. You have also built up a vast

collection of American historical manuscripts, including the papers of many Presidents of the United States, and have brought it about that the Division of Manuscripts of the Library of Congress has become the principal center of research in American history.

Perhaps the most striking example of your foresight into future needs is the Division of Orientalia. Here you have brought together what is commonly conceded to be the most important library of works on Chinese history and civilization that exists elsewhere than in the Far East. The tragic events of the last half decade make this collection, with its many rare or unique books, doubly precious, and it constitutes an invaluable resource for that growing school of young American scholars who, undismayed by difficulties of language, their attention fixed upon the farther shores of the Pacific, are devoting their careers to fields of study in which all is yet to be done and the cultivation of which is vital to our understanding of some of the greatest problems that lie before us.

In the domain of the arts you have vastly increased the resources and services of the Library of Congress and have accumulated rich stores of materials for the study of iconography and for the illustration of American life and culture. To the Division of Fine Arts have come the works of many American artists, such as Joseph Pennell, the records of the Historic American Buildings Survey, and thousands of photographs of the domestic and public architecture of the United States.

In the realm of music, you have created the Archive of American Folk Song, and, through the generosity of private donors, have made of the Division of Music an unique center of musical interests, offering not only what the past has given but opportunity for composers of the present day.

You have been able to communicate your vision to others and to fire their imaginations so that many persons of public spirit have found in the Library of Congress a worthy object of their benefactions, and in this way its activities have been extended and its collections have been enriched.

Notable among these benefactions has been that of the Congress of the United States itself, which, on its own initiative, secured for the Library of Congress the greatest single collection of examples of early European printing, including the great Bible from the press of Johann Gutenberg, that is now to be found on the American continent. Nor are these incunabula merely objects of interest to collectors and amateurs, for they embody the intellectual experience of western civilization as it passed through a great transitional period of history and emerged into the Renaissance.

In all these developments you have always held to your conception of the Library of Congress as a community of scholars unselfishly serving the public and taking part in the advancement of knowledge; to fulfill this conception you have secured foundations for chairs and provision for consultancies, and thus have been able to call to the service of the Library scholars of reputation whose presence makes it possible to realize more completely the values which the Library's treasures hold, and to interpret more fully those values for the benefit of all who seek them. And over this community of scholars you have presided, as you preside over the round table which you have made a gracious institution of our National Capital, with urbanity and with that sympathetic understanding, born of wisdom, that inspires to ever greater effort and achievement.

Signed for the American Council of Learned Societies in the city of Washington and the District of Columbia, the 27th day of January 1939.

William E. Lingelbach, chairman; Richard P. McKeon, vice chairman; Harry Miller Lydenberg, secretary-treasurer; Waldo Gifford Leland, permanent secretary and executive.

American Philosophical Society, held at Philadelphia for Promoting Useful Knowledge, 1727; American Academy of Arts and Sciences, 1780; American Antiquarian Society, 1812; American Oriental Society, 1842; American Numismatic Society, 1858; American Philological Association, 1869; Archaeological Institute of America, 1879; Society of Biblical Literature and Exegesis, 1880; Modern Language Association of America, 1883; American Historical Association, 1884; American Economic Association, 1885; American Philosophical Association, 1900; American Anthropological Association, 1902; American Political Science Association, 1903; Bibliographical Society of America, 1904; American Sociological Society, 1905; American Society of International Law, 1906; History of Science Society, 1924; Linguistic Society of America, 1924; Mediaeval Academy of America, 1925.

Fred N. Robinson, R. W. G. Vail, Franklin Edgerton, Alfred R. Bellinger, G. Lincoln Hendrickson, Benjamin D. Meritt, W. F. Albright, Wm. A. Nitze, W. S. Ferguson, Frank H. Knight, C. J. Ducasse, Franz Boas, Frederic A. Ogg, Henry B. Van Hoesen, F. Stuart Chapin, George Grafton Wilson, Henry R. Viets, E. H. Sturtevant, Samuel H. Cross, Arthur Darby Nock, Roy Wood Sellars, H. Theodor Westbrock, J. S. P. Tatlock, H. E. Sigerist, Mortimer Graves, Jeremiah D. M. Ford, Clarence S. Brigham, James R. Ware, Sydney P. Noe, Campbell Bonner, William Bell Dinsmoor, Henry J. Cadbury, George Sherburn, Wallace Notestein, James Washington Bell, Glenn R. Morrow, F. M. Setzler, Kenneth Colegrove, James H. S. Bossard, Elbert D. Thomas, Gregory D. Walcott, Geo. S. Lane, G. W. Cottrell, Jr., W. Norman Brown, Robert C. Binkley, Edwin Mims, Hans

Kurath, Otto Kinkeldey, Harris E. Starr, Charles H. Beeson, Archer Taylor, L. R. Lind, Hugh Borton, Carl H. Kraeling, L. A. Post, John W. Flight, Percy W. Long, Conyers Read, Harold A. Phelps, Roland G. Kent, Robert P. Blake, E. A. Speiser, G. Howland Shaw, Arthur O. Lovejoy, C. H. Haring, L. Carrington Goodrich, Donald Goodchild.

The Clerk read as follows:

For payment of one-half of the salaries and other expenses of the Joint Committee on Internal Revenue Taxation, as authorized by law, \$29,000.

Mr. RABAUT. Mr. Chairman, I offer a committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. RABAUT: On page 10, line 6, strike out "\$29,000" and insert "\$27,500."

Mr. STEFAN. Mr. Chairman, I think it should be explained to the Committee that this is merely a corrective amendment.

The committee amendment was agreed to.

The Clerk read as follows:

LIBRARY OF CONGRESS

SALARIES

For the Librarian, the Librarian Emeritus, Chief Assistant Librarian, Chief Reference Librarian, and other personal services, including special and temporary services and extra special services of regular employees (not exceeding \$2,000 at rates to be fixed by the Librarian), \$1,066,640.

Mr. RABAUT. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RABAUT: On page 31, in line 19, strike out "\$1,066,640" and insert "\$1,073,020."

The committee amendment was agreed to.

The Clerk read as follows:

For the purchase of books and for legal periodicals for the law library, including payment for legal society publications and for freight, commissions, and all other expenses incidental to the acquisition of law books and all other material for the increase of the law library, \$85,000, to continue available during the fiscal year 1941.

Mr. LUCE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I gather from the report it is the opinion of the Committee on Appropriations no substantial increase should be made by reason of the fact that the Librarian Emeritus will presently take up the affairs of that office and there will be a new Librarian.

I express my regret that the committee should not have seen fit to recognize fully the needs brought about by the new building known as the Annex of the Library. This beautiful structure, containing a large amount of additional floor space, makes possible the correction of some defects that have come with the growth of the Library. The reasons given by the committee for not attending to them at once is that the new Librarian should have the direction of the appropriation when made. The appropriation then will provide a large increase in the funds available for the Library. While I have no desire to take issue with the committee, I would point out that the service of the Library to Congress—and it is the instrument of Congress—in the next year will be sadly handicapped by the lack of desirable funds.

There are in the Library now tons of material not yet cataloged, not on the shelves and not available for the use of Members of Congress. Certainly, it seems to me, we could be useful to ourselves as well as to the public if we made available everything there, and I fail to understand why any change in the administration of the Library would affect the necessary work which has piled up in the years of the depression. The Librarian has not asked from year to year for sums desirable, being one of our public servants who has desired to keep his expenses within the minimum absolutely necessary. When he comes before us and points out the need of cataloging this material and getting it on the shelves, I am sorry the committee felt it should postpone the matter,

and I express the hope that there may yet be added to the bill the funds required to put the Library in complete working order. [Applause.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

GOVERNMENT PRINTING OFFICE

To provide the Public Printer with a working capital for the following purposes for the execution of printing, binding, lithographing, mapping, engraving, and other authorized work of the Government Printing Office for the various branches of the Government: For salaries of Public Printer and Deputy Public Printer; for salaries, compensation, or wages of all necessary officers and employees additional to those herein appropriated for, including employees necessary to handle waste paper and condemned material for sale; to enable the Public Printer to comply with the provisions of law granting holidays and half holidays and Executive orders granting holidays and half holidays with pay to employees; to enable the Public Printer to comply with the provisions of law granting leave to employees with pay, said pay to be at the rate for their regular positions at the time the leave is granted; rental of buildings and equipment, fuel, gas, heat, electric current, gas and electric fixtures; bicycles, motor-propelled vehicles for the carriage of printing and printing supplies, and the maintenance, repair, and operation of the same, to be used only for official purposes, including operation, repair, and maintenance of motor-propelled passenger-carrying vehicles, and the purchase or exchange of two such passenger vehicles (at a cost, including the allowance on any vehicle given in part payment therefor, of not to exceed \$1,000 and \$750, respectively), for official use of the officers of the Government Printing Office when in writing ordered by the Public Printer; freight, expressage, telegraph and telephone service, furniture, typewriters, and carpets; traveling expenses; stationery, postage, and advertising; directories, technical books, newspapers and magazines, and books of reference (not exceeding \$500); adding and numbering machines, time stamps, and other machines of similar character; rubber boots, coats, and gloves; machinery (not exceeding \$300,000); equipment, and for repairs to machinery, implements, and buildings, and for minor alterations to buildings; necessary equipment, maintenance, and supplies for the emergency room for the use of all employees in the Government Printing Office who may be taken suddenly ill or receive injury while on duty; other necessary contingent and miscellaneous items authorized by the Public Printer; for expenses authorized in writing by the Joint Committee on Printing for the inspection of printing and binding equipment, material, and supplies and Government printing plants in the District of Columbia or elsewhere (not exceeding \$1,000); for salaries and expenses of preparing the semimonthly and session indexes of the CONGRESSIONAL RECORD under the direction of the Joint Committee on Printing (chief indexer at \$3,480, one cataloger at \$3,180, two catalogers at \$2,460 each, and one cataloger at \$2,100); for the printing and distribution of the Federal Register in accordance with the provisions of the act approved July 26, 1935; and for all the necessary labor, paper, materials, and equipment needed in the prosecution and delivery and mailing of the work; in all, \$3,685,000; to which sum shall be charged the printing and binding authorized to be done for Congress, including supplemental and deficiency estimates of appropriations, the printing, binding, and distribution of the Federal Register (not exceeding \$120,000), the printing and binding for use of the Government Printing Office, and printing and binding (not exceeding \$2,000) for official use of the Architect of the Capitol upon requisition of the Secretary of the Senate; in all to an amount not exceeding \$2,685,000: *Provided*, That not less than \$1,000,000 of such working capital shall be returned to the Treasury as an unexpended balance not later than 6 months after the close of the fiscal year 1940.

Mr. JARMAN. Mr. Chairman, I move to strike out the last word. I do this to direct the attention of the Members very briefly to the proposition to reduce the appropriation for the printing of the CONGRESSIONAL RECORD. I only want to say that I think that subject is covered very fully in the RECORD this morning. I think the RECORD shows plainly what happened in respect to that situation, and I request the members of the Committee to read the remarks on that subject at their convenience. They will prove, I think, first, that the change in the form of the CONGRESSIONAL RECORD is undoubtedly a function of the Joint Committee on Printing, and that no economy will result from this proposed change, because of the fact that unless the Joint Committee on Printing acts on this later, a deficiency appropriation must be passed for the \$135,000 or the \$120,000, whichever it is; that no economy whatever is being effected by this gesture on the part of this subcommittee. I do not propose, however, at this stage of the week, when gentlemen are anxious to go home, and when, as a matter of fact, it is merely a gesture which amounts to nothing one way or the other, since the joint committee will have to act in any event, I do not pro-

pose to offer an amendment and cause a roll call, to the discomfort of the members of the Committee.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. Yes; I gladly yield to the distinguished majority leader.

Mr. RAYBURN. I am glad the gentleman is not going to offer an amendment under the circumstances, but I do say this: If this provision has the effect, or is likely to have the effect, of changing the form of the printing of the CONGRESSIONAL RECORD from a two-column page to a three-column page, I hope the Joint Committee on Printing will not yield to it. I think the RECORD is printed in proper form at the present time.

Mr. JARMAN. I sincerely thank the majority leader for that contribution. May I add, since the gentleman was not here when I talked on this subject yesterday, that I read a telegram quoting him and the leaders on both sides of the aisle in both Houses, as being opposed to this proposition, and, further, I read that telegram to the chairman of this subcommittee and later to his subcommittee before they took action. I think no further remarks are necessary in substantiation of my position. I thank the Committee very sincerely for its attention.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. Yes, indeed.

Mr. BROOKS. I have been informed that this change will effect an economy. Is it the gentleman's idea that it will make no reduction in the cost?

Mr. JARMAN. That is a moot question. Some say it will and some say it will not.

Mr. BROOKS. What is the gentleman's opinion?

Mr. JARMAN. My opinion is that possibly a slight saving might occur, but my opinion is, further, as the gentleman will see if he reads my remarks of yesterday, that even though the whole \$135,000 will be saved, when it is brought to my attention that the elder statesmen of this House, and the other body, on both sides of the aisle, think they would not like the change, that they could not read it as well and that it would provide discomfort for them, I say to the gentleman that so far as I am concerned, with that situation, I do not care to save the \$125,000 or the \$135,000 at the expense of that discomfort to the leaders on both sides of the aisle in both Houses.

The CHAIRMAN. The time of the gentleman from Alabama has expired, and the Clerk will read.

The Clerk concluded the reading of the bill.

Mr. RABAUT. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COSTELLO, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4218) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes, directed him to report the same back to the House with sundry amendments adopted in the Committee of the Whole, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. RABAUT. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is there a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken and the bill was passed, and a motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION AND EXPORT-IMPORT BANK OF WASHINGTON

Mr. SABATH, from the Committee on Rules, submitted the following resolution (H. Res. 96, Rept. No. 73) for the consideration of the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, for printing in the RECORD:

House Resolution 96

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 4011, a bill to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

RECONSTRUCTION FINANCE CORPORATION

Mr. SABATH, from the Committee on Rules, submitted the following resolution (H. Res. 97, Rept. No. 74) for the consideration of the bill H. R. 4012, to continue the functions of the Reconstruction Finance Corporation, and for other purposes, for printing in the RECORD:

House Resolution 97

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 4012, a bill to continue the functions of the Reconstruction Finance Corporation, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

REPORT FROM COMMITTEE ON NAVAL AFFAIRS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the Committee on Naval Affairs may have until midnight tomorrow night to file a report on the naval-defense program, and the same request also if there is a minority report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I am not going to object, I would simply like to know what the program is going to be for next week.

Mr. RAYBURN. On Monday we intend to call the Consent Calendar. I think it will probably take less than 30 minutes. Immediately on completion of that the rules which have just been reported by the gentleman from Illinois [Mr. SABATH] will be called up, affecting the extension of the Reconstruction Finance Corporation and its activities. On Tuesday a rule will be brought in to make in order the consideration of the naval-defense bill. When that is completed the Treasury and Post Office Department appropriation bill will follow; and that will complete the program, as far as I know.

Mr. MARTIN of Massachusetts. This Export-Import Bank extension probably will not be reached next week then?

Mr. SABATH. It is expected it will be reached on Monday. The extension of the Reconstruction Finance Corporation will not take very long. There is no opposition to it.

Mr. MARTIN of Massachusetts. How does the gentleman know that?

Mr. SABATH. I have been informed by the minority members of the Rules Committee. They feel there will be no objection to the extension of the Reconstruction Finance

Corporation. We have agreed on 1 hour of debate and we doubt very much that that time will be utilized.

Mr. RAYBURN. It is hoped to dispose of the two matters, which these rules make in order, on Monday if possible.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn until Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to the order of the House entered on February 2, 1939, the Chair designates the gentleman from Texas, Mr. LANHAM, to read Washington's Farewell Address on February 22 next.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a brief statement by Major General Rivers.

The SPEAKER. Is there objection?

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein certain quotations contained in the remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made in Committee of the Whole and to include therein a copy of the document to which I referred and the address on the envelope to which I referred, and a table prepared by myself.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by Mr. Ross S. Lockridge, noted Indiana historian at my native city, Fort Wayne, Ind., on the Anthony Wayne Memorial.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter addressed to me by Mr. David Lasser. I may say in this connection, Mr. Speaker, that I had consulted the gentleman from Oklahoma [Mr. BOREN], and have a letter from him in which he says that as for himself he does not object to my extending this letter in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by the Honorable Herbert Hoover at the Lincoln Day banquet in New York.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. O'BRIEN for 6 days on account of official business.

The SPEAKER. Under the special order of the House heretofore made the gentlewoman from New York [Mrs. O'DAY] is recognized for 10 minutes.

FRANCES WILLARD CENTENARY

Mrs. O'DAY. Mr. Speaker, some 85 years ago when the present legislative Chambers of the Senate and the House of Representatives were added to the Capitol, the old hall of the House became a memorial hall to the country's illustrious dead. Each State was given the privilege of presenting to

the Capitol statues of two of its greatest citizens. In 1905 the great, progressive State of Illinois broke all precedents and sent as its tribute the statue of a woman—Frances Willard.

Most of Frances Willard's life was spent in Illinois, her great career as an educator achieved its crowning success there, but we of New York claim her also for she was born in the little village of Churchville in Monroe County, N. Y., a hundred years ago. Her bas relief is one of six adorning the great stairway of our capitol in Albany. With the bust of other great Americans, hers has been placed in the Hall of Fame in New York City, and 22 other memorials do her honor in other towns and villages of the State.

Two or three years after her birth her family migrated to Ohio so that her parents could continue their education together, as Oberlin was at that time the only coeducational college in America.

Later they moved to Wisconsin where her father served in the legislature, but when the time arrived for Frances and her sister to finish their education the family moved to Evanston because there had been established a Northwestern Female College. According to its prospectus it furnished a "curriculum equivalent to that of Yale and Harvard Colleges." "Equivalent" you notice, not "identical." Higher education for women was a novel idea then.

She graduated from that college at the age of 20, and no other profession being open to women in those days, became a teacher, for her active spirit could not tolerate idleness.

Then came 2 years of travel in Europe and study at the Sorbonne and University of Paris. On her return she became president of the Evanston College for Ladies, successor to that college from which she had graduated. It was wholly staffed by women, and she was the first woman college president in the country to give degrees to women. Later it was merged with the great Northwestern University, situated at Evanston. There Miss Willard was given a professorship and was appointed dean of women.

When she resigned from the university it was to become, through conviction, a worker in the temperance movement, which was just beginning, and she soon became its leader.

The Woman's Christian Temperance Union began as an organization to combat intemperance, but Miss Willard found it to be "the open door through which she entered into her service for the world." Under her magnificent leadership it became a world-wide power for social justice.

Eloquent, witty, vivid, her charming personality drew to her and to the cause of temperance a vast following.

Her clear statesmanlike mind, her fearlessness, and her spirituality, her warm sympathy for every phase of humanity held that following to her. Her fame spread over the country, and she traveled far and wide through the States on her lecture tours. Canada and England called her, and there ovations greeted her. Her fame penetrated all Europe, and today there are local branches of the W. C. T. U. in almost every civilized country of the world. The branches in the Far East and in the Near East are rendering valuable service to the narcotic division of the League of Nations in combating the evils of the trade in opium and other drugs.

It was Miss Willard who organized the International W. C. T. U., the first organization of world women for any cause whatever, and that led to her organizing, in cooperation with Susan B. Anthony and May Wright Sewall, the National Council of Women of the United States, a clearing house for women's activities here and throughout the world, and it held its first meeting here in Washington before a gathering of 5,000 people.

She became its president, and she was for 19 years president of the national and for 7 years president of the International W. C. T. U.

We of today think of Miss Willard only as a great reformer. She was more than that; she was a woman of vision. She was a crusader, and like all crusaders was years ahead of her time.

She saw the necessity for woman suffrage, and 40 years before it was attained she swung the powerful influence of her

organization in its favor while she worked in cooperation with the great women leading that crusade.

A friend of labor, she said to the W. C. T. U. "the labor question is our question," and she incorporated into her declaration of principles in 1874 this paragraph:

We believe in a living wage, in an 8-hour day, in courts of conciliation and arbitration, in justice as opposed to greed of gain, in peace on earth and good will to men.

Writing in protest against inadequate wages, she said:

The triumph of the labor movement will change all that. The unit of value will be a day's work with brains or hand, honestly done and fairly measured. As an offset to that day the one who lives it shall have shelter, food, clothing, what we call the comforts of life.

And again she wrote:

I believe it will come about some day by evolution, not revolution, that the tools of production, transportation, etc., will belong to the people, and that everybody will do some physical work each day in the adequate employment of everyone.

In 1886 she wrote:

We have a million unemployed men in America today. Why not, then, reduce to 8 hours of daily labor and make room for them? This change is sure to come and is no more revolutionary than was the change from 16 hours to 10.

One would almost say Frances Willard was a prophet.

And today, a hundred years after her birth, her centenary is being celebrated by the Library of Congress, the Sorbonne, the University of Paris, Alpha Phi International Fraternity, International Council of Women, and many other institutions and organizations, and by the W. C. T. U. in 54 countries.

The gloom that shrouds our world today is pierced for a moment by the radiant spirit of a woman—an American woman, Frances Willard. [Applause.]

PERMISSION TO ADDRESS THE HOUSE

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes at the conclusion of the address of the gentleman from Illinois [Mr. CHURCH].

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER. Under the special order of the House heretofore entered, the Chair recognizes the gentleman from Illinois [Mr. CHURCH] for 10 minutes.

FRANCES WILLARD CENTENARY

Mr. CHURCH. Mr. Speaker, this year, 1939, marks the centenary of the birth of Frances Elizabeth Willard at Churchville, N. Y., on September 28, 1839. Today, the 17th of February, marks the anniversary both of her death 41 years ago in New York City on February 17, 1898, and also of the presentation of her statue in this Capitol by the State of Illinois as a tribute to one of its most distinguished citizens. The inscription thereon well bespeaks the esteem in which the whole world holds her:

Ah! it is women who have given the costliest hostages to fortune. Out into the battle of life they have sent their best beloved, with fearful odds against them.

Oh, by the dangers they have dared; by the hours of patient watching over beds where helpless children lay; by the incense of 10,000 prayers wafted from their gentle lips to Heaven, I charge you give them power to protect along life's treacherous highway those whom they have so loved.

Though Frances Willard was born in New York, she spent most of her life in Illinois. In her young girlhood she came to Evanston, my home town, to attend school, and remained to become later the president of the Evanston College for Ladies, the dean of women in the Northwestern University, and the president of the National Woman's Christian Temperance Union, with headquarters there.

DEDICATION OF NEW WILLARD HALL IN EVANSTON

On September 28 last the Northwestern University inaugurated the celebrations of the centenary year by dedicating a handsome new Willard Hall to commemorate the fact that women gained admission to the university largely through the influence of this gifted and persistent pioneer for educational advantages for women.

As part of the ceremony, sponsored by the alumnae and the Alpha Phi Sorority, President Walter Dill Scott, in accepting the key to the building, said:

We are meeting here today to carry on the program which Frances Willard started on July 4, 1871. We are merely providing a larger building, a safer building, a more adequate building, and a more beautiful building. But with it all this is still Willard Hall. This key is to symbolize the opening of the new building and the continuation of the work of Frances Willard, and completes a memorial which is even more significant than any other of the hundreds of memorials in her honor.

MISS WILLARD'S INFLUENCE ON THE YOUNG

President Scott, no doubt, thought of Willard Hall as being most significant because of its relation to the advancement of the education for women, but many of the other memorials connected with education of the young stand preeminent—school buildings bearing her name; portraits, busts, and plaques of her in schoolrooms; anniversary-day programs established by law in many States.

Of these programs one of the largest newspapers in Oregon, on September 28 of a certain year, carried the following editorial:

The tribute which State law decrees shall be paid today in every school in Oregon is more than a testimonial to the services of a remarkable woman to the temperance cause. It is a formal recognition also of the achievements of one who, distinguished in other ways, peculiarly united talent for leadership with a fine sense of what constitutes the essentials of character. She was a temperance advocate, but she was more. Her plan embraced every worth-while movement by which the humanities might be advanced in practical ways.

Miss Willard painted on a canvas as large as the world. She saw issues in relation to all people, everywhere, and she comprehended the necessity for laying a solid foundation for the structure to come. Her conceptions were those of an idealist, but she executed them with the pains of one who builds for all time. * * * Withal it was her gift of seeing things straight and her capacity for discarding the nonessentials to which chiefly was due the profound impress of the personality she left on every movement with which her name is associated.

Both temperance and the political advancement of women are deeply indebted to Miss Willard; but so is that still more essential principle that character building comes first of all in the education scheme. The story of her life cannot be read with full understanding except as it includes the social contrasts she witnessed during her lifetime. It will not be gainsaid that the world has been made a better place to live in as a result of her work.

PROGRAM FOR WORLD ORGANIZATION OF WOMEN

Frances Willard's program for the organized women of the world as stated by herself fits in precisely with the editor's conception of her:

To educate the young; to form a better public opinion; to reform as far as possible by religious, ethical, and scientific means the drinking classes; to seek the transforming power of divine grace for ourselves and for all for whom we work; that they and we may willingly transgress no law of pure and wholesome living; and, finally, we pledge ourselves to labor and to pray that all these principles, founded on the gospel of Christ, may be worked out into the customs of society and the laws of the land.

Mrs. Robert Burdette, one of the founders of the Alpha Phi Sorority, of which Frances Willard was once president, sent a testimonial to the dedicatory services of the new Willard Hall. It was a tribute to the influence of Miss Willard on college girls, one paragraph of which I quote:

My memory of Frances Willard—

Mrs. Burdette writes—

is that of my young womanhood of an older woman. She has always been to me a very real and living presence because of a question she asked me. I still seem to feel her gentle touch upon my arm as she said, "Clara, what are you going to do with your life?" That was characteristic of her. She was always using the present opportunity to help build you a better future.

MILITANT ADVOCATE OF RECOGNITION OF WOMEN IN THE CHURCH

Equal if not surpassing her interest in education was her interest in religion and women's participation in church activities. Devoutly loyal, she persisted in talking as well as listening until finally reward came by her election, with four other women, as delegate to the general conference of the Methodist Episcopal Church. Today her home church in Evanston honors her by a stained-glass window, placed there by a family in appreciation of this very loyalty and persistency.

More than three dozen other churches in the land—Presbyterian and Baptist, as well as Methodist—have similar memorial windows. The most recent and one of the most beautiful has been recently placed in the Heinz Memorial Chapel at the University of Pittsburgh. It was ordered by the will of Henry John Heinz, who throughout his busy life devoted himself to promoting Christian education in the Sunday school.

A CHAMPION OF WOMAN SUFFRAGE

Frances Willard was from her early childhood a patriot and a civic leader. When her brother Oliver went to cast his first vote she is said to have exclaimed to her sister Mary, "Wouldn't you like to vote as well as Oliver? Don't you and I love our country just as well as he does, and doesn't the country need our ballots?"

When she grew up and became the leader of a great band of organized women she argued and urged the necessity of franchise for women, until finally in 1879 the vote was carried and the national convention adopted the suffrage plank. While to others in later years came the realization, it was the dream of Frances Willard come true.

FRANCES WILLARD A WORLD CITIZEN

Many other testimonials could be given on this memorial day, but I should like to include just one other which pictures her influence on the women in many lands other than our own. It is a tribute paid to her by Lady Henry Somerset, of England, in 1892:

To no special cause did Frances Willard belong; her life was the property of humanity; and I believe there was no single cry that could rise from the world, not one "wail of weakness" of any kind, that did not call her to rise and go forth in that chivalric strength and gentleness that have clad her as with a holy panoply in the battle of life. * * * To no other could be given that rare combination of power and perfect gentleness of playful humor and tender pathos, that strange mixture of reserve with an almost childlike confidence, and, above all, that sublime spirituality that always made you feel how near she was to the invisible.

She was welcomed in England as I suppose no philanthropist has ever been welcomed in our time. * * * The vast meeting that was organized to greet her at Exeter Hall (London) was the most representative that has ever assembled in that historic building. * * * On the platform sat members of Parliament, dignitaries of our own church, and temperance leaders from the Roman Catholic Church, leaders of the labor movement and of the Salvation Army, and delegations from the Methodist, Baptist, and Congregational churches and the Society of Friends. * * *

A woman called of God, a woman who preached Christ in politics, Christ in the home, the equality of men and women, the liberation of the oppressed, the destruction of legalized wrong, the upbuilding of all that was great in home, in government, and in the Nation. And she who had gone forth without money and without influence, but with an untarnished name, a clear brain, and indomitable will, and a God-given inspiration, had in her 20 years of work gathered round her not the sympathies of her own land only but the admiration and good will of the whole English-speaking race. The time she spent in England was a triumphal procession, and greetings awaited her in every city of importance throughout the whole of Great Britain and Ireland. * * * Wherever she went her clear, incisive thought, the pathos and power of her words, and perhaps most of all the sweet, gentle woman, won the heart as well as the intellect of all who met to greet her and assembled to hear her.

Achievements of Frances Willard outspan the Nation; her idealism, courage, and power of organization touched for eternal good every corner of the universe. It is therefore with immeasurable pride that Evanston, Ill., claims distinction as the center of her activity, as the chief beneficiary of her life full spent for others. It is therefore with equally signal pride that I, among the humblest of her neighbors, today, on the anniversary of her death, cite Frances Willard to the Congress of the United States as an everliving spirit and force.

The SPEAKER. Under the special order of the House the Chair recognizes the gentleman from Arizona [Mr. MURDOCK] for 10 minutes.

JOSEPHINE BRAWLEY HUGHES

Mr. MURDOCK of Arizona. Mr. Speaker, I rise to speak extemporaneously at this time, but I think appropriately, following the splendid addresses to which we have just listened, paying tribute to a great and noble character, a leader among American women. About 2 evenings ago on the floor below in this Capitol I witnessed an impressive ceremony in honor of

Susan B. Anthony. Following these memorial addresses and ceremonies during the past 2 days both for Susan B. Anthony and Frances E. Willard, I feel I ought to comment on the wonderful achievements of another famous American woman in the far-away southwestern corner of our country, at Tucson, Ariz.—one who actually assisted and was assisted by both of these leading spirits a generation ago.

I refer to Mrs. Josephine Brawley Hughes, Arizona's Susan B. Anthony and Frances E. Willard tied up in one energetic personality. This woman came to Tucson, Ariz., when it was a little frontier town, and she tried out, first in Arizona Territory and later in the State of Arizona, several great sociological ideas advanced by her eastern friends. Great movements often start in some distant corner of the country and become Nation-wide. It was so with prohibition and with woman suffrage. Mrs. Hughes was remarkably successful in the corner where she worked.

Mrs. Josephine Brawley Hughes is one of the most interesting women who came to early Arizona. When she reached Tucson in 1874 she was the third homemaker from the Eastern States to come to the Old Pueblo to make a home for her husband and family, and try to make Tucson and all Arizona fit places in which decent people could live. She had come from Pennsylvania to San Francisco by sea, and thence to San Diego, and by stage from San Diego to Tucson, carrying her little daughter as a babe in arms. The husband, who later became Governor of Arizona Territory, had come a year or two ahead of his wife and baby girl and had established a home at Tucson. It was a hard and dangerous trip for Mrs. Hughes and baby Gertrude across the desert and through Indian country.

The stage was run day and night with no stops except to change horses. The stage coach bounced around on its leather springs until the passengers could scarcely stay in their seats. At one time baby Gertrude was bounced clear out of the arms of her mother, but, fortunately, landed in the soft sand through which at that moment they were passing. Mrs. Hughes carried a loaded rifle, also, to be used in case of Indian attacks, but she was uneasy all the while for fear the jolting of the stage coach might fire the gun.

Tucson in 1874 was not the modern beautiful and pleasant city that it is today. Most of the houses were crude adobe dwellings. Dirt floors were everywhere. Insects of all kinds were numerous, and tarantulas, scorpions, and centipedes, as well as cockroaches and mosquitos were troublesome. Mrs. Hughes got rid of some of this insect life by getting a flock of chickens as soon as possible. She introduced carpets, as well as board floors, and brought the idea of screens for doors and windows, as well as candle molds for tallow candles, from Pennsylvania.

There were no electric lights in Tucson then. Each house was lighted with a burning rag dipped in a saucer of grease. Water was sold for drinking purposes by peddlers at 10 cents a bucket. This had to be brought from springs some miles away. The washing of clothes was done by native women who took them to the nearest stream and dipped them in the water. Then, with home-made soft soap they rubbed them on a flat rock, slopped them up and down in the water again and hung them on mesquite trees to dry.

When Mrs. Hughes first came to Tucson, there was very little fruit to be found there. Pomegranates and quinces were brought from Mexico in wooden-wheeled carts. Sometimes the Mexicans brought sugarcane, which was sold to the inhabitants of the city. The children could not buy candy, so they took short sticks of sugarcane from which they sucked the sweetness. These were the first all-day suckers to be used in Arizona.

Along with her first endeavor to improve the living conditions there, Mrs. Hughes gave herself to those tasks which thoughtful women saw to be paramount. Having been a disciple of both Susan B. Anthony and Frances E. Willard she felt that temperance conditions ought to be improved and that it must be done chiefly by women. Saloons were everywhere. Homes were deprived of what they should have because of the prevailing intemperance. As Mrs. Hughes started out to cure the drink evil she soon found she would

be unable to go forward unless the good women of the community had the ballot in their hands. So, as an effective means of attack, she advocated woman suffrage even at that early date.

She had a little son named John. Along about 1890 she attended a great national suffrage convention here in the East and brought her little boy along. At that national convention Susan B. Anthony picked up the little boy John, brought him up on the rostrum before thousands of zealous women, and there she laid her hands upon his head with almost religious ceremony, and dubbed him the Suffrage Knight of Arizona.

This boy grew up. Arizona was admitted into the Union as a State in 1912. John Hughes was one of the two State senators from Pima County, Ariz., in the first State legislature. I may pause long enough at this point to say that in forming the Constitution of the State of Arizona the woman suffrage provision and the prohibition provision were not inserted in the State constitution, although a strenuous attempt was made to do so.

In the first Legislature of the State of Arizona, Senator Hughes introduced amendments covering both propositions and they were incorporated in the Constitution of the State of Arizona almost from the beginning of its statehood. Thus the work of Susan B. Anthony and Frances E. Willard in a Nation-wide effort, faltering in eastern communities where the atmosphere was hostile, found its first fruition in the Southwest where conditions were more favorable and where Josephine Brawley Hughes was on the job.

I may add that Mrs. Hughes, with all of her family cares, started a newspaper in Tucson, Ariz., as a means for carrying on her battle for righteousness, for prohibition, and for woman suffrage. Arizona was one of the very first of the States of the Union to have woman suffrage, and this was years before the nineteenth amendment was added to the Federal Constitution.

Mr. Speaker, in asking your indulgence, I take this brief moment to pay tribute along with my colleagues to the great work of Susan B. Anthony and Frances E. Willard and to point out that much of its fulfillment was due to the efforts of their comrade, Mrs. Josephine Hughes, of Arizona. [Applause.]

EXTENSION OF REMARKS

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of cotton and to include a resolution adopted by the Arkansas Legislature, as well as an editorial taken from the Gazette.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. NORRELL]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute on Frances E. Willard.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. BOLLES]?

There was no objection.

Mr. BOLLES. Mr. Speaker, in this, the centennial year of the birth of Frances Willard, one of America's greatest women and first to be honored with a statue in the American Hall of Fame, we have heard a number of eulogistic speeches. Gentlemen from New York and Illinois have paid tribute to Frances Willard, one because she was born in the State of New York, others because she went to college there and became a resident of Illinois.

But, Mr. Speaker and my colleagues, the real life of Frances Willard was not formed in New York, nor in Illinois; the plan and outline of her future greatness was the product of Wisconsin. There into the Rock River Valley, 3 miles from the village of Janesville, came her father, to be like other pioneers—called by the western sun out of Ohio along the trail of homeseekers. Frances Willard was 6 years old—a rhyming, romping, roaming girl seeking adventure among the simplicities of the pioneer world.

Josiah Willard, her father, was a citizen of value. He helped to build. His home, still standing, is a good house

now. He was president of the second Wisconsin State Fair held in Janesville. There was no schoolhouse; he helped build one. It was in the successor to that schoolhouse, the first and oldest shrine to Frances, that she taught school. That little white building still stands, preserved with its grove of trees and yard sloping to Rock River's banks by the W. C. T. U. of Rock County, Wis. Recently a caretaker's home has been provided and in the building will be preserved many souvenirs of the life of our great American woman—pioneer and preacher, evangelist of a new life for posterity.

The girlhood life of Frances Willard was a part of this great epic of America written by the men and women who, persecuted, whose horizon was narrowed by incompetent authority, hungry for some mystic bread of life, asked for lands, roads, freedom, open doors to opportunity, release from the clutches that held them to toil and monotony. This epic begins with the explorer. He found America. He mapped its shores. He threaded its rivers and crossed its lakes. The priest, the preacher, and the teacher came; and then the pioneer, with Bible and rifle, with ax and plow. He built villages—they became cities. He laid out patches of garden—they became farms. He cut crooked trails for his cattle and wagons—they became great traveled highways. He made dugouts to carry his products to market—they grew into transportation lines, with canal boats, sailing vessels, steamboats, and steamships. He dammed the little streams and industry began to mark its place with song of wheel, murmur of grinding grain, and clang of iron and steel.

He landed in the warm and inviting Virginia; he came ashore at the bleak rock at Plymouth; he poled his canoe and flatboat up the Hudson and Mohawk; he stood under the great tree at the City of Brotherly Love; he found asylum in Maryland; he cut back the wilderness a few miles from the shores of the ocean that stood both as a barrier against his return to the homeland and as a bulwark against further tyranny. He sang his old French love songs in Wisconsin forests, trapped its beaver, traversed its pathless woods, told his stories of romance and adventure. Then came the settler. The Willard family was a part of this great westward trek.

His patient oxen took him on new trails. He crossed mountains periled by snow and avalanche. He forded rivers, risking death from whirlpool and flood. He dragged on over sodden ground, slowly, painfully, but persistently, chopping new roads, blazing new and hopeful highways that others might follow and be his neighbors. He dared the savage; he challenged Nature; he shook his fist in the face of difficulties; and finally he became the new settler in Wisconsin.

He fought—this Wisconsin settler with his family—the pressing horrors of isolation and starvation. Every farm home in all Wisconsin is built on a battlefield where man contested with resisting Nature, and he won the final victory of success with a home and a family. Thus did Josiah Willard. And lo, where there had been a wilderness, with its maddening and awful silence, where rivers ran eternally unladen to the sea, where savage reigned supreme, where wild forest denizens held high riotous carnival, there arose an empire of the common people within this century.

Of this empire the girl school teacher, Frances Willard, in the Rock River Valley was a part.

Had the commoner in Europe been content this world would still have been a realm of silence. Had the Virginian and the Yankee been content there would have been no Northwest Territory and no Wisconsin, no Rock County, and no village or city there. Had the German, the Irish, the Norwegian been content we should not have had him as a solid citizen of Wisconsin.

This new Wisconsin was no place for the indolent, the coward, or the shirk. This was no place for the white-collared youth, the dilettante, or the effeminate. This was no place for the evanescent shadow of life, the social butterfly, or the drone. This was no place for the parasite or the aesthete. In the Willard household, work was the daily routine.

Beauty was all around the settler in the Rock River Valley. He had come to a place where every prospect pleases. From

the hilltops he could see great waving forests of green. Between were silver sheens of lakes and bounded prairies. There flowers lifted blossoms to the sky in a barbaric riot of color, rivaling the sun in its chromatic display. The breath of spring, the sky of summer, the glory of the master paintings of the woods in the fall—there were pictures hung here by Omnipotence for his delectation. The first settler needed no Louvre and no other gallery of art for his cultural side. Unconsciously his soul responded to this great oratorio without words and perhaps without understanding why.

It was of these that Frances Willard often wrote in her diary. These beauties which God had planted for her had a marked influence on her life. Her music was the wind in the forest, the summer rain, the deeper diapason of the threatening storm, the beating of the snow against the windows.

Josiah Willard's farm was a way of living. His home was his castle, his farm his landed domain, his retainers were all members of his own family. Each home was an industrial plant. Each member of the family had a task to perform. He had flour if he raised wheat. The packing house might be far away, but he had his own. His shoes were not made in a great factory. His grist was ground at the mill close by. The streams were harnessed, and the water wheel was a chained slave.

This, Mr. Speaker, was the land in which Frances Willard grew up. Here character was formed; that character which made her truly great. Wisconsin shares deeply and widely and eternally in the life of Frances Willard.

PERMISSION TO ADDRESS THE HOUSE

Mr. HILL. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the reading of the Journal and the disposition of matters on the Speaker's desk, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on next Wednesday, at the conclusion of the special order heretofore made, I may be permitted to address the House for 25 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARCANTONIO. Mr. Speaker, I again call the attention of the country and the Members of the House to the fact that now 10 days have elapsed since the President has asked for the immediate consideration of an additional appropriation of \$150,000,000 for the Works Progress Administration. Forty-two days remain before the ax will fall on 2,000,000 people. The country demands action.

RECIPROCAL-TAX LEGISLATION

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to include therein a statement I made before the Senate Committee on Reciprocal Taxation.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. BREWSTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement made by me on behalf of the State of Maine and the attorney general of the State of Maine, at the hearings before the subcommittee of the Senate Committee on Finance to consider proposals to levy taxes upon the income from State and municipal bonds:

Mr. Chairman and gentlemen of the committee, the attorney general of Maine had been most anxious to appear before your committee on behalf of the State of Maine and join with his brothers, the attorneys general who have appeared here today,

in formal protest to this committee against the constitutionality of the proposal under consideration. However, the legislative session in Augusta has made it impossible for him to get away and he has therefore asked me to appear on his behalf today as the spokesman for the State of Maine.

VIEWPOINT OF MAINE

The views here expressed are primarily those of the legal department of the State of Maine although I have personally participated in some of the conferences during the past year in Washington among the legal representatives of the various States and the officials of the Federal Government and have indicated my own individual conclusions and convictions in the vote which I cast yesterday in the House against the legislative proposal to institute reciprocal taxation of State and Federal salaries by statute. The question involved is very similar as one involves the question of whether the Federal Government may tax the agents of the State and the other the agencies. Taxation by the Federal Government in either field must equally impair the operations of the State in the exercise of essential governmental functions and this seems clearly to have been prohibited by the Supreme Court as beyond the constitutional power of the Congress by a consistent series of decisions over a long term of years.

The distinction as to nongovernmental functions drawn in the *Gerhardt* case seems to accentuate rather than to modify the doctrine earlier established.

It may be proper for me also to say that I have also reached the conviction that a constitutional amendment conferring this reciprocal power of taxation upon the Federal and State Governments would now be warranted and wise in view of the very great expansion of governmental activities in recent years and the unwisdom of creating a privileged class exempt from sharing the burdens of the Government.

While it may be argued that the position of these reciprocal taxes will simply be added to the expenses of government in each sphere by the resultant increases in compensation, I do not believe this is likely to be the practical result. I am accordingly quite ready to support a constitutional amendment designed to authorize reciprocal taxation of State and Federal salaries and income from securities.

LEGISLATIVE COUNSEL

I present this, however, as my individual views and not as those of the State of Maine. I am fortified in this opinion by the very recent report under date of February 10, 1939, of the chief of staff of the Joint Committee on Internal Revenue Taxation, who has arrived at a similar conclusion after a most exhaustive examination of the authorities. It seems to me that the Members of Congress may well pay most respectful heed to the studies of the counsel of this committee concerned solely with the constitutional and statutory questions that are involved.

ONE-WAY RECIPROCITY

I wish now, however, to address myself to certain of the specific arguments presented by the Department of Justice in arguing the case as to the constitutionality of the legislation here proposed.

The Department of Justice has submitted to this committee a study in which we find the startling assertion (p. 10), attributed apocryphally to Marshall, "that the principle of immunity protected the Federal Government against taxation by the States, but did not reciprocally shield the States against the exercise of the delegated and supreme taxing power of the Central Government."

In other words, we are told that so far as the Constitution is concerned, the States themselves are subject to what is labeled by the Department of Justice itself as the supreme taxing power of the Central Government. The Department of Justice did not say that the Federal Government might tax only State bonds. The language I have read claims that the principle of immunity does not shield the States from Federal taxation. Furthermore, it is my understanding that in his presentation before this committee the chief counsel for the Bureau of Internal Revenue referred to the right of the Central Government to tax the instrumentalities of the States.

In other words, Mr. Chairman, we are told now, for the first time in our history, that nothing in the Constitution stops the Federal Government from asking the State of Maine to pay a tax on its own security holdings, or even to file a Federal income-tax return on its revenue receipts. Indeed, the logic of their contention compels them to stand by such an assertion of power, for their whole argument in support of a literal interpretation of the words "from whatever source derived" crumbles to pieces if they are forced to admit that in the course of interpretation that phrase must not, in any way, be qualified.

In Maine we perform many public services for which we make charges. We have toll bridges, municipal utilities, and similar public works. The committee will, therefore, see why we must view with genuine alarm, an assertion of the chief legal officer of the United States, that the State is absolutely subject to Federal taxation of any kind, with the sole qualification that the tax be not discriminatory as between the State and a private person.

We must also take sharp exception to the contention of the Department that the rule of intergovernmental immunity under our Constitution only works one way; that is, that the Federal Government enjoys the full benefit of this necessary rule of constitutional interpretation but that on the other hand it does not shield the States against a direct application of the Federal power to tax. They flatly assert (p. 9) that the rule of immunity is one of "Federal supremacy." They say, of the many cases

upholding the equal immunity of the States from the Federal power to tax, that they cannot "confidently be said to be good law today." And finally, they make the perfectly amazing statement that, though the *Pollock* case is the law of the land today, "this is not a matter of great importance" (p. 61).

HISTORIC POSITION OF SUPREME COURT

It is our position that these sweeping assertions are in complete error. For the past three-quarters of a century the United States Supreme Court has never once deviated from the view that the immunity rule gives the States exactly the same protection as it gives the Federal Government. The Department of Justice has tried to build an argument by patching together a scrap of an argument from one case, a dictum from another, a dissenting opinion from a third, and so on. Their arguments had to be indirect, because every direct expression by the United States Supreme Court, whether in majority or minority opinions, would disprove the Department's case. We do not have to rely on indirect proof to show the equal application of the immunity rule to the States. Even restricting our study to the cases cited by the Department of Justice, we have been able to list no less than 34 clear recognitions by the Court of the reciprocal character of this rule, as between State and Federal Governments. A quotation of the language which the Court used in each of those cases would no doubt be convincing. But the uniformity with which the Court has upheld the reciprocity of the rule would make such a recital unnecessarily repetitious.

Typical of the Court's repeated statements of the reciprocal nature of the rule is the following language used by Mr. Justice Stone in 1936, when he said that the immunity rule "is equally a restriction on taxation by either of the instrumentalities of the other" (*United States v. California*). Indeed, in many cases the immunity of the States and the reciprocity of the rule were about the only points on which both majority and minority Justices were able to agree.

ONLY EIGHT CASES

Many of these statements by the Court may be dicta. As a matter of fact the Department of Justice says that in "only eight cases has a Federal tax ever been declared invalid by the Court as invading an immunity pertaining to the States." The Department apparently feels that a doctrine isn't well supported if it has only eight United States Supreme Court holdings to back it up. But, few doctrines of constitutional law can boast one-half as many supporting precedents. I suppose that the Wagner Labor Act, for example, is not any the less constitutional because it was upheld in "only" one United States Supreme Court decision.

We may ask, then, on what does the Department of Justice rely when it urges that the States have no immunity whatsoever? Very simply, it is this: That the Federal Government is supreme and only this so-called Federal supremacy justifies immunity. It is my considered judgment that such a contention constitutes a very dangerous attack on the States.

FEDERAL SYSTEM REQUIRES STATES

The States find a consistent philosophy in all these cases on the immunity rule. That is, that governmental immunity has always been insisted upon by the Court to prevent the disruption of the delicate balance of powers between the States and the Federal Government. In other words, the rule is not based on the supremacy of either government. It is designed rather to avoid a one-sided supremacy which might unbalance the Federal system. That reason obviously applies equally to the Federal Government and to the States. When any of the early cases based the immunity of the Federal Government on "Federal supremacy" it is clear that they meant the supremacy of the "Federal system" and not of the Central Government. The preservation of the States is just as important to the preservation of the Federal system as is the National Government.

All the cases make it clear that there is no such thing as the supremacy of the Federal Government, except, of course, in the fields which the States have delegated to it. And the cases are just as unanimous in insisting that the States are equally supreme in their field. In other words, if supremacy is the reason for the immunity rule, there is no difference between the Federal Government and the States whatsoever. The States are as supreme in their field as the Federal Government is in its field.

GERHARDT CASE

The Department of Justice tries to bolster up its argument by certain language in the recent case of *Helvering v. Gerhardt*. But there is no intention whatsoever in that case to give the impression that the States have lost their immunity from Federal taxation. In the first place, Justice Stone clearly stated that State immunity was an established and sound doctrine of our constitutional law. As a matter of fact, he said that it had been decided—

"That the taxing power of the Federal Government is nevertheless subject to an implied restriction when applied to State instrumentalities * * *"

And the Court also showed its concurrence in our interpretation of the reason for that immunity. Justice Stone said:

"The immunity which it implied was sustained only because it was one deemed necessary to protect the States from destruction by the Federal taxation of those governmental functions which they were exercising when the Constitution was adopted and which were essential to their continued existence."

In the second place, the Court laid down two careful tests for applying State immunity. Can we possibly assume that they would lay down tests for applying the immunity if they meant to reject the doctrine outright?

WHAT IS CONSTITUTION AMONG REPRESENTATIVES?

But the Department of Justice insists that there is a difference between the Federal Government and the States sufficient to make a difference in their immunity. Thus, it is argued that because the States are represented in Congress they may not complain that a tax levied against them by that Congress is unconstitutional.

In reply we express some amazement that the Department should champion a suggestion, even though it may have slipped from the pen of a distinguished jurist, that in effect would nullify the entire reasoning of the doctrine of *Marbury v. Madison*. Constitutional rights find their ultimate protection in the Supreme Court and are not to be compromised even by the will of Congress. To suggest that a challenge to the constitutionality of a statute can be met with the obvious irrelevancy that the person or the State who challenges the act has no standing because he was represented in Congress would seem to be a complete distortion, both of the powers of Congress and of the duties of the Supreme Court. Since when has it been a valid argument that the Constitution of these United States does not protect an American citizen or a State of the Union because he or it is represented in the Congress? Since when is the Congress free to disregard the constitutional safeguards of the civil and religious rights of minorities because those minorities are represented in Congress?

The Department of Justice's argument seems to say to the States: "What right have you to complain about this act? Your own Representatives in Congress passed it."

MINORITIES EVERYWHERE

But there are always minorities in Congress. They may represent agricultural States, seacoast States, Lake States, cotton States, automobile manufacturing States, oil States, and sometimes, I may add, there are even Democratic or Republican minorities. Suppose the majority of Congress in any such field should take action which prejudices that particular minority in violation of the Constitution. Can the fact that those minority States are represented in Congress possibly be a sufficient answer to them when they seek to prove that the Constitution forbids the action? In the last analysis such a contention would simply substitute the will of a majority of Congress for the interpretative protection of the Supreme Court.

Suppose some Congress decides to levy a discriminatory tax on State bonds at a rate twice as high as that on any other bonds. It would be cold comfort to the States if their own representatives had passed it. It must be plain, Mr. Chairman, that the contention misses the whole point of a written constitution.

STATES NEED PROTECTION

And if it is a question of the need for the immunity rule, may I suggest that the States need immunity from Federal interference much more than the Federal Government needs immunity from State interference. If I may say so, the Federal Government seems strong enough to protect itself these days. On the other hand, the States which happen to be in a minority at any given time have a much more real need for protection against interference by the Federal Government.

The Department of Justice argues, in effect, that *Helvering v. Gerhardt* has abandoned the constitutional guaranty of equal sovereignty as between State and Federal Governments in their respective fields. Four judges joined in the majority opinion in that case. The record of each one of them makes it impossible to assume that they meant to take any such drastic step. The brief which the States have submitted in opposition to the Department of Justice's study shows convincingly that every one of the judges who took part in the *Gerhardt* decision had joined in numerous cases, in which he clearly reiterated the doctrine of equal State immunity. Mr. Justice Stone, who wrote the *Gerhardt* opinion, also wrote the language I quoted above that the immunity rule "is equally a restriction on taxation by either of the instrumentalities of the other."

The opinions of Mr. Justice Stone, affirming the immunity of the States, number at least 20. Chief Justice Hughes has supported State immunity in no less than 18 opinions. Mr. Justice Brandeis has to his credit at least 22 reaffirmations of State immunity. The same story applies to each of the other Justices. Each of them has repeatedly emphasized the very rule of equal State and Federal immunity, which the Department of Justice disputes.

TAXATION WITHOUT CONSENT

I submit, on behalf of the State of Maine, that this attack on our immunity from Federal interference is of grave concern. We ask this committee to repudiate any suggestion that the States which you represent are not the constitutional equals of the Federal Government in the field of intergovernmental taxation. We urge that if any step to tax the States be considered at all, it should be considered only with the States' consent, by constitutional amendment. Taxation without consent is a protest that goes pretty far back into the origins of American history.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 12. An act for the relief of Dica Perkins; to the Committee on Claims.

S. 26. An act to empower the President of the United States to create new national forest units and make addi-

tions to existing national forests in the State of Montana; to the Committee on Public Lands.

S. 128. An act for the relief of Fred H. Beauregard; to the Committee on Claims.

S. 129. An act for the relief of Howard Arthur Beswick; to the Committee on Claims.

S. 142. An act for the relief of Jack Lecel Haas; to the Committee on Naval Affairs.

S. 189. An act to provide for the confiscation of firearms in possession of persons convicted of felony and disposition thereof; to the Committee on the Judiciary.

S. 494. An act to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King," John Philip Sousa, composer of *The Stars and Stripes Forever*; to Committee on the District of Columbia.

S. 513. An act to provide for the promotion on the retired list of the Navy of Fred G. Leith; to the Committee on Naval Affairs.

S. 545. An act for the relief of George H. Pierce and Evelyn Pierce; to the Committee on Claims.

S. 588. An act to provide for an additional midshipman at the United States Naval Academy, and for other purposes; to the Committee on Naval Affairs.

S. 633. An act for the relief of Ray Wimmer; to the Committee on Claims.

S. 746. An act to authorize Maj. Andrew S. Rowan, United States Army, retired, to accept the Order Carlos Manuel de Céspedes tendered him by the Government of Cuba in appreciation of services rendered; to the Committee on Military Affairs.

S. 1012. An act for the relief of the legal guardian of Joy Montgomery, a minor; to the Committee on Claims.

S. 1106. An act for the relief of the East Coast Ship & Yacht Corporation, of Noank, Conn.; to the Committee on Claims.

S. 1117. An act to provide for the reimbursement of certain enlisted men or former enlisted men of the United States Navy for the value of personal effects lost in the hurricane at the submarine base, New London, Conn., on September 21, 1938; to the Committee on Claims.

S. 1119. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the Navy and Marine Corps for personal property lost, damaged, or destroyed as a result of the earthquake which occurred at Managua, Nicaragua, on March 31, 1931," approved January 21, 1936 (49 Stat. 2212); to the Committee on Claims.

S. 1123. An act to amend paragraph 57 of section 8 of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913; to the Committee on the District of Columbia.

S. 1125. An act to provide for the appointment of research assistants in the public schools of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 1126. An act to provide alternative methods of enforcement of orders, rules, and regulations of the Joint Board and of the Public Utilities Commission of the District of Columbia; to the Committee on the District of Columbia.

S. 1129. An act to amend paragraphs 31 and 33 of an act entitled "An act to amend section 7 of an act entitled 'An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes,' approved July 1, 1902, and for other purposes," approved July 1, 1932; to the Committee on the District of Columbia.

S. 1130. An act to amend Public Law No. 111, Sixty-sixth Congress, entitled "An act for the retirement of public-school teachers in the District of Columbia"; to the Committee on the District of Columbia.

S. 1157. An act for the relief of the legal guardian of Roy D. Cook, a minor; to the Committee on Claims.

S. 1295. An act to amend section 9, article V, of an act known as "An act to amend the act entitled 'An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia,' approved June 20, 1906, as amended, and for other purposes"; to the District of Columbia.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 30 minutes p. m.), under its previous order, the House adjourned until Monday, February 20, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, February 21, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m. Tuesday, February 21, 1939.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Tuesday, February 21, 1939, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 23, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

445. A communication from the President of the United States, transmitting deficiency and supplemental estimates of appropriations for the Department of the Interior for the fiscal years 1938 and 1939 in the amount of \$408,759.50 (H. Doc. No. 173); to the Committee on Appropriations and ordered to be printed.

446. A letter from the President of the Mount Rushmore National Memorial Commission, transmitting the Tenth Annual Report of the Mount Rushmore National Memorial Commission covering operations from May 9 to December

31, 1938, inclusive (H. Doc. No. 22); to the Committee on the Library and ordered to be printed.

447. A letter from the Governor of the Farm Credit Administration, transmitting the Sixth Annual Report of the Farm Credit Administration for the year 1938 (H. Doc. No. 14); to the Committee on Agriculture and ordered to be printed with illustrations.

448. A letter from the Secretary of Labor, transmitting a request for certain changes in title V of the Social Security Act; to the Committee on Ways and Means.

449. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill for the relief of F. E. Perkins, former superintendent of the Shawnee Indian Agency, Shawnee, Okla.; to the Committee on Claims.

450. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Civil Aeronautics Authority for the fiscal year 1939, amounting to \$1,600,000 (H. Doc. No. 175); to the Committee on Appropriations and ordered to be printed.

451. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1940 in the amount of \$1,250,000 (H. Doc. No. 174); to the Committee on Appropriations and ordered to be printed.

452. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, Government Printing Office, for the fiscal year 1939, in the amount of \$20,000, and for the fiscal year 1940, in the amount of \$70,000, in all \$90,000 (H. Doc. No. 176); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 96. Resolution providing for the consideration of H. R. 4011; without amendment (Rept. No. 73). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 97. Resolution providing for the consideration of H. R. 4012; without amendment (Rept. No. 74). Referred to the House Calendar.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 805. A bill to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes; without amendment (Rept. No. 75). Referred to the House Calendar.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 4278. A bill to authorize the Secretary of the Navy to proceed with the constructions of certain public works, and for other purposes; without amendment (Rept. No. 76). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MASON: Committee on Immigration and Naturalization. H. R. 2846. A bill to record the lawful admission for permanent residence of Kurt Wessely; without amendment (Rept. No. 72). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3276) granting an increase of pension to Lucy Killinger; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4212) granting a pension to Chanley C. Freeman; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VINSON of Georgia:

H. R. 4278. A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. KELLER:

H. R. 4279. A bill granting the consent of Congress to the city of Chester, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Chester, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. ALLEN of Pennsylvania:

H. R. 4280. A bill to provide for the insurance by the Reconstruction Finance Corporation of loans made by banks to business enterprises for the purpose of enabling such enterprises to increase their productions, extend their operations, and modernize their plants, and for other purposes; to the Committee on Banking and Currency.

By Mr. DEROUEN:

H. R. 4281. A bill to extend the authority of the Secretary of the Interior to grant privileges, leases, and permits to all lands and buildings under the jurisdiction of the National Park Service, and for other purposes; to the Committee on the Public Lands.

H. R. 4282. A bill to amend the act of June 30, 1936 (49 Stat. 2041), providing for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes; to the Committee on the Public Lands.

By Mr. DOWELL:

H. R. 4283. A bill for the relief of the Johnston Consolidated School District, located in the townships of Webster and Jefferson, in the county of Polk and State of Iowa; to the Committee on Claims.

By Mr. JONES of Texas:

H. R. 4284. A bill to amend subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

H. R. 4285. A bill to define the status of the Under Secretary of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. MAAS:

H. R. 4286. A bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes; to the Committee on Naval Affairs.

By Mr. MAY:

H. R. 4287 (by request). A bill amending the National Defense Act of June 3, 1916, as amended; to the Committee on Military Affairs.

By Mr. MOTT:

H. R. 4288. A bill to amend the Tariff Act of 1930, as amended; to the Committee on Ways and Means.

By Mr. MURDOCK of Utah:

H. R. 4289. A bill to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah; to the Committee on Indian Affairs.

By Mr. MAAS:

H. R. 4290. A bill to extend certain benefits to members of the Navy and Marine Corps Reserves killed or injured while performing active duty; to the Committee on Naval Affairs.

By Mr. SECREST:

H. R. 4291. A bill to place the Muskingum River flood-control project under the general terms of the National Flood Control Act; to the Committee on Flood Control.

By Mr. VINSON of Georgia:

H. Res. 98. Resolution to provide for the consideration of H. R. 4278; to the Committee on Rules.

By Mr. LUDLOW:

H. Res. 99. Resolution authorizing the printing of a letter from the Postmaster General and the Acting Secretary of

the Treasury transmitting a report relative to the emergency construction of public-building projects outside of the District of Columbia, as a House document; to the Committee on Printing.

By Mrs. ROGERS of Massachusetts:

H. Res. 100. Resolution prohibiting the transfer, loan, or sale of arms or munitions; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Utah, memorializing the President and the Congress of the United States to consider their resolution, Senate Concurrent Memorial No. 1, with reference to providing Federal support to the public schools, known as the Harrison-Thomas-Larabee bill; to the Committee on Education.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 4292. A bill for the relief of Gustav Schmidt; to the Committee on Claims.

By Mr. BELL:

H. R. 4293. A bill for the relief of Margaret Redmond; to the Committee on War Claims.

By Mr. BROOKS:

H. R. 4294. A bill for the relief of Dorothy Clair Hester; to the Committee on Claims.

By Mr. CLUETT:

H. R. 4295. A bill granting an increase of pension to Lucy W. Gately; to the Committee on Pensions.

By Mr. GILCHRIST:

H. R. 4296. A bill for the relief of Minnie Pittman; to the Committee on Claims.

By Mr. KINZER:

H. R. 4297. A bill granting an increase of pension to Sarah A. Kafroth; to the Committee on Invalid Pensions.

By Mr. LECOMPTE:

H. R. 4298. A bill granting an increase of pension to Anna F. Karr; to the Committee on Invalid Pensions.

By Mr. McCORMACK:

H. R. 4299. A bill for the relief of Joseph Tallisman; to the Committee on Claims.

H. R. 4300. A bill for the relief of Anton Saganey; to the Committee on Claims.

H. R. 4301. A bill for the relief of Frank J. McQuaid; to the Committee on Naval Affairs.

H. R. 4302. A bill for the relief of William John Bouzan; to the Committee on Naval Affairs.

By Mr. McGEHEE:

H. R. 4303. A bill for the relief of Mary Ludke; to the Committee on Claims.

By Mr. McKEOUGH:

H. R. 4304. A bill for the relief of Isaac B. Jones; to the Committee on Claims.

By Mr. ROUTZOHN:

H. R. 4305. A bill for the relief of Robert Stewart; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1171. By Mr. KEOGH: Petition of the New York Clothing Cutters Union, A. C. W. of A., New York City, concerning appropriation for National Labor Relations Board; to the Committee on Appropriations.

1172. Also, petition of the Merchants Association of New York, concerning Senate bills 126, 137, 153, and Senate Joint Resolution 27; also, House bills 188 and 3369; to the Committee on Interstate and Foreign Commerce.

1173. Also, petition of the Council of Jewish Federations and Welfare Funds, Inc., New York City, concerning inclusion of their employees under the Federal old-age security provisions; to the Committee on Ways and Means.

1174. By Mr. MARTIN J. KENNEDY: Resolution adopted by the New York State Waterways Association, New York, urging New York Senators and Congressmen to oppose legislation intended to place control of the rates of water carriers under the jurisdiction of the same body at present vested with the duty of regulating and fostering the business of their competitors; stating that our waterways are public highways upon which no monopoly of transportation is possible, and that it is, therefore, not in the public interest to impose upon carriers by water the type of restrictive regulation which has necessarily been imposed upon other types of interstate carriers in order adequately to protect the shipper; to the Committee on Interstate and Foreign Commerce.

1175. Also, telegram from the New York Clothing Cutters Union, New York City, urging, in behalf of 3,000 members, full appropriation for National Labor Relations Board as recommended by administration, without attaching legislative riders having the effect of amending act without full hearing, which proposed revisions require; to the Committee on Appropriations.

1176. By Mr. MUNDT: House Concurrent Resolution No. 8, introduced by Mr. Swenning, of the South Dakota House of Representatives (the senate concurring), asking Congress to appropriate adequate funds under the Farm Forestry Acts to continue the reforestation program in South Dakota; to the Committee on Appropriations.

1177. Also, House Concurrent Resolution No. 7, introduced by Mr. Lowe, of the South Dakota House of Representatives (the senate concurring), asking for Federal legislation providing for the cancellation of seed and feed loans in South Dakota; to the Committee on Appropriations.

1178. Also, senate concurrent resolution, introduced by Mr. Berry, of the South Dakota Senate (the house of representatives concurring), asking Congress to continue appropriations contained in the Hayden-Cartwright Act for construction and maintenance of highways within Indian reservations; to the Committee on Appropriations.

1179. By Mr. PFEIFER: Petition of the Merchants' Association of New York, concerning freight rates from southern territory into official classification territory as provided for in Senate bills 126, 158, and House bill 188; to the Committee on Interstate and Foreign Commerce.

1180. Also, petition of the State Council of Parks, New York City, opposing any claim of the Federal Government to the ownership of the lands under tidal waters of the State of New York or any other State; to the Committee on the Public Lands.

1181. Also, petition of the Albany Branch, League of Nations Association, Albany, N. Y., concerning our neutrality policy; to the Committee on Foreign Affairs.

1182. Also, petition of the Council of Jewish Federation and Welfare Funds, Inc., New York City, favoring inclusion of their employees under the Federal old-age security provision; to the Committee on Ways and Means.

1183. Also, petition of the Marquette Council, No. 288, Knights of Columbus, Brooklyn, N. Y., urging strict adherence to our neutrality policy; to the Committee on Foreign Affairs.

1184. By Mr. PLUMLEY: Resolution of the Vermont Senate and House of Representatives, to prohibit at once sale and shipment of war materials to Japan; to the Committee on Foreign Affairs.

1185. By Mr. BOLLES: Petition of sundry citizens of Kenosha, Wis., requesting that we adhere to the general policy of neutrality contained in the act of August 31, 1935, and in the act of May 1, 1937; to the Committee on Foreign Affairs.

1186. Also, petition of sundry citizens of Racine, Wis., favoring lifting the Spanish embargo; to the Committee on Foreign Affairs.

1187. By Mr. POLK: Petition of C. C. Bothwell, chief engineer of Division 584, Brotherhood of Locomotive Engineers,

Portsmouth, Ohio, and 52 members, approved by a committee composed of Messrs. Scott, Pyles, Colley, Brooks, and Callihan, opposing any bill which has for its purpose the regulation by the Federal Government of miles and hours worked by railroad and train service employees and giving their reasons therefor; to the Committee on Interstate and Foreign Commerce.

1188. By Mr. RISK: Resolution passed by the General Assembly of the State of Rhode Island on February 11, 1939, protesting against the passage of House bill 2196 proposing a tax of 3 cents per gallon on the sale of fuel oil when used for heating and generating purposes; to the Committee on Ways and Means.

1189. By Mr. SCHIFFLER: Petition of Addis Clelland, secretary, and 550 members of Local Union No. 4036, United Mine Workers of America, of Farmington, W. Va., urging the passage of the Townsend bill; to the Committee on Ways and Means.

1190. By Mr. TERRY: Memorial of the Fifty-second General Assembly of Arkansas to the Congress of the United States, requesting passage of adequate legislation providing sufficient funds for the complete multiple-use development of the White River Basin in Arkansas and Missouri; to the Committee on Appropriations.

1191. By Mr. THOMAS of New Jersey: Letter from William E. Milner, commander, Epps Post, No. 126, the American Legion, Dunsmuir, Calif., on behalf of Epps Post, conveying message of congratulations and support in Congressman THOMAS' impeachment charges recently preferred against the Secretary of Labor and two principal aides for coddling and protecting from deportation certain aliens illegally within the borders of the United States of America and for the Secretary of Labor's direct violation of the immigration laws and oath of office in refusing to carry out deportation orders of Federal courts; to the Committee on the Judiciary.

1192. Also, letter from Lewis H. Clarke, adjutant, the American Legion, Club Post, No. 373, Los Angeles, Calif., advising Congressman THOMAS that at a regular meeting of that post held on February 7, 1939, a motion was unanimously passed commending him for his efforts in exposing an apparent lack of effort on the part of the Department of Labor to clarify a situation objectionable to every right-thinking American citizen, and the letter further stated "please rest assured that this post, together with hundreds of other posts of the American Legion scattered throughout the United States fervently hopes that other legislators, inspired by your courageous leadership will assist in remedying a branch of our Government that is showing itself to be unhealthy"; to the Committee on the Judiciary.

1193. By Mr. THORKE: Petition of the Legislature of the State of Montana, asking the Congress of the United States of America to assist the beet-sugar industry in Montana; to the Committee on Agriculture.

1194. By Mr. VAN ZANDT: Petition of Council No. 454, Junior Order United American Mechanics, Clearfield, Pa., favoring Resolutions 26 and 27 as introduced by Congressman DRES and also an appropriation of \$150,000 to carry on the investigation; to the Committee on Appropriations.

1195. By the SPEAKER: Petition of certain citizens of the States of New York and New Jersey, petitioning consideration of their resolution with reference to peace; to the Committee on Foreign Affairs.

SENATE

MONDAY, FEBRUARY 20, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Gracious Father, who dost reveal to us the secret mystery of life as Thou holdest our feeble hands in Thine, making us to know ourselves in knowing Thee: Lead us, we beseech Thee, into a more beautifully ordered life, with finer sympathies for every day's most quiet need, with keener insight and compassion for the unobtrusive sorrows of companions on the way, with freer hearts to share and braver hearts to

bear the crushing burdens, howsoever laid, upon the hapless shoulders of our fellow men, that love and truth and kindness may through us lead our people to their highest destiny. We ask it in the name of Jesus Christ our Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 17, 1939, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed a bill (H. R. 4218) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	King	Russell
Andrews	Downey	La Follette	Schwartz
Ashurst	Ellender	Lee	Schwellenbach
Austin	Frazier	Lewis	Sheppard
Bailey	George	Logan	Shipstead
Bankhead	Gerry	Lucas	Smathers
Barbour	Gibson	Lundeen	Smith
Barkley	Gillette	McKellar	Stewart
Bone	Glass	McNary	Taft
Borah	Green	Maloney	Thomas, Okla.
Bridges	Gulley	Mead	Thomas, Utah
Brown	Gurney	Miller	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Truman
Byrnes	Hayden	Neely	Tydings
Capper	Herring	Norris	Vandenberg
Caraway	Hill	Nye	Van Nuys
Chavez	Holman	Overton	Wagner
Clark, Idaho	Holt	Pittman	Walsh
Connally	Hughes	Radcliffe	Wheeler
Danaher	Johnson, Calif.	Reed	White
Davis	Johnson, Colo.	Reynolds	Wiley

Mr. MINTON. I announce that the Senator from Wyoming [Mr. O'MAHONEY] is detained from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from South Dakota [Mr. BULOW], the Senator from Missouri [Mr. CLARK], the Senator from Nevada [Mr. MCCARRAN], and the Senator from Florida [Mr. PEPPER] are detained on important public business.

Mr. WALSH. I announce the absence of my colleague [Mr. LODGE], owing to the death of his grandmother.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

GENERAL ANTHONY WAYNE MEMORIAL COMMISSION

The VICE PRESIDENT laid before the Senate the following letter of resignation:

UNITED STATES SENATE, February 20.

HON. JOHN N. GARNER,
Vice President of the United States.

MY DEAR MR. VICE PRESIDENT: While appreciating your high consideration in your designation of me to be a member of the Anthony Wayne Memorial Commission, I am unable to give this assignment the time and attention it deserves and requires. Therefore, I present my resignation from the Commission.

Respectfully yours,

A. H. VANDENBERG.

The VICE PRESIDENT appointed the Senator from Ohio [Mr. TAFT] a member of the General Anthony Wayne Memorial Commission, pursuant to Public Resolution 64, approved August 19, 1937, vice the Senator from Michigan [Mr. VANDENBERG], resigned.

LANDS ON SISSETON INDIAN RESERVATION, N. DAK. AND S. DAK.

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to authorize the consolidation of the lands on the Sisseton Indian Reservation, N. Dak. and S. Dak., which, with the accompanying papers, was referred to the Committee on Indian Affairs.

REHABILITATION AND SUBSISTENCE HOMESTEADS FOR INDIANS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to amend title II, section 208, of the act approved June 16, 1933 (48 Stat. 205-206) to authorize the Secretary of the Interior to adjust or cancel reimbursable features of said act insofar as they apply to Indians, and for other purposes, which, with the accompanying paper, was referred to the Committee on Indian Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Oregon, which was referred to the Committee on Agriculture and Forestry:

House Joint Memorial 7

To the Honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Legislature of the State of Oregon, respectfully represent that:

Whereas there exists within the Pacific Northwest a condition of economic distress which has caused widespread unemployment, creating much suffering and want of necessities of life among a great many of the people of said area; and

Whereas the Pacific Northwest is without proper military protection in that said section is wholly cut off from the East by the Bitter Root Mountains, with only one passage through said range from the Canadian border to Bannock Pass, a distance of some 800 miles; and

Whereas it has become the public policy as well as the urgent need of the United States to take affirmative steps to relieve the conditions aforesaid; and

Whereas the Lewis and Clark Highway follows a low-elevation water grade from Portland, Oreg., across the States of Oregon, Washington, and Idaho, through the Lolo Pass, the lowest pass in the Bitter Root Range, and which is centrally located, to Missoula, Mont., and will provide an adequate military and commercial route which is so badly needed; and

Whereas the Lewis and Clark Highway has been completed, with the exception of only 50 miles which lies wholly within the national forests of Idaho, and appropriations for forest roads in national forests, which in Idaho cover 34,000,000 of its total 53,000,000 acres, are inadequate to provide for completion of said highway from that source; and

Whereas these national forests are of the largest, most beautiful, interesting, and valuable of the national forests, affording unsurpassed recreational opportunities for the people of the entire Nation, and is not accessible either by rail or national highway; and

Whereas this highway would be of great benefit to the States of Idaho, Montana, Washington, and Oregon to facilitate marketing of their products, would provide adequate military protection to the Pacific Northwest, would provide adequate employment to reduce the critical effect of the present economic distress in this area, and would stimulate national trade and commerce; and

Whereas the Lewis and Clark Highway has been designated as eligible for Federal aid: Now, therefore, be it

Resolved, That the House of Representatives of the State of Oregon (the senate concurring) do most respectfully urge on the Congress of the United States that the said Congress pass such legislation and make the necessary appropriations to provide for the complete construction of the unfinished portion of said highway above mentioned, and that the Forest Service of the Department of Agriculture and/or the War Department and/or the Department of the Interior of the United States be authorized and directed to begin immediate construction thereon; be it further

Resolved, That the secretary of state of the State of Oregon be authorized, and is hereby directed, to immediately forward certified copies of this joint memorial to the Secretary of Agriculture, the Secretary of War, the Senate and House of Representatives of the United States, to Senators and Representatives in Congress from the States of Idaho, Oregon, Washington, and Montana, and to the President, Franklin D. Roosevelt.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of South Dakota, which was referred to the Committee on Mines and Mining:

House Concurrent Resolution 9

Concurrent resolution memorializing the Congress of the United States of America to provide for the investigation, survey, and development of the manganese resources of South Dakota

Be it resolved by the House of Representatives of the State of South Dakota (the senate concurring):

Whereas there are extensive deposits of manganese of good quality within the State of South Dakota which have not been thoroughly investigated, surveyed, nor developed; and

Whereas such deposits are believed to be superior to and more extensive than any others which may be found within the United States; and

Whereas an adequate supply of domestic manganese is of prime importance to the industries, commerce, and protection of the United States; and

Whereas the United States Department of Interior, and the Division of Metals and Minerals of the United States Department of Commerce have the facilities and personnel required for a proper survey and investigation of the South Dakota manganese deposits: Now, therefore be it

Resolved by the house of representatives (the senate concurring), That the Congress be, and it is hereby, memorialized and petitioned to promptly take such steps as may be necessary to provide for the early investigation, survey, and development of the manganese deposits in South Dakota, by the Federal Government and its appropriate agencies; and be it further

Resolved, That copies of this memorial be certified and forwarded by the secretary of state of South Dakota to the Secretary of State of the United States at Washington, D. C., and to the Vice President of the United States as presiding officer of the United States Senate, and to the Speaker of the House of Representatives of the United States.

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Montana, favoring the enactment of legislation adopting the principles of the so-called Townsend national recovery plan substantially as set forth in House bill 4199 (Seventy-fifth Congress), a general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

(See joint memorial printed in full when presented today by Mr. WHEELER.)

The VICE PRESIDENT also laid before the Senate resolutions adopted by Lodge No. 1010, Steel Workers Organizing Committee, of Indiana Harbor, and Torrance Lodge, No. 1414, Amalgamated Association of Iron, Steel, and Tin Workers of North America, affiliated with C. I. O., of Torrance, Calif., protesting against amendment of the National Labor Relations Act, which were referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Board of Supervisors of the City and County of Honolulu, T. H., protesting against the negotiation of a trade agreement with Cuba supplementary to the trade agreement signed at Washington on August 24, 1934, pertaining to the duty on sugar imported into the United States from Cuba, which was referred to the Committee on Finance.

He also laid before the Senate a resolution of the Audubon Association of the Pacific, San Francisco, Calif., protesting against the enactment of legislation relating to predatory animals in natural parks, which was referred to the Committee on Public Lands and Surveys.

He also laid before the Senate a resolution of the Berkeley (Calif.) Young Democratic Club, favoring the purchase by the United States of the Redwood Mountain grove of big trees for national-park purposes, which was referred to the Committee on Public Lands and Surveys.

He also laid before the Senate a resolution of the Berkeley (Calif.) Young Democratic Club, favoring the enactment of legislation establishing the Kings River region as the John Muir National Park, which was referred to the Committee on Public Lands and Surveys.

He also laid before the Senate a resolution adopted by the Board of Harbor Commissioners of the City of Los Angeles, Calif., protesting against the enactment of the joint resolution (S. J. Res. 24) relative to the establishment of title of the United States to certain submerged lands containing petroleum deposits, which was referred to the Committee on Public Lands and Surveys.

He also laid before the Senate a resolution of Midwest Local, No. 233, Oil Workers International Union, of Midwest, Wyo., favoring an adequate appropriation for the National Labor Relations Board, which was ordered to lie on the table.

Mr. DANAHER presented a petition, numerous signed, of sundry citizens of the State of Connecticut, praying for the enactment of the so-called Pepper-Boland bill, providing for the education of all types of physically handicapped children, which was referred to the Committee on Education and Labor.

Mr. ELLENDER presented a petition of sundry citizens of Terrebonne Parish, La., praying that the open season on Wilson or jack snipe in the coastal regions of Louisiana be extended at least until the end of February, which was

referred to the Special Committee on Conservation of Wildlife Resources.

Mr. MALONEY presented a resolution of officers and members of Russell Council No. 65, Knights of Columbus, of New Haven, Conn., urging that the United States adhere to the policy of absolute neutrality with respect to the existing conditions in Spain, and that the embargo on the shipment of munitions to Spain be continued, which was referred to the Committee on Foreign Relations.

Mr. HOLT presented a resolution adopted by the executive committee of the Wood County Teachers' Association, Parkersburg, W. Va., favoring the enactment of legislation to prevent the retroactive application of any Federal tax upon employees of the States and their instrumentalities, which was referred to the Committee on Finance.

He also presented a resolution of the Logan Coal Operators' Association of the Logan district in West Virginia, favoring the enactment of legislation increasing the duty on the importation of foreign oil and also amendment of the so-called Gas Act so as to regulate the gas industry and prevent the dumping of natural gas for industrial purposes, etc., which was referred to the Committee on Interstate Commerce.

Mr. REED presented petitions of 17 citizens of Stafford County, 21 citizens of Garden City, 45 citizens of Winfield, and 52 citizens of Clay County, all in the State of Kansas, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

He also presented petitions of 31 citizens of Wichita, 57 citizens of Sumner and Sedgwick Counties, and 100 citizens of Herington, all in the State of Kansas, praying for the enactment of legislation to limit the service of railroad employees to not more than 208 hours in 1 month, which were referred to the Committee on Interstate Commerce.

Mr. MEAD presented a resolution adopted by the Kensington Taxpayers & Community Association, Buffalo, N. Y., favoring the enactment of legislation to tax the incomes of Federal and State employees and other persons whose incomes are at present exempt from taxation, which was referred to the Committee on Finance.

He also presented a telegram in the nature of a petition from the League of Nations Association of New York City, praying that the Foreign Relations Committee of the Senate report back to the Senate the joint resolution (S. J. Res. 67) to amend the Neutrality Act, which was referred to the Committee on Foreign Relations.

He also presented a letter in the nature of a memorial from the executive committee of the Merchant Truckmen's Bureau of New York, N. Y., remonstrating against the ratification of the St. Lawrence deep waterway treaty with the Dominion of Canada, which was referred to the Committee on Foreign Relations.

He also presented a resolution of officers and members of Marquette Council, No. 283, Knights of Columbus, of Brooklyn, N. Y., favoring continuation of the policy of absolute neutrality by the United States with respect to the war in Spain, and also that the Spanish embargo be not lifted, which was referred to the Committee on Foreign Relations.

Mr. WHEELER presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Agriculture and Forestry:

Senate Joint Memorial 5

Memorial to the Congress of the United States of America requesting it to assist the beet-sugar industry in Montana

Whereas only 29.5 percent of domestic sugar sales are allotted to domestic producers at present. Cuba has practically the same amount and our insular possessions 41.5 percent. American producers are rightfully entitled to all of the domestic market that they are able to supply; and

Whereas the import quotas of raw sugar as set at the present time have brought the farmers, the workers in the beet-sugar factories, and the laborers in the beet fields in direct competition with the poorly paid labor in the sugar-producing territories outside of continental United States; such competition has the direct result of lowering the standard of living of these farmers and laborers to the level incompatible with the American way of life; and

Whereas sugar beets can be effectively grown at a reasonable profit in this State and there is no food more valuable to the consumer in nutritive worth even at a much higher price than at present; and

Whereas the production of sugar beets provides employment at good wages for many times as many workers as the same acreage of other crops adapted to this latitude and any control of the expansion of sugar-beet acreage means more unemployment and more relief clients who could otherwise make a living in this industry; and

Whereas there is grave danger that the present policy, if continued, will result in many now employed in this country losing their means of livelihood, thereby further increasing the already tremendous burden of unemployment; and

Whereas our beet growers, if permitted to make a reasonable amount of money are, due to their higher standard of living, many times better customers for eastern industry as are foreign sugar laborers and planters; and

Whereas an orderly and sound expansion of beet plantings in accordance with the development of suitable land and the building of new factories to take care of the increased production is a reasonable and necessary process to the building up of this State and should be encouraged; and

Whereas the expansion of the domestic production of sugar should be encouraged as a problem of national economy and defense; the acute shortage of sugar during the World War demonstrated our need for a much higher domestic sugar production in time of emergency; and

Whereas because of the high altitude of this region there are practically no substitute crops for sugar beets and the restriction of the beet industry means the throttling of our agriculture by eliminating the best cultivated crop in a proper rotation for maintaining soil fertility and weed control; and

Whereas the development of profitable agricultural operations is so vital to the business of all of Montana as well as of the entire United States, and should be given most serious consideration by all individuals and law-making bodies; and

Whereas the beet growers' associations of Montana, supported by the Montana Federation of Labor and Montanans, Inc. (the State chamber of commerce), have given serious and careful consideration to the present sugar quotas and the above facts have been definitely established: Now, therefore, be it

Resolved, That it is the prayer of your memorialists, the Twenty-sixth Legislative Assembly of the State of Montana, that the Congress of the United States should, by proper legislation, right the wrong suffered by the farmers, processors, and wage earners engaged in the growing and manufacturing of beet sugar, by immediately raising the domestic sugar quota to permit the unrestricted production of sugar within the continental limits of the United States, and to maintain the protective market by quota reductions and adequate tariffs on foreign sugar; be it further

Resolved, That a copy of this memorial, duly authenticated, be sent by the secretary of state to the Senate and House of Representatives of the United States and to each of the Senators and Representatives of Montana in Congress.

Mr. WHEELER also presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Finance:

Senate Joint Memorial 2

Memorial to the Congress of the United States for the passage of an act incorporating the principles of the Townsend national-recovery plan substantially as set forth in a bill entitled "H. R. 4199," introduced into the House of Representatives in the first session of the Seventy-fifth Congress of the United States on February 2, 1937

To the honorable Senate and House of Representatives of the United States in Congress assembled in the Seventy-sixth session:

Whereas the problems of unemployment and social security are two of the most vital economic issues now confronting the people of the State of Montana, as well as all other States of the Union; and

Whereas the United States Government has incurred an enormous debt in providing a bare subsistence for several million unemployed persons; and

Whereas it will be impossible to continue such relief appropriations indefinitely without serious injury to the credit of the Nation; and

Whereas the economic problems of unemployment and social security cannot be properly handled by individual States, but are national problems involving the general welfare of the whole Nation; and

Whereas the Townsend national recovery plan, as set forth in the General Welfare Act of 1937 (H. R. 4199), introduced in the last session of Congress, provided for the collection of a 2-percent tax on business transactions and the pro rata monthly distribution of the proceeds to persons over 60 years of age who agree to retire from gainful employment and expend their monthly allotments for the products of American capital and labor; and

Whereas it is the purpose of such plan—

1. To retire from active employment some four or five million persons over 60 years of age and provide jobs for several million persons under 60 years of age.

2. To decrease, if not eliminate, expenditures for relief.

3. To eliminate the necessity of hoarding to provide for needs incident to advancing age.

4. To stimulate trade and industry by increasing the purchasing power of persons of advanced years.

5. To relieve the present stagnation of money and credits by providing a market for products of American capital and labor: Now, therefore, be it

Resolved by the Senate of the State of Montana (the house concurring), That we do hereby petition the Congress of the United States of America for the enactment of the Townsend national-recovery plan into law, the said plan being deemed just and equitable to all persons in the United States; be it further

Resolved, That a copy of this memorial be transmitted by the secretary of state of Montana to the President of the United States, to the Senate and House of Representatives of the Congress of the United States, and to the Senators and Representatives in Congress from the State of Montana, and they and each of them be requested to use all honorable means within their power to bring about the enactment of the Townsend recovery plan into law at the earliest possible time.

Mr. BYRNES presented the following joint resolution of the House of Representatives of the State of South Carolina, which was referred to the Committee on Agriculture and Forestry:

House resolution memorializing the Congress of the United States to rehabilitate the Florington National Farm Loan Association of Darlington County, S. C., and other such inactive associations in this State

Be it resolved by the House of Representatives of the State of South Carolina, That the Congress of the United States is hereby memorialized to take the necessary and proper steps to rehabilitate all inactive national farm loan associations in the State of South Carolina, and especially the Florington National Farm Loan Association of Darlington County, S. C.; be it further

Resolved, That copies of this resolution be forwarded to the Members of the United States Senate and House of Representatives from the State of South Carolina.

Mr. MURRAY presented a joint memorial of the Legislature of the State of Montana, favoring the enactment of legislation to assist the beet-sugar industry in Montana, which was referred to the Committee on Agriculture and Forestry.

(See joint memorial printed in full when presented today by Mr. WHEELER.)

Mr. MURRAY also presented a joint memorial of the Legislature of the State of Montana, favoring the enactment of legislation adopting the principles of the so-called Townsend national recovery plan substantially as set forth in House bill 4199, a general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

(See joint memorial printed in full when presented today by Mr. WHEELER.)

Mr. GEORGE. I present two memorials from the Legislature of the State of Georgia. I especially direct attention to the first memorial asking for a change in the entire farm program. I ask that the memorials be referred to the Committee on Agriculture and Forestry.

The VICE PRESIDENT. The memorials will be received and referred as requested by the Senator from Georgia, and, under the rule, they will be printed in the RECORD:

To the Committee on Agriculture and Forestry:

Whereas the State of Georgia is dependent upon farming and the prosperity of our farmers reflects itself in every other vocation, profession, and occupation; and

Whereas for the past 6 years we have tried experimentation and new and untried laws affecting farming generally; and

Whereas after the expenditure of billions of dollars on this experimentation and untried legislation the farmers now find themselves in equally as bad condition as in 1912: Now, therefore, be it

Resolved, That the Georgia delegation in Congress be requested to enact and pursue some method of legislation to restore the prosperity of the farmers, and that a copy of this resolution be sent to Georgia's 2 Senators and 10 Members of the House of Congress.

Resolution urging an increased Federal appropriation for forest-fire control

Whereas additional Federal funds are urgently needed in Georgia for forest-fire protection; and

Whereas there has been introduced into Congress a bill, S. 228, providing for an increase in the Federal appropriation for national forest-fire control from \$2,500,000 to \$9,000,000; and

Whereas Georgia's portion of Federal funds for forest-fire control would be materially increased if the new bill is passed by Congress: Therefore be it

Resolved by the Senate of the State of Georgia (the house of representatives concurring), That the Members of the Georgia

delegation in Congress be requested to give their full support to this bill: Be it further

Resolved, That copies of this resolution be transmitted to each Member of the Georgia delegation in our Congress.

MAINTENANCE OF NEUTRALITY ACT—PETITIONS

Mr. CAPPER. Mr. President, I present to the Senate, for reference to the Committee on Foreign Relations, petitions from more than a score of Kansas cities and towns, urging continuance of the present Neutrality Act and protesting specifically against the lifting of any embargo on arms shipments; also several petitions urging nonparticipation in aggression by the United States and the discontinuance of shipments of war supplies to Japan.

These petitions are signed by several thousand citizens of Topeka, Herington, Russell, Manhattan, Stafford, Cheney, Niles, Kinsley, Bellefont, Ashland, Fowler, Princeton, Bloomington, Medicine Lodge, Concordia, Independence, Downs, Alton, Atwood, and Fort Scott, in the State of Kansas.

Mr. President in connection with these petitions I desire to restate my own position in regard to the Neutrality Act. In the present disturbed state of the world, I believe the United States should maintain the strictest possible neutrality in relation to the Old World.

I feel that we should have recognized long ago that war was being waged in China, and should have applied the provisions of the Neutrality Act as prohibiting shipments to both sides. We should refuse to sell scrap iron or other war materials to Japan or any other country engaged in war.

It seems to me that the extent of the agitation for and against the shipment of arms to Spain is a plain sign that the United States would add to domestic turmoil by taking sides in that conflict; in fact, in any foreign conflict.

I am opposed to establishing fortifications at Guam, 6,250 miles from this continent, or any other move that undertakes to make the United States the policeman of the world.

We should do our best to take the profit out of war, mind our own business, and stay out of all foreign wars.

If any changes are made in the Neutrality Act, the amendments should be to strengthen it, not to weaken it by allowing more discretion to the President to decide whether or not its provisions shall be applied.

The VICE PRESIDENT. The petitions presented by the Senator from Kansas will be received and referred to the Committee on Foreign Relations.

ADDITIONS TO OLYMPIC NATIONAL PARK, WASH.—TIMBERLANDS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the *RECORD* and referred to the Committee on Public Lands and Surveys copy of a letter from Mr. L. T. Thornton, of Aberdeen, Wash., dated February 1, 1939.

There being no objection, the letter was referred to the Committee on Public Lands and Surveys and ordered to be printed in the *RECORD*, as follows:

Senator JAMES J. DAVIS,

307 Senate Office Building, Washington, D. C.:

On June 29, 1938, the Seventy-fifth Congress of the United States, during regular session, passed H. R. 10024, an act to establish the Olympic National Park in the State of Washington.

This park, with the present boundaries, is now the greatest timber national park in our Nation and contains an adequate acreage of virgin timber of all species for museum, scenic, and recreational requirements, there being represented large stands of old-growth Douglas fir, spruce, hemlock, cedar, and all other native types, containing approximately 12,000,000,000 to 14,000,000,000 feet of merchantable timber.

Section (5) of H. R. 10024 provides that the President may after 8 months from the approval of this act (act approved June 29, 1938) by proclamation add to the Olympic National Park any lands within the boundaries of the Olympic National Forest and any lands which he may deem advisable to add to such park. Section (5) further provides that the total area of said park shall not exceed 898,292 acres. Section (5) further provides that before issuing any such proclamation the President shall consult with the Governor of the State of Washington, the Secretary of the Interior, and the Secretary of Agriculture, and advise them of the lands which he proposes to add to such park, and shall afford them a reasonable opportunity to consult with and communicate to him their views and recommendations with respect to the addition of such lands to such park.

We believe it would be eminently unfair to take further from the timber lying to the south and west which now remains for the use of our industries and the benefit of our wage earners. We believe

any addition made should include such areas as Hurricane Ridge, Deer Park, and Mount Angeles and other areas to the east, these areas being of real park caliber.

TAX EXEMPTION OF GOVERNMENTAL SECURITIES AND SALARIES

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the *RECORD* and referred to the Committee on Finance a letter from Hon. S. Davis Wilson, mayor of Philadelphia, of February 18, 1939, relative to the proposed taxing of municipal bonds and salaries of public employees. Pursuant to the subject I also ask inclusion in the *RECORD* and the same reference of a resolution of the City Council of McKeesport, Pa.

There being no objection, the letter and resolution were referred to the Committee on Finance and ordered to be printed in the *RECORD*, as follows:

CITY OF PHILADELPHIA,
OFFICE OF THE MAYOR,
February 18, 1939.

HON. JAMES J. DAVIS,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: In connection with the proposal now pending before Congress for the taxing of municipal bonds and salaries of public employees as well, it is my belief that any such proposal, if made effective by legislation, would greatly increase the cost of municipal financing. This is especially so in Philadelphia, which has long enjoyed a favorable position in the financial world. If the bill proposes to tax bond issues already sold, or the income therefrom, the city of Philadelphia will very likely be required to reimburse the taxpayer for the amount of the taxes he will have to pay on the income derived from the city's securities. Our contract with the bond buyer provides that he shall be protected against any taxes assessed upon the bond. A recent supreme court decision of our State has held that a tax on income from securities is a tax on the principal. The city at present has approximately \$550,000,000 of outstanding bonds, and the addition of a tax on the income of these bonds in favor of the Federal Government would have to be added to the cost of maintaining the debt service charges and would have to be paid not by the lender but by the taxpayers of the city of Philadelphia. On the other hand, if the bill proposes to tax the income received from future issues of Philadelphia bonds, the debt service charges on such bonds will be increased, because the buyers will demand a rate of interest which will compensate the purchaser of the bond for the Federal taxes he will have to pay.

The proposed reciprocal right to tax Federal securities would be of no benefit to most municipalities for the reason that ordinarily municipalities are not invested with the power to levy taxes on such securities.

In addition it would seem to be a futile thing to have the city of Philadelphia taxing its citizens to pay taxes to the Federal Government, either directly or indirectly, and the Federal Government taxing, *inter alia*, the citizens of Philadelphia to pay taxes to the city of Philadelphia. It could only result in an increase in the cost of administration of both governments, with the burden being borne not by the lender but by the persons who are responsible as taxpayers for the maintenance of government services in the municipality.

The same reasoning applies to a lesser extent to the proposal to tax the incomes of municipal employees. In this connection it must be remembered that such employees do not have the protection afforded to persons engaged in industry and commerce arising from existing labor laws, and that hours of employment and compensation received by municipal employees is generally on a lower scale than those guaranteed to employees in private industry.

In view of that fact, income taxes chargeable against the salaries of municipal employees would no doubt tend to either increase the cost of rendering municipal government services or reduce the standard of employees below the requirements for such services.

Very truly yours,

S. DAVIS WILSON, Mayor.

Resolution condemning any attempt on the part of the Federal Government to tax the revenues of the States or their municipalities and any attempt to tax State or municipal bonds or the salaries of State and local governmental employees unless and until the consent of the State is first obtained through a proper constitutional amendment

Resolved by the city of McKeesport in council assembled, That we, the City Council of the City of McKeesport, Pa., go on record as condemning any attempt on the part of the Federal Government to tax the revenues of the States or their municipalities and any attempt to tax State or municipal bonds or the salaries of State and local governmental employees unless and until the consent of the State is first obtained through a proper constitutional amendment; and be it further

Resolved, That copies of this resolution be sent to our United States Senators and our Representative in Congress, urging them to do all in their power to carry out our wishes.

REPORTS OF COMMITTEES

Mr. GILLETTE, from the Committee on Foreign Relations, to which was referred the bill (S. 1045) to give effect to the

International Agreement for the Regulation of Whaling, signed at London, June 8, 1937, and for other purposes, reported it with amendments and submitted a report (No. 71) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

S. 828. A bill to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy (Rept. No. 72); and

S. 829. A bill to authorize alterations and repairs to certain naval vessels, and for other purposes (Rept. No. 73).

Mr. WALSH also, from the Committee on Naval Affairs, to which was referred the bill (S. 1115) for the relief of Lt. Malcolm A. Hufty, United States Navy, reported it without amendment and submitted a report (No. 74) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CONNALLY:

S. 1483. A bill to amend sections 3 and 15A of part I of the Interstate Commerce Act; to the Committee on Interstate Commerce.

By Mr. CHAVEZ:

S. 1484. A bill to extend the boundaries of the Santa Fe National Forest, N. Mex.; and

S. 1485. A bill to include within the Carson National Forest certain lands owned or in course of acquisition by the United States; to the Committee on Public Lands and Surveys.

Mr. NYE. I introduce, for reference to the Committee on Military Affairs, a bill to supplement existing laws relating to the maintenance of secrecy with respect to certain military and naval aircraft.

The VICE PRESIDENT. The bill will be received and referred, as requested by the Senator from North Dakota.

By Mr. NYE:

S. 1486. A bill to supplement existing laws relating to the maintenance of secrecy with respect to certain military and naval aircraft; to the Committee on Military Affairs.

By Mr. MEAD:

S. 1487. A bill for the relief of the Postal Telegraph-Cable Co.; to the Committee on Claims.

S. 1488. A bill giving clerks in the Railway Mail Service the benefit of holiday known as Armistice Day; and

S. 1489. A bill extending the classified civil service to include assistant postmasters and clerks in third-class post offices, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. JOHNSON of California:

S. 1490. A bill for the relief of William H. Kelly; and

S. 1491. A bill granting a pension to Lottie A. Torrance; to the Committee on Pensions.

By Mr. HAYDEN:

S. 1492. A bill to provide for a 5-year building program for the United States Bureau of Fisheries; to the Committee on Commerce.

By Mr. MALONEY:

S. 1493. A bill for the relief of Peter Giancola and Julia Morelli Giancola; to the Committee on Immigration.

By Mr. WALSH:

S. 1494. A bill to preserve from extinction the American eagle, emblem of the sovereignty of the United States of America; to the Committee on Agriculture and Forestry.

S. 1495. A bill to increase annual payments to State and Territorial homes for veterans; to the Committee on Military Affairs.

S. 1496. A bill to protect producers, manufacturers, and consumers from the unrevealed presence of substitutes and mixtures in woven or knitted fabrics and in garments or articles of apparel made therefrom, and for other purposes; to the Committee on Interstate Commerce.

By Mr. REYNOLDS:

S. 1497. A bill to provide benefits on account of disability or death due to service in the armed forces of the United

States in the event of war, and for other purposes; to the Committee on Military Affairs.

By Mr. CLARK of Idaho:

S. 1498. A bill to authorize the Secretary of the Interior to permit the payment of the costs of repairs, resurfacing, improvement, and enlargement of the Arrowrock Dam in 20 annual installments, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. BARBOUR:

S. 1499. A bill to increase the number of National Guard aviation units; to the Committee on Military Affairs.

S. 1500. A bill to assure equal protection to all persons under the fourteenth amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. McNARY:

S. 1501. A bill for the relief of the Industrial Spray Painting Corporation; to the Committee on Claims.

By Mr. WHEELER:

S. 1502. A bill for the relief of Donna L. I. Carlisle; to the Committee on Claims.

By Mr. GIBSON:

S. 1503. A bill for the relief of Ernest J. Abair; and

S. 1504. A bill for the relief of Joseph A. Pawelczyk; to the Committee on Claims.

By Mr. GUFFEY:

S. 1505. A bill to provide for the appointment of an additional district judge for the eastern district of Pennsylvania; to the Committee on the Judiciary.

S. 1506. A bill granting an increase of pension to Catherine Pennington; to the Committee on Pensions.

By Mr. HARRISON:

S. 1507. A bill granting a pension to Walter Earl Savage; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

S. 1508. A bill to provide additional home-mortgage relief by providing for (1) a moratorium on foreclosures permitting appropriate legislation to provide further emergency relief to home-mortgage indebtedness, (2) to further refinance home mortgages, (3) to reduce the rate of interest and extend payment and amortization of mortgages, (4) to eliminate personal and deficiency judgments in foreclosures, and for other purposes; to the Committee on Banking and Currency.

By Mr. DANAHER:

S. 1509. A bill for the relief of Mary Egan; to the Committee on Claims.

S. 1510. A bill for the relief of George Louis Artick; to the Committee on Immigration.

By Mr. BONE:

S. 1511. A bill to provide for the acquisition by the United States of lands not in Federal ownership within the Olympic National Park, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. MINTON:

S. 1512. A bill to amend part II of the Interstate Commerce Act, otherwise known as the Motor Carrier Act, 1935, as amended by the act of June 29, 1938; to the Committee on Interstate Commerce.

By Mr. CAPPER:

S. 1513. A bill to regulate the election of delegates representing the District of Columbia to national political conventions; to the Committee on the District of Columbia.

By Mr. BANKHEAD:

S. 1514. A bill providing in the interest of the general welfare for an appropriate reduction of the burdensome oversupply of American cotton and for further encouragement of soil conservation and soil improvement by making payments in kind in cotton, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. OVERTON:

S. 1515. A bill for the relief of the Louisiana National Bank of Baton Rouge and the Hibernia Bank & Trust Co. of New Orleans; to the Committee on Claims.

By Mr. BARBOUR:

S. 1516. A bill to amend sections 704, 705, 706, and 707 of the Merchant Marine Act of 1936, as amended; to the Committee on Commerce.

HOUSE BILL REFERRED

The bill (H. R. 4218) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AMENDMENT TO LEGISLATIVE APPROPRIATION BILL

Mr. GREEN submitted an amendment making provision for a messenger at special gallery door of the Senate, intended to be proposed by him to House bill 4218, the legislative appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed.

REGULATION OF CONTRACTS OF INDIGENOUS WORKERS

Mr. CAPPER submitted the following resolution (S. Res. 82), which was referred to the Committee on Foreign Relations:

Whereas there is pending before the International Labor Organization at Geneva a proposed convention on Regulation of Contracts of Indigenous Workers, which would impose a lower standard of working conditions on many American workers, and in particular upon many American women workers: Therefore be it

Resolved, That the Senate request the United States delegation to the June conference of the International Labor Organization to oppose the adoption of the above convention.

HEARINGS BEFORE COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. KING submitted the following resolution (S. Res. 83), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the District of Columbia, or any subcommittee thereof, is hereby authorized during the Seventy-sixth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during any session or recess of the Senate.

ASSISTANT CLERK TO COMMITTEE ON MILITARY AFFAIRS

Mr. SHEPPARD submitted the following resolution (S. Res. 84), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Military Affairs hereby is authorized to employ an assistant clerk to be paid from the contingent fund of the Senate at the rate of \$1,800 per annum until the end of the present session.

ASSISTANT CLERK TO COMMITTEE ON PATENTS

Mr. BONE submitted the following resolution (S. Res. 85), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Patents is hereby authorized to employ for the duration of the Seventy-sixth Congress an assistant clerk to be paid from the contingent fund of the Senate at the rate of \$2,800 per annum.

LEGAL ASPECTS OF FLOOD CONTROL (S. DOC. NO. 34)

Mr. WALSH. Mr. President, I ask to have printed as a Senate document, a memorandum prepared by the Bureau of Law of the Federal Power Commission in regard to various legal aspects of flood control; and also a memorandum on power projects licensed by the Federal Power Commission at Government dams constructed primarily for purposes other than power.

The VICE PRESIDENT. Without objection the memoranda will be printed as a Senate document.

AIR POWER FOR PEACE—ADDRESS BY SENATOR REYNOLDS

[Mr. SHEPPARD asked and obtained leave to have printed in the RECORD a radio address on the subject of Air Power for Peace, delivered by Senator REYNOLDS on February 18, 1939, which appears in the Appendix.]

RETURNING MEN TO WORK—ADDRESS BY SENATOR MALONEY

[Mr. WALSH asked and obtained leave to have printed in the RECORD a radio address on the subject Returning Men to

Work, delivered by Senator MALONEY on February 14, 1939, which appears in the Appendix.]

LET'S LOOK AFTER AMERICA FIRST—ADDRESS BY SENATOR HOLT

[Mr. HOLT asked and obtained leave to have printed in the RECORD a radio address delivered by himself on February 16, 1939, on the subject Let's Look After America First, which appears in the Appendix.]

ADDRESS BY SENATOR WILEY BEFORE WOMEN'S POLITICAL STUDY CLUB

[Mr. McNARY asked and obtained leave to have printed in the RECORD an address delivered by Senator WILEY on February 18, 1939, before the Women's Political Study Club of Washington, D. C., which appears in the Appendix.]

LINCOLN DAY ADDRESS BY SENATOR TAFT

[Mr. McNARY asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Senator TAFT at the Netherlands-Plaza Hotel, Cincinnati, Ohio, on February 11, 1939, which appears in the Appendix.]

APPRAISAL OF WASHINGTON BY JEFFERSON

[Mr. BORAH asked and obtained leave to have printed in the RECORD excerpts from a letter written by Thomas Jefferson in 1814 on George Washington, which appears in the Appendix.]

ADDRESS BY GOVERNOR AIKEN AT PITTSBURGH, PA.

[Mr. GIBSON asked and obtained leave to have printed in the RECORD the address delivered by Hon. George D. Aiken, Governor of Vermont, on February 11, 1939, at the Amen Corner Club, Pittsburgh, Pa., which appears in the Appendix.]

ADDRESS BY WILLIAM O. DOUGLAS BEFORE FORDHAM UNIVERSITY ALUMNI ASSOCIATION

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an address delivered by William O. Douglas, Chairman of the Securities and Exchange Commission, before the Fordham University Alumni Association on February 9, 1939, which appears in the Appendix.]

FEDERAL RECLAMATION IN NEBRASKA—ADDRESS BY HON. JOHN C. PAGE

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an address on the subject Federal Reclamation in Nebraska, delivered by Hon. John C. Page, Commissioner of Reclamation, which appears in the Appendix.]

HON. HARRY HOPKINS, SECRETARY OF COMMERCE

[Mr. BRIDGES asked and obtained leave to have printed in the RECORD an article from the New York Herald Tribune of February 20, 1939, relating to Hon. Harry Hopkins, Secretary of Commerce, and the Presidential nomination in 1940, which appears in the Appendix.]

FORTIFICATION OF GUAM—EDITORIAL FROM WASHINGTON DAILY NEWS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial from the Washington Daily News of February 16, 1939, entitled "Congress and Guam," which appears in the Appendix.]

FOREIGN POLICY—ADDRESS BY SENATOR PITTMAN

Mr. TYDINGS. Mr. President, I should like to call attention to a speech on our foreign policy, delivered in Baltimore, Md., before the real-estate board of Baltimore City, by the senior Senator from Nevada [Mr. PITTMAN], chairman of the Committee on Foreign Relations. While using this text for his speech, the Senator from Nevada enlarged to a considerable extent upon other phases of our foreign policy.

I think it would be very fitting to have this address published at length in the RECORD, because it was very well received by those present, and was very forthright in its clarity, dealing as it does with the difficult subject of neutrality and foreign relations in general.

I ask that the speech may be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The address is as follows:

ADDRESS BY HON. KEY PITTMAN, OF NEVADA, BEFORE THE TWENTY-THIRD ANNUAL BANQUET OF THE REAL-ESTATE BOARD OF BALTIMORE, ON FEBRUARY 11, 1939

Mr. Toastmaster, members of the real-estate board of Baltimore, and distinguished guests, I am happy that my official engagements could be so arranged that I am permitted to be with you tonight. I fully realize the honor conferred upon me in being invited to address this assemblage of distinguished men upon this celebrated occasion of your annual banquet.

Apparently every business and professional man in Baltimore is a member of this association. That is wise. The ownership of land is the foundation of wealth and the strongest incentive to patriotism.

As a college boy in the South I read with rapt interest the thrilling and romantic history of Maryland. The story of the democracy, justice, and tolerance of its founder, Lord Baltimore, after whom your great city is named, left with me a lasting impression. During years that elapsed while I wandered in far places, and participated in the exciting development of my own wonderful State of Nevada, the memory of your State and your metropolis was almost erased from my mind. Then the citizens of Nevada in 1912 did me the honor to elect me to the United States Senate as one of their representatives. I was thrown in intimate association with your distinguished representatives in the Senate—and you have always had distinguished representatives in both branches of Congress. One of the first Senators with whom I became intimately acquainted was your able Senator John Walter Smith. He, with other senior Members, gave me some good advice. He warned me never to answer a letter unless the answer would be pleasing. Senator Mark Smith, of Arizona, advised me that the chief object of a political speech is not to lose votes. While Senator Swanson, of Virginia, urged that I never make a speech on an important subject in the year in which I was running for reelection because somebody would be offended. I took their advice—and I am still in the Senate.

Through your Senators I met and learned to know your State, your city, and their patriotic, progressive, and hospitable citizens. In fact, I became so fascinated by the beautiful scenery of Maryland and the excellent opportunities for recreation and sports on Chesapeake Bay that I helped to organize and became president of Jefferson Island Club. There I learned to know and appreciate the liberty-loving and law-abiding people of the Eastern Shore. They are law abiding—but they make their own laws. They recognize, however, that Baltimore is on the border of the Eastern Shore and is entitled to their sympathy and their confidence—most of the time. At first I marveled at the industry, the activity, and the great prosperity of Baltimore. I soon discovered, however, the cause. Very few cities in the United States have by location and facilities better opportunities for the expansion of industry and commerce than Baltimore, and none excel it in the character and industry of its citizens.

There is a bright future for Baltimore because there is a bright future for the United States. We are guaranteed by our Constitution, builded by our patriotic and inspired forefathers, independence, and liberty to a degree not enjoyed by any other people. We have more natural resources, more wealth, more progressive businessmen, and more intelligent, capable, and democratic people than any other country in the world. We as a people should be proud and happy for these blessings. We should guard against enemies both within and without with every resource and power at our command.

There is little danger from within. The Third International a few years ago, through money and propaganda, attempted to establish and propagate in our country the destructive doctrine of communism. They moved against labor, as they thought that the easiest point of attack. Labor scorned and repulsed them. It is true that there exists in our country a so-called Communist Party. It is puerile and without policy or intelligent leadership or following. There are, of course, a few shrewd, cunning, and anarchistic men in this country who are teaching and practicing the doctrine of unlawful domination through violence and destruction. These men are largely vicious aliens. These aliens should be deported. Those who are citizens should be tried, convicted, and imprisoned. Russia, however, at the present time is too busily engaged at home in preparation against a threatened conquest of her territory to engage in much activity abroad.

Hitler, however, in his mad vanity, fanatical zeal, and unbounded ambition to dominate throughout the world, is openly and secretly striving to organize and bind to him nationals of other countries who are of the German race. I personally do not doubt that Hitler would consider it justifiable to arouse internal dissensions in foreign countries to accomplish his ambitions. He has made little headway, however, in his appeal to our citizens of the German race. They are too intelligent and patriotic to be won over to his scheme by such insincere appeals to their racial pride. They have pride in their race, and well they may have, but they know that Hitler in his ruthless and unrestrained ambition has regimented the German people like slaves, worked them inhuman hours without sufficient proper food, and deprived them of their liberty. They know that Hitler through force and violence is depriving his people of free speech, the right of a free press, and the right to worship their God as they see fit. The people of the German race everywhere long for the advancement of their race, with the aspirations common to every race. But our citizens of the German race will never approve of the inhuman methods adopted

by Hitler in Germany. It is true that we have a little Hitler organization in this country called the Bund. It does not amount to much. It is composed of a few vain, flattered, loud-mouthed, light-headed, goose-stepping mountebanks. They are insulting and annoying. They are a disgrace and humiliation to our citizens of the German race. They have no influence.

Those who give the most encouragement to both of these foreign ideologies are some of our prominent citizens. These men and women in their particular hatred for or fear of one of these ideologies seem to praise the other either by comparison or by their attack solely on one. As a matter of fact, they do, as does every patriotic American citizen, detest both communism and nazi-ism. We are not directly concerned with the character of government in any foreign country, nor do we attempt to destroy it, but we resent and will resist any attempt of foreigners or foreign sympathizers to destroy our democratic system. To say the least, such efforts are destructive of harmony and good feelings among nations. Under our Constitution, we cannot deprive any persons of the right of free speech or of peaceful assemblage, but we have the right to refuse to associate or do business with people who speak against our Government and preach the offensive ideology of a foreign government while enjoying the blessings of our country. We should ostracize them.

There is, however, a threat of war from abroad; not immediate, of course. Not so long as the totalitarian powers—sometimes called the dictator powers—that is, Germany, Italy, and Japan—are engaged in war or preparing for war in Europe and Asia. One of the totalitarian powers is now engaged in war and in the conquest of China. If Japan finally conquers China, then Japan will dominate eastern Asia and her Army and Navy will be free to join Hitler and Mussolini in a war for the conquest of Europe and the rest of Asia. If these dictator governments conquer Europe and Asia—and this is possible—then the Latin American Republics will be the next countries involved. In such an event, how can we avoid war? Certainly we do not intend to stand still while the dictators subdue our neighbors and advance to our very door. We will not let any military power reach our shores and make a battleground of our country and carry death and destruction to our noncombatants, men, women, and children, as was and is being done in China. We will stop them at the gate.

We hear over the radio nightly and we read in the press the challenging questions: "Why prepare for defense, as there is no danger of war? Who will bring war to the United States?" Some of these questioners speak from sincere ignorance. Some are actuated by an unpatriotic fear. Possibly some are motivated by sinister motives. Some say: "Do not state the facts. Do not criticize the dictators lest we anger them." They have already expressed their hatred and contempt for our Government. They will not force us into war on account of hatred, nor will they refrain from war on account of a friendly feeling. They are, and will continue to be, actuated solely by ambition for power and the love of conquest. Has any competent observer ever detected any evidence that any of the dictators were ever influenced by justice, religion, morality, or sentiment? Is not their every declaration and act based on the doctrine that might makes right? Do they not worship at the altar of the god of war? Do they recognize any law save the law of force? Is there anything that can stop their march to conquest save fear of force?

Let us not be deceived. These dictator governments are in definite and firm military alliance. They are forcing other governments into the alliance, and no one can safely predict where this will end. They are in alliance against the Comintern, which means Russia. They were in alliance against Czechoslovakia. They are in alliance against Great Britain and France, and their alliance will hold against any country that opposes or interferes with the consummation of their ambitions and greed. Their acts in the Latin American republics are proof of their determination to dominate these vast countries so rich in undeveloped natural resources.

The President, in his message to Congress on January 4 of this year, in part, said:

"All about us rage undeclared wars—military and economic. All about us grow more deadly armaments—military and economic. All about us are threats of new aggression—military and economic."

"There comes a time in the affairs of men when they must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their governments, and their very civilization are founded. The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one we must now make up our minds to save all."

"We know what might happen to us of the United States if the new philosophies of force were to encompass the other continents and invade our own. We, no more than other nations, can afford to be surrounded by the enemies of our faith and our humanity. Fortunate it is, therefore, that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace."

"That hemisphere, that peace, and that ideal we propose to do our share in protecting against storms from any quarter. Our people and our resources are pledged to secure that protection. From that determination no American flinches."

"We as one of the republics reiterate our willingness to help the cause of world peace. We stand on our historic offer to take counsel with all other nations of the world to the end that aggress-

sion among them be terminated, that the race of armaments cease, and that commerce be renewed.

"We have learned that God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations cannot safely be indifferent to international lawlessness anywhere. They cannot forever let pass, without effective protests, acts of aggression against sister nations—acts which automatically undermine all of us.

"Obviously they must proceed along practical, peaceful lines. But the mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all.

"At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist, or build up an aggressor."

I do not interpret this to mean that we intend to join with other nations in determining an aggressor. We will not do this in concert with other nations. We will determine this question for our own selves when such aggression directly threatens our own safety or indirectly threatens us through threats of safety to our neighbors on this hemisphere. Let us remember that the President declared in his message that we "rightly decline to intervene with arms." Evidently this expression was not considered by those who charged that his message indicated a desire to lead our country into an alliance with foreign countries. If there was any such doubt existing in the minds of anyone, that doubt should be removed by the President's statement made at his press conference on February 3 of this year when in his first declaration of the fundamental principles of our foreign policy he said: "We are against any entangling alliances, obviously."

His assertion in his message that "At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist, or build up an aggressor" was looked upon in some quarters, Nazi and elsewhere, with a grave suspicion. The publicity of the fact that the agents of France were inspecting and purchasing airplanes from private manufacturers in this country with the approval of the President was grasped as a cause for attack upon the President. Some of these attacks were sincere. Others were by political partisans for political purposes. It is deplorable that anyone should inject politics into the foreign relations of our country at any time, and especially in so grave a world situation.

What was all the hullabaloo about? There is no law against any government, not declared by the President to be in a state of war, inspecting and purchasing airplanes from private manufacturers in the United States. France instead of the United States is paying for the testing of planes manufactured in the United States. France at her own expense is paying for the expansion of our private plants and furnishing experience to our manufacturers in this country to our great advantage. We do not need these airplanes now. Later we will require greatly enlarged plant capacity.

Is there anything wrong in permitting France to purchase airplanes in this country? France and Great Britain were the only military powers who sincerely joined with the United States in the many efforts to limit naval armaments. The United States, Great Britain, and France, relying on peace treaties and the limitation of armaments, failed to build up military forces, military equipment, or to provide capacity for essential production, while the dictator powers not only enlarged their military forces to their utmost ability, but provided capacity for enlargement and renewal of arms, ammunition, and implements of war far beyond the capacity of Great Britain and France. To deny Great Britain and France, in the circumstances, the right to purchase arms, ammunition, and implements of war in this country would be giving aid to the dictator powers and would be unneutral, unjust, and contrary to the best interests of our country.

Apparently the only thing that can prevent war in Europe, with the ever-threatening danger of spreading to this hemisphere, is such a balance of military power by the opposing groups of countries in Europe and Asia that both will refrain from attack for fear of defeat. It is devoutly to be hoped in the interests of peace that such balance of power in Europe and Asia will be established and maintained as a preventive of war, at least until some peaceful deterrent can be devised, established, and maintained.

Our people hate war. They have not forgotten its death and destruction. It is constantly asserted that we are about to be dragged into another European war as we were in the last. The conditions are not the same; they are entirely different. Then the President and Congress held firmly to the doctrine of the freedom of the seas. We went to war by reason of the continued and brutal violation of our rights on the high seas. The Neutrality Act has prohibited our citizens many of their rights upon the high seas, the violation of which prior to the World War was the chief cause for our being forced into that war. But, whether you believe that we were right or wrong in entering the World War, do not forget that Congress—and not the President—declared war, and that we will not enter another foreign war unless it is the will of Congress. I have absolute confidence in our Congress.

Let us be cautious but firm. Let us be governed by intelligence, not sentiment. Let us be actuated by patriotism, not fear. Let us remember that no people who were afraid to fight for liberty ever retained liberty. Let us be prepared to defend our country. If we

do these things, we will not have war forced upon us, nor will we be dragged into it, and our rights will be respected throughout the world and our liberties preserved.

DEATH OF POPE PIUS XI

Mr. MEAD. Mr. President, in the passing of Pope Pius XI the world sustained a grievous loss. Religion benefited by the force of his profound spiritual leadership. The temporal world found in him an influential advocate of human rights. An apostle of peace, a vigorous defender of the truth, a firm believer in the inherent rights of mankind, his death is mourned by the God-fearing peoples of every race and creed.

A saddened world pays its respects to the memory of this frail and devout figure, who time and again resisted death that he might continue his ministry on earth. In an age when peace and tolerance have left the hearts of many men, Pope Pius XI exemplified the virtues of hope, faith, and charity. His wisdom, vision, and patience attested to his godliness, and burned themselves deeply into the hearts and consciences of those in the world who are oppressed, persecuted, or threatened with violence to their liberties.

In attempting to mark the accomplishments of this distinguished student of human and spiritual problems, I take occasion to quote the comments of leaders of our day from the press of my State.

The New York Times carries President Roosevelt's statement, issued by Secretary of State Cordell Hull. The President, in expressing his condolences to the Papal Secretary of State, said of the Pope:

His great spiritual qualities and his zeal for peace and tolerance won him a place in the hearts of all races and creeds. Word of his passing has been received with deep sorrow throughout the United States.

The Most Reverend Amleto Cicognani, apostolic delegate to the United States:

It is difficult to bring ourselves to realize our great loss. He lives and will continue to live in the hearts of his loyal and grateful subjects, and in the administration of those who sincerely wish the good of humanity.

The Most Reverend Stephen L. Donahue, auxiliary bishop and administrator of the Archdiocese of New York, quoted in the Times, declared:

He was not only an outstanding Pontiff who ruled the church of God with Christlike clarity and fatherly solicitude but also he will be remembered by generations to come as an eminent statesman and scholar endowed with those rare gifts of wisdom and courage which he used for the betterment of mankind.

Among many other comments reported by the Times, are: Robert P. Goldman, president, the Union of American Hebrew Congregations:

The Pope was a lover of peace and humanity, and upheld the ideals of spirituality with courage and wisdom. He has clarified the thinking of the world by his firm declaration that the law of God must mold the standards of society. His life was an inspiration and his passing is a loss to the people of all religious faiths.

Rev. Charles E. Coughlin, of Detroit:

He reflected from their snow-capped pinnacles the light of God's guiding truth to those of us who dwell in the valley of darkness.

Postmaster General James A. Farley, of New York:

The world has lost a leader whose spiritual influence will exist long after most of us are forgotten. The earnest efforts of His Holiness to promote world peace and his energy in advocating social justice made him respected by men of all political and religious faiths.

Alfred E. Smith, former Governor of New York:

He will go down in history as one of the world's truly great men. We are losing him at a time when we need him most.

Rev. Robert I. Gannon, S. J., president of Fordham University:

His Holiness was a martyr to the cause of liberty.

The Long Island Star quotes Rabbi Joshua Goldberg, of Astoria, national secretary of the American Jewish Congress:

The Jews of the country at large share with their Catholic brothers a sense of grief over the passing of this kindly and courageous leader of men, whose courage, sympathies, and utterances combined to form a leadership that the world today can ill afford to miss.

The Star likewise reports a statement by Rabbi Abraham Dubin, of Flushing, who said:

We Jews are particularly mindful of his friendliness toward our people and of his sympathetic expressions for the Jews suffering in many places of the world today. Wherever men labor for freedom and truth and justice and peace, there the passing of Pope Pius XI will be mourned. The world is bereft of a great humanitarian whose efforts in behalf of peace and understanding have won the heart of all denominations. His memory will be held in everlasting benediction.

The Buffalo Evening News, the Buffalo Times, and the Buffalo Courier-Express all contain expressions of the grief of prominent Buffalonians over the Pope's death. Among the comments appearing in the Buffalo papers are:

Mayor Thomas L. Holling:

His was an inspiring presence; his death particularly unfortunate at this time, because His Holiness was a tremendous influence in furthering world peace. He contributed much to the betterment of man spiritually, socially, and economically. May his noble soul rest in peace.

The Most Reverend John A. Duffy, bishop of the Catholic Diocese of Buffalo:

The Pope of the workingman is dead and the tollers of the world will mourn the loss of a truly sincere and devoted friend. A scholar internationally known, a diplomat of world renown, yet this and future generations will revere Pope Pius XI as the supreme exponent in our day of social justice.

Rabbi Joseph L. Fink, of Buffalo:

He was a great, vigorous, and extraordinary personality. His influence on the world has been enormous. His leadership will be missed by the millions outside of his own faith as well as by the millions in his faith. He was a great man and we deeply mourn his passing.

The Right Reverend Cameron J. Davis, Episcopal bishop of western New York:

The whole world is grieved at the death of the Pope. He stands as one of the greatest spiritual leaders that has been known in many, many years. His devotion to God and to man has been marked particularly in three of his great encyclicals and particularly in that one which dealt with the problems of our present social order.

Monsignor Alexander Pitass, of Buffalo:

The Pope's death is a great loss to the world. Even though we were warned of the impending danger, nevertheless it was a great shock. His death means much to Poland and the Polish-Americans of Buffalo, since he was very much attached to the Polish people. It was a Polish cardinal who consecrated him bishop.

The Utica Observer Record carries the words of Hon. Fiorenzo H. LaGuardia, mayor of New York City, who said of the Pope:

He was exercising all his strength for peace in his world. I know that I and all the people in the world will miss forces which he was trying to express. I feel confident that what he had in mind will be carried on.

The Utica Observer Dispatch quotes Rev. Jerome F. McCarthy, of Utica:

Our Catholic people deeply regret his passing and know that they will miss his guiding hand.

The Observer Dispatch likewise includes a statement by Rev. Michael Dzialuk, of Utica, in which Reverend Dzialuk says:

Pope Pius XI was the greatest Pope since Gregory VII, and I feel, as all men do today, deeply grieved at the loss of such a leader.

The Utica Daily Press reports a statement by the Most Reverend Walter A. Foery, bishop of the Catholic diocese of Syracuse, who says:

He loved mankind, even as his Master, Christ, loved all men, and offered himself as sacrifice for the salvation of all. He was the champion of the workers, defending them and demanding for them justice and working conditions worthy of human dignity. He was the guide of the educators; he was the patron of youth, vindicating their individual rights above the demands of the state.

The Binghamton Press prints eulogies of the Pope from the lips of a score of pastors in that city. Among them are the words of the Reverend Joseph P. Toomey, head of the Catholic Charities, who states:

The Pope was truly a spiritual father, seeking always to protect for his children their God-given rights, guiding them in the way

of godliness and providing them with a spiritual heritage which might survive every attack of worldly materialism.

FIRST DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. ADAMS. I submit the conference report on House bill 2868, the first deficiency appropriation bill, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 14, 15, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, 35, and 36, and agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment before the period insert the following: "Provided, That the amounts claimed and allowed, respectively, in item numbered 95, page 12 of such document, are hereby changed to \$7, and that the amount allowed in item numbered 5, page 25 of such document, is hereby changed to \$16.15"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 10, 13, 16, 17, 18, and 23.

ALVA B. ADAMS,
CARTER GLASS,
KENNETH MCKELLAR,
CARL HAYDEN,
JAMES F. BYRNES,
FREDERICK HALE,
JOHN G. TOWNSEND, JR.,

Managers on the part of the Senate.

EDWARD T. TAYLOR,
C. A. WOODBRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
THOS. S. MCMILLAN,
J. BUELL SNYDER,
EMMET O'NEAL,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

The VICE PRESIDENT. Is there objection to the request of the Senator from Colorado for the immediate consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. NYE. Mr. President, I inquire of the Senator from Colorado concerning the status of the amendment which was added to the bill in the Senate, providing for grasshopper eradication.

Mr. ADAMS. The two Houses are in disagreement on that amendment. In fact, I may say they are in disagreement on all the major items but one.

Mr. NORRIS. Mr. President, there was so much commotion in the Chamber that I could not understand what was said when the report was first taken up. This is only a partial report, as I understand.

Mr. ADAMS. That is correct. It is only a partial report. It reports three major items and one rather minor item in disagreement.

Mr. NORRIS. What is the status of the amendment which was put on the bill by the Senate in regard to the eradication of pests, including grasshoppers?

Mr. ADAMS. The House declined to recede from its position, and the Senate declined to recede from its position. As I recollect, the House provided \$2,000,000 for the purpose. The Senate increased the amount to \$5,417,000; and we are in disagreement as to that item.

Mr. NORRIS. It is contemplated, then, is it, that a separate vote shall be taken on that amendment in each House?

Mr. ADAMS. I propose to request the Senate to insist on its amendments, to reappoint the same conferees, and to

ask for a further conference. I think in the House it is planned to have separate votes on the separate items.

Mr. NORRIS. Then the Senator probably will want a yea-and-nay vote on the matter here, as well as in the House. Is that correct?

Mr. ADAMS. I will say to the Senator from Nebraska that I had not planned to have a yea-and-nay vote at this stage of the conference report.

Mr. McKELLAR. Mr. President, I think it would be wise to have such a vote, if the Senate desires to back up the conferees.

Mr. NORRIS. It seems to me the conferees would be in a better position to meet the conferees of the House if they were backed up by a yea-and-nay vote.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

Mr. ADAMS. I move that the Senate insist on its amendments in disagreement, request a further conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. ADAMS, Mr. GLASS, Mr. McKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND conferees on the part of the Senate.

CONSIDERATION OF THE CALENDAR

The VICE PRESIDENT. The routine morning business is concluded. The consideration of bills on the calendar under rule VIII is in order.

The first business on the calendar was the bill (S. 326) for the payment of awards and appraisals heretofore made in favor of citizens of the United States in claims presented under the General Claims Convention of September 8, 1923, United States and Mexico.

Mr. ADAMS. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

INDEPENDENT OFFICES APPROPRIATIONS

Mr. GLASS. Mr. President, I move that the Senate proceed to the consideration of House bill 3743, the independent offices appropriation bill.

The VICE PRESIDENT. Let the Chair state to the Senator from Virginia that this is Monday morning, and under the rule the calendar must be called for the consideration of bills under rule VIII unless unanimous consent is given to dispense with it. Of course, the Senator from Kentucky or other Senators may ask unanimous consent for that purpose.

Mr. BARKLEY. I suggest that the calendar be called. The calendar is short, and it will not take long to dispose of it.

Mr. GLASS. Very well.

BILL AND RESOLUTION PASSED OVER

The bill (S. 1093) for the relief of Mike Chetkovich was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 58) providing that a calendar day's notice shall suffice in connection with suspension of a rule was announced as next in order.

Mr. McNARY. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

CLAIMS FOR COMPENSATION—RECOMMITTAL OF BILL

The bill (S. 197) to amend the Judicial Code in respect to claims against the United States for just compensation was announced as next in order.

Mr. MILLER. I ask unanimous consent that the bill be recommitted to the Committee on the Judiciary.

The VICE PRESIDENT. Without objection, it is so ordered.

BILL AND RESOLUTION PASSED OVER

The resolution (S. Res. 74) providing for a Committee on Civil Aviation was announced as next in order.

Mr. VANDENBERG. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 884) for the relief of disbursing officers and other officers and employees of the United States for disallowance and charges on account of airplane travel was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

PACIFIC TELEPHONE & TELEGRAPH CO.

The bill (S. 745) for the relief of the Pacific Telephone & Telegraph Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Pacific Telephone & Telegraph Co., of San Francisco, Calif., the sum of \$51,325.85, in full satisfaction of its claim against the United States for reimbursement of expenses incurred in repairing and restoring a submarine cable in the San Francisco Bay between San Francisco and Fort Baker, Calif., which was cut by the U. S. S. *Quail* on November 27, 1937, while engaged in recovering an anchor of the U. S. S. *Whippoorwill*: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with such claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

THE CORBITT CO.

The Senate proceeded to consider the bill (S. 1315) for the relief of the Corbitt Co., which had been reported from the Committee on Claims with amendments, on page 1, line 3, after the word "Treasury", to strike out "is" and insert "be, and he is hereby"; in line 6, after "\$6,659.80", to strike out "such sum representing the amount of" and insert "in full settlement of all claims against the United States for"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Corbitt Co., of Henderson, N. C., the sum of \$6,659.80 in full settlement of all claims against the United States for liquidated damages for delinquency in making deliveries charged against such company in the settlement of a certain contract (No. W-ord-226) entered into by such company with the War Department for furnishing 20 T 9 scout cars and a quantity of spare parts: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE OCILLA STAR

The Senate proceeded to consider the bill (S. 303) for the relief of The Ocilla Star, which had been reported from the Committee on Claims with an amendment, on page 1, line 10, after the word "December," to strike out "1936, such claim having been disallowed by the General Accounting Office," and insert "1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to The Ocilla Star, of Ocilla, Ga., the sum of \$96 in full satisfaction of its claim against the United States for the publication of six foreclosure advertisements in four consecutive issues at the request of a county rural rehabilitation supervisor, Resettlement Administration, in December 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by

any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE FITZGERALD LEADER

The Senate proceeded to consider the bill (S. 463) for the relief of the Fitzgerald Leader, which had been reported from the Committee on Claims, with an amendment, on page 1, line 10, after the word "December", to strike out "1936, such claim having been disallowed by the General Accounting Office", and insert: "1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Fitzgerald Leader, of Fitzgerald, Ga., the sum of \$32 in full satisfaction of its claim against the United States for the publishing of two foreclosure advertisements in four consecutive issues at the request of a county rural rehabilitation supervisor, Resettlement Administration, in December 1936: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISASTER LOAN CORPORATION

The bill (S. 1367) to extend the time for making loans by the Disaster Loan Corporation and increasing its capital stock was announced as next in order.

Mr. KING. Mr. President, is the passage of this bill unanimously recommended by the committee? [A pause.] Let it go over.

Mr. BARKLEY. Mr. President, the law which this bill proposes to amend was passed 2 years ago. It authorized the making of loans, and the Disaster Loan Corporation was created, with a capital stock of \$20,000,000, furnished by the R. F. C. Not more than half of the money has been used, and the law will soon expire. Because of disasters, not only in the same region as heretofore but in other regions of the country, it is desirable that the time be extended.

I will say to the Senator from Utah that the Disaster Loan Corporation set up in the R. F. C. has been very conservative in making loans, and in view of the expiration of the time, and the fact that practically half of the capital stock is still unused, I think the time ought to be extended. I hope the Senator will not object.

Mr. KING. For how long is it desired that it shall be extended?

Mr. BARKLEY. My recollection is that it is a year, but I am not certain. I shall have to examine the bill to ascertain that.

Mr. KING. If it is more than one year, I shall object. I suggest that the bill be passed over temporarily.

Mr. BARKLEY. I think it is a year.

Mr. KING. May I inquire whether the extension was recommended by the R. F. C.?

Mr. BARKLEY. My recollection is that it was recommended. Certainly it is not opposed by the R. F. C.; and the unanimous report of the committee asks that the time be extended.

Mr. McKELLAR. The bill merely provides:

That the act approved February 11, 1937 (50 Stat. 19), as amended, is amended by striking from the first sentence "\$20,000,000" and inserting in lieu thereof "\$40,000,000", and by striking from the second paragraph "or 1938" and inserting in lieu thereof "1938, 1939, or 1940."

Mr. KING. I shall object if the amount is increased from twenty to forty million dollars. No reason has been shown for the extension.

The VICE PRESIDENT. The bill will be passed over.

DAVID R. THOMPSON AND RALPH S. WARNER

The Senate proceeded to consider the bill (S. 316) to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 4, after the words "directed to", to strike out "set aside the trial-board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department of the District of Columbia" and insert "reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia; compensation to commence from the date of such reappointment only, and no pay or compensation to be paid them from the date of their dismissal from the Metropolitan Police Department to the date of such reappointment", so as to make the bill read:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia; compensation to commence from the date of such reappointment only, and no pay or compensation to be paid them from the date of their dismissal from the Metropolitan Police Department to the date of such reappointment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia."

INDEPENDENT OFFICES APPROPRIATIONS

The Senate proceeded to consider the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

The VICE PRESIDENT. The clerk will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "American Battle Monuments Commission," on page 4, line 17, after the word "work", to insert a comma and "supplies, materials, and equipment," so as to make the proviso read:

Provided, That notwithstanding the requirements of existing laws or regulations, and under such terms and conditions as the Commission may in its discretion deem necessary and proper, the Commission may contract for work, supplies, materials, and equipment in Europe and engage, by contract or otherwise, the services of architects, firms of architects, and other technical and professional personnel.

The amendment was agreed to.

The next amendment was, under the heading "Civil Aeronautics Authority", on page 8, line 3, after the figures "\$13,738,000", to insert a comma and "of which \$1,000,000 shall be available for the Technical Development Division", so as to read:

Salaries and expenses: For salaries and expenses of the Civil Aeronautics Authority, including the expenses of operation, maintenance, and upkeep of air navigation facilities, in carrying out the

duties, powers, and functions devolving upon it pursuant to the authority contained in the Civil Aeronautics Act of 1938 (52 Stat. 973), including traveling expenses and expenses of employees detailed by the Chairman of the Authority or the Administrator to attend meetings of associations, organizations, or other properly constituted bodies concerned with the civil aeronautics industry or the art of aeronautics, in the United States or in foreign countries; personal services and rentals in the District of Columbia and elsewhere; contract stenographic reporting services; examination of estimates of appropriations in the field, including actual expenses of subsistence or per diem allowance in lieu thereof; expenses of packing, crating, drayage, and transportation of household effects and other personal property (not exceeding in any one case 5,000 pounds) of employees when transferred from one official station to another for permanent duty, upon specific authorization by the Chairman of the Authority or the Administrator; purchase and exchange of professional and scientific books, law books, books of reference, atlases and maps, periodicals and newspapers; purchase and exchange (not to exceed \$400,000), operation, maintenance, repair, and overhaul of aircraft, aircraft power plants, propellers and equipment, and spare parts therefor; purchase and exchange (not to exceed \$45,000), hire, maintenance, repair, and operation of passenger-carrying automobiles, including two automobiles for use in the District of Columbia; and purchase of special clothing, wearing apparel, and suitable equipment for aviation purposes (including rubber boots, snowshoes, and skis), \$13,738,000, of which \$1,000,000 shall be available for the Technical Development Division.

The amendment was agreed to.

The next amendment was, on page 28, line 19, after the numerals "1938", to strike out "\$250,000, of which \$75,000 shall be immediately available" and insert "\$175,000, together with the unobligated balance of the appropriation for this purpose for the fiscal year 1939", so as to read:

Mount Rushmore National Memorial Commission: For completion of the work, except the inscription, authorized by the provisions of the Mount Rushmore Memorial Act of 1938, \$175,000, together with the unobligated balance of the appropriation for this purpose for the fiscal year 1939.

The amendment was agreed to.

The next amendment was, under the heading "Social Security Board", on page 44, line 23, after the figures "\$49,000,000", to strike out the comma and "of which sum such amount as may be necessary shall be available for the grants under this title III for any period in the fiscal year 1939 subsequent to March 31, 1939", so as to read:

Grants to States for unemployment compensation administration: For grants to States for unemployment compensation administration, as authorized in title III of the Social Security Act, approved August 14, 1935, including rentals in the District of Columbia and elsewhere, \$49,000,000.

Mr. VANDENBERG. Mr. President, I should like to ask the Senator from Virginia whether there is anything in the present appropriation for the Social Security Board which covers the reserve fund under title II, or will we reach that in the consideration of some other bill?

Mr. GLASS. The reserve fund of the Social Security Board?

Mr. VANDENBERG. Yes.

Mr. GLASS. I do not think that is involved in this bill.

Mr. KING. Mr. President, with respect to social security, I should like to make an inquiry. I have received many communications from church organizations, as doubtless other Senators have, objecting to bringing their organizations, so far as social security is concerned, under the terms of the Social Security Act. Is there anything in the pending bill that will accomplish that result?

Mr. GLASS. I do not think this bill deals with that question at all. That is a legislative matter.

Mr. GEORGE. Mr. President, I may say to the Senator from Utah that the intention is to amend the Social Security Act, and the House Committee on Appropriations is now engaged in hearings with that object in view.

Mr. KING. This bill does not touch that matter?

Mr. GEORGE. This bill does not touch that.

The VICE PRESIDENT. The question is on agreeing to the amendment on page 44, line 23.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment of the committee.

The next amendment was, under the heading "Tennessee Valley Authority", on page 48, line 5, after the name "Hiwassee

Dam", to insert "Gilbertsville Dam, and for construction of a dam at or near Watts bar on the Tennessee River, Tenn., and for preliminary investigations of a site for a dam at or near Coulter Shoals on the Tennessee River, Tenn.", and in line 20, after the numerals "1940", to strike out "\$21,797,000" and insert "\$39,003,000", so as to read:

For the purpose of carrying out the provisions of the act entitled "The Tennessee Valley Authority Act of 1933," approved May 18, 1933, as amended by the act approved August 31, 1935 (16 U. S. C. ch. 12a), including the continued construction of Pickwick Landing Dam, Guntersville Dam, Chickamauga Dam, Hiwassee Dam, Gilbertsville Dam, and for construction of a dam at or near Watts bar on the Tennessee River, Tenn., and for preliminary investigations of a site for a dam at or near Coulter Shoals on the Tennessee River, Tenn., and the acquisition of necessary land, the clearing of such land, relocation of highways, and the construction or purchase of transmission lines and other facilities, and all other necessary works authorized by such acts, and for printing and binding, law books, books of reference, newspapers, periodicals, purchase, maintenance, and operation of passenger-carrying vehicles, rents in the District of Columbia and elsewhere, and all necessary salaries and expenses connected with the organization, operation, and investigations of the Tennessee Valley Authority, and for examination of estimates of appropriations and activities in the field, fiscal year 1940, \$39,003,000.

Mr. ADAMS. Mr. President, I desire to submit an amendment to the amendment, to strike out the words beginning on line 5, after the word "Gilbertsville," down to and including the words "Watts bar" on line 6, the language being "and for the construction of a dam at or near Watts bar."

Mr. President, this represents a point of issue which was discussed at length in the Committee on Appropriations. It represents a very definite issue which I wish to have submitted to the Senate.

When the relief bill was before the Senate those of us who were arguing for a reduction in the amount to be appropriated were told that we should not begin economies with relief, that there were other places. There is now presented what some of us think a very good place, which is not subject to the objections which were made in reference to the relief bill.

The Tennessee Valley Authority now has in the process of construction the dams on the list which appears in the pending bill on lines 3 and 4, page 48, which includes the Pickwick Landing Dam, the Guntersville Dam, the Chickamauga Dam, the Hiwassee Dam, and the Gilbertsville Dam. The item which I have asked to have stricken out is the authorization for the construction of a new dam.

In considering the item the committee divided, 13 to 11, and then only after most persuasive and effective efforts by the senior Senator from Tennessee [Mr. McKellar] who is sometimes down, but is never out. Twice during the committee's deliberations the Senator from Tennessee lost, but he always came back with another vote. The result was that our efforts to strike out this authorization for a new dam were defeated by a vote of 13 to 11, representing the vote of every Senator on the committee.

The votes of the 11 members of the committee whose views I am seeking to express were in accord with the vote in the House of Representatives. The House eliminated both the Gilbertsville Dam and the Watts bar dam. The motion which I have made is merely to eliminate the authorization for the construction of a new dam upon which work is not now being done, and it does seem that if we authorize the construction of the Gilbertsville Dam in addition to four other dams now being constructed, we are being extremely liberal.

Mr. President, the Tennessee Valley Authority has already spent over \$220,000,000. The completion of the plans of the engineers of the Tennessee Valley Authority will involve the expenditure of \$560,000,000, and it does seem that at least we might be a little less impatient, that we might wait a little, and not crowd construction of a new dam while we have under construction four great dams involving expenditure of \$200,000,000.

The Gilbertsville Dam will involve a cost of \$95,000,000 without the installation of power facilities. With the installation of power facilities the cost will run substantially

over \$100,000,000. Those Senators who have been here during the past few sessions know that the construction of the Gilbertsville Dam was authorized after vigorous battles, and I think I am not exaggerating when I say that it was only the persuasiveness of two great Senators from two great States, and the personal affection of many Senators, that secured the authorization of the Gilbertsville Dam. But we are just starting the Gilbertsville Dam, under the \$95,000,000 program, which program has supporting it a great argument based on flood control. It is the dam furthest down the river. It is the dam which would protect Paducah.

The Watts bar dam is above Chattanooga. I do not know how many Senators have followed the Tennessee Valley program, but it covers a stretch of 650 miles, from the mouth of the river to the Norris Dam. It is proposed to build dams at intervals, resulting in the creation of lakes, so that by the use of the lakes it will be possible to pass from one section to another.

The dams now under construction, including the Gilbertsville Dam, will provide navigation facilities to a point above Chattanooga, to a point, I think, within 75 miles of Knoxville. We are not at this time raising directly the issue of the propriety of the construction of the Watts bar dam, but rather the propriety of engaging at this time in a new expenditure as to which there is no occasion for haste. If it is desired to build the Watts bar dam, we can wait a year and still complete it before the Gilbertsville Dam will be completed.

The Gilbertsville Dam will not be completed until 1945. The Watts bar dam, which will involve an additional expenditure of \$38,000,000, will be of no value as a flood-control dam unless there is also constructed the dam at Coulter Shoals, which will mean another thirty to thirty-five million dollars, and for the construction of which no request was made at this time of the Committee on Appropriations.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. ADAMS. I yield.

Mr. NORRIS. Did the Senator mean to indicate, by the statement he just made, that the Gilbertsville Dam had no flood-control value?

Mr. ADAMS. Oh, no; I meant to indicate that it was the most important flood-control element in the entire system.

Mr. NORRIS. That is correct. The Senator was probably referring to the Watts bar dam.

Mr. ADAMS. As a matter of fact, in the flood of 1937 the dams already under construction lowered the height of the crest at Cairo four-tenths of a foot, according to the engineers who testified before us. It is said that if the Gilbertsville Dam is built it will result in lowering the height of the river more than 2 feet at Cairo, Ill. In other words, the Gilbertsville Dam will be of great benefit for flood control.

Mr. NORRIS. I wanted to call attention to what I thought was a mistake made by the Senator.

Mr. ADAMS. I am much obliged to the Senator.

Mr. NORRIS. The Gilbertsville Dam, as the Senator says, is the greatest of all the dams in this region so far as flood control is concerned.

Mr. ADAMS. Unquestionably.

Mr. NORRIS. It has greater flood-control value than any other dam anywhere east of the Mississippi River.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. McKELLAR. The Senator from Colorado said a moment ago that there was no occasion for haste in the construction of the Watts bar dam. The Senator recalls the testimony to the effect that the power companies, the cities of Tennessee, and the T. V. A., have all come to an agreement by which the power companies have sold their properties to the various cities. He also recalls the testimony of Mr. Klug that it was very essential that the Watts bar dam be begun this year in order to meet the requirements of the T. V. A.

and of the cities in Tennessee in furnishing power for their own needs. The Senator recalls that testimony. Mr. Krug testified that it was very necessary to build the Watts bar dam since the purchase of these companies by the T. V. A. and the associated cities.

Mr. ADAMS. Mr. President, as I understand, the constitutional basis for the T. V. A. construction is twofold, in that it includes navigation and flood control. The courts have sustained the development of power and the sale of power as incident to navigation and flood control. I have very studiously avoided discussion or consideration of the power element, because it opens the way to so much misunderstanding, and I have wanted to discuss the project upon its constitutional basis of flood control and navigation.

Mr. KING. Mr. President—

The PRESIDING OFFICER (Mr. LEE in the chair). Does the Senator from Colorado yield to the Senator from Utah?

Mr. ADAMS. I yield.

Mr. KING. I am interested in the statement just made by the Senator. May I say that I violated the Sabbath Day, and spent nearly all last night as well, in examining the more than 2,048 pages of testimony before the House committee, plus all the testimony taken by the Senate committee. It seems to me that one of the paramount purposes urged for this project—and I am very much opposed to it and think it is wholly unwarranted and may not be defended—is the development of power, and I read that the power which will be developed will cost \$214 per kilowatt-hour as against a very small amount, \$25, or \$30, or \$40, or \$56 per kilowatt-hour in other sections of the United States. It seems to me that a reading of the record will show that the paramount purpose of the construction is the development of power, and that feature of it is being forgotten, covered up, by the contention that this project is designed primarily for flood-control purposes. It seems to me the primary purpose, as disclosed by the record, is the development of power.

Mr. ADAMS. I have assumed, I may say to the Senator from Utah, that the Tennessee Valley Authority and the Senate were following the constitutional course, and that the power was a beneficial but incidental element.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. NORRIS. I should like to say to the Senator that since I interrupted him before I have consulted the official reporter, and I find that I was right in my understanding of what the Senator said. What he said, as the reporter has it, and as I understood the Senator to say, was that the Gilbertsville Dam had no flood control value unless Watts bar dam was also constructed, and of course the Senator did not mean that.

Mr. ADAMS. That would have been an erroneous statement, and I hope the official reporter will correct it. I thank the Senator very much indeed for calling attention to it.

Mr. McKELLAR. Mr. President, will the Senator yield to me so I may ask for further information?

Mr. ADAMS. I yield.

Mr. McKELLAR. The Senator refers to the question of constitutionality. In my judgment, the most vigorous legal battles which were ever waged against any institution in this country—and I think the Senator will agree with me—were with respect to the matters now under discussion. Many suits were brought in many courts; they have all gone to the Supreme Court, and have all been decided in favor of the T. V. A. up to this good hour. Is that not true?

Mr. ADAMS. I should say to the Senator that I have not had any concern with the question of constitutionality. I have merely said that I assumed that the basis of the whole program was the unquestioned constitutional basis of flood control and navigation, recognizing the decision of the Supreme Court that power might be developed and power might be sold as an incident thereto.

Mr. NORRIS. Mr. President, will the Senator kindly yield again?

Mr. ADAMS. Certainly.

Mr. NORRIS. Since we have cleared up the question of flood control in regard to Gilbertsville Dam, I wish to state to the Senator that it is my understanding that Watts bar dam—that is the dam the Senator proposes to strike out by his amendment—will have a flood-control value of 340,000 acre-feet of water.

Mr. ADAMS. That is correct.

Mr. NORRIS. I understood the Senator to say that there was nothing in it but power.

Mr. ADAMS. Oh, no; oh, no.

Mr. NORRIS. Then I misunderstood the Senator.

Mr. ADAMS. There is controlled power of 340,000 acre-feet in the Watts bar dam.

Mr. NORRIS. Yes. There would be that much less control if the Senator's amendment should prevail.

Mr. ADAMS. But the aggregate flood control provided for in all of the T. V. A. area is over 10,000,000 acre-feet, so that the Watts bar dam is a relatively small item.

Mr. NORRIS. Compared with the Gilbertsville Dam, it is small.

Mr. ADAMS. The Gilbertsville Dam has four and one-half million acre-feet.

Mr. NORRIS. I should like to ask the Senator if the evidence does not also show with respect to power, that unless Watts bar is commenced now or within the immediate future, the probabilities are that the T. V. A. will not have sufficient power in its other dams to supply the power which soon will be demanded of the T. V. A.? In other words, is it not true that the evidence shows that demand for power in that valley will be so great that there will be a shortage of power before it can be met, unless Watts bar is commenced at the beginning of the next fiscal year?

Mr. ADAMS. I may remind the Senator that power development is not included under the plan for Gilbertsville Dam. Evidently it was not felt that power development is essential, or it would have been included. In the pending bill we are providing for the installation of additional units at Wheeler Dam and at one other dam to provide additional power.

Mr. NORRIS. I think that is all true, except the implication that there never would be any power installed at Gilbertsville.

Mr. ADAMS. Oh, no; it is not felt that there is any emergency.

Mr. NORRIS. But with all the increased generating plants the Senator has mentioned, the T. V. A. estimates that there will be a shortage of power unless the Watts bar dam is commenced in the next fiscal year.

Mr. ADAMS. Mr. President, I am not willing to have the matter determined on the power question. I want to keep away from it. My own mind has not in any way been determined by the power phase of the question. I have been studying it from the navigation and the flood-control aspects. The Senator from Nebraska is an expert on the power situation. I am not; but I have felt that we ought to consider the construction of the dams first from the standpoint of national financing.

Mr. NORRIS. I agree with the Senator.

Mr. ADAMS. That is the basis upon which we are talking, and that we should not go into vast expenditures which could be postponed.

Mr. NORRIS. I agree with the Senator. But at the same time when a power program is commenced it would be folly to complete half of it and stop there. But if we eliminate the power end of it entirely, it is still true that the Watts bar dam will increase the navigability of the Tennessee River for a distance of 72 miles.

I do not think there is any dispute about that. It will provide a flood-control value of 340,000 acre-feet. So that if we confine the matter to navigation and flood control and say nothing about anything else, what I have stated will be the net result of putting in the Watts bar dam. It is conceded that it is going to provide some power. Is it not true from the evidence, I will ask the Senator, that if we omit this item from the pending bill the effect will be to

discharge several thousand men from employment at the beginning of the next fiscal year? The Senator from Colorado said that three of the dams are on the point of completion. Is it not contemplated as part of the program to move the machinery and the men and the organizations from the dams when they are completed to Watts bar dam and go on with that work without the discharge of anybody, without laying aside any machinery, and putting the men and the machinery to work there instead of discharging them as would happen if the Watts bar construction were not provided for?

Mr. ADAMS. I will say that I have given some thought to that suggestion. There are three dams which I have in mind. The Guntersville Dam will be completed in March 1940. The Chickamauga Dam will be completed in September 1940. The Hiwassee Dam will be completed in January 1941. So that none of the crews on those dams are now available, but they would be available a year from now. We can wait a year without losing the benefit of those crews and the equipment now employed.

Mr. NORRIS. I think the Senator is wrong in his conclusion. While he is right with regard to his statement of the time when the dams will be completed, the great bulk of the machinery and the great body of men that are being employed, at least at one of those dams—Guntersville, for instance—will have to be discharged.

The machinery will lie idle, whereas if the Watts bar dam is built, the men and machinery can be put right to work. The finishing touches on these dams will not require the large number of men or the large amount of machinery which the Senator has probably anticipated in his statement.

Mr. ADAMS. Mr. President, to go back to the initial contention which influences my mind, we have now authorized and are working upon projects involving an expenditure approaching \$200,000,000, if we include the Gilbertsville Dam. The figure for Gilbertsville is \$95,000,000. The Guntersville, Chickamauga, and Hiwassee Dams account for practically another \$100,000,000. It seems to me that in the present state of the Public Treasury, with the growing public debt, and the fact that we are confronting a deficit estimated to be \$4,000,000,000 for the next fiscal year, it is time for us to hesitate a little if there is no emergency requiring this work to be done. I cannot see any emergency in connection with the Watts bar dam.

One statement which the Senator from Nebraska made must be qualified. He said the Watts bar dam would provide navigation for some 70 miles. That would be true only if the Coulter Shoals dam were also constructed. That is, the two dams are required to provide a depth of 9 feet of water to Knoxville.

Mr. NORRIS. That is true; but it does not follow that there would be less than 72 miles of increased navigation if the Watts bar dam were completed. If I had a map before me I could show the situation very easily. Coulter Shoals, the only project left on the river to carry out the program of the T. V. A., is farther up the river toward Knoxville than is Watts bar. The lake which would be formed by the Watts bar dam would be at the end of the 72 miles of additional navigation; and while I did not claim that it would complete navigation to Knoxville—the Coulter Shoals dam in addition would be required to do that—72 miles would be added to the navigability of the river, and a 9-foot channel, as required by the law, would be provided for 72 miles.

Mr. ADAMS. Mr. President, in my own mind I have a very serious question, which I am not seeking to argue here, as to whether or not Congress is justified in spending \$70,000,000 to provide navigation for the last 120 or 130 miles to Knoxville. I doubt whether that expense can be justified by any possible traffic which might originate in or be carried to that part of the river. The navigation will be inconsequential until the Gilbertsville Dam is built. The Gilbertsville Dam is essential if the Tennessee Valley is to be opened up for navigation from the Mississippi and from the Ohio. That is the basis both of flood control and navigation. There would not be sufficient depth for navigation in the 184 miles which

would be covered by the lake behind the Gilbertsville Dam. At the present time there is no navigation of any consequence in the area from Knoxville practically to Chattanooga. The two dams, the Watts bar dam and the Coulter Shoals dam, would be necessary to complete the provision for navigation above that point. Under normal conditions the river is not susceptible to navigation at that point. The water levels above Chattanooga drop to not more than 1½ or 2 feet of water. Below that point there is a certain amount of navigation in any event. Much of the river has a depth of from 4½ to 5 or 6 feet.

We are answered by the T. V. A. authorities that the reason why they feel they must build a navigable channel to Knoxville is that Congress so provided. Of course, the direction of Congress is binding upon the T. V. A., but the direction of the Congress in 1935 is not binding upon the Congress in 1939. So, if the Congress in 1939 differs with the Congress of 1935 as to the desirability of the expenditure, it is not an answer to us to be told that in 1935 the Congress said, "You must go ahead and provide a 9-foot channel up to Knoxville." I seriously doubt whether the navigation and flood control to be obtained by these two dams would justify the cost.

Much has been said about the city of Chattanooga and its need for flood control. In the dams already constructed, over 2,000,000 acre-feet of storage is provided above Chattanooga on the Tennessee River and its tributaries.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. McKELLAR. Even that storage capacity would not protect Chattanooga from floods. It can only be properly protected from floods by the building of the Watts bar dam. That is the evidence. That is the testimony of the engineers.

Mr. ADAMS. I think the Senator will recall that the engineers said that when the Norris Dam was constructed there was substantial protection; but, so far as the maximum imaginable flood is concerned, something additional would be required. What I am saying to the Senator is that over 2,000,000 acre-feet of storage is now provided above the city of Chattanooga, and it seems to me that the United States Government has done fairly well in making that provision.

Mr. McKELLAR. So far so good, but the answer to that is that the engineers testified that that is not sufficient for the protection of Chattanooga.

Mr. ADAMS. I will say to the Senator that there is not a city in the United States upon a river which has absolute and complete protection. I do not think the obligation rests upon the United States to pick out the city of Chattanooga and say that it shall have absolute and complete protection and that other cities may go their way.

In 1921 I came to Congress as a member of a committee. A flood had swept through the city in which I lived, drowning 400 or 500 persons, sweeping out several hundred houses, and almost destroying the business section of the city. I came to Congress asking for Federal help for my stricken community, and I was told that it was not the business of the Federal Government to furnish such help. My community proceeded to build its own flood-control provisions. We burdened ourselves with a debt almost as heavy as the cost of the flood itself. Prior to that time the city of Dayton had suffered from a great flood, and the local community built its own flood protection devices. The same engineer, Mr. Arthur E. Morgan, supervised the construction in Dayton and in my town. I am merely saying that I do not believe that the fact that there is not complete protection for a particular city is a basis for spending unlimited sums of money.

The total assessed valuation of the city of Chattanooga is \$111,000,000. The flooded area embraces less than half of that valuation. We have already constructed dams which have cost approximately \$100,000,000. We are asked to construct two more, which will cost approximately \$80,000,000.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. BARKLEY. I do not recall when the dam at Pueblo, to which the Senator referred a moment ago, was con-

structed. However, my recollection is that it was prior to the adoption by Congress of the policy of regarding flood protection as a national obligation.

Mr. ADAMS. That was the point I mentioned.

Mr. BARKLEY. Congress has now embarked on that policy, and at the last session of Congress authorized some \$350,000,000 for flood protection throughout the country. We realize that all these protective devices throughout the country cannot be built at one time. By a special act of Congress the Tennessee Valley basin has been treated separately for all the purposes defined to be carried out anywhere—flood protection, navigation, and power. I do not think it is quite accurate to use the situation at Pueblo, which undoubtedly would have been embraced in a national program for flood protection, as an argument against Chattanooga, or any particular point in the Tennessee Valley, or any other valley communities in which Congress now regards it as its duty to help protect against recurring floods.

Mr. ADAMS. I am saying to the Senator that up to this hour no other city in the United States has had as much done for its flood protection as has Chattanooga. That is part of my argument. Here is the Tennessee Valley, a remarkable valley along a great river. However, there are perhaps 10 other rivers in the United States greater than the Tennessee River, having cities along their banks. We are spending \$550,000,000 on a program. I dare say that amount is twice what the Panama Canal cost. I believe that the people in other valleys, who are paying the bill, ought not to be crowded. If it were an emergency matter, that would be a different thing.

Mr. BARKLEY. I can agree with the Senator about some of his contentions. I am not partial to any one river as against another. I think, so far as the Federal Government can and has the obligation, it ought to treat all rivers fairly. But it so happens that because of an enormous expenditure during the World War in the Tennessee Valley that valley occupied a peculiar situation, which cannot be said of any other valley in the United States. I do not agree with the Senator when he says that this program is going to cost \$550,000,000.

Mr. ADAMS. I am merely relying on the estimates of the engineers.

Mr. BARKLEY. My recollection is that the chief engineer of the T. V. A. testified that the entire program in the Tennessee Valley, when completed, would cost about \$420,000,000, of which \$220,000,000 have already been expended.

Mr. ADAMS. Let me interrupt the Senator right there to say that the last Budget estimate contains figures showing that the Tennessee Valley program would involve an expenditure of \$481,000,000, which does not include \$80,000,000 of tributary work not covered by the Budget figures. So I am talking by the book.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. SCHWARTZ. I merely wish to say that Chattanooga itself is expending and has expended several million dollars in order to secure flood control. While these very dams will be of great service to Chattanooga, and to river navigation also, yet they will not be sufficient absolutely to insure Chattanooga against the kind of floods which occurred in 1867 and on several occasions since. So the city proposes, at its own expense, to spend several million dollars for the building of dikes and bypass channels by which the water may be better controlled.

Mr. ADAMS. Does the Senator think it is an unusually considerate thing for a community to spend some of its own money in order to protect its own people and their property?

Mr. SCHWARTZ. Undoubtedly not, but I wanted to give Chattanooga that benefit and credit because it seemed to be assumed that Chattanooga was sitting down with its hands folded and waiting for "George to do it."

Mr. ADAMS. I think they are asking us to add 20 dams to what they are doing. We have already, as I have said to the Senate, provided available controllable storage of

2,000,000 acre-feet above Chattanooga, which has reduced the hazard from flood there very greatly.

It is possible, of course, to imagine floods which will sweep over any protection that may be provided. There was a time some 6,000 years ago when there was nothing above the water.

Mr. SCHWARTZ. I think the Senator is in error about that, for, as I remember, there was an ark which was always above the water.

Mr. ADAMS. That was only after the water had receded, when the ark was left; that is, the ark was deposited upon a high point by the waters, which could not have happened if the waters had not been there.

Mr. McKELLAR. The ark was above the water at any rate, and we are happy for that.

If the Senator from Colorado will yield to me further, not only is what the Senator from Wyoming [Mr. SCHWARTZ] says about Chattanooga absolutely true but another dam which has been built by private interests there has helped in the flood-control situation to some extent at the same time.

Mr. ADAMS. That dam is below Chattanooga.

Mr. McKELLAR. That is true; but it has helped in the flood-control situation just the same.

Mr. ADAMS. And it is a privately owned dam for power purposes with locks.

Mr. McKELLAR. It is a privately owned dam.

Mr. ADAMS. While we are talking about navigation, let me say that the city of Knoxville, to which we are asked to provide navigation, is something over 800 feet above sea level. Paducah, the center of the Gilbertsville activities, is in the neighborhood of 300 feet above sea level. So it is proposed, by locks, to lift the traffic 550 feet. That is the height to which traffic going from Paducah to Knoxville must be raised. In other words, it is necessary to have tremendously expensive locks. If it were not for the water that it is necessary to hold for navigation, there would not be any difficulty about flood control. The difficulty is that we have a multipurpose program. We have navigation which requires that water be kept behind dams to fill up locks so as to provide a 9-foot channel. Then, in order to maintain the power, it is necessary to have water over and above that necessary for navigation requirements to run through the sluices and turn the wheels. So it is necessary practically to have a second dam. Then, if it is going to have any flood-control qualities, it is necessary to have, in contemplation, a third dam above the second, the third dam to be empty. In other words, there is certain economy of costs in the multiple use, but if it was merely a question of flood control at Chattanooga the dams which have been constructed would dry the river at Chattanooga.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. McKELLAR. The evidence shows, as I am quite sure the Senator will recall, that when this project of 10 dams is completed, which was specifically authorized by the act of 1935—

Mr. ADAMS. No; when the Senator says the water-power dams were specifically authorized, will he permit me to differ with him?

Mr. McKELLAR. The Senator, of course, can differ. They were not specifically authorized by name but were specifically authorized just the same. There are four dams now completed—two at Muscle Shoals, the Wilson Dam and the Wheeler Dam.

Mr. ADAMS. I will give the Senator the names accurately. They are the Wilson Dam, the Norris Dam, the Wheeler Dam, and the Pickwick Dam.

Mr. McKELLAR. Yes; four dams. From those four dams there will be a return this year of six and a half million dollars, and when the 10 dams are put into operation there will be a return to the Government of upward of \$20,000,000 a year. So, even if they do cost \$481,000,000, as the experts testify they will cost, \$20,000,000 of income from those dams will absolutely justify the cost in every respect. Does the Senator know of any other project undertaken by the Gov-

ernment that pays an income of \$20,000,000 by the building of 10 dams at a cost of \$481,000,000?

Mr. ADAMS. The Senator from Tennessee does not agree with the Tennessee Valley Authority. The Tennessee Valley Authority said that income would go into the treasury of the Tennessee Valley Authority and none of it would come to the United States. There is not one nickel of this revenue that comes into the Treasury of the United States.

Mr. McKELLAR. It reduces the appropriation exactly that much.

Mr. ADAMS. It has not had that effect.

Mr. McKELLAR. Of course, that matter is entirely within the hands of Congress. The Congress can have that income paid into the Treasury at any time it so desires. If the Senator from Colorado will offer an amendment to that effect, I do not see any reason why it should not be adopted. Let the money go into the Treasury. The Treasury owns it in any event. The Treasury will have from this project when the 10 dams are completed, if they are completed in accordance with the recommendations of the engineers of the T. V. A., an income from the 10 dams of more than \$20,000,000 a year. There is no other project in the entire country, Boulder Dam or any other dam, that will bring such splendid returns to the Government of the United States.

Mr. ADAMS. I wish I were converted to that view. It is a picture which I had not obtained from the engineers.

Mr. McKELLAR. The Senator did not read that part of the testimony carefully.

Mr. ADAMS. I read the testimony, but I did not see that part of it.

Mr. NORRIS. Mr. President, will the Senator from Colorado permit an interruption there?

Mr. ADAMS. Certainly.

Mr. NORRIS. I think the Senator from Tennessee is in error. Instead of \$20,000,000, when all these dams are completed, the estimate is that the returns from the sale of power will be \$25,000,000 a year, and that in 30 years it will pay not only for navigation but for flood control and everything else. It is not fair to assume that the money received does not benefit the Treasury. While it is not being paid into the Treasury of the United States, it goes into the building of the project and makes the appropriation that much less. However, when the plan is carried out it is contemplated that all the money derived from the sale of power will go into the Treasury of the United States.

Mr. ADAMS. Mr. President, may I suggest that one of the difficulties that some of us have is that the Tennessee Valley Authority has great powers in and of itself? It is controlled by a triumvirate on which there is very little restraint. It has in mind 10 dams; on the plat which has been filed there are 17 additional dams outlined on tributaries and 2 or 3 large dams on other tributaries. So they would have the money which has been referred to available for these purposes, and there would be a long time before any of it would go into the Treasury of the United States. We have been appropriating, as the Senator knows, practically \$40,000,000 a year. This year the committee was willing to go along with the Senator from Tennessee and appropriate \$39,000,000 to carry on these activities, but the Senator is insistent that we add a new dam, so that we will be constructing not four dams but five.

Mr. McKELLAR. Mr. President, will the Senator yield at that point, so that we may clear up the question of income?

Mr. ADAMS. Certainly.

Mr. McKELLAR. It will also clear up another question which the Senator has just raised. I read from the testimony of Mr. Krug, chief power engineer of the T. V. A., on page 66 of the hearings:

This study shows that the power revenues from the proposed 10-dam system—

That is, the 10-dam system, all on the main river—

will approximate \$20,250,000, which will cover all of the direct power costs and the common cost fairly apportionable to power, including 3-percent interest, depreciation, and all other items of operating cost, and leave a margin of more than \$3,000,000, which

will be available for flood-control and navigation costs. If speculative costs are eliminated from consideration, such as interest and workmen's compensation, power revenues from the 10-dam system will return over \$15,000,000 annually to the Federal Government to apply as liquidation of the investment.

It is perfectly clear.

Mr. ADAMS. I presume the Senator has no objection to an amendment which would provide that these revenues should go into the Federal Treasury.

Mr. McKELLAR. I shall not vote against such an amendment.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. ADAMS. I do.

Mr. NORRIS. So that the silence of anyone may not be taken as approving such an amendment, I desire to be recorded as opposed to it at the present time. In the first place, it would be useless. The money that comes from the sale of power goes into building dams, and we would not gain anything by putting it in the Treasury and taking it out again. If that were done, the appropriation would have to be larger, and it would frighten more people than it does now. The result would be that we should be taking the money out of one pocket and putting it in another, with absolutely no change so far as the ultimate results are concerned. Of course, however, when the dams are completed, the money properly will go to the Treasury of the United States.

Mr. ADAMS. I am sorry the two Senators do not agree about this matter.

Mr. McKELLAR. I am not disagreeing at all. If the Senator will yield, I think we can clear up the matter in a moment.

Mr. ADAMS. I yield.

Mr. McKELLAR. The Senator will remember that last year, when all kinds of charges of dishonesty and corruption were hurled against the T. V. A., a committee was appointed to examine into the affairs of the T. V. A. The committee went down there and has examined every item connected with the T. V. A.

Mr. ADAMS. The Senator speaks of charges. The charges were hurled by a member of the Tennessee Valley Authority. They were not hurled on the floor of the Senate.

Mr. McKELLAR. They were hurled around on the floor of the Senate, too, if the Senator will recall. There were a number of them. I want to say that when a committee of this body went down to the region affected, it found the charges absolutely without foundation in fact; and the committee has given the T. V. A. a clean bill of health. If there had been any question regarding the honesty of the use of these moneys, I should think the Senator's proposed amendment was all right; but as it is now, I do not see any use of adopting such an amendment.

Mr. ADAMS. Mr. President, my amendment has absolutely no relationship at all to the character of the administration of the T. V. A. Not one word has been said by me upon that basis, and no such thought has been in my mind. I have been trying to argue to the committee and to the Senate that this is a time when we should consider costs; that an expenditure is proposed here which is not necessary, which is not emergent; and that we have already been liberal beyond all conception in the appropriations we have made. The Senator from Tennessee was one of those who said to me, when we discussed the relief measure, "Let us find some other place than relief to economize." Now, when we suggest this place, we are told that this is not the place to economize. That is the trouble in trying occasionally to battle for economy: We are all in favor of economy as a matter of principle, but we oppose every single effort to apply the principle.

Mr. President, there are many details in this situation. I do not want to burden those who are here more than I have. The matter has been presented. I think the Senate owes it to itself, and I think it owes it to the country, to concur with the House at least to the extent of eliminating the authoriza-

tion of new construction which in and of itself involves an additional authorization. Finally, as I endeavored to say in talking about the relief measure the other day, I think the United States ought to be willing at least to experiment with economy. That is all I have asked—that we make some effort to experiment with economy.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. ADAMS. I yield to the Senator from Oregon.

Mr. McNARY. The able Senator from Colorado is a student of public matters, and is thoroughly familiar with this project. Is it his opinion that the construction at Gilbertsville is a flood-control, power, or navigation development?

Mr. ADAMS. The virtuous part of it is flood control. That is the real virtue of it. There is need for flood control to protect the Mississippi River Valley. The Gilbertsville Dam may be excessive in its cost, but it has a genuine function in flood protection. Personally, I do not think much of navigation there. I do not think any substantial traffic will ever be developed on the Tennessee River. As a matter of fact, tables of traffic on the Tennessee River for various years have been furnished us, showing considerable traffic in the past year and the year before; but that traffic consisted in hauling cement, sand, and gravel principally to be used in the construction of these dams. As a matter of fact, up to 83 percent of the traffic on the river consisted of materials of that character, and the traffic on the river in 1937 was less than the traffic on the river 20 years ago.

Mr. McNARY. Mr. President, will the Senator further yield?

Mr. ADAMS. I yield.

Mr. McNARY. Is it the judgment of the able Senator that the major use of Gilbertsville Dam would be for flood control?

Mr. ADAMS. That is the reason why I should be willing to give it consideration.

Mr. McNARY. That is the reason why I have given sympathetic consideration to it. What is the head? What power can be developed at Gilbertsville? Did that come out in the testimony?

Mr. ADAMS. Yes; it is in the record of hearings. The immediate plan, however, provides for the construction of a dam available for the installation of power, but does not provide for power installation at the time.

Mr. McNARY. What is the head at Gilbertsville? What is the power which can be developed there? I do not want to put the Senator to the necessity of looking up the matter in the hearings.

Mr. McKELLAR. Mr. President, it is about 100,000 kilowatts.

Mr. McNARY. That is not much of a power plant, as I view it from developments in the West.

Mr. McKELLAR. No; it is not so great a power-producing plant as other dams.

Mr. McNARY. Let me ask the very patient Senator from Colorado another question. It pertains to Watts bar. Does that project contemplate the removal of a volume of sand in the center of the stream of the Tennessee River?

Mr. ADAMS. No; that refers to the location. It is the Watts bar dam. Evidently there is a bar in the river there, and that is the location where the dam is to be built.

Mr. McKELLAR. It is the name of the particular place on the Tennessee River in Roane County, Tenn., where the dam will be built.

Mr. ADAMS. I may add a statement, which ought to be made, I will say to the Senator from Oregon. Practically all of these dams involve dredging to maintain the channel; in other words, to clear the channel largely of rocks in order to get the 9-foot depth; that is, in and of itself the dam will not provide all of the depth, but in part a channel must be cut out.

Mr. McNARY. What effect will the structure at Gilbertsville have upon the floodwaters of the lower Mississippi River?

Mr. ADAMS. There is a storage capacity in the Gilbertsville Dam—which is called controlled storage—of 4,500,000

acre-feet. I will say in fairness that Representative May, of the House, wrote me a letter in which he said that if the Gilbertsville Dam had been in existence at the time of the 1937 flood Cairo would have been flooded. The explanation was that the Tennessee Valley Basin furnished a place for the waters of the Ohio and Mississippi Rivers to back up, and that the building of the dam would have prevented enough water from backing up into that basin to have really flooded Cairo. That is not the understanding we get from the engineers, however.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McNARY. Just a minute. In reading the testimony given before the House and Senate committees I drew the inference that the complete construction of Gilbertsville Dam and the other facilities on the Tennessee River would lower the floodwaters of the Mississippi River about three and a half feet—not Gilbertsville, but the completion of the whole project—which, supplemented by the levees, would give complete control of the flood conditions that obtain there from year to year. Is that the inference the able Senator has drawn from reading and the hearing the testimony?

Mr. ADAMS. I think that is the maximum hope. Of course, the Senator from Oregon knows that all these things depend upon the rains. In other words, if the Tennessee watershed were heavily flooded with rains, we should have a different situation than if the rains were in the Ohio watershed and not in the Tennessee watershed. We might have floods as a result of rains in the Ohio and Cumberland watersheds and not as a result of rains in the Tennessee Valley, in which event dams in the Tennessee Valley would not be helpful.

Mr. McNARY. May I make a very brief observation in the time of the Senator from Colorado?

Mr. ADAMS. Certainly.

Mr. McNARY. I took a great deal of interest in working out, or assisting in working out, before the Senate Commerce Committee a national plan of flood control which covered a period of a number of years.

I do not want to look with one eye on any section of the country. In the great western region, where there are national forests and public domain and high mountains, flood control is an essential obligation of the Government, in its obligation to save private property from destruction. I have always supported steps toward flood control, wherever they were to be made. I entertain no sectional view whatsoever. Probably plenty of power is developed in the Tennessee Valley for present purposes. If this is purely a flood-control project, as I think it is, in my opinion it is worthy, and should receive support of the Congress. That being the view I entertain, is there anything in the record which should cause me to change my view on that subject?

Mr. ADAMS. The Senator is speaking of the Gilbertsville Dam?

Mr. McNARY. I am speaking of the Gilbertsville Dam.

Mr. ADAMS. Of course, the Senator knows that the motion I made leaves the Gilbertsville Dam in the bill and seeks to take out the authorization for the construction of a dam 420 miles up the river.

Mr. McNARY. The motion was filed today?

Mr. ADAMS. I have merely made an oral motion.

Mr. McNARY. I did not hear it on account of the confusion. But the item which was defeated in the House contained the Senator's proposal as well as the Gilbertsville Dam proposal?

Mr. ADAMS. That is correct.

Mr. McNARY. Is the Senator supporting the Gilbertsville Dam proposal, and directing his opposition to another part of the program?

Mr. ADAMS. I may answer in this way, that if the Watts bar dam is eliminated I shall be very glad to support the Gilbertsville Dam. If there is insistence on tying the Watts bar to the Gilbertsville, I shall probably vote against both.

Mr. McNARY. What is the Watts bar proposal?

Mr. ADAMS. It involves \$38,000,000 for the construction of a new dam, of which four and a half million dollars would be included in the appropriation in the pending bill, com-

mitment being made, by the commencement of construction, to continue it, and that being constructed, we would become obligated to construct the Coulter Shoals Dam, which would involve another \$30,000,000, to follow immediately.

Mr. McNARY. What reduction would occur in the amount added by the amendment if we accepted the Gilbertsville Dam proposal and omitted the other?

Mr. ADAMS. Four and a half million dollars, as to this immediate appropriation. I do not mean that that is the exact figure, but that is the approximate figure.

Mr. McNARY. It would lessen the appropriation in the pending bill by four and a half million dollars?

Mr. ADAMS. Yes. The House appropriated \$21,000,000. Our committee has increased that to \$39,000,000. My amendment would result in reducing the \$39,000,000 by four and a half million dollars, and would leave an appropriation of thirty-four and a half million.

Mr. McNARY. Is the view of the Senator from Colorado entertained by the minority of the committee?

Mr. ADAMS. It is entertained by 11 members of the committee. Thirteen supported the other view.

Mr. McNARY. All of those who support the amendment of the Senator support the Gilbertsville Dam if we eliminate the Watts bar proposal?

Mr. ADAMS. No; there are some who would be against the Gilbertsville Dam project in either event. Six votes were cast in the committee against the Gilbertsville Dam project.

Mr. McNARY. I should be very happy if my distinguished friend would address himself to his amendment, so that I might be able to differentiate between what he has in mind and what the text of the bill provides.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. NEELY in the chair). Does the Senator from Colorado yield to the Senator from Kentucky?

Mr. ADAMS. I yield.

Mr. BARKLEY. The Senator a while ago referred to a letter written to him by one of the members of the Kentucky delegation in the House of Representatives, one who has always opposed this entire project, in which letter he stated that if the dam at Gilbertsville had been constructed and had been in existence in 1937, Cairo would have been flooded, for, as it is now, I gather the inference is, instead of the water of the Tennessee River flowing downhill, it flows uphill, because the water in the Ohio River is so high that the Tennessee River water cannot get out in it, and, because of its velocity, the water in the Ohio River forces the Tennessee River to flow upstream. I know that that is not so.

Mr. ADAMS. I have always accepted the judgment of the Senator from Kentucky.

Mr. BARKLEY. But the Senator quoted the opinion of a Member of the House, expressed in a letter to him.

The truth is that in 1937 the rainfall in the Tennessee Valley, for the 4 or 5 weeks prior to flood stage in the Ohio River, was the greatest rainfall that has occurred in many years. I happen to know that the water of the Tennessee did flow out into the Ohio, which meant that the water of the Ohio was not high enough to retard the flow of the Tennessee River.

It was stated by T. V. A. engineers, and concurred in by some of the Army engineers at the time, that even with the incompleteness of the Tennessee River improvements, the stage of the water at Cairo was affected to the extent of between 6 inches and a foot. Of course, 6 inches to a foot more of water at Cairo would have meant that Cairo would have been flooded. The completion of the whole Tennessee River project would affect the flood stage at Cairo by about three and a half feet, and the completion of the Gilbertsville Dam alone, which is the largest dam in the river, and one of the largest in the country, would affect the stage of the water at Cairo by about 2 feet.

I do not desire to enter into an argument over the Gilbertsville Dam, which is not involved in the Senator's motion; but I did not want the Senator to quote someone who is constitutionally and congenitally opposed to the entire Tennessee

Valley project in approval of the idea that the water in the Ohio River at flood stage is so high that it forces the Tennessee River to run upstream. It does not happen that way.

Mr. ADAMS. I refrained from quoting some resolutions which have come to me in the last day or two from various bodies in western Kentucky opposing the appropriation.

Mr. BARKLEY. Some of them coal operators' associations, I suppose.

Mr. ADAMS. They were from different county organizations. Some were from the coal area, some from luncheon clubs. I have always been one of the humble and devout followers of the senior Senator from Kentucky.

Mr. BARKLEY. I always appreciate the Senator's devoutness, and especially his humility.

Mr. LUCAS. Mr. President, will the Senator from Colorado yield?

Mr. ADAMS. I yield.

Mr. LUCAS. I am quite interested in the question now being discussed, in view of the fact that Cairo, Ill., is involved. I should like to have the distinguished Senator from Colorado tell the Senate just what the engineers have said with respect to the lowering of the floodwaters at Cairo, Ill., in the event the Gilbertsville Dam is completed.

Mr. ADAMS. My recollection is that it would result in a lowering of from 2 feet to perhaps $3\frac{1}{2}$ feet, at the extreme. That is to say, the present structure on the Tennessee River lowered the flood level four-tenths of a foot. That was their estimate of what happened in 1937, with the existing structure, and that would be increased by the Gilbertsville Dam to probably 2 feet more, and perhaps there would be some addition by the other structures.

Mr. LUCAS. I thank the Senator for that information. If I may be pardoned for asking one more question along the same line, with respect to the dam which is now being proposed at Watts bar, is there any testimony in the hearings before the Senator's committee which discloses what effect the construction of that dam may have upon the floodwaters at Cairo, Ill.?

Mr. ADAMS. Necessarily it would have a very small effect. In the first place, it is from 420 to 500 miles above Cairo, and the controlled storage is 340,000 acre-feet at the maximum. That necessarily spreads itself out.

I will give an illustration from the Arkansas River, with which I am familiar. There was a flood in my community in which something over 100,000 second-feet of water were passing. Wichita is perhaps the same distance below us that Cairo is below Watts bar. When the flood reached there, there were only about 7,500 second-feet, on account of friction and retardation. So the storage at that high point does not have a substantial effect.

Mr. LUCAS. As a result of the construction of all these dams there is a natural decrease in the water stage at places along the Ohio or Mississippi Rivers above the dams.

Mr. ADAMS. Necessarily. Of course, there is another consideration, namely, that the water must be let out some time, and it might have the effect of increasing the level. That is, we cannot control absolutely the conditions at Cairo by controlling conditions 500 miles up the stream.

Mr. LUCAS. There is one other question I should like to ask the distinguished Senator. In the earlier part of his remarks he discussed 17 other dams which are now contemplated by the T. V. A. Am I correct in that statement?

Mr. ADAMS. That is correct.

Mr. LUCAS. I should like to ask whether or not the construction of the Pickwick Landing Dam, the Guntersville Dam, the Chickamauga Dam, the Hiwassee Dam, and the Gilbertsville Dam is in any way dependent upon the remaining 17 dams.

Mr. ADAMS. Not at all. The other 17 dams are upon tributary streams, with the view of making the tributaries available for navigation. They are navigation dams upon tributaries. There are three larger dams which are under consideration.

Mr. President, I have concluded what I had to say. I am very much concerned in the attitude of the Senate. I think the Senate has here an opportunity to indicate its concur-

rence with the effort which the House is making toward economy. I think here is a chance for economy without cost to the project, without cost to any individual. There is no humanitarian aspect involved. It is a proposal merely that we do not in this instance engage ourselves upon a program of spending \$38,000,000 upon a project which, in my opinion, can just as well be postponed.

Mr. McKELLAR and Mr. NORRIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. McKELLAR. Does the Senator from Nebraska desire to proceed now?

Mr. NORRIS. Have I been recognized?

The PRESIDING OFFICER. Both Senators addressed the Chair at the same time.

Mr. NORRIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. I was recognized, but the Senator from Nebraska may proceed with his remarks.

Mr. NORRIS. Mr. President, as I view this question, and as I have always viewed it, it is entirely a national problem. No local phase of it appeals to me as being predominant, although localities will be benefited by any program carried out. I wish to discuss the question from a national point of view. I should like to provide for the damming of every interstate stream in the United States, first and primarily to control floodwaters and, as a constitutional peg, to improve navigation, and then to develop all the power that can be developed consistent with flood control and navigation. Power is a secondary consideration. As I see it, it comes into the picture entirely because in constructing a project to control navigation we necessarily make it possible in many cases—not in all, but in many cases—to generate and produce electric power, and it seems to me it would be an economic sin if we did not avail ourselves of that part of the program which would bring in revenue but, more than that, would reduce the cost of electricity used in the homes of our people anywhere within transmission distance of the generating plant.

Mr. President, it happens in this particular case, and it has been true ever since the depression while we have been trying to help solve the problem of unemployment, that, as I see it, one of the greatest means of providing employment for our people has been provided by the Tennessee Valley Authority. We have all agreed that we wanted to employ our unemployed to produce something that would be of lasting benefit. In that way we would prevent the putting of the unemployed on the dole.

I asked the Senator from Colorado whether, if his amendment prevailed and Watts bar dam were stricken out of the pending measure, it would not result in throwing out of employment several hundred thousand persons who would otherwise be employed and would be producing something of value. On that question I wish to read a telegram which comes from Mr. Green, president of the American Federation of Labor, sent from Miami, Fla., February 10, 1939:

Executive council, American Federation of Labor, is of the opinion that any restriction of public construction projects such as dams will serve to aggravate the serious unemployment situation now prevailing throughout the Nation. For that reason the executive council, now meeting in Miami, directs me to appeal to you to restore amount of appropriation approved in Budget—

That is just what is in this amendment—

restore the amount of appropriation approved in Budget estimates for construction of dams in independent office bill. I urge you to do this in order to promote employment opportunities.

WILLIAM GREEN,
President, American Federation of Labor.

Anticipating this debate, and preparatory to what I am going to say, I asked for a map of the Tennessee Valley showing all these dams. It is in preparation, but it is not ready for me, and I shall have to call upon Senators' imagination to enable them to understand the picture of what is before us, what is involved, and I think when I get through it will be demonstrated that the telegram sent by President Green, of the American Federation of Labor, shows what is needed to be done.

The law provides—and we passed the law—for making the Tennessee River navigable from its mouth to Knoxville, a distance of over 600 miles, with a depth of 9 feet. That is the object of the law so far as navigation is concerned.

We start in with the first dam, the largest of all, which has been discussed.

Then we come up to the next one, which, in round figures, is about 200 miles up the river. Then we come to the third one, Wilson Dam, and then to the fourth one, Wheeler Dam. Then we come to Guntersville Dam, then to a private dam, Hales bar dam, built and owned by private individuals. We come next to Chickamauga Dam, then to Watts bar dam, and then one more dam, Coulter Shoals Dam, after Watts bar. When those dams are completed the work contemplated by the law we passed will have been completed. That makes seven or eight dams. Norris Dam was built on a tributary. Hiwassee Dam is being constructed on a tributary. The primary object of those dams is to control the floods of the tributaries, and any competent engineer will say that in order to control floods on a tributary it is necessary to go to the tributary to do it. Very often it is true that the only place where suitable reservoirs can be provided is where those tributaries come down through the mountains, and the floods cannot be controlled unless some reservoirs are provided in which to hold back the water. Of course, it is necessary to build dams in front of the reservoirs.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Colorado?

Mr. NORRIS. I yield.

Mr. ADAMS. I simply want to refer to the telegram sent by President Green. I think Mr. Green labored under the misapprehension that the amendment would stop some construction work. The amendment which is now under consideration would not result in the laying off of a single man. All of the men at work would be continued at work. It is merely a question whether or not additional people would be put to work on the Watts bar dam. I think President Green had the idea that the amendment involved the cessation of work.

Mr. NORRIS. I think Mr. Green had a correct idea of what it means, and I think I shall be able to demonstrate that if the construction of Watts bar dam is prevented it will result in the discharging of thousands of men from employment.

Mr. TAFT. Mr. President, will the Senator yield to me?

Mr. NORRIS. I yield.

Mr. TAFT. Was I correct in understanding the Senator from Nebraska to say that, by eliminating an item of \$17,000,000, 200,000 men would be thrown out of work?

Mr. NORRIS. No. Did I say that?

Mr. TAFT. That is what I understood the Senator to say.

Mr. NORRIS. I did not mean that.

Mr. TAFT. I understood the Senator to say several hundred thousand.

Mr. NORRIS. I meant several thousand men. No; it would not put 200,000 men out of work, and I thank the Senator from Ohio for calling my attention to the error I made, if I said that.

That reminds me that at the time Norris Dam was in the peak of construction the T. V. A. had on the pay roll, in round numbers, 20,000 men. The T. V. A. officials, with this law before them, laid out a plan by which they could consecutively build these dams and carry out the law. They put the engineers and the machinery to work on the Norris Dam, with the idea that when that dam was finished they could move the men and machinery to another dam of a similar kind. They cannot always do that in the construction of these dams. They did it, as I said, in the case of the Norris Dam. Some of the same machinery that was operating on Norris Dam is now operating on Hiwassee Dam. Conditions at both dams were alike, only that Hiwassee was much smaller than Norris. The dam at Guntersville is like the dam that is going to be built at Watts bar. It is a dam over the main stream.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. McKELLAR. I call the Senator's attention to the fact that a very large number of those employed at Pickwick Landing Dam have now been moved to Gilbertsville Dam.

Mr. NORRIS. Exactly.

Mr. McKELLAR. Thus keeping them in employment.

Mr. NORRIS. Exactly. And still it is said that the Pickwick Landing Dam is not finished because it is provided for in this appropriation. Technically that is true. But the men and machinery which were there in large numbers have all disappeared from Pickwick Landing Dam. The same thing is true with respect to Guntersville Dam. There are merely a few little odds and ends of work that have to be carried on to complete that dam. To a great extent the same thing is true of the dam at Chickamauga. If this provision stays in the bill, as I hope it will, and if the amendment of the Senator from Colorado is defeated, it will result in men being moved from Guntersville to Watts bar, and machinery worth hundreds of thousands of dollars being moved to Watts bar, and continuing to work, in order to economize the cost of this great improvement on the Tennessee River. The Tennessee River is the only river in the United States where Congress has ever undertaken in a systematic manner to develop an entire stream with the view of getting the maximum amount of navigation, the maximum amount of flood control, and the maximum amount of power consistent with flood control and navigation. I think it is perfectly clear that a great many men would be discharged and a great amount of machinery would be taken out of use if the Senator's amendment should prevail.

That is not all. In addition, the organization which the T. V. A. has set up would be disrupted. Engineers would be hunting other jobs. It would mean their discharge. It would mean breaking up the organization which is now so effective. The superintendent of one of the great dams told me he thought he had the best organization he had ever worked with in his life. He said they were better men, and they did better work, and the employees were better satisfied, than those on any dam on which he had ever worked under private control. When estimates are made by private corporations they are made on the basis of erecting shacks to house the men. The idea is to complete the work with just as little expense as possible. Private corporations do not provide for their employees any such facilities as the T. V. A. has provided in connection with all its dams. The T. V. A. has provided modern facilities to give the men the best there is while they are working. As the engineer to whom I have referred said to me, such a policy pays financially. He said, "I now have a better organization than any other over which I ever presided. Even under the wages and hours which the T. V. A. has put into effect, I get better work and more of it than with any private concern for which I ever worked." I think there is no question about that.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. DAVIS. The Senator stated a moment ago that the project to which he referred would provide employment for some 3,000 unemployed men. Can the Senator tell me, when the dam is erected and power is furnished, how many men producing coal will be displaced, how many men working on the railroads hauling the coal will be displaced, and how many others in other industries will be displaced?

Mr. NORRIS. No; I do not know how many men are involved, but I state it as my judgment that employment will be increased instead of being reduced. According to my view, the man who says, "We want to stop water-power production because its product takes the place of coal" has not analyzed the question at all. There will be more use for coal when the country is developed by hydroelectric power than there was before it was developed. That condition has been true in all the history of the world. When new things spring up, and new enterprises are started, instead of men being discharged from the coal fields, more men will be employed.

I had the matter put to me in connection with a project in my own State. A number of years ago the Reclamation

Service put in an improvement on a river in the northwestern part of the State. That beautiful valley, of course, had been there for years, and had been inhabited for years. Water power was introduced. The Reclamation Service put in a reclamation project, and got water on to the land. I obtained figures from the railroad which had always served that territory. The figures showed that the railroad had hauled hundreds of cars annually since the improvement, whereas they had hauled only a few cars before the improvement. Hardware men and furniture men sent in more than 11 times as much as they did before. All kinds of industries came with the improvement.

The Tennessee Valley will blossom as the rose when we develop the power which God put in the streams for the people. The man who stands back and says "I am opposed to the self-binder on the farm because it put out of business the men who formerly made cradles" does not realize that he is living in a world of progress. That condition is true of everything in life. We ought not to put our foot down on an improvement which will develop the natural resources of the country.

The Senator from Illinois has left the Chamber. I wish he were present. He made inquiry as to the flood-control value of these projects. The flood-control value of Watts bar dam is 340,000 acre-feet of water. It will hold back that much water from the Ohio and from the Mississippi. That much water on the peak of a flood might mean the destruction of a city. That much water on the peak of a flood at New Orleans might mean the destruction of valuable property there. Every town on the Ohio River below the mouth of the Tennessee, and every city, every farm, and every industry on the Mississippi River below the mouth of the Ohio River, is interested in the improvement of the Tennessee valley according to the law which we have enacted. The Watts bar dam will hold 340,000 acre-feet. Every one of the dams built before the act was passed, with the exception of the Wilson Dam, in which no flood-control provision was made, has a very great flood-control value.

As has been said, the greatest of all is the Gilbertsville Dam. Before the construction of Gilbertsville Dam was begun, engineers estimated that if it had not been for the storage of water behind Norris Dam, away up on the Clinch River, a tributary of the Tennessee, Cairo, Ill., more than 600 miles below, would have been destroyed as a result of the great rains of 1937. Only a few inches more would have been necessary to cover the top of the levee and destroy one of the cities of the United States.

Mr. BONE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Washington.

Mr. BONE. I am very curious about the potential storage for flood-control purposes at the Gilbertsville Dam. If the river were permitted to remain at the normal river flow, and a flood were threatened, how much water, in acre-feet, could be stored behind the Gilbertsville Dam?

Mr. NORRIS. Something over 4,000,000 acre-feet. I refer to the usable capacity. The Gilbertsville Reservoir will hold about 7,000,000 acre-feet of water. However, that is not all usable capacity.

Mr. BONE. I mean above the normal river flow.

Mr. NORRIS. Something over 4,000,000 acre-feet.

Mr. BONE. Of course, anyone familiar with the problem of floods knows that that is an enormous quantity of water.

Mr. NORRIS. Of course.

Mr. BONE. It would be sufficient to take off the crest of a flood below.

Mr. NORRIS. Absolutely so. However, the amendment under consideration applies only to Watts bar dam. The flood-control value is 340,000 acre-feet. That means 340,000 acres of land covered with water 1 foot deep. As the Senator said, that protection would take off the crest of almost any flood. Considering all 11 of the dams on this one river together, their flood-control value to a very great extent will control the floods of the Mississippi River. They will control the floods on the Ohio River from the mouth of the Tennessee down.

I think I ought to say something about the navigation facilities and values of this dam. The law provides that we shall make the Tennessee River navigable to a depth of 9 feet from its mouth to Knoxville. The Watts bar dam alone will add 72 miles to the navigability of the Tennessee River. As a power facility, as I remember, it will generate about 150,000 kilowatts of power. As I said awhile ago, a plan has been laid out by the T. V. A. If we take this block out of the plan, we may frustrate the whole thing. The Tennessee Valley Authority has estimates, which are as accurate as anybody can make, as to the use of power in the Tennessee Valley, what the demand will be, and how it will increase. If the Watts bar dam is not started in the next fiscal year, the danger is that there will be a shortage of power. If the T. V. A. should contract all the power it now has with the idea of taking on the increase as it comes, it would be unable to fulfill those contracts in many instances. The T. V. A. has estimated the power which would be produced at the Watts bar dam and the power which would be produced at the next dam and has made its calculations in connection with the sale of power accordingly. We shall frustrate that program if we knock the Watts bar dam out of the bill, just as surely as the sun rises. Not only will men be discharged, not only will the organization be disrupted, not only will it be made impossible to use the machinery, which will go to waste and decay, but there will be much more damage in money than the delay would indicate.

Mr. President, if this program shall be interfered with, if it shall be torn asunder—and this amendment would do that, to a great extent—then the whole T. V. A. plan will be more expensive; the cost of carrying out the T. V. A. program will be increased by several million dollars. There is no economy in that kind of proceeding; it is the worst kind of economy to get half way across a stream and then stop and go back or try to stay there and stem the tide. This amendment would prevent human progress; it would cost the Federal Government several million dollars in damages and delay.

Who is behind it? Who wants it? The power interests are the ones who want it. They are the ones who do not want this development carried on. They fought the T. V. A. from its very birth; they are fighting now to destroy it. The adoption of this amendment will be a step in bringing about its destruction and would be hailed throughout the United States as a great victory for the private power interests of America. I do not believe that we want to do that; I do not believe the Government of the United States wants to countenance a bad business practice of that kind by destroying the T. V. A. It seems to me that good business judgment demands that we should go ahead. If we do not go ahead, we have got to provide by some other means for the unemployment that will be caused. In my judgment, if when we started to deal with the unemployment problem we had devised a national plan of developing our natural streams for navigation, for flood control, and for power on a grand scale, we would have done more to bring benefit to the people and employment to the unemployed, than we have done in the slipshod way that we have gone about it. It would be simply suicidal, having started on this plan, now to stop and now discharge the men who have been working on the project and say to those in charge, "Put the machinery in sheds; take it away; let it rust and decay; we are not going to exercise good business judgment." That would be ruinous, in great degree, to the whole program.

Mr. President, we have already—and I refer to this because the Senator from Colorado, who, I am sorry is not in the Chamber at the moment, referred to it in his statement—commenced this dam. I understood the Senator from Colorado to say that it had not been commenced. Authorization for this dam, however, was contained in the last appropriation bill. We provided in that bill for all the necessary engineering work to be done in order to get ready to start this dam and it has all been done. It has been done with the money Congress appropriated. That phase of the work has been finished; the exact location of the dam has been fixed

and the borings for the foundations have been made. Everything is ready to start on the dam, because we authorized it a year ago in the appropriation bill then passed, and we provided the money with which to do it. So it is not correct to say that this dam has not been authorized; it is not correct to say that we have appropriated no money to carry on the work on this dam. The authorization has been made and money has been appropriated. We are in the midst of the construction of the dam now. I confess, of course, that we could stop this work right in the midst of it all; it is physically possible to do so; but do not get the idea, Senators, that we have done nothing about Watts bar dam. We have already appropriated money for it; we have already spent some money, and the necessary preparations have all been made. All the provision proposes is to carry on in a businesslike, systematic way the work which has already been commenced.

Therefore, it seems to me, Mr. President, as I look at it, that eliminating the provisions for Watts bar would be a blow at the very object which we want to attain through the T. V. A. We wish to make this river navigable; we want to get all the flood control out of its navigability that we can. This is one of the steps that will carry out the intent of the law, one of the steps that will carry out the object of Congress. To keep men employed, to keep the organization together, to keep going the machinery that has been bought to construct one dam, move it on down to another dam, is the economical way by which to construct these dams; it is the businesslike way; it is the patriotic way. There is no reason under heaven, Mr. President, why we should not now keep the Watts bar appropriation in this bill. I hope, therefore, that the amendment of the Senator from Colorado will be defeated.

Mr. McKELLAR. Mr. President, I think the Senate knows I have uniformly been in favor of building dams in aid of navigation and flood control all over the country.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Indiana?

Mr. McKELLAR. I yield.

Mr. MINTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Indiana suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Donahay	King	Russell
Andrews	Downey	La Follette	Schwartz
Ashurst	Ellender	Lee	Schwellenbach
Austin	Frazier	Lewis	Sheppard
Bailey	George	Logan	Shipstead
Bankhead	Gerry	Lucas	Smathers
Barbour	Gibson	Lundeen	Smith
Barkley	Gillette	McKellar	Stewart
Bone	Glass	McNary	Taft
Borah	Green	Maloney	Thomas, Okla.
Bridges	Guffey	Mead	Thomas, Utah
Brown	Gurney	Miller	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Truman
Byrnes	Hayden	Neely	Tydings
Capper	Herring	Norris	Vandenberg
Caraway	Hill	Nye	Van Nuys
Chavez	Holman	Overton	Wagner
Clark, Idaho	Holt	Pittman	Walsh
Connally	Hughes	Radcliffe	Wheeler
Danaher	Johnson, Calif.	Reed	White
Davis	Johnson, Colo.	Reynolds	Wiley

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. McKELLAR. Mr. President, as I was saying when I was interrupted by the roll call, I have felt as the Senator from Nebraska [Mr. NORRIS] stated he felt about these dams, that the question is a national one. I followed out that view and belief by voting for Boulder Dam on the Colorado River in the West. I voted for several dams in the State of Colorado itself. I voted for similar measures in Oregon and Washington, or on the river between those States. I voted for other projects of a similar kind in the West and in all parts of the country, in the same way that I am now proposing to vote on these dams in the Tennessee River.

Mr. LEE. Mr. President, will the Senator yield at that point?

Mr. McKELLAR. I yield.

Mr. LEE. I understood the Senator from Colorado [Mr. ADAMS] to suggest, if not to say, that a vote against his amendment would be in effect a vote for Chattanooga, so to speak.

I do not see the matter in that way. As I understand this question, there is a comprehensive plan for flood control. We have undertaken to make the Tennessee Valley a model, so to speak. If we leave out one link in the chain, we cannot point to it as a comprehensive and complete project for flood control of the whole valley.

It so happens, as I understand, that Chattanooga would benefit perhaps more than any other one city; but that is not the point, as I see the matter, and that is not the reason why I am going to vote for this dam as against the amendment. The reason is that it is intended as part of a comprehensive and complete flood-control and navigation project, with power incidental to it, as much as can be developed and at the same time leave it a flood-control project.

The Senator from Tennessee was speaking on that particular point, and I feel that anyone whose vote is determined by the idea that this dam would simply give to Chattanooga a special advantage does not see the picture as a whole as I see it.

Mr. ADAMS. Mr. President—

Mr. McKELLAR. I thank the Senator from Oklahoma. I think his statement is exactly correct. It is not a question of Senators voting for or against Chattanooga. It is a question of their voting for the plan as a whole, just as the Senator has stated.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Colorado?

Mr. McKELLAR. I yield.

Mr. ADAMS. The statement made by the Senator from Oklahoma is very much of a misrepresentation of the position I took. I said nothing of the kind, and no such inference could be drawn from my remarks.

I am not concerned for or against Chattanooga. I am interested in Chattanooga. My objection to this proposal is on the ground that the United States Government finances have reached the point where we must give some consideration to expenditures; that the construction of the Watts bar dam at this time is not essential to carrying on the T. V. A. program; that it can wait; that the navigation facilities above Chattanooga are open to debate, and that a year's discussion would be worth while.

The statement that I am for or against this dam because of its effect on Chattanooga is not the fact.

Mr. LEE. Mr. President, if the Senator from Tennessee will further yield, I understood the Senator from Colorado to say that we should not favor Chattanooga over any other city. I certainly did not mean to misrepresent the Senator's position on that subject; but I understood that he said we should not favor Chattanooga over any other city, which would tend to make this a question of whether we are voting for Chattanooga or against Chattanooga. I did not want my vote to be construed as simply a vote to favor Chattanooga above other cities.

Mr. McKELLAR. Mr. President, I thank the Senator from Oklahoma for his statement, and I thank the Senator from Colorado for saying that he had nothing especially against Chattanooga in offering his amendment. The truth of the matter is that both the Senate and the House of Representatives in 1935 adopted a plan for the development of the Tennessee River. Here is the plan in three lines:

That the Tennessee Valley Authority * * * shall have power to construct such dams, and reservoirs in the Tennessee River and its tributaries as in conjunction with Wilson Dam, and Norris, Wheeler, and Pickwick Landing Dams, now under construction, will provide a 9-foot channel in the said river and maintain a water supply for the same, from Knoxville to its mouth.

It is perfectly simple. Under that plan the engineers have adopted sites for building these dams—one at Gilbertsville,

one at Pickwick, one at Wilson, one at Wheeler, one at Guntersville, one at Chickamauga, and now one at Watts bar on the main river. The plan has been carefully prepared. It has been authorized by Congress. It is necessary to navigation; it is necessary to flood control as well; and, incidentally, it will produce enough power to pay the entire cost of the improvement in a period of years.

I do not believe another project like this has ever been offered in the Congress of the United States—one that will bring about the navigation of 600 miles of a navigable river, bring about flood control on the great Ohio and Mississippi Rivers below, and then, in addition, by the power generated, will pay for itself over a series of years. So it is, that with these views, I wish to address the Senate for just a few moments on the amendment of the Senator from Colorado, which would emasculate this plan and result virtually in stopping work on the Tennessee Valley improvements.

My reason for saying that it would result in stopping work is that as one of these dams is completed, or partly completed, those in charge move the machinery, the material, and the personnel, to another dam. They moved a large part of the material and personnel from the Pickwick Landing Dam to the Gilbertsville Dam, and so from Chickamauga and Guntersville, Ala., the material and the personnel will be moved to the Watts bar dam.

Mr. ADAMS. The Senator knows that if we let them alone, they will never stop moving it to a new dam.

Mr. McKELLAR. There is nothing in the evidence that suggests that statement of the Senator from Colorado. The Senator became very much exasperated at some of the witnesses and what they had to say. He doubted the sincerity of some; but I am sure it was on the spur of the moment.

Mr. ADAMS. Mr. President—

Mr. McKELLAR. I yield.

Mr. ADAMS. I did not get out of patience with the witnesses. I did think that the chief engineer should have been frank with us, and not evasive. The committee had a great deal of difficulty in getting a plain answer from the chief engineer of the T. V. A., and had to persist in its endeavor to get information for the record.

Mr. McKELLAR. I shall come to that testimony in a moment. I differ entirely with the Senator from Colorado.

Mr. ADAMS. It is not the first time.

Mr. McKELLAR. No; it is not the first time, but I hope it will be the last. I hope the Senator will concur in my view as we proceed with this great project. I think he ought to do so. I have supported the Senator in all those things which pertain to the Colorado River and to Colorado. I helped him secure appropriations to bore the Rocky Mountains so as to get water from one side of the mountains to the other. But the Senator does not feel that way about Tennessee. Tennessee is a little different.

Mr. ADAMS. Mr. President I want the Senator to give me credit for having voted for the expenditure of some \$300,000,000 for improvements along the Tennessee.

Mr. McKELLAR. No; \$220,000,000.

Mr. ADAMS. Two hundred and twenty million dollars has already been spent.

Mr. McKELLAR. That is what the Senator voted for.

Mr. ADAMS. I voted for \$95,000,000 for a project at Gilbertsville, and I voted for others.

Mr. McKELLAR. I shall not fall out with the Senator about it. I merely call attention to the fact that on the same committee, whenever the proposal is to develop projects of this kind for the benefit of the people of the West, giving them cheaper water, giving them water to drink, giving them water with which to make crops, even if it involves taking it from one side of the mountains to the other, I have uniformly stood with the Senator, because I think it is right, and I am sorry that the Senator does not think it is right now for us to continue this project as recommended by the engineers.

Mr. President, I shall now take the liberty of reading a small portion of the testimony. I shall not depend on my own memory, but I shall quote the reasons given by those who testified in favor of beginning the building of the Watts

Bar Dam at this time. I shall read what Colonel Parker said. I pause long enough to say that, though I may be mistaken about it, in my judgment there never was a more intelligent witness, or a fairer witness, or a witness who knew more about what he was discussing, than Mr. Parker, an able, splendid man. This is what he said about this matter:

The original request for appropriations approved by the Bureau of the Budget did not contemplate any departure from the plans previously presented to and approved by the Congress. The items eliminated by the amendment adopted in the House provided for the completion of the dams already under construction, including the Gilbertsville Dam located near the mouth of the river, the beginning of construction of the Watts Bar Dam located on the main river above Chattanooga, and the continuation of investigations of the Coulter Shoals site—all in accordance with the provisions of the statute, and as clearly contemplated by each of the appropriation acts enacted during the past 3 years.

The question, therefore, is not whether new projects shall be authorized, but rather whether authorizations previously given, upon the faith of which large sums have been expended, shall now be nullified.

Mr. President, that excerpt from the testimony of Mr. Parker, the engineer, gives ample reason why this dam should be constructed. He then proceeds:

The original T. V. A. Act, enacted in 1933, while in general terms authorizing the construction of other dams upon the Tennessee River and its tributaries, dealt specifically only with the transfer to the Authority of the existing Wilson Dam and appurtenant facilities, and the construction of the Norris Dam.

In 1935 the Congress adopted certain amendments for the express purpose of clarifying the construction program contemplated by the statute. By those amendments it was definitely specified that the Authority should construct such dams on the Tennessee River and its tributaries as would provide a 9-foot navigable channel throughout its entire length from its mouth to Knoxville, Tenn., and at the same time would provide an efficient system of flood-control reservoirs to assist in the control of destructive floodwaters in the Tennessee and Mississippi River Valleys. In the same amendments it was provided that the Authority should submit to the Congress a comprehensive report showing in detail just what dams would be necessary to accomplish those purposes.

As to the Watts Bar project, Colonel Parker said:

Even if the necessary link with the Mississippi River system is supplied by the construction of the Gilbertsville Dam, the channel contemplated by the 1935 amendments will not be complete. In order to tap the rich trade area surrounding the city of Knoxville, and thus make it possible for the traffic originating and terminating in that area to move throughout the whole system, it is essential to canalize the river between Chattanooga and Knoxville. That can be done only by the construction of dams in that stretch of the river. After years of investigation repeatedly authorized by Congress, it has been determined that such canalization can be accomplished by the construction of two additional dams. It has now been definitely determined that the best site for one of those dams is the Watts bar site, and the Authority is ready to proceed with construction there. In addition it is desirable to proceed with the investigations of the Coulter Shoals site, in order to make a final determination as to whether that is the place at which the final dam on the main stream connecting Knoxville and its trade area with the system should be constructed. If these dams are discontinued, the whole area of east Tennessee remains isolated from the system.

Again Colonel Parker stated:

The Authority will have expended through this fiscal year \$678,000 on the Watts bar project, all of which has been authorized by previous appropriations by the Congress. It has been planned to begin construction in July 1939, as this starting date is in accordance with the most economical planning of the construction program. The completion of work at other projects of the Authority permits the transfer of construction equipment and trained personnel to the Watts bar project. To delay construction now would disrupt this entire plan and necessitate the disbanding of extremely efficient organizations.

As to the need of establishing the Watts Bar Dam, I quote the following from the hearings before the House committee:

Mr. PARKER. It is most important that authorization for starting construction of the Watts bar project be given at this time. This dam is the next logical step in the development of the program from the standpoint of navigation, because it will extend the 9-foot channel upstream from Chickamauga Dam; from the standpoint of flood control, because it will provide 347,000 acre-feet of controlled storage urgently needed for flood-control protection at Chattanooga; and from the standpoint of power, because it will provide in the initial stage for the installation of 90,000 kilowatts, which will be available to produce a revenue for our projects and for which there is a definite market. Of the utmost importance is the ability to stabilize and utilize our trained and experienced personnel and to gain the advantage of the reuse of our heavy equipment.

Now, that is a very real item. Our present plans are to combine the development of this site with the development of the Chickamauga site immediately downstream. As fast as the Chickamauga project is completed the personnel and equipment from that site will be transferred upstream to Watts bar, and the beginning of Watts bar has been scheduled with that particular thing in mind. If the Watts bar project should be postponed, it would mean the disruption of a large proportion of our construction force that has been assembled right there ready to start work.

Mr. CASE. Colonel Parker, it occurs to me that, judging from the history of the legislation last year, that the question that the House will probably ask as much as anything is, Why should we start another dam? Last year the conflict was over the starting of the Gilbertsville Dam and the reasons for it, and the House will ask for justification for starting the Watts Bar Dam. They will not be so much interested in the handling of the personnel, important as that is to you, but they will be interested in specific answers to the question of the necessity or value of this from the standpoint of flood control, navigation, or power. You mentioned that this is very important from the standpoint of Chattanooga. I think that point should be developed; and I think, if you can, you should justify it from the standpoint of navigation. Then there should be something on the need for additional power. I think there is a feeling at the present time that there is no market for all of the power produced.

Mr. PARKER. I should be glad to take those things up one at a time. First, from the standpoint of navigation, Congress instructed us to provide navigation to Knoxville. We have already spent a very considerable amount of money developing navigation. With the completion of the Chickamauga Dam it will be effective to somewhere half way between Chattanooga and Knoxville. That is no logical terminus. It is not a complete program. We have not yet done what Congress asked us to do. Watts bar and Coulter Shoals are needed to complete that entire program, and all of this money which we have spent so far on it will be only partially effective. If we do not complete it at the present time with our present resources, it will be very much more expensive to complete it at some future date if we have to reassemble those same resources again.

Now, from the point of view of flood control, the same thing is true in efficiency and cost. We are recommending that a levee be constructed at Chattanooga. If it is constructed, it will, in turn, be only partly effective. It will not only be partly effective, it will be decidedly dangerous, because if a flood occurs large enough to top that levee, it will endanger the community. The picture is incomplete without the completion of the Watts bar and Coulter Shoals projects, and this 340,000 acre-feet on the main river directly above Chickamauga is a very effective means of supplementing the proposed local protection.

From the standpoint of power I would rather have Mr. Krug explain to you just what the markets are, but I think I can safely say that our present power load, which I think exceeds 260,000 kilowatts, practically coincides with the estimates made a year and a half or 2 years ago, upon which this whole schedule has been based. There is no other source of so-called prime energy available. It will take 3 years, if we start the job now, to get this prime energy. If it is deferred, it means there will be a considerable period during which the power capacity of the system cannot grow.

I have here the report on the Watts bar project of which we have several copies available, and we would be glad to supply them to the committee if you wish to have them. This is a description of the entire project with the cost estimates, and all of the details.

I should say that the dam site is a very favorable one, and presents very few difficulties. It is probably the most favorable dam site we have discovered in that valley. We have had considerable difficulty there with foundations of limestone. You understand that we have to locate these dams where navigation requires that they be located; that is, they have to overlap to provide continuous depth, and we have run into considerable difficulties. This dam is located on sandstone and shale and is entirely free from any foundation difficulties.

Mr. President, that shows the necessity of beginning this dam the coming July. There is no evidence to the contrary. The distinguished Senator from Colorado says, it is true, that in his opinion it ought not to be begun until some later period. There is no proof in the record, not a line, that the work should be postponed. Not a witness testified that it ought to be postponed, but every witness whose testimony appears in the record stated that it ought to be begun on the first of next July.

Mr. President, that is not the only reason why the Government should proceed with this project. There is a stronger reason for beginning the dam. It will be remembered that last year when we were discussing T. V. A. a great deal was said about taking advantage of the private power companies, that the Government was trying to put them out of business, that the Government was going to confiscate their property, and all that kind of nonsense. What has happened? The power companies fought the

T. V. A. every moment of the time from the day the T. V. A. act was passed until recently, when the Supreme Court declared that the last act and every act relating to that subject was valid and binding, when it decided every issue in favor of the T. V. A. By that time the utilities interests had gotten through this body and the House of Representatives a provision for an investigation of the T. V. A., thinking there was something corrupt about it. What was the result of that investigation? The result was a clean bill of health for the T. V. A. Not a dollar was wrongfully used.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. MILLER. I have understood it to be said in debate here that the Congress had authorized the Watts Bar Dam as a part of the general project. That is not true, is it?

Mr. McKELLAR. It is.

Mr. MILLER. Literally speaking?

Mr. McKELLAR. I will read the language of the act.

Mr. MILLER. I am familiar with the language of the act; but I am referring to this particular dam.

Mr. McKELLAR. Does the Senator mean a definite fixing of Watts bar in the act?

Mr. MILLER. Yes.

Mr. McKELLAR. No, that was not done, for the very good reason that before any of these dams can be built the engineers must go to the sites and make investigations. They have to make borings, they have to examine in every way known to engineering skill, in order to find the particular place where they should build. I will give the Senator an illustration.

Mr. MILLER. I understand the mechanics of the procedure.

Mr. McKELLAR. Take the one at Gilbertsville.

Mr. MILLER. I understand it.

Mr. McKELLAR. For several years we wanted the dam built at Aurora, but the engineers of the T. V. A. finally fixed the site a few miles away, 15 miles away from Aurora, and the place near which it was decided to build the dam was Gilbertsville, so it was put at Gilbertsville.

The statute is perfectly plain. It provides:

The T. V. A. shall have the power to construct such dams and reservoirs, in the Tennessee River and its tributaries, as in conjunction with Wilson Dam and Norris, Wheeler, and Pickwick Landing Dams, now under construction—

Those dams had already been arranged for by the T. V. A. will provide a 9-foot channel in the said river and maintain a water supply for the same, from Knoxville to its mouth.

They were specifically authorized to build any dam between Knoxville and the mouth that would carry out that purpose. Therefore, I say that is a specific authorization.

Mr. MILLER. Mr. President, will the Senator yield further?

Mr. McKELLAR. I yield.

Mr. MILLER. I think the Senator knows that I am in sympathy with the Tennessee Valley Authority program.

Mr. McKELLAR. I do.

Mr. MILLER. But I believe the Senate ought to have the actual facts about this matter, and I know the Senator is anxious for the Congress to have the facts.

Mr. McKELLAR. Yes; I am.

Mr. MILLER. In 1936 the Congress passed the act of which the Senator spoke.

Mr. McKELLAR. It was the 1935 act. The 1933 act was not sufficiently specific.

Mr. MILLER. Then the Congress called for a report by the T. V. A.

Mr. McKELLAR. Yes.

Mr. MILLER. And that report was filed with the Congress on or before April 4, 1936, and in the report they set out this Watts Bar Dam. That report has never been acted upon by the Congress, and no other report has ever been adopted by the Congress in respect to that matter. So we do not have any adopted project except as—

Mr. McKELLAR. Except as stated in the act.

Mr. MILLER. Six hundred and seventy-eight thousand dollars has been spent in investigation work in connection with the Watts Bar Dam.

Mr. McKELLAR. That is correct.

Mr. MILLER. That was not the result of any specific appropriation by the Congress.

Mr. McKELLAR. It resulted from a specific appropriation made for the purpose of examining and determining the appropriate place to put the dam. That appropriation was made last year. I think there was a smaller appropriation made the year preceding. I happened to be on the committee considering the matter, and keep up with the subject very closely; and, as I recall, those appropriations were made for the specific purpose of finding a suitable place for the location of the dam. Watts bar is not the place where it was originally intended to locate the dam.

Mr. MILLER. The appropriation was made for the purpose of exploratory work.

Mr. McKELLAR. That is correct.

Mr. MILLER. But the point that the Senator from Colorado, and other Senators who think along the same line, have made, is that they doubt the advisability of putting all our eggs in one basket. That is the situation in a nutshell. While \$678,000 have been spent in exploratory work in connection with the Watts Bar Dam, the actual construction work can well wait. Nothing will be destroyed.

Mr. McKELLAR. I will come to that point in a moment, if the Senator will bear with me, and show why the work cannot wait. I will discuss that question now. I am glad to take it up at this time.

I refer the Senator to page 64 of the Senate committee hearing. On that page the Senator will find the statement of Mr. J. A. Krug, chief power engineer, Tennessee Valley Authority. He will find in that statement a full answer to the question as to why the work cannot be postponed.

Before reading that statement, which is short, I will say to the Senator that since the 1st of January more than 200 cities and towns in the State of Tennessee have made contracts by which they have bought the properties of the power companies which are now in existence in that State. Having bought those properties it is absolutely necessary to obtain the power at the earliest possible moment in order to carry out the obligations they have made to furnish power and light to the people in their communities. I shall now read from Mr. Krug's statement.

Mr. MILLER. I am familiar with that statement.

Mr. McKELLAR. I wish to read it anyway for the benefit of the Senate:

STATEMENT OF J. A. KRUG, CHIEF POWER ENGINEER, TENNESSEE VALLEY AUTHORITY
MARKETING OF SURPLUS POWER

From an economic point of view it is desirable to generate and market as much electric power as possible from the Authority's water-control projects, as in that manner the Authority can best achieve those provisions of the act which contemplate liquidation of project costs through the sale of power and the distribution of power for the benefit of the area as a whole. The Authority now has in operation four multipurpose water-control projects with a combined installed capacity of 420,000 kilowatts—

Think of it. If the Senator from Arkansas will give me his attention, I will read that sentence again:

The Authority now has in operation four multipurpose water-control projects with a combined installed capacity of 420,000 kilowatts. All of this power—

Not some of it, not a portion of it, but—

All of this power has been sold and a market has been developed for the sale of substantially all of the additional power which will be available on the completion of Guntersville, Chickamauga, and Hiwassee Dams.

That will take in all of those that are about to be completed.

This market will have an aggregate demand of over 600,000 kilowatts in 1942, and additional capacity must be installed not later than 1943 to adequately provide for the expanding power requirements in this market.

The projects required in the Authority's integrated program must be carefully planned and a period of from 3 to 6 years is necessary

for their construction. Likewise, the turbines and generators involve design and construction problems so complex that about 2 years is required between ordering the equipment and placing the unit in operation in the system. Plans must be made now to provide the capacity needed in 1942 and 1943 and the requirements for the following years must also be considered. It is no longer a problem of finding a market for the power but the reverse problem of making certain that capacity will be available to provide for the increasing power requirements of the existing market.

ADJUSTMENT OF COMPETITIVE SITUATION

This market for the Authority's surplus power has been developed without duplication of the existing power facilities and without unreasonable losses to legitimate private interests. With the basis of agreement reached for acquisition of existing facilities of the Tennessee Electric Power Co. and the Memphis Power & Light Co. by T. V. A. and local public agencies, competition between distributors of the Authority's surplus power and private utilities has been practically eliminated. With the acquisition of certain small electric systems in northern Mississippi and northern Alabama, the adjustment between the Authority and private utilities will be completed in an area sufficient to absorb substantially all of the surplus power from the Authority's present and proposed dams.

It is of paramount importance—

This is the engineer speaking.

It is of paramount importance that the Gilbertsville, Watts bar, and Coulter Shoals projects are completed as scheduled. Otherwise, it may be necessary for local public agencies, distributing T. V. A. power, to construct local generating plants to serve their increasing power requirements. Small scale local developments would fall far short of the economies which are inherent in the multipurpose projects proposed by the Authority.

Mr. MILLER. Is the Senator advised as to what other dams are being contemplated by the T. V. A. outside of the Coulter Shoals Dam?

Mr. McKELLAR. Outside of that there are no others.

Mr. MILLER. Except, possibly, some storage dams.

Mr. McKELLAR. Possibly, but they are outside of this program. The program that is at issue here is the program of development from Knoxville, Tenn., to the mouth of the Tennessee River, where it runs into the Ohio, at Paducah, Ky. There are no other dams on that river that are projected.

Mr. MILLER. Is the Senator advised as to what the plans of the T. V. A. are with reference to the operation of the steam plants acquired as the result of the purchase of the various utilities a few days ago?

Mr. McKELLAR. No. They are to be used where they have to be used, when the power cannot be generated at the dam.

Mr. MILLER. To be used as stand-by plants?

Mr. McKELLAR. To be used as standby plants where there is necessity for it. Of course, the Senator realizes that when water is used power can be produced at two-fifths of a cent or less, and it cannot be produced that cheaply by the use of coal.

Mr. MILLER. I thank the Senator.

Mr. McKELLAR. I wish to read a little further from this statement:

NO POWER SURPLUS

It is now generally understood that there will be no surplus of power in the Tennessee Valley region by virtue of the installation of power facilities in the proposed projects. On the contrary, the most conservative estimates indicate that even with the installation of the full capacity proposed in the Authority's projects an additional 850,000 kilowatts of generating capacity must be installed in the area before 1946 to serve the expanding electric market. This assumes that the existing generating capacity in the area, much of which is already obsolete, will continue in existence.

At this point, Mr. President, I ask that the remainder of Mr. Krug's statement be printed in the RECORD as part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The remainder of the statement is as follows:

If a reasonable amount of this obsolete capacity is replaced during the same period, it is probable that the additional installations required will exceed 2,000,000 kilowatts. These requirements for power capacity are in excess of the 1,400,000 kilowatts presently installed or proposed for installation in the Authority's 10-dam system. The construction of additional flood-control dams on the headwaters of the Tennessee River would provide economic power capacity to assist in offsetting the power requirements developing in the southeastern area.

EXISTING RATES COVER ALL COSTS

Not only has a market been developed for the existing and proposed power capacity in the Authority's projects including Watts bar and Coulter Shoals, but this market has been developed at rates which will adequately cover all of the cost incurred in producing the power with a substantial margin as a contribution to the common cost of these multipurpose projects. A comprehensive study of this problem was presented to the Tennessee Valley Authority congressional investigating committee and a copy was filed with the House Committee on Appropriations.

This study shows that the power revenues from the proposed 10-dam system will approximate \$20,250,000, which will cover all of the direct power costs and the common cost fairly apportionable to power, including 3-percent interest, depreciation, and all other items of operating cost, and leave a margin of more than \$3,000,000 which will be available for flood control and navigation costs. If speculative costs are eliminated from consideration such as interest and workmen's compensation, power revenues from the 10-dam system will return over \$15,000,000 annually to the Federal Government to apply as liquidation of the investment.

This study of operating results is premised on the Authority's experience with the four completed projects and its 5 years of marketing experience in the Tennessee Valley area. The results show clearly that the Authority's power operations will fulfill the expectations of Congress as expressed in the T. V. A. Act, namely, that the power projects should be self-supporting and assist in liquidating the cost of the projects.

NO CURTAILMENT OF STEAM GENERATION

It is contended by the private utility interests that the Authority's projects bring about the substitution of hydroelectric power for steam-generated power and thereby reduce the market for coal with adverse effects on employment in the coal industry. This is clearly inconsistent with the facts. The Authority's power activities coupled with its low-rate policy have greatly stimulated the demand for electric energy not only in the Tennessee Valley but throughout the country. The records show that even in the Tennessee Valley area, where the Authority now has in operation 420,000 kilowatts of hydroelectric capacity, the stimulation of electric-power sales has been so great that more coal is being used at the present time for generating electric power in that area than at any time in the past.

This situation is generally true throughout the country. Rather than the hydroelectric projects curtailing the use of coal, construction and operation of these projects in competition with steam is actually increasing the use of coal as a result of the great increase in power consumption which has resulted from the greatly reduced rates. The contention that the hydroelectric program is curtailing the market for coal is merely propaganda of representatives of private utility interests attempting to obtain the support of labor in their campaign against public power activities and low power rates.

REVENUE ESTIMATES

The estimates of power revenues and expenses submitted to this committee are conservative. It is probable that the actual revenues will exceed the \$6,500,000 estimated. However, even on the basis of the conservative estimates submitted, the Authority's power operations for the fiscal year 1940 will produce revenues adequate to cover all reasonable power costs including a substantial contribution to the common cost of the projects. The Authority's power business has reached the status of a going concern. Free from litigation for the first time, the Authority will obtain power revenues adequate to provide substantial liquidation of the project cost. The success of negotiations for the acquisition of existing electric properties in the Authority's market area by the Authority and local public agencies is assurance that competition will no longer invite further delays and litigation.

TRANSMISSION REQUIREMENTS

The Authority is requesting \$6,964,460 for the construction of transmission lines and substations for the fiscal year 1940. This amount is at least \$1,000,000 short of the estimated transmission requirements for the period and several desirable projects must be deferred.

By virtue of the acquisition agreements reached with the private utilities, the Authority is in a position to acquire almost at once a marketing area which otherwise would have required many years to develop. If this is achieved, the funds requested for the fiscal year 1940 for construction of transmission lines and substations will be insufficient for the integration of the acquired systems as it will be necessary to carry out almost at once a construction program that otherwise would be spread over a considerable period of years as required in developing a market under competitive conditions.

To summarize, the Authority has developed a market for all of the power from the present and proposed projects and, should any change be required in the projected construction schedule, it will be necessary for local agencies to construct independent generating plants to serve a part of the increasing power requirements in the Tennessee Valley area. The increase in power demands from present contractors and municipalities, which have been assured power when it becomes available, would utilize all of the power which can be generated economically at the projects now under construction and those which have been proposed, including Watts Bar and Coulter Shoals and the tributary projects which will be desirable to afford complete flood-control protection to the Tennessee Valley and the expected protection to the Mississippi River

Valley. This market has been developed under a rate level which will permit substantial liquidation of project costs so that power may carry out its functions as the "paying partner" in the Authority's program.

Mr. McKELLAR. Mr. President, let me state the situation with which we are confronted today. The power is needed; it is necessary to plan the building of the dams beforehand. They cannot be built in a year; they cannot be built in 6 months. We must plan years before the actual building begins. If the project is to be completed as Congress has directed the T. V. A. to complete it, it ought to be completed as early as possible. When the engineers tell us that Watts Bar Dam should be constructed and can most economically be constructed by beginning it next July, the item for that dam ought not to be stricken from the pending bill, and I certainly hope that the Senate will not do so.

Mr. President, I wish to speak with reference to one or two other matters, and then I shall conclude. I wish to refer to the question of money. The Senator from Colorado said that the total cost of the T. V. A. was \$489,000,000. I quote from the record that the cost will be \$419,000,000. That is what the engineers testified. That is not a statement by a member of the committee. That is the testimony of the engineers. The testimony is that when that \$419,000,000 is expended there will be a return to the Government of upward of \$20,000,000 a year. That will be the first instance in our history of an adequate return being made on the money invested by the Government in any project.

I do not care what project it is. I challenge any Senator to show any other project from which there is a return to the Government in full measure of the amount put into the project.

Much is made of the fact that this project is in Tennessee. What difference does that make? I have voted for many projects everywhere. I do not know whether the Senator from New Hampshire [Mr. BRIDGES] has had any projects, but all the Senators except him have had projects before us, and I voted for all of them. If the Senator should bring forward a good project on the Connecticut River, I might vote for it, notwithstanding his opposition to the T. V. A.

Of course, what I have said to the Senator from New Hampshire is a pleasantry.

Here we have a great project for navigation of over 600 miles in one of the most fertile valleys of this country. We have a greater project of flood control. When these 10 dams are put into operation the crest of floodwaters at Cairo or points south will be lowered from 3 to 4 feet, sufficient to save those towns.

Chattanooga is only an incident. The project is for the safety of all the great cities south of the point where the Tennessee River runs into the Ohio River. It is for the safety and benefit of those cities from the standpoint of flood control. I believe the Gilbertsville Dam will be the largest flood-water dam in the country, and perhaps in the world. It ought to be continued. It is economy for the Government to continue it. The Watts Bar Dam ought to be begun and completed as early as possible, not only to take care of navigation and flood control, but to take care of the necessity for properly utilizing the great power plant which now exists in Tennessee, and which will be dependent upon this body for operation and control.

I should like to say a word about the returns from four of these great dams—Wilson Dam, Wheeler Dam, Norris Dam, and Pickwick Landing Dam. As a matter of fact, there are very few returns as yet from Pickwick Landing Dam. The returns from these four dams this year will amount to six and a half million dollars. I again ask the question, What other projects in the United States have ever brought such a return in money to the Government? Talk about the Government contributing to these projects or furnishing the money to build them. The Government will get every dollar of it back. Does any Senator know of any other project which will provide such a return?

My smiling friend the Senator from Delaware [Mr. TOWNSEND], one of the most delightful gentlemen in this or any other body, said in committee the other day that he did

not know where we are going to sell the power after it is generated. I call the Senator's attention to the testimony of Mr. Krug and other engineers. They say the power is already sold up to the very hilt, and that the dams cannot be built fast enough to take care of the demand which the Government will have for power after the plan has been carried through.

Mr. TOWNSEND. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TOWNSEND. I based my observation on the fact that privately owned power plants are being purchased.

Mr. McKELLAR. Yes; they are. All kinds of plants are being purchased, including run-down plants, plants which do not have the machinery to run, and shells of plants, such as the one which was sold in Memphis. It probably sold for more than it was worth. It sold for more than I thought it was worth. I am taking the position taken by my friend the Senator from Colorado [Mr. ADAMS]. It is my opinion that the plant was sold for more than it was worth.

However, every kilowatt of power that can be produced will be required to meet the demand. That is the evidence of electrical experts.

Mr. TOWNSEND. If the Senator will yield further, have not the private companies been taking care of the demand for power in the past?

Mr. McKELLAR. In a way, and at about three times the price which should have been charged. The first thing that will happen to us in Tennessee upon the carrying out of this proposal will be a reduction of rates to a little more than one-third what they were before. The program will be a boon to the people in the entire area, not alone to my town or to my State, but to all the States within transmitting distance of these plants. The price to the consumer has been reduced nearly two-thirds.

Mr. TOWNSEND. Is the Senator familiar with the question of taxes?

Mr. McKELLAR. Oh, yes. That matter is provided for under the arrangements made. The cities and towns will pay the same taxes to the State and to the county which have been paid heretofore by the power companies.

Mr. TOWNSEND. Do the Government-owned power companies pay taxes?

Mr. McKELLAR. The power companies have agreed to pay the same taxes which were paid by the old private companies, so there will be no loss on that score.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. TAFT. If there is all this demand for power, why was the cost of power facilities left out of the estimated cost of the Gilbertsville Dam? Are we not being fooled when it is said that the cost of the dam will be \$95,000,000?

Mr. McKELLAR. No; I will say to the Senator that nobody is trying to fool him. The T. V. A. does not want to fool him. I certainly do not want to fool the Senator from Ohio.

Mr. TAFT. Then why are power facilities omitted in estimating the cost?

Mr. McKELLAR. It must be remembered that the purchase of the private plants has been made in the past 4 weeks. The plans for putting in machinery to develop power at Gilbertsville have not yet been made. They will be made. Ninety-one thousand kilowatts will be generated at Gilbertsville, and it will be absolutely necessary to generate that power. The plans of the T. V. A. will have to be changed in order to generate that power to supply the demand.

Mr. TAFT. Then the Senator would say that the cost of the project will be at least \$105,000,000, instead of \$95,000,000?

Mr. McKELLAR. I do not know. I presume the cost will be around \$100,000,000. I think that question is immaterial, for this reason—

Mr. TAFT. The cost of power facilities has been estimated at from \$12,000,000 to \$16,000,000.

Mr. McKELLAR. I think that point is immaterial, for the reason that when the power plants are built, the Gov-

ernment will get a full return of every dollar of the money. Every dollar will be provided for in the sinking fund with which to pay it all off. Are there any projects in the Senator's State which make such a return?

Mr. TAFT. Is it contemplated that the flood-control cost and the navigation cost will be paid off, or only the power cost?

Mr. McKELLAR. The power cost.

Mr. TAFT. Only the power cost?

Mr. McKELLAR. The power cost will be paid off first. The return will be a continuing one. There will be available to the Government \$15,000,000 a year to pay off these amounts. I do not know any other project in the country into which the Government has gone which pays such a return. Not even Boulder Dam, in which the Senator from California [Mr. JOHNSON] and I were so much interested a few years ago, and which is one of the great projects of the country, will pay the Government a return comparable with the return from the Gilbertsville Dam.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. In connection with the question of the Senator from Ohio [Mr. TAFT], it seems to me there is no greater obligation for the recapture of the amount of money involved in the Gilbertsville Dam, or any other dam which is useful for flood control and navigation, than there would be for the recapture of the cost of any other flood-control dam on any river anywhere in the United States.

Mr. TAFT. Not at all. I just thought the Senator from Tennessee was claiming the whole world, and I wanted to be sure whether he meant to claim that all the cost would be paid back.

Mr. McKELLAR. I am not claiming the whole world. However, after 22 years of fighting in the Senate I do claim to know something about the subject, and I believe I know more about it than does the distinguished junior Senator from Ohio.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. BARKLEY. In connection with the suggestion the Senator made about trying to fool somebody, I desire to say that no effort is being made to fool anybody. A year ago it was stated on the floor of the Senate and in the committee that the completion of the Gilbertsville Dam would involve about \$112,000,000, which would include not only flood-control and navigation facilities, but installation of such incidental power as might grow out of the project.

There has been no secrecy about the cost. The cost of the dam originally was estimated at around \$75,000,000. At that time it was thought that there would be two dams in the lower Tennessee River. However, when the engineers decided to move the dam down the river about 20 miles, and build one large dam instead of two, it was then estimated that the cost of the dam, complete for all purposes, would be about \$112,000,000. That information is in the public hearings, so no effort is being made to deceive anybody.

Mr. TAFT. Would the Senator undertake to allocate the cost among the three uses of the Gilbertsville Dam, and give us some kind of a rough estimate?

Mr. BARKLEY. I would not undertake to hazard an opinion on that question. However, if the \$95,000,000 which is now being talked about does not include the installation of power facilities, and if the cost of completion of the dam with those facilities is \$112,000,000, it is a simple matter to subtract \$95,000,000 from \$112,000,000. The result is \$17,000,000.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. JOHNSON of California. Mr. President, I am not expressing any opinion as to the discussion here today, but I desire to correct one statement in the matter of the construction of the Boulder Dam.

Mr. McKELLAR. If I have made a mistake I will be very happy to have it corrected.

Mr. JOHNSON of California. The Government would not permit a shovelful of earth to be turned in the construction of the Boulder Dam until we had made firm contracts by which the entire cost of the work should be paid.

Mr. McKELLAR. Out of the returns from power and water?

Mr. JOHNSON of California. Yes; out of returns from power and water; that is quite true.

Mr. McKELLAR. I am glad the Senator has stated that, because I did not know that there was such a contract. I remember that six or seven States made an agreement with the Government about it. It has been quite a time since the Boulder Dam Act was passed, and my memory may not be accurate.

Mr. JOHNSON of California. They did not make an agreement—

Mr. McKELLAR. There was certainly an agreement as to the distribution of water.

Mr. JOHNSON of California. They did not make an agreement with the Government except so far as the distribution of water might be concerned; but for the payment of every single, solitary penny of cost of the dam we had to arrange before the Government would turn a shovelful of earth. It shows the difference between the construction of Boulder Dam and the works succeeding it. I do not say that it was a just thing to us, but we were compelled to meet the Government's requirements at that time.

Mr. McKELLAR. I am very happy to have the Senator's statement about Boulder Dam. It makes me all the more pleased with my vote for that great project. I voted for it because I thought it would help build up the section of the country where it is located and make it a better and safer and more agreeable place in which to live. That is why I am for all these projects which will help our country.

Mr. VANDENBERG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Michigan?

Mr. McKELLAR. I yield.

Mr. VANDENBERG. If I may peacefully inquire—

Mr. McKELLAR. If the Senator belligerently or peacefully inquires, I shall be very glad to try to answer his questions.

Mr. VANDENBERG. I should like to obtain a little general information about T. V. A., which I am sure the Senator can give me.

Mr. McKELLAR. If I can, I will be delighted.

Mr. VANDENBERG. How much has been spent on T. V. A. all told?

Mr. McKELLAR. Two hundred and twenty million dollars.

Mr. VANDENBERG. How much more will be required to complete the T. V. A. so far as already projected?

Mr. McKELLAR. About \$199,000,000, after we obtain the \$40,000,000 now proposed to be provided.

Mr. VANDENBERG. How much does that make the total cost?

Mr. McKELLAR. About \$459,000,000; \$40,000,000 of which is to be used for various other purposes, such as the production of fertilizer and other things in which the T. V. A. is interested.

Mr. VANDENBERG. Does that include all the 17 dams about which the Senator from Colorado [Mr. ADAMS] was talking?

Mr. McKELLAR. I do not know to which 17 dams the Senator from Colorado referred. The law gives the T. V. A. the right to build dams on tributary streams. I will ask the Senator from Colorado how many dams he has found may be constructed?

Mr. ADAMS. Mr. President, I have simply the official record of the T. V. A. I happened to have counted them this morning. The number includes 17 dams on tributaries. They are not in the cost items given, for they are prospective rather than definitely determined upon.

Mr. McKELLAR. I had not counted proposed dams on tributaries, and I doubt if anyone could tell accurately at this time how many would be needed or constructed on tributaries. There are a number of tributaries to the Ten-

nessee River in east Tennessee, North Carolina, and, I believe, in Virginia.

Mr. VANDENBERG. Does the Senator from Colorado know what the estimate is of the cost of the other 17 dams?

Mr. ADAMS. It is \$80,000,000.

Mr. McKELLAR. Will the Senator give us information as to where the estimate comes from?

Mr. ADAMS. The estimate comes from the volume we have here of the House hearings.

Mr. McKELLAR. I had overlooked the House hearings. Those figures are not in the Senate hearings. As a matter of fact, the engineer who appeared before the Senate committee, Mr. Parker, who has this matter in charge, says that there is but one more dam in this project, and that dam is at Coulter Shoals, at Knoxville, and there is a provision in the pending bill, which as I understand, is uncontested, for a further examination of that dam.

Mr. VANDENBERG. The Senator can understand my perplexity, for he must realize that each time we come back there seems to be a new dam. The T. V. A. seems to be "just one damn thing after another." [Laughter.]

Mr. McKELLAR. The Senator is mistaken about that, because all the authorities have held against the Senator. The district courts, the circuit courts of appeal, and the Supreme Court of the United States have all held against the Senator. In addition to that, the joint committee which was constituted at the last session, for which both the Senator and I voted, and which was approved by the House of Representatives, has reported on T. V. A. and has not found that it is "just one damn thing after another." It has found that T. V. A. is a very useful activity of the Government; the committee has upheld it and found nothing wrong with it, and has discovered no dishonesty or corruption in it, as many people thought would be the case.

Mr. VANDENBERG. The Senator does not attribute to me any suggestion that there is dishonesty in it? I have not said anything of that kind.

Mr. McKELLAR. Oh, no.

Mr. VANDENBERG. What I want to know is when will we get through building dams?

Mr. McKELLAR. I do not know when.

Mr. VANDENBERG. If the Senator does not know, I am sure nobody will be able to enlighten us.

Mr. McKELLAR. Are there any dams in Michigan? Does the Senator know how many there are there?

Mr. VANDENBERG. No; they never let us build dams with Federal money in Michigan.

Mr. McKELLAR. Then there must not be any in Michigan.

Mr. HILL. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield to the Senator from Alabama.

Mr. HILL. Is it not true that the Congress, in the 1935 T. V. A. amendatory act, adopted a unified plan for the development of the Tennessee River?

Mr. McKELLAR. Of course, that is so.

Mr. HILL. And the dams that we are now talking about, the Gilbertsville Dam and the Watts bar dam, are necessary to carry out that plan. Neither the Senator from Tennessee nor I nor any other Senator is asking for the construction of any dam other than a dam within the plan which the Congress has already adopted.

Mr. McKELLAR. I have tried to make it plain that Watts bar dam and Coulter Shoals Dam are the last two dams to be built on the Tennessee River under this project from Knoxville to the mouth of the river at Paducah, Ky.

Mr. VANDENBERG. Do I correctly understand the Senator from Tennessee and the Senator from Alabama to say that when we are through with the Watts bar dam no more dams are going to be asked for by either Senator?

Mr. McKELLAR. The Watts bar dam and the Coulter Shoals Dam.

Mr. HILL. Mr. President, will the Senator from Tennessee permit me to interrupt him further?

The PRESIDING OFFICER. Does the Senator from Tennessee yield further to the Senator from Alabama?

Mr. McKELLAR. I yield.

Mr. HILL. The only other dam that will be necessary to carry out the plan adopted by the Congress in 1935 will be the Coulter Shoals Dam. As to what the future may bring, whether we should go into the development of the tributaries and matters of that kind, of course, we cannot tell; the future will have to take care of itself; but the Coulter Shoals Dam is the only other one, besides the Gilbertsville and Watts Bar Dams, which is necessary to carry out the program adopted by the Congress.

Mr. ADAMS. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Colorado?

Mr. McKELLAR. I yield.

Mr. ADAMS. I think the Senator from Alabama is assuming something that I do not believe to be accurate. There was in 1935 a statute adopted with relation to the T. V. A. providing a unified plan that was to be filed in 1936. The plan was filed but it was never adopted by the Congress.

Mr. McKELLAR. Yes; it was adopted. Let me refer to that right here. It was adopted in language so plain that anybody on earth could understand it. I should like to read it. The act provided that the T. V. A.—

Shall have power to construct such dams and reservoirs in the Tennessee River and its tributaries as, in conjunction with Wilson Dam and Norris, Wheeler, and Pickwick Landing Dams now under construction will provide a 9-foot channel in the said river and maintain a water supply for the same from Knoxville to its mouth.

Mr. ADAMS. Mr. President, will the Senator permit me to interrupt him there?

Mr. McKELLAR. I yield.

Mr. ADAMS. The 1935 act, from which the Senator has read, contains a direction to the T. V. A. to have a unified plan prepared and filed by a certain date in 1936, which was the next year. That plan was, doubtless, prepared but it was filed after the adoption of the statute from which the Senator has read. The plan of 1936 has not been adopted by Congress, so far as I know.

Mr. McKELLAR. Congress is the highest authority in the matter of these dams. The Congress has spoken in language that is unmistakable. There cannot be any doubt about that. Even with his brilliant legal mind, I do not believe the Senator from Colorado can find that the Congress has not specifically provided for the dams between Knoxville and the mouth of the river in words so plain that—

The wayfaring men, though fools, shall not err therein.

Mr. President, I have taken more time than I intended to take and I yield the floor.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	King	Russell
Andrews	Downey	La Follette	Schwartz
Ashurst	Ellender	Lee	Schwellenbach
Austin	Frazier	Lewis	Sheppard
Bailey	George	Logan	Shipstead
Bankhead	Gerry	Lucas	Smathers
Barbour	Gibson	Lundeen	Smith
Barkley	Gillette	McKellar	Stewart
Bone	Glass	McNary	Taft
Borah	Green	Maloney	Thomas, Okla.
Bridges	Guffey	Mead	Thomas, Utah
Brown	Gurney	Miller	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Truman
Byrnes	Hayden	Neely	Tydings
Capper	Herring	Norris	Vandenberg
Caraway	Hill	Nye	Van Nuys
Chavez	Holman	Overton	Wagner
Clark, Idaho	Holt	Pittman	Walsh
Connally	Hughes	Radcliffe	Wheeler
Danaher	Johnson, Calif.	Reed	White
Davis	Johnson, Colo.	Reynolds	Wiley

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. There is a quorum present.

Mr. TAFT. Mr. President, I understand that after considerable debate in the House of Representatives, the House voted to eliminate from the pending appropriation bill ten or eleven million dollars for the Gilbertsville Dam and about \$5,000,000 for the Watts bar dam. The Appropria-

tions Committee of the Senate has restored both of those items; and in order that he may raise the question separately, the Senator from Colorado [Mr. ADAMS] has moved to strike out of the committee amendment the provision for the Watts bar dam. That involves an expenditure of about \$5,000,000, as I understand, and will involve, before we get through, a further expenditure of approximately sixty or seventy million dollars for the two dams, which must go together.

Certainly I am strongly in favor of the amendment of the Senator from Colorado. There seems to be no tremendous demand for navigation on the Tennessee River above Chattanooga. The question of navigation is presented only on the theory that in some way this body has authorized and required the construction of a 9-foot channel to Knoxville. I do not understand that that is the fact, and it seems to me that it does not make very much difference whether it is or not.

On the question of an appropriation the argument is frequently urged that authority to make the appropriation has already been granted. If that argument is effective, we never are going to stop spending. We have had enough authorizations up to this time to involve us in billions of dollars of additional expenditure. The only way we are going to stop spending is to stop paying out money, and the surest way of preventing the paying out of money is not to appropriate the money to be paid out. I do not think the theory that this particular appropriation has been authorized is any argument in favor of it.

The question of navigation above Chattanooga certainly is something which should be carefully examined. It is very doubtful whether it really is an essential thing, except to make constitutional the authorization of the power dams above; and I see no particular reason why that argument is of any strength.

It is urged that this dam in some way will produce 340,000 acre-feet of flood control. That flood control can be provided a good deal cheaper with smaller dams on the tributaries.

It is suggested that we need this dam in order to put men to work, because there now is a wonderful organization there, and we must continue it indefinitely. That certainly is no argument for a continuation of building dams. If that is a good argument, we might as well admit that we are going to build dams for the rest of our lives. Sooner or later we are going to have to dismiss that organization, and we might as well begin to dismiss it now.

As far as the Watts bar dam is concerned, I think it cannot involve more than about 4,000 men. It is contemplated to spend \$5,000,000 during the year; and if the authorities can get more than one man to \$1,200 in construction of this kind, they are doing better than the P. W. A. is doing. That means that the dam might involve the possible employment of 4,000 men. When we are trying to support 3,000,000 men on W. P. A., it seems to me that is not a material factor in a decision of the important question whether we now shall commit ourselves to another expenditure of \$70,000,000.

So I see no real justification for the Watts bar dam at the present time.

I want to go somewhat further, however, and discuss the whole question of the Gilbertsville Dam.

I was not in the Senate when the question was discussed last year. I have not spent 22 years in learning of the subject, as has the Senator from Tennessee [Mr. McKELLAR]; and yet in the House of Representatives, after a considered judgment, men, all of whom have come directly from the people of the United States, have decided that they do not wish to proceed with the Gilbertsville Dam. That certainly requires in the Senate a reconsideration of the question whether or not we are going ahead with a project which is going to cost \$112,000,000.

It is said that we have spent four or five million dollars on this dam. Four or five million dollars is a mere drop in the bucket when the total expenditure is considered, and a considerable amount of it can be salvaged on a very much less expensive system of dams.

I asked the Senator whether he could divide this cost. This is a three-purpose dam. It is supposed to provide power; it is supposed to provide flood control; it is supposed to provide navigation. No one is able to say what proportion ought to be allotted to any one of those purposes. As a matter of fact, the dam will not be effective for any one of the purposes, at least to the extent of the expenditure which must be allotted to it. So far as I have been able to discover from the record, it is necessary to allot about \$27,000,000 to navigation, anywhere from twenty-five to thirty-five million dollars to power, and anywhere from sixty to seventy million dollars to flood control. That gives us something of a picture of the situation.

I do not know whether or not Senators know the situation of this dam. It is at the mouth of the Tennessee River, within a few miles of the Ohio River. The base of the dam, as I understand, is only about 7 feet above the level of the Ohio at pool stage, where it remains part of the year. For a considerable part of the year the backwater from the Ohio River runs up on the dam.

The top of the dam is about 375 feet above sea level. The water behind the dam is going to be perpetually maintained at least 350 feet above sea level. In the 1937 flood the Ohio River reached a level of about 347 feet above sea level, which is some 40 feet above the base of the dam; so the Ohio River will back right up against the Gilbertsville Dam, and almost reach the level at which water is to be maintained in that dam.

This dam is going to backwater back 186 miles. It is going to destroy, for all useful purposes, about 400,000 acres of the best farm land in Kentucky, permanently. If we are to try to prevent floods, and then create a permanent flood over 400,000 acres of land, certainly we should give the matter serious consideration.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. Certainly.

Mr. BARKLEY. The engineers who testified before the Committee on Appropriations only a week ago stated that the acreage which would be permanently affected by this dam would be about 157,000. The Senator must be quoting from a speech made on the floor of the House of Representatives, not by an engineer but by one of the opponents of the whole Tennessee Valley improvement.

Mr. TAFT. As I understand, the figure I have given is the number of acres they figure they are going to have to appropriate for the purpose, and that is the basis on which the cost is figured.

Mr. BARKLEY. No; the engineers testified that on rare occasions, perhaps once every 20 or 25 years, there might be sufficient water in the Tennessee River to flood that much land, but that the permanent acreage involved in the lake which is to be created by the construction of the dam was only about 157,000. My recollection is that only about 60,000 of that 157,000 is suitable for cultivation.

Mr. TAFT. I yield to the Senator's knowledge; yet I should like to check the information because my information is from the gentleman who spoke in the House, in whose district this dam is located, as I understand it, among others—

Mr. BARKLEY. It not only is not in the gentleman's district, but it is at the far end of the State from the district represented by the particular Member who spoke in the House against the construction of this dam. I doubt very much if he has ever seen the location of the Tennessee River at that point. It is 500 miles from where he lives.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. Certainly.

Mr. McKELLAR. The Senator spoke of all this land being in the State of Kentucky. My recollection is that about 160 or 165 miles of it is in Tennessee, and only about 25 miles in the State of Kentucky. So it would take several Representatives from Tennessee to talk about that from personal knowledge, and I do not think any of those in Tennessee are on that side of the question.

Mr. TAFT. I yield to the Senator. I knew the water backed up into Tennessee; but it does not make very much difference to most of us whether the land is in Tennessee or in Kentucky, much as it might make a difference to the Senator.

Mr. McKELLAR. I merely wanted to get the Senator right in his geographical location of the land. Most of these lands are in Tennessee.

Mr. TAFT. At any rate, this dam creates a lake about 160 miles long, which goes back into Tennessee, and has an average width somewhere around 2 miles, possibly 1 mile and six-tenths in width, on the average.

Of course, the main justification for river improvement in the past has been navigation. This dam is supposed to provide navigation, and for that purpose there is allotted to it \$27,000,000. My interest in this matter was first excited over a year ago when talking to an Army engineer, who definitely was of the opinion that it was an utterly indefensible proposition. The report of the Army engineers shows that for approximately eleven to fifteen million dollars a series of four dams could be built that would provide all the navigation anybody would require, with a 9-foot channel.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. So this is a peculiarly expensive way of building a dam for navigation purposes. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Army engineers in a report recommended the building of a dam at Aurora, which is about 16 miles from Gilbertsville, and they themselves recommended a dam from Aurora back to the Tennessee line.

Mr. TAFT. Yes; and they also recommended an alternative plan of four lower dams, which would leave the water in the channel of the river throughout, as the Ohio River is canalized.

Mr. McKELLAR. The Senator did not state the alternative proposition in his remarks.

Mr. TAFT. No; I was talking about a particular gentleman, and I merely repeated his views on a proposal which would cost only eleven to fifteen million dollars instead of \$27,000,000.

Mr. BARKLEY. My information is that originally the Army engineers recommended the construction of seven dams in the lower Tennessee, between the mouth, at Paducah, on the Ohio River, and Muscle Shoals, or the Pickwick Landing Dam. They not only recommended four but recommended seven originally. Of course, the seven, being lock dams of the ordinary river type, would cost less than this one dam at Gilbertsville. But at that time the Army engineers were only considering the question of navigation through locks and dams similar to those in the Ohio and other rivers which have been canalized, or where an attempt has been made to canalize them.

Mr. TAFT. I understand that.

Mr. BARKLEY. So that when we consider the construction of one great dam to take the place of these the testimony of the engineers, I think, conduces to show that it is much safer and easier to navigate a river where there is a large body of water covering miles in width than merely attempting it in the narrow channel within the banks of the river itself.

Mr. TAFT. I do not admit that. As a matter of fact, I think that navigation is very much more dangerous on a large lake than it would be if this river were in fact canalized by a series of dams.

Mr. BARKLEY. The engineers who have testified about this, as I recall, do not agree to that statement.

Mr. TAFT. A great many of the engineers do agree to that statement. There was one man who testified the other day. Any riverman will state—and the Senator has seen many of them—that they prefer a canalized river to any tremendous lake, subject to storms and all sorts of hazards.

Mr. BARKLEY. There may be difference of opinion about the preference of rivermen, just as there is a difference of opinion about the preferences of Senators. But I am speaking of the testimony of the engineers who have testified on this subject. The point I am coming to is that the

original seven dams, or whatever the number was, were only for navigation. The proposed dam combines navigation and flood control, and I think the Senator would agree that the type of low dams contemplated by the Army engineers originally would be of very little value in flood control.

Mr. TAFT. I think they would be of about as much value as the large one.

Mr. BARKLEY. That is a difference between the engineers and the opinion of the layman.

Mr. TAFT. No; they would be of no value in flood control, any more than the large dams, which I wish to discuss.

Mr. BARKLEY. I do not think the Senator is an expert on either large or small dams. But be that as it may, the increased cost of the large dam as compared with the four or seven small ones, whichever it is, is made necessary because this dam is to serve a triple purpose, flood control, navigation, and incidental power.

Mr. TAFT. I so stated when I started my remarks.

Mr. BARKLEY. I am frank to say that the power facilities of this dam are incidental, not primary.

Mr. TAFT. My point is that if the only purpose of this dam is navigation we can get navigation about ten or eleven million dollars cheaper than this dam is giving it.

Mr. GLASS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. GLASS. I have experienced so much trouble in learning when I am right and when I am wrong on this question that for the first time in my senatorial career I have voted on both sides. But I have a notation here that it was stated in the House debates on the subject that to make the Gilbertsville Dam of any practical value additional water must be brought to the dam from the Ohio River through a canal the construction of which will cost \$150,000,000 additional. Is that true?

Mr. TAFT. I would think it not true.

Mr. GLASS. I ask the Senator from Kentucky.

Mr. BARKLEY. Who made that statement?

Mr. GLASS. It was made in the debates in the House.

Mr. BARKLEY. By whom?

Mr. GLASS. That I do not know. The information is sent to me by a Representative from Virginia.

Mr. BARKLEY. The statement is so ludicrous that really it seems utterly impossible to imagine anyone who knew anything about the flow of water making a statement like that, that in order for the Gilbertsville Dam to be effective in flood control, it would be necessary to pump water from the Ohio River from above the dam so that it would run back into the river so that it would protect the people from the floods on the Ohio River and the Tennessee.

Mr. GLASS. With respect to the adversaries in this discussion, they regard each other's statements as ridiculous, and I do not know which is ridiculous. [Laughter.]

Mr. BARKLEY. No one has suggested that a canal be built from the Ohio River to the Tennessee River, or to any other river, in order to get water into the Tennessee River through the back yard so that it might flow out of the dam down into the Ohio River, from which it was taken.

Mr. GLASS. I do not know whether the man who made that statement in the House was from Kentucky or from Tennessee.

Mr. BARKLEY. I would not want to think that anyone in the House from either of those States would have little enough sense to make such a statement.

Mr. McKELLAR. I am sure no one from Tennessee made the statement.

Mr. NORRIS. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. Certainly.

Mr. NORRIS. The point the Senator is discussing, as to flood control and navigation, and the type of dams to be built, was one of the issues in court in the so-called Eighteen Company case, which was passed on by the Supreme Court recently. Is the Senator aware that the finding made by the trial court stands undisputed on that issue, where evidence was adduced on both sides to the effect that the only kind of dam that will afford navigation facilities and flood

control is the high dam, and that the several dams proposed in lieu of the Gilbertsville Dam would have no flood-control value whatever?

Mr. TAFT. I am absolutely aware of that statement, and I have not said anything to the contrary. The point I am trying to make in regard to navigation is that if all we want is navigation we can get it about ten or twelve million dollars cheaper, and it is not fair to allocate to navigation \$27,000,000 when we can get better navigation for \$12,000,000.

Mr. NORRIS. If the Senator will permit, the court made a finding on that very point contrary to the statement the Senator has just made. Their finding was that navigation from high dams was much superior, took less time, and was better in every way than navigation which came from low dams.

Mr. TAFT. I did not understand the decision to be that, merely that there was evidence to that effect, upon which they would necessarily have to rely in deciding the question of the constitutionality. As a matter of fact, the ordinary type of river transportation, in the opinion, I think, of nearly every expert on river transportation is very much safer on a canalized river such as the Ohio is today. There have been practically no accidents in many many years on the Ohio River. There has been one serious accident on Lake Pepin on the Mississippi River, where a boat was sunk and a hundred people drowned many years ago, simply because of high waves such as frequently rise on a lake of that character.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McKELLAR. How much does the Senator estimate it would cost to construct seven low dams instead of the proposed dam?

Mr. TAFT. As I understand it, four would take the place of this particular dam.

Mr. McKELLAR. And at what cost?

Mr. TAFT. My understanding is \$11,000,000, but I have allowed up to \$15,000,000 just to play safe.

Mr. McKELLAR. The Senator does not know what the four dams he speaks of will cost?

Mr. TAFT. The estimate which I have read in one of these reports is \$11,200,000; something of that sort.

Mr. McKELLAR. Is that all it will cost for four dams?

Mr. TAFT. For four low dams.

Mr. McKELLAR. Four low dams will cost \$11,000,000.

Mr. TAFT. Mr. President, the second question is one of power. Of course, there seems to be a little question as to whether or not this dam is really intended to provide power. It is not included in the ultimate estimate. They say it is ultimately going to cost \$95,000,000. As a matter of fact, it appears from the Senator's statement that the real cost will be \$112,000,000, and they propose to produce, according to various estimates, anywhere from 100,000 kilowatts up to 150,000 kilowatts of power. I do not know on what that estimate is based. There is only this to be said about the dam as a power dam. In the first place, if we allot \$35,000,000 to power, or even if we allot \$30,000,000 or \$25,000,000, it is more expensive than any other dam for producing power in the Tennessee Valley system. I do not think there is any question about that. There is some question about what it is going to cost. However, a reasonable estimate made by Mr. WIGGLESWORTH in the House, and not contradicted except in general terms, is that it is going to cost \$277 a unit instead of \$80 or \$90 per unit cost on the dams higher up.

The one reason why power at this dam is peculiarly inappropriate is because the Ohio River does back up against the dam, and constantly reduces the head. The summer that I talked to the engineer to whom I previously referred, was that summer in which we had high water all through the summer, during which time the head at the Gilbertsville Dam would have been reduced 20 feet by the Ohio River backing up against the dam. The base of the dam is only 309 feet above sea level. They propose to keep the water in the dam, according to the testimony of the engineers, anywhere from

354 to 359 feet above sea level. Fifty feet is the greatest possible head they can get under any circumstances, and a large part of the time it will only be 30 feet. I do not know how the estimates are made. I only say that when the head is being cut down constantly by a constant rise in the Ohio River, the power cannot be reliable, and you cannot contract for the full amount of your power because half of the time you may not have it.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. As a matter of fact, the Ohio River could not back up into the Tennessee River unless the Tennessee River were empty. Of course, if the dam were built and all the water that was impounded above the dam was held there, and no water permitted to be in the Tennessee River between the dam and the mouth of the river 23 miles below, the Ohio River might back up into it.

Mr. TAFT. The fall is only 7 feet, is it not?

Mr. BARKLEY. I do not recall. I cannot state whether it is or not.

Mr. TAFT. The fall is 7 feet. Seven feet above pool stage in the Ohio.

Mr. BARKLEY. I have lived all my life at the mouth of the Tennessee River, and I know as a matter of physical fact that the Ohio River does not back up into the Tennessee River.

Mr. TAFT. It does not have to back up into the Tennessee River if it holds the Tennessee back. It raises the level of the Tennessee River. I do not care whether it backs up into the Tennessee River or whether it holds the Tennessee River back, so long as it raises the level of the Tennessee River you cut off the head at the Gilbertsville Dam.

Mr. BARKLEY. When the Ohio River is fuller than the Tennessee River, of course, the tendency would be to hold back the free flow of the Tennessee into the Ohio River, but when the Senator talks about the Ohio River backing up to this dam he is visualizing a situation where the water in the Tennessee would be held back above the dam to such a point that there would be practically no water in the mouth of the Tennessee River, between the dam and the Ohio, so that if a flood came down the Ohio River it could back up into the Tennessee River.

Mr. TAFT. No, but the base of the dam is approximately 309 feet above sea level. The Ohio River in pool stage is 302 feet above sea level. When it is 20 feet above pool stage it is 322 feet above sea level. The Senator is not going to say that the base of the dam is going to be lower than the Ohio River, 322 feet? Then my point is that you cut down the head at the Gilbertsville Dam; instead of 50 feet, you have only 30 feet of head.

Mr. BARKLEY. The Senator is reading somebody else's speech that this water will back up as far as the dam.

Mr. TAFT. I am not reading anybody's speech. I got all the figures I could get on this question. It is purely a matter of mathematics, if the Senator can understand mathematics.

Mr. BARKLEY. Water will run down hill, and the only way by which the waters of the Ohio could run into the Tennessee would be that at flood stage, or any stage, the Ohio would be higher than the contiguous part of the Tennessee River.

Mr. TAFT. I do not care whether the water at the base of the Gilbertsville Dam is Ohio River water or Tennessee River water. Whatever water it is going to be, when the Ohio River is at 322 feet, it is going to be at least 322 feet at the base of the dam, and it is going to cut down the head on the Gilbertsville Dam 30 feet, and any engineer will tell you that that condition exists. I say it is an unreliable source of power, and that is perhaps the reason that they have omitted the provision for power machinery or anything else for the Gilbertsville Dam.

The ground on which this dam is most strongly urged is that of flood control. Frankly I think except for the problem of flood control, the dam would be so completely unjustifiable that I do not believe the Senator from Kentucky [Mr. BARK-

LEY] or the Senator from Tennessee [Mr. McKELLAR] would be proposing it here today.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. McKELLAR. I recall 2 or 3 years ago that one of the power companies, I do not remember which—I remember the agent's name very well—made every effort in the world to acquire this dam site from the T. V. A., and surely a power company would not want to build a dam there unless it was a paying proposition.

Mr. TAFT. The Senator has asked me to provide a record where some of my statements may be found. I should like to ask the Senator from Tennessee to provide a record where his statement is to be found. If any power company wishes to acquire this dam, I think by all means the T. V. A. ought to sell it to them, because it certainly has no value for power.

Mr. McKELLAR. I will give the Senator the name of the man. He was an engineer representing one of the power companies, a man by the name of W. G. Waldo, and his testimony is of record in the House hearings of 4 or 5 years ago. I shall be very glad to have a copy of the hearings sent to the Senator so he may know what Waldo thought about it.

Mr. TAFT. I understood the Senator to say that he wished to acquire it for his company?

Mr. McKELLAR. He did.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. TAFT. I yield.

Mr. BARKLEY. The original site of this dam was surveyed, and the location fixed for the construction of a private power dam. What happened was that instead of the T. V. A. selling a power site to private interests, the T. V. A. bought it from this man and from his company, or paid them an amount agreed upon as compensation, a reimbursement for the expenses they had gone to in the construction work, or the survey and the preliminary work looking toward the construction of a power dam at that point.

Mr. TAFT. Was that at Aurora Landing?

Mr. BARKLEY. At Aurora Landing.

Mr. TAFT. That is 20 miles above, and where the question of power that I have discussed does not arise.

Mr. BARKLEY. The flow of the Tennessee River at Gilbertsville and at Aurora is practically the same. There would be no advantage as far as power is concerned at Gilbertsville over Aurora, because both are practically the same.

Mr. TAFT. How far above Gilbertsville is Aurora Landing?

Mr. BARKLEY. Twenty miles.

Mr. TAFT. And there is an additional fall of the river between Aurora Landing and the Ohio River.

Mr. BARKLEY. Yes. Of course, the farther you go up the river the more fall you get, because there being so much fall per mile, the more miles you travel the more fall you get. But practically the site which had been surveyed and on which a dam was to be constructed by private interests for power purposes was the same as the Gilbertsville site.

Mr. TAFT. And a good deal farther from the Ohio River, so that the problem that I have discussed here does not arise when you get up to Aurora Landing.

Mr. BARKLEY. Twenty miles would not make a great deal of difference.

Mr. TAFT. At least 10 feet more, which is a very material thing in the head of power.

Mr. BARKLEY. Of course, the fall of the river as it may affect the machinery of a dam would not be any greater at Aurora Landing than it would be at Gilbertsville.

Mr. TAFT. I do not think the Senator gets my point.

Mr. BARKLEY. I am frank to say I do not.

Mr. TAFT. That the level of the Ohio River is so high that at Gilbertsville a large part of the time they have water well up from the base of the Gilbertsville Dam. At Aurora Landing that is not true. When you make power it depends on the difference between the level of the lake and the level at the base of the dam. That is what power depends on.

Mr. BARKLEY. That would only be true during the short time that the river is at flood stage.

Mr. TAFT. It does not have to be at flood stage. It may be 20 feet above pool stage, and it was almost continuously through most of the summer before last, and we did have the condition arising which I discussed, and you have it every winter. Sometimes for a month or two.

Mr. BARKLEY. For a month or two.

Mr. SMATHERS. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield.

Mr. SMATHERS. Am I to understand that the Senator from Ohio is against the T. V. A. development?

Mr. TAFT. I am discussing only Gilbertsville. The T. V. A. development has already taken place, and I believe the Government should certainly make the best and most profitable use of it, and conduct the enterprise as it is now being conducted. I am not in favor of spending any more money on the development of dams as a general thing. Today I am interested in not spending it on this particularly inefficient and useless dam.

Mr. SMATHERS. The Senator's contention today, that two of these dams should be cut out, would indicate to me that the Senator wants to stop the progress of the T. V. A. practically at its middle. Is that correct?

Mr. TAFT. I think I would be willing to stop the progress of the T. V. A. with about four or five dams completed, and the additional power installed that can be installed. I think I would be willing to do that.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. TYDINGS. I should like to ask the Senator if it is not a fact that for flood-control purposes the water behind the dam is constantly eliminated whenever opportunity offers, when it can be eliminated without unduly raising the level of the river below.

Mr. TAFT. Yes.

Mr. TYDINGS. But for power purposes the water is kept as high as possible behind the dam, so that there will be sufficient water to generate power through dry spells.

Mr. TAFT. Yes.

Mr. TYDINGS. Obviously the proposal before us is either a power project or a flood-control project. It cannot be both. In my judgment, it is only a power project camouflaged as a flood-control project.

Mr. TAFT. I agree with the Senator; and I should like to discuss the question of flood control, because I think in that way we can better understand how the two purposes may be combined to some extent.

With regard to flood control, if we know when a flood is coming—which we do not—the water behind the dam would be at a height above sea level of 350 feet. For power purposes ordinarily it would be kept at between 354 and 359 feet. However, the dam is built high enough so that the level of the water could go up to about 375 feet above sea level. The claim is that when you see a flood coming you can somehow reduce it to 350 feet, although you want 359 feet for power use.

Then there is 25 feet of storage, in which there is 4,600,000 acre-feet.

Mr. TYDINGS. In that case a flood-control project is superimposed upon a power project.

Mr. TAFT. That is correct.

Mr. TYDINGS. Without the power project, such superimposition would not be necessary.

Mr. TAFT. That is correct. The dam is built at least 15 feet higher than it would have been built if there had been no power.

Mr. TYDINGS. If we were building a flood-control project at this time with the idea of impounding the water during the flood and releasing it as soon as the flood was over, we could do the job for much less than is called for by the proposal under consideration. The point I wish to make is that this project is primarily a power project, to put the Government into the power business in competition with private industry. That has been the whole object. May I suggest to the Senator that when flood control was first mentioned in Congress in 1927 the purpose was to make fertilizer. At

that time cheap fertilizer was going to save agriculture. We have built any number of dams since that time, and cheap fertilizer has not yet come. What is before us is only another piece of camouflage in order to obtain a power company under the guise of a flood-control project.

Mr. TAFT. I cannot analyze the motives behind the plan. What the Senator says may be true. However, so far as I am concerned, it seems to me obvious that the plan is not of any value for power, and I do not understand its proponents are even claiming it to be of any value so far as power is concerned. The whole force of the thing is flood control.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. NORRIS. Then, as I understand the Senator's statement, he does not agree with the Senator from Maryland, who says it is entirely a power project. The Senator from Ohio says it is no good as a power project.

Mr. TAFT. I say that there may be a motive or desire to obtain more power. I have heard it suggested that there is a desire to bring power close enough to St. Louis so that the power can be brought into the city of St. Louis from the T. V. A. through a booster station. I think that suggestion is not warranted, in view of the President's recent statement that governmental activity is not to be extended in any way. However, those motives have been suggested.

Mr. TYDINGS. I should like to invite the attention of the Senator to the fact that many communities in America need flood-control facilities. At Cumberland, in my own State, there is great need for a check on the Potomac River. There is need for flood control on many streams of America. If we were to confine the appropriation to flood control we would have enough money left over to take care of several other projects, but combining power with flood control results in other places in the country in need of some measure of flood protection being left with no funds whatsoever. In other words, we are taking flood-control money and developing power instead of using flood-control money for flood control to protect cities and towns and other property already in existence.

Mr. TAFT. However, if this were a flood-control project, I think I should be in favor of it, if it really could be shown to be a flood-control project. I have explained the theory on which it is claimed to be a flood-control project. It is claimed that through control of the water the level can be reduced to 350 feet and then raised to 375 feet, a difference of 25 feet, which, in a lake of the size contemplated, would be about 4,600,000 acre-feet. As a matter of fact, that storage apparently is no greater than already exists in the Tennessee River in that 186 miles. Reading from the original report of the Secretary of War and the Army engineers on the Tennessee River, House Document 328, it says:

The river flood channel has a large capacity for storage which it utilizes in its natural condition to regulate its stream flow and reduce flood discharges. The natural flood storage of the river channel of the main stream from Knoxville to Paducah, including backwater on the lower part of the tributaries, is estimated to be approximately 14,600,000 acre-feet. The section in which the Aurora Landing Dam pool alone is located has 4,800,000 acre-feet.

In other words, there is today a greater natural storage than the artificial storage which it is proposed to put on top of the lake behind the dam. No increase whatsoever in storage of water is made possible by the Gilbertsville Dam over what already exists in the valley. The only difference is that there is a control or regulation to a certain extent by opening the dam or closing it. The 4,600,000 acre-feet behind the dam can be controlled, whereas the 4,800,000 acre-feet of natural storage cannot be controlled. Yet when a flood starts, the water that comes down the Tennessee River goes into the Ohio, except for the 4,600,000 acre-feet which is stored behind the dam, or, if there is no dam, the 4,800,000 acre-feet which is stored in natural storage. So there is no real flood control involved.

So far as the matter of control is concerned, it is largely a fictional thing, particularly when we link power with it, because we cannot tell when a flood is coming. Floods have come at all times of the year. I think the records show

that in the past 50 years there is no month in the year in which there has not been some flood in the Ohio River. If we keep the water at 359 feet, we shall not have 4,600,000 acre-feet. We shall have about two and a half million acre-feet, compared with the 4,800,000 which we can obtain today without touching the Tennessee River.

There is also this additional fact: When the river is at the level at which it was during the winter of 1937, the highest point it has reached, 347 feet above sea level at the mouth of the Tennessee River, that would mean 347 feet against the Gilbertsville Dam. Of course, if the Gilbertsville Dam were not there, it would have extended back for miles, not quite as far as the Gilbertsville Dam Lake itself, but in many respects almost as far.

So, as a matter of fact, we do not obtain any additional storage. We obtain only a certain amount of control. The control is a very doubtful thing. If we let the water out at the wrong time, or if we guess wrong as to whether or not it will rain 3 days from now, we will find that the actual control may do more harm than if we had no control at all. When Dr. Morgan built the dams in the Miami Valley, he put on the dams the statement that "These dams are flood-control dams, and they never shall be used for power." We have the constant incentive of people to obtain power, and to keep the water just as high as it is possible to keep it so that the power may be produced. Probably the control operates too late to bring the level down to the point where the dam will take care of a flood from the upper Tennessee River. Floods do not all come from the upper Tennessee River. The flood of 1937 in Cincinnati was created largely by rain within 50 miles on both sides of the river, up to 100 miles above Cincinnati, coinciding with the flood coming down the river.

The whole idea of a controlled reservoir is one which is extremely uncertain, and on which we cannot rely. So, I say the proposed dam is no good. It is twice as expensive as necessary for navigation alone. For power it is uncertain, and it is not even proposed to install power. For flood control it does not give one more acre-foot of flood control than we have today with the free Tennessee River. We are proposing to commit ourselves to the expenditure of \$105,000,000. That is not money which we have, but money which we must borrow, money which we must add to a deficit of \$4,000,000,000 which we shall have in the coming year.

If there ever was a toy, if there ever was anything which was developed merely as a beautiful picture, something to attract people's interest and look like a great public improvement, it is Gilbertsville Dam. If there ever was a toy which had no other use except to amuse those who are playing with it, Gilbertsville Dam is that toy.

Mr. HILL. Mr. President, the Washington Sunday Star a week ago yesterday, February 12, carried the large headline:

Peace comes to power valley. T. V. A. utility feud dies with sale agreement.

Some of us who read those headlines felt that they correctly portrayed the situation, and that, after many years of warfare, peace had at last come to the Tennessee Valley. We, of course, knew that for years the power companies in the State courts, the Federal district courts, and in the Supreme Court of the United States had fought the T. V. A. They had waged war in every manner known to them in an effort to defeat the policies declared in the T. V. A. Act, in an effort to thwart the will and the purpose of the Congress of the United States as expressed in that act. Yet a few weeks ago the Supreme Court of the United States handed down the notable decision against the power companies and enjoined them to keep the peace.

A few days after the decision of the Supreme Court the T. V. A. bought at a fair and reasonable price the properties of the Tennessee Electric Power Co. in the State of Tennessee. In view of the decision of the Supreme Court and the purchase by the T. V. A. of the properties of the Tennessee Power Co., there were those of us who felt that at last, after all these years, peace had come to the Tennessee Valley.

Mr. KING. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. KING. I inquire where the money is coming from. I understand that an appropriation of \$80,000,000 will be necessary to enable the T. V. A. to acquire the properties owned by private individuals.

Mr. HILL. If the Senator will excuse me, I will get to that in a few moments. I will show exactly where the money will come from.

Mr. President, although there were those of us who hoped and believed that peace had come, we find a surprise attack made in the House of Representatives against the appropriations for the construction of the Gilbertsville and Watts Bar Dams by the T. V. A. The attack came in Committee of the Whole House, and was successful, and the parliamentary situation was such that it was not possible to get a vote in the House on the amendment which struck out the appropriations for the dams. I wish to advise the Senate that the House of Representatives as a House has not as yet passed on this proposition. The parliamentary situation was such that neither the full membership of the House nor the House, speaking as a House, could pass on the question.

On reflection it is not surprising, Mr. President, to find the war still going on over the development of the Tennessee Valley. Since 1916 when Woodrow Wilson as President of the United States, proposed the construction of the great dam on the river now known as the Wilson Dam until this good hour the war has gone on, with the power companies waging incessant warfare against the development of that great valley.

After the armistice when the Wilson Dam was between one-fourth and one-third completed the power companies and their allies in the House of Representatives cried "scrap it" and defeated the appropriation to continue the work looking to the completion of the dam.

Yesterday's Washington Post carried a story from Mr. Wendell L. Willkie, president of the Commonwealth & Southern Corporation, under the date line of New York, February 18. I quote from that newspaper story:

WILLKIE DEMANDS WRITTEN PLEDGE OF T. V. A. "LIMITATION"

Wendell L. Willkie, president of Commonwealth & Southern Corporation, challenged the Roosevelt administration to day to "put in writing" the President's press conference promise that the Government was limiting its power program.

The private utility executive, who recently emerged victorious from a long and bitter fight to obtain a "fair price" from the Tennessee Valley Authority for the Tennessee properties of Commonwealth & Southern, said that not until definite boundaries are established can industry be assured of freedom from Federal competition.

Mr. Willkie says that the President of the United States and the Congress of the United States must put in writing that there is a limitation on the power program. Mr. Willkie evidently does not trust the President and the Congress. He says that the President and the Congress must "sign on the dotted line." We have a statement here signed "on the dotted line." It is a statement from Mr. Willkie's power companies, made in 1921. General Beach, then Chief of Engineers of the United States Army, wrote a letter to all the power companies in which he extended them an invitation to come in and help the Government make some disposition of the Wilson Dam on the Tennessee River. General Beach said to the power companies:

From a strictly business, commercial standpoint, could private capital afford to undertake the Muscle Shoals development or make investment to use its output?

In answer to that query these same power companies of Mr. Willkie made this reply:

From a strictly business, commercial standpoint, and considering the comparable cost of production of power at existing water-power plants and proposed water-power plants in the southeastern territory, private capital could not afford to undertake the Muscle Shoals water-power development, nor make investments to use its output on the basis of present plans.

And the power companies went on to say further to General Beach:

Nor can the United States afford to invest additional public money to complete the dam and hydroelectric power plant at Muscle Shoals, Tennessee River.

Yet within a few months after this statement from these power companies that continue to wage war today, Henry Ford came to the Congress of the United States and said, "I will pay you 4 percent interest on \$30,000,000 of the cost of the construction of the Wilson Dam; I will pay you \$35,000 a year for the operation of the locks at that dam, and I will pay a sum of money into a sinking fund which at the end of 100 years will amortize and return to the Government every dollar the Government has put into Wilson Dam."

When Henry Ford made that offer, what did the power companies do? In spite of their declaration that they could not take over the Wilson Dam and that the Government could not successfully develop and operate it, they came rushing in to outbid Mr. Ford; and, in a monetary way, they did outbid Mr. Ford, because they said, "We will pay you, not 4 percent on \$30,000,000 expended at the Wilson Dam, but we will pay you 4 percent on the full \$50,000,000 expended there, and then, in addition thereunto, we will pay you \$20 per horsepower for the increase of primary power at Wilson Dam due to the construction of the Norris Dam"—a sum of money amounting to some \$1,200,000 every year. When they saw that the Government was determined to do something with this great project and that Henry Ford would take it, they rushed in to grab it. When they thought no one would make an offer, and they could keep the Government from doing anything with it, they wanted to say it was scrap, hoping that they might buy it as so much scrap, just as so many other great war projects were sold, as scrap.

In 1925 what did the power companies do? When Colonel Fiske, district engineer in the valley, invited anyone who desired to make a bid to come in and bid, the power companies came in and filed an application to secure a temporary license on every dam in the Tennessee River. They had said, "You cannot go down there and develop that power." Then they came in and asked for licenses on all of these dams. Why? They knew that if they got licenses on the dams the Government could not go forward and build the dams; that they could then do just as they pleased so far as building or not building the dams, or any of them.

Again, in 1930, the power companies pursued the same tactics with General Brown, the then Chief of Engineers.

So from the day this project was first suggested down to this good hour, in the committees of the Congress, on the floors of both Houses of Congress, in the courts of the land, the power companies have been waging war against the development of the Tennessee Valley. The Supreme Court has said to them, "We enjoin you to make peace." I want to see the Senate and the House of Representatives of the United States say the same thing to them. Let us finish this job. Let us put an end to this warfare. Let us have peace. The way to do it is to go forward and provide the appropriations for these dams. When they are built by the Government, and only then, will there be peace with the power companies.

It has been suggested here that we ought not to appropriate money for the construction of the Watts bar dam because it is not economy to do so. I say to you deliberately that, on the contrary, if we do not provide this money, we shall be remiss in our duty to the taxpayers of the country. We shall fail to practice economy if we do not provide the appropriation for the Watts bar dam.

Why do I say that? I say it because we have already built the Norris Dam. We have some \$35,000,000 invested in that great dam. By the construction of the Watts bar dam we shall add to the benefits to be derived from the Norris Dam in the sum of a million dollars a year that will go into the pockets of the taxpayers of the country. When we build the Watts power dam, power at the Watts bar dam will be stepped up to firm or primary power in the amount of 50,000 horsepower, because of the investment we already have at the Norris Dam. The power companies have said that that power is worth \$20 per horsepower, and that is approximately what the T. V. A. is getting for its power at the other dams today. So if we multiply 50,000 horsepower by \$20, we get \$1,000,000 that we cannot afford to lose, but

that we shall lose each year unless we go forward and build the Watts bar dam. The Norris Dam is there. It is waiting for us to construct the Watts bar dam to provide the benefit which will come from its construction.

If we fail to provide for the Watts bar dam, we let the water run from the Norris Dam, not in economy, but in wastefulness, because that water ought to be stepping up power at the Watts bar dam, and the proceeds of that power ought to be going into the treasury of the T. V. A., which means into the treasury of the taxpayers of the country.

The Senator from Utah [Mr. KING] wanted to know how we are going to pay for the properties we have bought from the Tennessee Power Co. Over a period of some 50 years the Watts bar dam itself will bring into the Treasury some \$68,000,000. We have agreed to pay only \$78,000,000 for the Tennessee Power Co.'s properties; so the Watts bar dam alone, not including the income we are to derive from all the other dams that we have built and that are now under construction, will practically pay the bill for the properties we have bought from the Tennessee Power Co. As has been brought out here time and again, we cannot have 9-foot navigation on the river without the Watts bar dam. If we are to go forward with the navigation of the Tennessee River, we must have this dam; and if we are going to provide the proper kind of flood control for the Tennessee, the lower Ohio, and Mississippi Rivers that is envisioned in this great unified system on the Tennessee River, and that is so necessary, we must have the Watts bar dam.

The only difference between this project and the great project on the Ohio River, in the State of the distinguished Senator from Ohio [Mr. TAFT], who has just spoken, is that in the case of this project the Government of the United States will get back its investment dollar for dollar, whereas on the Ohio River we have expended some \$150,000,000, and will get back practically none of this great sum of money.

Mr. BRIDGES. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New Hampshire?

Mr. HILL. I do.

Mr. BRIDGES. Do I correctly understand the Senator from Alabama to state that the Government of the United States will get back every dollar it puts into this project?

Mr. HILL. To be sure it will get it back. Certainly it will get it back.

Mr. BRIDGES. I wish the Senator would explain how.

Mr. HILL. It will get back every dollar of money that goes into these great projects.

Mr. BRIDGES. Will the Senator explain that statement?

Mr. HILL. Certainly.

Take the case of the Watts bar dam alone, a dam which will cost about \$35,000,000. That dam altogether will generate some 68,000 horsepower. At \$20 per horsepower, that is an income each year of \$1,360,000. That means that over a period of 50 years we shall get back not merely the \$35,000,000 that we put into the dam, but over a period of 50 years—and I use the 50-year period because that is the period used in the Federal Water Power Act for private dam construction—we shall get back \$68,000,000.

Mr. BRIDGES. Mr. President, will the Senator further yield?

Mr. HILL. I yield.

Mr. BRIDGES. The Senator, then, is going on the assumption that there will be no reduction in electric-power rates over a period of 50 years?

Mr. HILL. No; these figures are based on the way we are operating today. I will say to the Senator that even if there were a reduction in the rates, while it might take a little longer period of time, in the end every dollar would come back into the Treasury of the United States. With the exception perhaps of the Boulder Dam project, of all the millions, hundreds of millions and billions of dollars the Government of the United States has expended through the years on rivers and harbors and internal improvements of all kinds, where is there to be found another such project, where

the entire investment of the Government will come back to the taxpayers of the country?

Mr. ADAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Colorado?

Mr. HILL. Yes; I yield.

Mr. ADAMS. I understood the Senator to inquire whether or not there was any other project which would repay the Government's investment. I call the Senator's attention to the fact that every reclamation project is constructed under the obligation that its cost shall be fully repaid to the Government. In fact, reclamation projects may not be undertaken until a certificate goes forth to the effect that the project is feasible, and that the property under the project is capable of repaying its cost.

I say that merely in answer to the Senator's question.

Mr. HILL. In answer to that statement I will say that I understood that had been the policy, but that in most instances the Government has not gotten back its money.

Mr. ADAMS. We have not always been able to meet the drought and the grasshopper.

Mr. HILL. In most cases I understand that it has not been possible to meet the payments.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. HILL. I do.

Mr. McKELLAR. I should like to ask the Senator from Colorado whether he knows any reclamation project the cost of which has ever been paid back?

Mr. ADAMS. I do—the Carlsbad project in the State of the Senators from New Mexico.

Mr. McKELLAR. I congratulate New Mexico and the Senators from that State, because there are exceedingly few projects of that kind. In fact, I do not know any other except the one in New Mexico.

Mr. HILL. So, Mr. President, instead of the elimination of the appropriation for the Watts bar dam being a step toward economy it is a step which would deny the taxpayers of this country a return on their investment to which they are entitled. Fifty thousand horsepower at Watts bar dam made into prime power by the Norris Dam, which we already have, at \$20 a horsepower, amounts to a million dollars a year that we would lose if we did not build this dam.

We hear much these days about national defense, and within a few days this body will be considering a great program for the construction of some 5,500 airplanes. One of the most important materials that goes into airplanes today is aluminum, and on the Tennessee River in the Tennessee Valley 46 percent of all the aluminum made in this country is produced at the Alcoa plant. Seventy-two percent of all the aluminum made in this country is made at the Alcoa plant on the Tennessee River and at Badin, N. C. If anything were to happen to the power plants on the Little Tennessee River, from which the Alcoa plant is today getting its power, where would the Alcoa plant turn for power, where could it turn? To the Watts bar dam and the Coulter Shoals Dam.

We recall a report which the War Department made on the power situation as it existed during the World War. In that report the War Department stated that if the war had lasted 1 more year there would have been a shortage of some 250,000 kilowatts of power in the Pittsburgh district. That is almost as much power as is being generated today on the American side of the Niagara River. The Federal Power Commission tells us that we are threatened at present with a shortage of power. The last issue of Fortune magazine says that today "the Army of the United States must get its gear in the industrial Northeast." When we develop great projects like the Tennessee Valley project, like the Fort Peck, the Grand Coulee, and the Boulder Dam projects no longer will we have the unfortunate and dangerous situation of having the Army gear located in one little section of this broad country.

Every reason would seem to dictate the construction of the Watts bar dam at this time. It is in the estimates of

the Budget Bureau, it has not yet been stricken out by the House of Representatives. I prophesy that when we insert the provision today, as I believe we will, and the bill goes back to the House of Representatives, the House will retain the provision in the bill.

Navigation, flood control, economy, return of dollars to the taxpayers of the country, and even the national defense of the country dictate that we go forward and make the necessary appropriation and construct the dam.

Mr. HATCH. Mr. President, the Senator from Tennessee asked about reclamation a moment ago, and the Senator from Colorado [Mr. ADAMS] referred to the Carlsbad project in my State. I think I may say without boasting that the Carlsbad reclamation district was more prompt in making its payments than the water users on any other project in the United States. It met every dollar of obligation as it accrued, and, so far as I know, it never asked for a moratorium, remission of interest, or anything like that.

In connection with that project, and in connection with the discussion here today, I am prompted to add another thought. Recently, under the present administration, it was necessary to build for the Carlsbad project another dam and another reservoir, some 150 miles above the Carlsbad project itself, costing a little over \$2,000,000. The water for that reservoir flows down the Pecos River, acting as a canal carrying water to Carlsbad. Without any thought of a flood-control feature the farmers of the Carlsbad irrigation district pledged the repayment of the entire sum of money that went into the construction of the Alamogordo Dam and Reservoir. During the progress of construction, before the dam was completed, one of the worst and most disastrous floods our State has ever experienced occurred, and, due to the construction which had already gone on in the building of the Alamogordo Dam, great flood damage was averted. I think, and the people of New Mexico think, that that dam and reservoir prevented a disastrous flood, which would undoubtedly have destroyed much property and perhaps many lives in Carlsbad, 150 miles away.

I have asked engineers to compile data and supply me with information as to what proportion of the cost of that dam and reservoir could properly be charged to flood control and flood protection. I think the farmers of the Carlsbad irrigation district are entitled to have a credit on the sum which they now owe the Government for the construction of that dam and reservoir, of whatever portion rightly should be charged to flood control, and at the proper time, when the information shall be fully assembled, I expect to offer a bill to that effect.

Mr. McKELLAR. What was the cost of the dam?

Mr. HATCH. A little over \$2,000,000.

Mr. BRIDGES obtained the floor.

Mr. ADAMS. Mr. President, will the Senator allow me to interrupt him for just a moment?

Mr. BRIDGES. Certainly.

Mr. ADAMS. Earlier in the day an inquiry was made as to certain cost figures, and I stated that I would endeavor to locate the figures. I find they are somewhat conflicting but they appear in the House hearings, pages 1636 and 1637. The first thing to which I wish to call attention is an interrogatory in which Mr. WIGGLESWORTH asked this question of Mr. Parker, the chief engineer:

Mr. WIGGLESWORTH. I just want the total figure for the present.

Mr. PARKER. If they are all filled, the plants alone, that is, without additional or subsidiary transmission facilities, the total cost would be \$481,000,000.

Mr. WIGGLESWORTH. In addition to the transmission facilities?

Mr. PARKER. That is exclusive of the step-up and transmission facilities.

Then Mr. Ager, one of the T. V. A. authorities, said:

If you added another \$80,000,000 for the transmission and substations I think you would have the ultimate development.

Mr. Blandford, another official of the T. V. A., then stated:

Subject to some checking on our part, for the installation of all of the units which would be problematical, and the building of any tributary projects that we have in prospect, plus the transmission, it might be around \$550,000. That would be the aggregate.

In the Printing Office it was printed "\$550,000," instead of "\$550,000,000." I interrupted the Senator merely to make the figures available.

Mr. BRIDGES. Mr. President, I have listened with a good deal of interest today to the discussions and the debates upon the amendment offered by the distinguished Senator from Colorado [Mr. ADAMS]. The amendment has been very ably discussed by the Senator from Colorado and the junior Senator from Ohio [Mr. TAFT]. In my opinion they have presented in a very admirable way the basic arguments against the appropriation for the three dams referred to as recommended by the Appropriations Committee. In a very effective manner they have presented reasons for the adoption of the amendment offered by the Senator from Colorado.

I think the impression has been gained, certainly I have gathered it as a Member of this body from certain distinguished Members of the Senate, that people in the Tennessee Valley, people in Kentucky, and in the States in the particular sections represented by the distinguished Senator from Kentucky [Mr. BARKLEY], and the distinguished Senator from Tennessee [Mr. McKELLAR], probably are unanimously for an appropriation along this line. So for the purposes of the RECORD, and to show the complete picture to the country, I should like first to introduce as part of my remarks, and ask the clerk to read a letter from the mayor of Paducah, the home city of the Senator from Kentucky.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

EXECUTIVE DEPARTMENT,
City of Paducah, Ky., February 11, 1939.

Hon. JACK MAY,

Congressman from Kentucky, Washington, D. C.

FRIEND MAY: Inclosed find copy of telegram to Maj. Bernard Smith, Nashville, Tenn., sent to him at his request.

On February 4, 1939, Senator MINTON, from Indiana, addressed a letter to Mr. Perry Pace, of the Perry Pace Button Works, Loogootee, Ind., in regard to the Gilbertsville Dam, and enclosed a letter dated January 25, 1939, from the Tennessee Valley Authority to the Senator written by John B. Blandford, Jr., general manager. This letter contained some very interesting data. Item 3 of the letter sets forth that the Gilbertsville Dam will be 150 feet high, its reservoir 184 miles long, estimated width of 2 miles when the pool is at its navigation level.

I have been advised that insurance companies classified Paducah for earthquake insurance on the same basis as California, due to the fact that in this area there are constant earth tremors. You are in a position to ascertain the correctness of this condition, and if it is shown to be correct, certainly the safety of the thousands of people that will dwell below the wall of the dam should be considered, for if there should be a recurrence of the thing that happened in the region of Reelfoot Lake with this wall of water above us, it would simply mean the elimination of Paducah, everybody and everything in it. It is not my intention to spread alarm, but a desire to get at the facts, and I sincerely hope that you will be able to assemble the necessary information as to the true facts.

This morning I received information that can be easily checked for its correctness, that the foundation of the proposed site of the dam is a type of shelly rock; that is, that there is a strata of rock with openings or sand between the strata that will have to be filled with concrete in an effort to establish a solid base. I am not an engineer but it strikes me as a layman that such a type of foundation would be extremely hazardous.

I will be glad to furnish you any information that I can gather from time to time, and will appreciate your advising me as to what positive evidence you can obtain along the lines suggested.

With kindest personal regards, and hoping that I will have an opportunity to see you in person sometime during the month of March, I am,

Your friend,

EDGAR T. WASHBURN, Mayor.

Mr. BARKLEY. Mr. President, may I ask the Senator from New Hampshire to whom that letter is addressed?

Mr. BRIDGES. The letter is addressed to Representative MAY. I thought, inasmuch as it raised the question as to the safety of the distinguished floor leader's home city, and pointed out that it might be washed away, and everything in it destroyed, that he would have particular concern.

Mr. BARKLEY. Yes; I have particular concern; and in spite of the letter of the mayor I am willing to take chances. I will say that I received a communication from the mayor since that letter was written, in which he states that his

letter was based upon a total misapprehension and that there was likewise an incorrect interpretation placed upon it by the recipient of the letter who apparently used it in the debate on the floor of the House. I may say that I have also received telegrams from local organizations, clubs, and chambers of commerce and other organizations in the city of Paducah, contradicting any suggestion or implication contained in the letter just read.

Mr. BRIDGES. I am very glad of the confidence displayed by the distinguished floor leader of the Democratic Party, but if anything should happen in his home city to his friends and to other residents of that city, I want him to remember particularly that I have given due warning here, and I am thinking of their safety.

Mr. BARKLEY. I wish to say to the Senator that I appreciate his solicitude about protecting Paducah from earthquakes. I have lived in Paducah, or within 18 miles of the city, all my life. What we are afraid of down there is not earthquakes but floods, and we had a very disastrous flood experience 2 years ago against a recurrence of which we are trying now to protect ourselves. So far as concerns the suggestion that the construction of a dam at Gilbertsville will produce earth tremors which will put Paducah on the same level with San Francisco, it would take a very fantastic engineering mind to conceive such a situation.

Mr. BRIDGES. I can appreciate that having survived a very vigorous campaign in Kentucky last year, the Senator probably has courage to feel that he and his friends can survive almost anything in that section, but I merely raised it as a point for consideration.

I have before me a letter from a Mr. William Heath, of the Birmingham Milling Co., of Birmingham, Ky., which I ask to have read at the desk.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

BIRMINGHAM MILLING CO.,
Birmingham, Ky., February 16, 1939.

Hon. H. STYLES BRIDGES,

United States Senator, Washington, D. C.

DEAR SIR: As a resident of Tennessee Valley, there are 75 to 80 percent of the people whose homes and business will be destroyed are opposed to the construction of this Gilbertsville Dam.

I notice from newspaper an organization called the Lower Tennessee Valley Association, whose members are composed of citizens outside the dam area whose business and homes will not be destroyed if this dam should be built, have sent resolutions to Members of Senate asking them to restore the Gilbertsville cut. The sentiment of the people who will have to be relocated if this dam should be built, is that this wasteful project should be voted out and not be restored, as the T. V. A. is putting under permanent flood thousands of homes and thousands of acres of good bottom farm land that is never damaged by the natural floods of the Tennessee River. In fact, the natural floods are more of a benefit to the farm land than damaging. This dam for navigation purposes, as proposed by T. V. A., will destroy what navigation there is on the Tennessee River, as the type of boats now operating on this river and other inland rivers could not operate on this lake without great danger to the boats from windstorms and other hazards created by building this great lake of water. The people of the valley understand that recommendations have been made to Congress for the construction of low-type dams that cost very much less than the Gilbertsville Dam and from navigation standpoint from Pickwick to the mouth of the river would be more practical and could be built with much less expense and save the relocation of thousands of families and the destruction of thousands of acres of land that would produce income for future generations.

Hoping this boondoggling project is killed for all time to come.

Yours respectfully,

WILLIAM S. HEATH.

Mr. BRIDGES. I have a telegram from one of the business firms of Paducah, Ky., which I ask to have read.

The PRESIDING OFFICER. Without objection the letter will be read.

The legislative clerk read as follows:

PADUCAH, KY., February 19, 1939.

Senator H. STYLES BRIDGES,

Senate Office Building, Washington, D. C.:

Understand that United States engineers have already made survey and prepared estimate of cost of a system of navigation locks and dams on Tennessee River from Pickwick to Paducah if found necessary for navigation, at a cost of \$13,000,000. This

figure can be verified from United States engineers' office. Paducah will be safe and secure with its flood wall when completed without Gilbertsville Dam. Since discussion in local newspaper of proposed 100- to 150-foot dam at Gilbertsville the growing opposition to this project is alarming because earthquake frequency here is only exceeded by that of California coast. The *Titanic* was a sink-proof boat but it didn't get back home. Gilbertsville Dam full of water and for any reason breaks would wash Paducah into the Mississippi.

IGERT TOWING CO.,
CAPT. LOUIS IGERT.

Mr. BARKLEY. Mr. President, the telegrams and letters are really very amusing. There has never been an earthquake in Paducah of sufficient strength and volume to shake a tumbler on the slickest table that could be fabricated by the great furniture manufacturers of this country. It is rather strange to me that a few of my constituents, some of whom live close to me, should be corresponding with the Senator from New Hampshire and discussing engineering and seismic questions relating to the dam which it is proposed to construct at Gilbertsville.

I will say that in spite of the earthquakes and the thunder that is now coming to the Senator from my home town, I am still for Gilbertsville Dam, and I expect to put in the *RECORD* tomorrow, if it is deemed necessary, telegrams, letters, and communications which I have received from the same city, showing the overwhelming desire of the people that this dam should be constructed. There are certain situations connected with these correspondents which I could divulge to the Senate, which might show the motive behind their letters, but I have no desire to do so, because I do not think it will in any event have any effect on the vote.

Mr. BRIDGES. I know the Senator desires to be very fair, and not give the impression that everybody in his section of the State, particularly in his home city, including the mayor, is in favor of this project, and has not real concern as to the danger that might come to his neighbors, and his friends, and their property, and so forth, should this dam be constructed.

Mr. BARKLEY. The Senator sent me a copy of a letter and asked me if I objected to him putting it in the *RECORD*. The letter is addressed to me, dated the 17th day of February. I have not received the original of the letter, but if the Senator desires to put the copy in the *RECORD*, I have no objection. I congratulate the Senator on being able to receive copies of my mail before I get it, so that he knows what is in it in advance of my receipt of it.

Mr. BRIDGES. I wanted to be perfectly fair. Inasmuch as the distinguished Senator has no objection to my placing in the *RECORD* the letter that is addressed to him, and I merely have a copy—

Mr. BARKLEY. Has the Senator any more of my mail which he desires to put in the *RECORD*? If so, I should like to see it before he does so.

Mr. BRIDGES. I will identify any communications which are addressed to the Senator. I should like to have the letter to which I referred read at the desk.

The PRESIDING OFFICER. Without objection, the letter will be read.

The legislative clerk read as follows:

HON. ALBEN W. BARKLEY,
Senator, Washington, D. C.
PADUCAH, KY., February 17, 1939.

MY DEAR MR. BARKLEY: I am a Democrat and am interested in the best welfare of all the citizens in our large, fine country, but I want to take exception to you in your stand in favor of the Gilbertsville Dam, and the object of this letter is to point out why I think you should oppose it.

The reasons given for the construction of dam, as I understand it, are as follows:

Cheap power: I am of the opinion that if one figures the interest on the amount of money the Government is investing in this dam (for the power part of it), and adds to this the reduction of tax receipts from the present utilities companies, and adds the reduction in taxes from the valuable farming lands that will be covered up, the maintenance of the dam and the power equipment and the cost of distribution of this power that you will find out the power will not be any cheaper to the consumer (meaning the people of the United States as a whole).

Then, too, I understand that even the T. V. A. are not planning on any installation of the power units in the present program, and that they admit these power units will only be added later, if and when the demand for the power presents itself.

So I can't see why cheap power is any argument for it.

Navigation: I have worked for the Ayer & Lord Tie Co. at the marine ways here in Paducah for some 8 or 9 years, and have been associated with river navigation for the past several years. I want to say to you that I am sure this dam, if ever completed, will destroy navigation on the Tennessee River. Our flat bottom, low-deck boats and barges are not built to withstand such wind and swells we will have on such a large body of water. It is true that boats can be built that will navigate this pool, but such craft will not be practical to operate in the rivers below and above this pool. To transfer the freight from one type boat and barge at each end of the pool will make the cost of transportation too high. Not only this, but the investment in the two classes of boats and barges, one kind for the lake and the other kind at each end of the lake, would make the investment for the transportation too high.

Then there is no reason for it for navigation, because if the present dams are properly handled they can maintain a 9-foot channel in the Tennessee River clear to its mouth at all times of the year. There is already enough water impounded above for this purpose.

Therefore it is a settled fact that we do not need this dam for navigation. Then, why spend \$95,000,000 on the present size of our Nation's debt, when we don't need it?

Flood control: I am opposed to it for flood control. I am of the opinion that we do not need it and I cannot see how impounding that much water above us will help us in a flood. Right now we have a stage of river at Paducah of about 48 feet which is 5 feet above flood stage here, and already some of our citizens are having to move out of their homes. In last night's *Sun-Democrat* there was a statement by Mr. Barron of Cairo, who is the Government river forecaster, which stated that the increased release from the Pickwick Dam would put our crest up 1 foot more. If they can do this to us with the Pickwick Dam, which is only very small in comparison with the proposed Gilbertsville Dam, I am saying to you that if we impound as much water above us as the Gilbertsville Dam will hold, which will be some 30 to 50 feet higher than our disastrous flood of 1937, if for any reason the Gilbertsville Dam would break, or if an earthquake would come along like there was one in 1812 when the Reelfoot Lake was formed and this dam was broken, the people of Paducah would be washed into the Mississippi River before they could cry for help.

If the pool is held with water in it, which it would have to have for power, then it is of no use in case of a flood. Right now the Pickwick Pool is full. It has been practically full all summer and they are not using it for power. They filled it up in the summer time and made the Tennessee River go down so low that I know of some boats that were caught out and one could walk all around them on dry land. So, it has already been demonstrated that the dams will not help us during a flood.

Then, why do we need this dam?

Yours very truly,

E. EARL CURTIS.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

Mr. McKELLAR. To what school of engineering does Mr. Curtis belong?

Mr. BRIDGES. I do not know. Evidently he is a friend and constituent of our distinguished majority leader [Mr. BARKLEY], because the letter was addressed to him, and I received only a copy.

Mr. McKELLAR. I was just wondering to what school of engineering he belongs.

Mr. BARKLEY. He probably belongs to the "earthquake" school.

If the Senator will yield, I should like to ask the Senator from Tennessee whether or not there have been any unusual tremors or earthquakes at Norris Dam, Pickwick Landing Dam, Wheeler Dam, or at any other dam since the T. V. A. project was begun.

Mr. McKELLAR. I have lived in Tennessee for only 45 years. There has not been any in those 45 years. Mr. Curtis says there was one in 1812. I do not go back quite that far. [Laughter.]

Mr. BARKLEY. There was an earthquake about 140 years ago which created Reelfoot Lake. I was wondering whether there had been any increase in the frequency or the force of earthquakes at Norris Dam, for example, Pickwick Landing Dam, Wheeler Dam, Hiwassee Dam, or any of the other dams.

Mr. McKELLAR. I have never heard of it. This is the first time I have ever known the earthquake equation to be introduced into the debates.

Mr. BRIDGES. Mr. President, I have before me a resolution adopted at a mass meeting of the citizens of Union, Webster, Hopkins, and Muhlenberg Counties, in western Kentucky, four counties in the sovereign State of Kentucky, so ably represented by the distinguished majority leader from Kentucky. I ask to have the resolution read.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The legislative clerk read as follows:

RESOLUTION

At a general mass meeting of citizens of Union, Webster, Hopkins, and Muhlenberg Counties, in western Kentucky, attended by the mayors and city officials of Sturgis, Ky., Providence, Madisonville, Mortons Gap, and Earlington, and other towns, working miners, mine owners, farmers, business and professional men, held under the auspices of West Kentucky Mining Institute, at Earlington, Ky., on the evening of Tuesday, January 31, 1939, to discuss, consider, and take action concerning the present crisis which brings face to face with extinction the only major industry of western Kentucky—the production of bituminous coal—the meeting was addressed by Lander Chisholm, mayor of Earlington; Dr. Harper Gattton, past president of Kiwanis International; John Daniel, chief of the Department of Mines and Minerals of Kentucky; Ruby Laffoon, late Governor of Kentucky; and John D. Battle, secretary of National Coal Association.

Ray Cobb, chairman (West Kentucky Mining Institute), presiding.

R. M. Nance, president of Progressive Miners' Union, moved the adoption of the following resolution, which was seconded by M. K. Gordon:

Resolved, That it is the deliberate sense of this meeting that it go on record as opposed to existing and suggested governmental action threatening the destruction of our homes, our jobs, and our businesses.

We oppose the Tennessee Valley Authority and its projects as not being national in scope; it pretends to flood control, with ulterior objects; it is intended to subsidize the production of hydroelectric energy for a local area at the expense of the Nation; it operates to subsidize, with tax money, a substitute for the bituminous coal of western Kentucky as employed in the generation of power and other purposes; and will displace such coal and take away the source of subsistence of additional thousands of miners and their families and people dependent on the mining industry.

Especially we oppose further appropriations for the support of the Gilbertsville Dam project, not only unnecessary and unprofitable to any but a few localities, while injurious to many, but as promoting prospectively the further destruction of the western Kentucky coal field and its people.

A true copy.

Attest:

RAY COBB, *Chairman*.

Mr. BRIDGES. I have also a resolution adopted by the Kiwanis Club of Madisonville, Ky., another community in the sovereign State of Kentucky, represented by the senior Senator from Kentucky, disapproving of the Gilbertsville Dam. I ask that it be read.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The legislative clerk read as follows:

RESOLUTION

Resolved by the Kiwanis Club of Madisonville, Ky., in regular meeting assembled, That we approve the action of the House of Representatives of the United States in refusing to appropriate money for the construction of the needless Gilbertsville Dam project, which we consider as worse than useless in that its construction would work the destruction of the coal industry of western Kentucky, from which the counties of western Kentucky coal field draw their life's blood; and also we approve it because such action shows a tendency on the part of our Representatives to conserve the taxpayers' money; further

Resolved, That a copy of this resolution be furnished by the secretary to each of our Senators and to the Representatives in the House of Representatives, and also to the subcommittee of the Senate Appropriations Committee of the United States Senate, whose chairman is Senator CARTER GLASS.

Attest:

W. W. CRICK, *President*.

WM. R. PERRY, *Secretary*.

Mr. BRIDGES. Mr. President, I now have a letter from Harold J. Weeks, of Chattanooga, Tenn., enclosing an editorial from the Chattanooga Free Press, both of which I ask to have read. I will say that Mr. Weeks is the only man from whom I have introduced any communication who specifies that he is a Republican. I know Senators will not for that reason alone discount what he says, because evidently he is a gentleman of very high standing.

The PRESIDING OFFICER. Without objection, the letter and editorial will be read.

The legislative clerk read as follows:

CHATTANOOGA, TENN., February 18, 1939.

The Honorable H. STYLES BRIDGES,
Washington, D. C.

MY DEAR SENATOR: I hope you will pardon the presumption on the part of a Tennessee Republican in addressing you, but as I

feel that our representation in the upper House is not in harmony with my views, I am sure you will lend me your ear.

I, like other Republicans in Tennessee, appeal to you to stop the inroads of Government in business. The program of the Tennessee Valley Authority is the beginning of the end of the American form of government. Regardless of the desire of the gentleman from the Second District of Tennessee to expend Government funds in his district, the great majority of Republicans of Tennessee and the decent Democrats of the State would be glad to see the activities of this great socialistic Government experiment curtailed.

The recent tentative agreement of the Tennessee Valley Authority to purchase the properties of the Tennessee Electric Power Co. will virtually bankrupt the counties of middle Tennessee and, worse than that, will establish Government in business as a constitutional right. Unless this program is halted at once by the action of Congress, there will grow up within this State a vast machine of political patronage and a budding dominion of Russian influence. Private initiative will be killed and permanent Government subsidy of indolence and graft will develop.

The policy of the Government in the disposal of "incidental power" as exemplified in the building of Boulder Dam has been ruthlessly cast aside, and the people of Tennessee are to be saddled with a socialistic experiment un-American in conception and un-American in conclusion.

I enclose the editorial page of the Chattanooga Free Press for Friday, February 17. It tells the story. You may desire to show it to some of your Democratic colleagues.

Very truly yours,

H. J. WEEKS.

[Enclosure]

[From the Chattanooga Free Press]

PUBLIC POWER FALLACY REVEALED

Commissioner Leon Jourolmon, in a single comment on his opposition to the proposal to tax public power enterprises revealed the crass insincerity of the whole program. Said Mr. Jourolmon, in effect: "If we tax public power, we defeat the cheap power aim of the movement."

One could hardly have expected such a frank statement of the real aims of public power, even from the bold and blasting commissioner.

Public power, the commissioner admits by his position, is in reality no cheaper than private power; it merely reduces the bills of the consumer and makes the taxpayer pay them instead.

President Jo Conn Guild said some time ago that if the power company were not taxed and were relieved from the burden of interest on a large part of its investment, like the T. V. A., he could sell power to the public at rates lower than the T. V. A. and its affiliated municipalities promised.

History, past and current, lends conviction to this statement. Governmental enterprises are always operated at a larger production cost than private enterprises.

Now comes Mr. Jourolmon and admits that the premise set up by Mr. Guild was sound—that if public power pays taxes it will not be able to give cheap power to the consumer.

And if public power doesn't pay taxes as the power companies have been doing, somebody is going to foot the cost.

Who can it be but other taxpayers?

Mr. BRIDGES. Mr. President, I understand from the majority leader that he would like to close the session at 5 o'clock. Inasmuch as I have more to say, I am perfectly willing to conclude my remarks today at this time and finish them tomorrow if that is agreeable.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. NEELY, from the Committee on the Judiciary, reported favorably the nomination of Shackelford Miller, Jr., of Kentucky, to be United States district judge for the western district of Kentucky, vice Elwood Hamilton.

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of Edmund J. Brandon, of Massachusetts, to be United States attorney for the district of Massachusetts, vice Francis J. W. Ford.

Mr. CONNALLY, from the Committee on the Judiciary, reported favorably the nomination of John T. Cahill, of New York, to be United States attorney for the southern district of New York, vice Lamar Hardy, resigned.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the following nominations:

Herschel W. Arant, of Ohio, to be judge of the United States Circuit Court of Appeals for the Sixth Circuit, to fill a position created by the act of Congress of May 31, 1938; and

Horace Frierson, Jr., of Tennessee, to be United States attorney for the middle district of Tennessee.

The PRESIDING OFFICER (Mr. NEELY in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state in their order the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

This concludes the Executive Calendar.

UNITED STATES DISTRICT JUDGE—SHACKELFORD MILLER, JR.

Mr. BARKLEY. Mr. President, the Committee on the Judiciary today has reported the nomination of Shackelford Miller, Jr., to be judge for the western district of Kentucky. Inasmuch as that judgeship has been vacant for several months, and it is necessary to have the judge take charge, and inasmuch as a new term of court begins at Louisville in a few days, I ask unanimous consent for the present consideration of the nomination.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. McNARY. Mr. President, ordinarily I object to requests of that nature. I think, however, that the Senator's statement sets forth an emergency situation, so I have no objection.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination? [Putting the question.] The ayes have it, and the nomination is confirmed.

Mr. BARKLEY. I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, February 21, 1939, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 20, 1939

UNITED STATES DISTRICT JUDGE

Shackelford Miller, Jr., to be United States district judge for the western district of Kentucky.

POSTMASTERS

FLORIDA

Sarah F. Pryor, Fort Walton.
Frederick S. Archer, Howey in the Hills.
Coy L. Brock, Vernon.

GEORGIA

Robert W. Knight, Cartersville.
Lollie L. Ward, Commerce.
Theo. B. Little, Cornelia.
Kirby A. Kemp, Cumming.
John F. Carter, Gainesville.
Cora W. Rogers, Jasper.
Lida Simpson, Norcross.
Sarah K. Scovill, Oglethorpe.
Herman C. Titshaw, Pitts.

MICHIGAN

William V. Clegg, Eaton Rapids.
John D. Mershon, Saginaw.

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OREGON

George B. Holmes, Eagle Point.

PUERTO RICO

Mario Perez Grau, Mercedita.

TEXAS

Edward F. Gaston, Dayton.
Effie P. Minnock, Galena Park.
Fred Boothe, Gonzales.
Joe C. Martin, Itasca.
Pauline L. Bogatto, Lamarque.
Maud Collier, Pelly.
Daniel J. Quill, San Antonio.

VERMONT

Wayland N. Hamel, Plainfield.

VIRGINIA

Mrs. Johnnie Wilson, Fieldale.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 20, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We wait, dear Lord, with quiet thought, with quiet prayer, and with a sense of Thy fatherhood. For all Thy mercies we praise Thy holy name. Draw nigh unto us and give vision, tenderness, freshness, and power richly to enjoy. How blessed are those tides of emotion when Thou art near; the horizon widens and the soul feels the higher state of assurance. Thou, the giver of peace, guard us against discord and enmities. Gird us with patience, bounding hope, and with strength to live nobly. Raise up those in our country who with singleness of purpose and clear understanding will help our people to the knowledge of Thy ways and will. May the glorious day soon dawn when the nations shall awaken to the rich privileges of the kingdom of God on earth, in which wisdom is more precious than gold, yea, than much fine gold. In our Redeemer's name. Amen.

The Journal of the proceedings of Friday, February 17, 1939, was read and approved.

FIRST DEFICIENCY APPROPRIATION BILL

Mr. WOODRUM of Virginia submitted a conference report and statement on the bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes.

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief editorial on Oil As Farm Relief.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on three topics—the R. F. C., His Holiness Pope Pius, and the Library of Congress.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ALLEN of Pennsylvania asked and was given permission to revise and extend his own remarks in the RECORD.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a memorial adopted by the Oregon Legislature asking Congress to call a constitutional convention to amend the Constitution by adopting the Townsend plan.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by incorporating therein letters which I have recently addressed to leaders of old-age pension organizations in this Nation.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to print in the Appendix a letter I received, together with my reply.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PUBLIC-BUILDING CONSTRUCTION

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report back favorably a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 99

Resolved, That a letter from the Postmaster General and the Acting Secretary of the Treasury transmitting to the chairman of the Committee on Appropriations of the House of Representatives a report showing by States all construction projects selected under acts for public-building construction, and projects remaining eligible for consideration under the acts approved August 25, 1937, and June 21, 1938, and future authorizations be printed as a House document.

With the following committee amendment:

Line 1, strike out the word "a" and insert in lieu thereof the word "the."

The committee amendment was agreed to.

The resolution, as amended, was agreed to, and a motion to reconsider was laid on the table.

CONSENT CALENDAR

The SPEAKER. Today is Consent Calendar day. The Clerk will call the first bill on the calendar.

REPEAL OF CERTAIN ACTS OF CONGRESS

The Clerk called the first bill on the calendar, H. R. 3233, to repeal certain acts of Congress (pocket vetoed).

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

OIL WORLD EXPOSITION

The Clerk called House Joint Resolution 79, authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held April 24 to 29, 1939, inclusive.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object. Is this the usual resolution?

Mr. LUTHER A. JOHNSON. Yes; except that it is unusual in that it will not cost the Government of the United States a penny.

Mr. MARTIN of Massachusetts. That is mighty unusual.

The SPEAKER. Is there objection to the present consideration of the joint resolution.

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the President of the United States is authorized to invite by proclamation, or in such other manner as he may deem proper, the States of the Union and all foreign countries to participate in the proposed Oil World Exposition, to be held at Houston, Tex., from April 24 to 29, 1939, inclusive, for the purpose of exhibiting samples of fabricated and raw products of all countries produced by the petroleum industry; and the exhibiting of the tools and equipment used by the industry; and bringing together buyers and sellers for promotion of trade and commerce in such products.

Sec. 2. That all articles which shall be imported from foreign countries for the purpose of exhibition at the Oil World Exposition, to be held at Houston, Tex., from April 24 to 29, 1939, inclusive, by the Oil World Exposition, or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty, shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall

prescribe; but it shall be lawful at any time during or within 3 months after the close of the said exposition to sell within the area of the exposition any articles provided for herein, subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury shall prescribe: *Provided*, That all such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles which shall have suffered diminution or deterioration from incidental handling or exposure the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law: *Provided further*, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: *Provided further*, That at any time during or within 3 months after the close of the exposition any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, whereupon any duties on such article shall be remitted: *Provided further*, That articles which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond and imported articles in bonded warehouse under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: *And provided further*, That the Oil World Exposition shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for articles imported under the provisions of this act, shall be reimbursed by the Oil World Exposition to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524 of the Tariff Act of 1930.

Sec. 3. That the Government of the United States is not by this resolution obligated to any expense in connection with the holding of such exposition.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

REAPPORTIONMENT OF COTTON ACREAGE ALLOTMENTS

The Clerk called the bill (S. 660) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for the reapportionment of cotton acreage allotments not planted by farmers entitled thereto.

The SPEAKER. Is there objection to the present consideration of the Senate bill?

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. JONES of Texas. Mr. Speaker, I reserve the right to object. Does the gentleman think that he will be inclined eventually to object to the bill?

Mr. CHURCH. No; I do not believe that I am inclined to object to the bill.

Mr. JONES of Texas. The only reason that I am in a hurry about it is that the planting season begins rather early in the southern section of the country. This simply continues what is already in the act and has been for the past year, reallocating any unused acreage in the county. It does not affect the allotment. I do not think there will be any objection to it at all.

Mr. CHURCH. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice for the time being.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The Clerk called the bill (H. R. 3800) to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I reserve the right to object. This is a rather important bill, and I know there are some Members who expect to offer amendments to it. I think the matter ought to come up at an early date, but I think there ought to be more discussion and consideration given to it than can be given on the Consent Calendar. For that reason I ask unanimous consent that the bill go over without prejudice.

Mr. JONES of Texas. Mr. Speaker, I reserve the right to object. The gentleman understands that even on the Consent Calendar there is full opportunity for amendment. Amendments may be offered and discussed.

Mr. HOPE. That is true, but only under the 5-minute rule; and there are Members who think the matter ought to be discussed more at length. This is rather important, and for that reason I think it should go over.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

AUTHORIZING CERTAIN OFFICERS, ETC., TO ADMINISTER OATHS TO EXPENSE ACCOUNTS

The Clerk called the bill (H. R. 3646) to authorize certain officers and employees to administer oaths to expense accounts.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. I understand that this bill extends the law respecting the administering of oaths to travel accounts and other expenses, designating certain ones who may do that. Those mentioned in the bill may take the oaths when designated by some authority. Is that right?

Mr. COCHRAN. Yes.

Mr. WOLCOTT. With that understanding, I have no objection.

Mr. COCHRAN. The bill is recommended by the Bureau of the Budget and also by the Comptroller, and I assure the gentleman the Comptroller will not recommend any legislation to this House if he thinks it is not to the interest of the country.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 8 of the Sundry Civil Appropriation Act for the fiscal year ending June 30, 1913, approved August 24, 1912 (37 Stat. 487), be, and it is hereby, amended to read as follows:

"Sec. 8. Postmasters, assistant postmasters, collectors of customs, collectors of internal revenue, chief clerks of the various executive departments, independent establishments, and other Government agencies, or of bureaus thereof, the superintendent, the acting superintendent, custodian, and principal clerks of the various national parks and other Government reservations, superintendent, acting superintendent, and principal clerks of the different Indian superintendencies or Indian agencies, chiefs of field parties, and any officer or employee of any executive department, independent establishment, or other Government agency, in the District of Columbia or elsewhere, who shall have been designated in writing for such purpose by the head of the department, establishment, or agency concerned, are required, empowered, and authorized, when requested, to administer oaths, required by law or otherwise, to accounts for travel or other expenses against the United States, with like force and effect as officers having a seal; for such services when so rendered, or when rendered on demand by notaries public, who at the time are also salaried officers or employees of the United States, no charge shall be made; and no fee or money paid for the services herein described shall be paid or reimbursed by the United States."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

EXEMPTION OF AMERICAN VESSELS UNDER 200 TONS

The Clerk called the bill (H. R. 950) to exempt from the provisions of Draft Convention No. 53 of the International Labor Conference Treaty of 1936 all American vessels under 200 tons.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That in accordance with the authority granted in the second clause of article 1 of the International Labor

Conference Treaty Draft Convention No. 53 adopted by the International Labor Conference at Geneva in 1936 and ratified by the United States Senate in 1938 during the third session of the Seventy-fifth Congress, that all vessels of less than 200 gross registered tonnage owned by citizens of the United States of America shall be excepted or exempted from the provisions of the said treaty.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That pursuant to the authority granted in the second clause of article 1 of the Officers' Competency Certificates Convention, 1936, ratified by the President of the United States on September 1, 1938, by and with the advice and consent of the Senate of the United States, given June 13, 1938 (being International Labor Conference Treaty Draft Convention No. 53, adopted by the International Labor Conference at Geneva in 1936), vessels of the United States of less than 200 tons gross registered tonnage are hereby exempted from the provisions of such convention: *Provided, however,* That neither the ratification of the said convention by the President of the United States, nor the advice and consent of the United States Senate given thereto, nor any provision of the said convention as ratified, nor any provision of this act shall be deemed to alter, amend, or repeal any statute of the United States existing at the time of said ratification, or thereafter enacted, with regard to any such vessel of less than 200 tons gross registered tonnage."

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended so as to read: "A bill to exempt all vessels of the United States of less than 200 tons gross registered tonnage from the provisions of the Officers' Competency Certificates Convention, 1936 (being International Labor Conference Treaty, Convention No. 53, adopted by the International Labor Conference at Geneva in 1936)."

Mr. COSTELLO. Mr. Speaker, I move to dispense with further proceedings under the call of the Consent Calendar.

The SPEAKER. The Chair will state that all bills eligible for call under the rule have been called.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2868) entitled "An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes."

The message also announced that the Senate further insists upon its amendments Nos. 10, 13, 16, 17, 18, and 23 to the foregoing bill disagreed to by the House, asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. McKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

CONTINUATION OF RECONSTRUCTION FINANCE CORPORATION

Mr. SABATH. Mr. Speaker, I call up House Resolution 97. The Clerk read as follows:

House Resolution 97

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 4012, a bill to continue the functions of the Reconstruction Finance Corporation, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage, without intervening motion, except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to amend the resolution by striking out, in line 7, the last word, "three," and inserting therein the word "one."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. WOLCOTT. Mr. Speaker, do I understand this is in anticipation of a similar request to amend Resolution 96, to provide for 3 hours of general debate?

Mr. SABATH. That is correct. When we reach the other resolution I will ask unanimous consent to amend that from 1 hour to 3 hours.

Mr. MAPES. Reserving the right to object, Mr. Speaker, I wonder if the gentleman would not follow the present request with a request to amend the resolution, House Resolution 96, so that that will be done?

Mr. SABATH. Mr. Speaker, I make another unanimous-consent request, to amend the resolution, House Resolution 96, which I will call up later, by striking out the word "one" and substituting the word "three"; so that there will be 3 hours of general debate instead of 1 hour.

The SPEAKER. The gentleman from Illinois asks unanimous consent that in the resolution, House Resolution 97, in the seventh line, the word "three" be stricken out and the word "one" incorporated in lieu thereof; that in the resolution, House Resolution 96, line 8, the word "one" be stricken out and the word "three" incorporated. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Does the gentleman desire some time on the rule?

Mr. MAPES. Yes.

Mr. SABATH. I yield the gentleman 30 minutes.

The SPEAKER. The gentleman from Illinois [Mr. SABATH] is recognized.

EXTENSION OF REMARKS

Mr. GUYER of Kansas. Mr. Speaker, will the gentleman from Illinois yield that I may prefer a unanimous-consent request?

Mr. SABATH. I yield.

Mr. GUYER of Kansas. Mr. Speaker, I ask unanimous consent to extend my own remarks by including a speech delivered yesterday in Statuary Hall.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, will the gentleman from Illinois yield for me to prefer a unanimous-consent request?

Mr. SABATH. I yield to the gentleman from Texas.

Mr. PATMAN. I ask unanimous consent, Mr. Speaker, to include in the RECORD my own radio speech.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONTINUATION OF RECONSTRUCTION FINANCE CORPORATION

Mr. SABATH. Mr. Speaker, this resolution makes in order the bill (H. R. 4012) to authorize the Reconstruction Finance Corporation and the Electrical Home and Farm Authority, which is operated in connection with the Reconstruction Finance Corporation, to continue to perform their respective functions until January 15, 1941. Furthermore, the bill increases the capital stock of the Disaster Loan Corporation, also operated in connection with the Reconstruction Finance Corporation, to \$40,000,000; and it authorizes it to make additional loans which may be necessary, or to appropriate, as the result of possible disaster in 1939 or 1940.

It also amends section 9. It is a statutory affirmation. The question has been raised as to the validity of the jurisdiction, by certain owners and groups, owning some of the bonds. Consequently, that section has been inserted.

From what I understand, there is really no opposition to the bill. The only thing I have heard is that it should be extended for a longer period. It shows that the gentlemen on the other side have the utmost confidence in the Reconstruction Finance Corporation and its activities. In view of that fact, I shall not detain the House.

I will reserve the balance of my time. I yield now to the gentleman from Michigan.

Mr. MAPES. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, my remarks on this measure will be primarily directed to the new Republican Members of the Congress.

We are about to extend the Reconstruction Finance Corporation Act for another year or more. The Reconstruction Finance Corporation proposal was a Republican baby. It was conceived by Herbert Hoover. It is his child. It was recommended by him and was adopted during his administration. It is the one Republican vehicle that the Democrats, when they came into power, maintained and used, and used very extensively and effectively, because it was based on sound principles.

It provided for loans on sound collateral that would be returned to the Government. It has done more to stabilize industry, to preserve credit, than all the panaceas of the New Deal combined. This proposal was about the only proposal of President Hoover the Democratic Party did not sabotage back in 1931 and 1932. All of the sound recommendations made by Herbert Hoover after the crisis of 1929 were deliberately sabotaged by the Democratic majority in the House, for political and partisan reasons, except this particular vehicle, which they took over and used. They have loaned almost \$10,000,000,000 under the provisions of the act. Had it not been for the Reconstruction Finance Corporation Act, it is my opinion that not only would the banks have closed, but all credit would have been paralyzed. The railroads would have gone and the insurance companies would have followed them, with a total collapse of credit in the United States. It was this Republican measure, used afterward as a vehicle by the Democrats, that to a large degree stabilized industry and preserved our institutions. Unfortunately, however, after 6 years of the New Deal, we find a very deplorable condition in our country. The Democratic Party, after running up a deficit of an average of over \$3,000,000,000 a year, or a total of \$20,000,000,000 in 6 years, to bring about recovery, now faces a situation in which there are 12,000,000 people unemployed and four or five million more on part time.

The main objection to the New Deal is simply that it has not worked, it has not functioned, it has not done what the people wanted it to do, it has not done what its backers promised to do: To bring about recovery, to restore employment, and to put American people back to work. When we are discussing this question of the Reconstruction Finance Corporation and its continuance, it is only right to ask ourselves: "Why has not the New Deal worked? Why has it failed? Why has practically all of its policies broken down and collapsed, whether it be the farm policies, the industrial policies, or business policies? Why is it that today 12,000,000 people are unemployed and other millions on part-time employment? Why is business at a standstill? The answer is that this administration has deliberately—the first administration in history so to do—has deliberately attacked, vilified, hampered, harassed, and abused business, thereby destroying confidence; and fear pervades the land.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. THOMAS F. FORD. The gentleman states that this is the first administration that has vilified business. I ask him how about the administration of Theodore Roosevelt and its attacks on business?

Mr. FISH. The difference between this administration and the Theodore Roosevelt administration is that the latter sought to regulate business, not to strangle it, not to socialize it, not to use unconstitutional and unsound radical methods to destroy confidence in America.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield right there?

Mr. FISH. I would like to proceed, if the gentleman does not mind.

Mr. THOMAS F. FORD. I would like to ask the gentleman one question at that particular point.

Mr. FISH. Very well, I yield.

Mr. THOMAS F. FORD. Was the threat of the Theodore Roosevelt administration to take over the coal mines a step in the socialistic direction?

Mr. FISH. When he threatened, as the gentleman says, to take over the coal mines it was to bring these groups to-

gether; and he brought them together, brought about peace in the coal industry, and the owners and the employees cooperated for many years. It worked to promote employment and for the benefit of labor. The charge that we on the Republican side make is that the Democratic Party has taken over the Socialist Party, has taken over not only the Socialist program but has taken over the Socialists and elected former Socialists to the House or put them in charge of important posts in the Government service.

I do not for a minute say that the New Deal did not start off in a blaze of glory. I am not criticizing the American people for having elected Franklin Delano Roosevelt in 1933. In a depression that is the usual procedure.

Mr. THOMAS F. FORD. How about 1936?

Mr. FISH. I admit that he made a wonderful start toward balancing the Budget in 1933, that he restored confidence and that he put people back to work. Perhaps I can express it more clearly in football terms: The New Deal started off as a championship football team with a great quarterback in the person of Franklin Delano Roosevelt. Their plays clicked, they ran the ends, they smashed the line, and they marched down toward the goal post of recovery and employment. Every Republican and every Democrat desired it but before they reached that objective they changed their team, they brought in a whole host of substitutes, young rascals, half-baked theorists never identified with the Democratic Party in their lives, never elected to any office. Naturally their signals became confused and confidence was destroyed.

That former championship football team has been driven back yard by yard, yard by yard except temporarily in October and November of 1936 when conditions improved for a few months and the President said: "We planned it that way"—yard by yard that former championship team has been driven back until now it is on the 1-yard line in the coffin corner without a single program, without a single play, without a single policy to get it back on the highway to recovery, to restore confidence, and to put the American people back to work. Why? Simply because the Democratic Party has tried to socialize industry and has destroyed the private investment markets. There is no more Socialist Party; it hardly exists, except in high places under the New Deal.

The President in his speech complained of there being so much money idle in the banks, and idle manpower; and he wondered why this idle money was not used to put idle manpower to work. There is only one thing stopping it, and that is the deliberate destruction of confidence by this administration and its economic fallacies. Fear pervades the land from one end to the other; and I say to you younger Republicans: Until confidence is restored there will be no permanent employment in our country. [Applause.]

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield 15 minutes to the gentleman from Michigan [Mr. Wolcott].

Mr. WOLCOTT. Mr. Speaker, we are, I expect, going to cover quite a broad field today in these two bills, for many questions are involved in the continuance of the Reconstruction Finance Corporation.

The two bills which we shall consider today deal with the continuation of the Reconstruction Finance Corporation, the Electric Farm Home Authority, the R. F. C. Mortgage Corporation, the Commodity Credit Corporation, and the Export-Import Bank. During the discussion of these questions other incidental subjects undoubtedly will be discussed, and I think we should start today in crystallizing certain policies concerning credit and our foreign relations. The credit policies of the Reconstruction Finance Corporation are so interrelated to the credit policies of the Government that we cannot discuss the one without discussing the other. We all know that many extraordinary powers have been given to the President during the past 5 years. At proper times periodic reports will be made by a committee which has been designated by the Republican leadership to make a study of these extraordinary powers. This committee was organized last week and there has not been an opportunity for it to meet and make recommendations as a

committee concerning these proposals today. Whatever I have to say concerning them, therefore, is said on my own responsibility and is not necessarily a reflection of the will or wishes of the committee as a whole.

The first problem to which we must give consideration is whether we want to continue the activities of the Reconstruction Finance Corporation to January 15, 1941, or let us say to June 30, 1941.

The Senate in taking action on a similar bill last week extended the date to June 30, 1941. This seems to be in keeping with common sense.

The date, January 15, 1941, would be somewhat embarrassing to a new administration, whether that administration be Republican or Democratic. It would not allow the Congress an opportunity to study the activities of the Reconstruction Finance Corporation and its subsidiary agencies in time to make an intelligent report to the Congress previous to the time these agencies would go out of existence if we did not extend them. It would authorize us to do nothing more than quickly organize for the purpose of passing a simple resolution, as we are doing today, continuing the activities of these agencies. Of course, this would not be fair to the Reconstruction Finance Corporation, or any of its agencies, any more than it would be fair to the Congress or an incoming President. The incoming President will not take office until 5 days after the date set in this bill for expiration of these agencies. At the proper time, in a series of amendments to be offered, we will seek to extend the date of the Reconstruction Finance Corporation, and if provisions concerning some of the subsidiaries are not stricken from the bill, then we will seek to advance the date of their termination until June 30, 1941, instead of January 15, 1941.

Mr. Speaker, these questions of credit policy to which I refer have to do not only with the Reconstruction Finance Corporation but have to do with the extraordinary powers of the President to dominate and influence the domestic and foreign policies. It has to do with the silver purchase plan. It has to do with the gold purchase plan and the continuation of the power granted to the President to devalue and further devalue the gold content of the dollar. It has to do with whether title III of the Agricultural Adjustment Act, which authorized the President to issue \$3,000,000,000 of unredeemable currency, shall be continued.

We are confronted today in another bill following the present one with the effect of the activities of the Export-Import Bank on our neutrality. The activities of the Export-Import Bank have been negligible up to the last year, the outstanding loan made by this bank being to China in the sum of \$25,000,000.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Was that loan made to the Republic of China?

Mr. WOLCOTT. It does not make any difference.

Mr. THOMAS F. FORD. It makes a lot of difference.

Mr. WOLCOTT. It makes no difference under the terms of this bill.

Mr. THOMAS F. FORD. It was made to a Chinese importing company.

Mr. WOLCOTT. Whether it was made to the Republic of China or to any of the nationals of China makes no difference. You should destroy the neutrality of the United States Government with respect to foreign situations in that manner.

Mr. SABATH. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. SABATH. The Export-Import Bank is not covered by the bill now before us.

Mr. WOLCOTT. I understand that. I am merely stating what we may expect in the discussion today concerning both of these bills which will be considered, and I am taking the time now to cover them briefly, citing what is the genesis of the subject which we are going to debate here today.

Mr. Speaker, we have passed a Neutrality Act. I believe the people of the United States do not want the Congress to authorize any agency over which it has no control to destroy in

any manner the neutral position which the United States should assume in its foreign relationships, whether it be a controversy between Japan and China, a civil war in Spain, or a potential conflict among the nations of Europe. The people of the United States do not want the Government of the United States or any of its agencies to take sides in any of these conflicts. Although their sympathies might be with one side, they do not want the United States Government by any overt act to precipitate our entrance into European or Asiatic conflicts by loans or by direct grants, and I think the loan to China by the Export-Import Bank presents a fundamental question which must be given consideration at this particular time.

Is the Export-Import Bank going to be allowed to continue to embarrass the people of the United States, who have firmly declared a neutral policy with respect to foreign conflicts? Because the Export-Import Bank has been practically nonexistent until recent months, and because the major part of its activity has been in respect to loans to belligerent countries, I contend there should be more supervision over the activities of that bank than is now incorporated in the Executive order setting up this bank.

I do not believe it is a healthy or safe condition when we without restraint give to the President of the United States or to any other individual the untrammelled right to perform an act which might be interpreted by other nations of the world as an act of unfriendliness on the part of the United States.

The President of the United States has the power under these extraordinary provisions which I have mentioned, and others to be sure, to so involve us in European and Asiatic conflicts as to make our active participation almost necessary. Under these conditions, the present bill must be considered in a different light than the mere continuance of an agency of the Federal Government for the purpose of aiding our industrialists and farmers to export their products.

Mr. THOMAS F. FORD. Will the gentleman yield in fairness?

Mr. WOLCOTT. I would prefer not to, because I have other matters which I desire to cover at this time.

Mr. THOMAS F. FORD. The gentleman keeps reiterating there was a loan to China. There has been no loan made to China.

Mr. WOLCOTT. I refuse to yield, and I wish to make the assertion in that respect that I understand the gentleman's side of the House does not expect to take all the time allowed under this rule, so I wish the gentleman would not ask me to yield, but, rather, go to his leader and ask for time either under this rule or under the bill when we reach it, and wait for me to discuss these questions and then answer me.

Mr. THOMAS F. FORD. I did not like to let that point go.

Mr. WOLCOTT. One very important question arises. An amendment will be offered to this bill extending the life of the Reconstruction Finance Corporation. The President of the United States can stop any of the activities of the Reconstruction Finance Corporation when he finds that credit is available through private sources. We have written into the act a provision that upon the report of the board of directors or otherwise he may stop the activities of the Reconstruction Finance Corporation. An amendment will be offered to strike out the phrase "or otherwise," because we do not believe the President should be given the authority and power to stop any activities set up by the Congress without the advice of at least the department vitally interested.

In October of 1937 the President exercised his authority to stop the activities of the R. F. C. He said, in almost defiance of the mandates of this Congress, that loans to small industries should be stopped, and they were stopped. He said the R. F. C. would make no more loans, and that it should liquidate loans which it had. This condition existed until the spring of 1938. Because of other extraordinary powers given to the President and to the politicalized Federal Reserve Board, the rediscount rates were raised and reserve requirements were raised and the Commodity Credit Corporation stopped the pegging of the price of cotton and other commodities, and as a consequence the United States was

precipitated into one of the most serious depressions we have experienced.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Speaker, it is always embarrassing to take issue with a member of one's own committee, and particularly the genial and distinguished gentleman from Michigan [Mr. WOLCOTT]. However the gentleman from Michigan has made repeatedly within the last few minutes the statement that the Export-Import Bank had made a \$25,000,000 loan to China, intimating or attempting to convey to the Members of the House that a \$25,000,000 loan had been made to the Government of China. This is as far from the facts as one pole is from the other.

As a matter of fact, this is what happened: The Chinese-owned American Trading Co. of New York secured a credit commitment from the Reconstruction Finance Corporation in the sum of \$25,000,000. The gentleman from New York [Mr. BARRY], a member of our committee, asked Mr. Jones, Chairman of the Reconstruction Finance Corporation, if this credit could be used in connection with the export of war material to China. I do not believe anyone in this House would question the truthfulness of Mr. Jones in any answers he might give before a committee. This particular testimony is as follows:

Mr. BARRY. What was the purpose of that \$25,000,000 loan to China? What products was that designed to facilitate the export of?

Mr. JONES. I do not know exactly what they were going to buy. It must not be in violation of the Neutrality Act.

The CHAIRMAN. You did extend a credit of \$25,000,000 to the Chinese Government?

Mr. JONES. No; not to the Chinese Government. It is to a Chinese-owned American Trading Co. in New York; the credits as they are extended will be guaranteed by the Bank of China, but not by the Government of China.

Mr. BARRY. Could that credit be used in connection with the export of war material to China?

Mr. JONES. No. The understanding is that it will not be. Mr. BARRY. Did I understand you to say that the Chinese Government is not liable, but a privately owned Chinese corporation?

Mr. JONES. I do not know whether the corporation is owned by the Chinese Government or not. It is owned in China, and it is domiciled in New York, and the credits are guaranteed by the Bank of China; and the Bank of China, I understand, is owned half by the Government of China and half by private interests. The commitment was intended to cover private transactions.

We have the word of Jesse Jones for this. If the Members of the House wish to take his word, all right. If they do not, they can take the word of the gentleman from Michigan [Mr. WOLCOTT].

Mr. SABATH. Mr. Speaker, I yield to the gentleman from New York [Mr. CELLER] such time as he may desire.

Mr. CELLER. Mr. Speaker, I wish to take some time to state to the Members of the House that in my opinion no corporation of the Government has rendered a more constructive service than the Reconstruction Finance Corporation. The R. F. C. was conceived and set up at a time when business and agriculture were in the deepest doldrums. It renewed confidence and instilled hope in the minds of merchants, farmers, manufacturers, businessmen, and industrialists all over this country, and has continued to reinforce that confidence and that hope.

The managers of the Reconstruction Finance Corporation have rendered yeoman service. Mr. Jones, as Chairman, has been constructive, wise, prudent, patient, and most painstaking, working night and day to aid industrial and farm communities throughout the land. Wherever and whenever existing loaning facilities were unavailable, the R. F. C., under his wise guidance, came to the fore to aid, succor, and rescue. His colleagues on the Board have rendered similar service.

Just think for one moment what would happen if we should not continue the work of this Corporation. During the past year it loaned \$983,000,000 to 5,234 persons and entities; of these, 4,634 were industrial loans; in other words, the banks of the country generally were unable, wittingly or unwittingly, to make, or refused to make, these many loans. At the suggestion of the Reconstruction Finance Corporation, however, they did participate in a number of them. The banks in many instances have cooperated, due to the patient and intelligent endeavor of Chairman Jones and his codirectors.

Never has the R. F. C. given the impression that it was or is competing with banks. It wants and strives with might and main to make the banks loan instead of itself.

Beyond peradventure of a doubt, a large number of loans will be made by the Reconstruction Finance Corporation during the ensuing year, and there will be need therefor, because banks cannot or still will not make them. I shudder to think what would have happened last year if these 5,234 persons and firms had been refused the shelter of the Reconstruction Finance Corporation and could not get money wherewith to continue their activities. It seems to me idle to argue any further. There is absolute need for the continuation of this Corporation until 1941.

I have had numerous contacts with R. F. C. directors, lawyers, and aids. They have been uniformly courteous and fair. I have come away empty handed. My requests have not always been granted. But I always came away satisfied that the R. F. C. was on firm ground in denying me my request. They satisfied me they were not unreasonable or arbitrary, but on the contrary they were fair and equitable.

I want to give credit where credit is due.

We readily condemn. We grudgingly praise.

Besides Mr. Jones, his assistant, William C. Costello, the directors, Charles B. Henderson, Carroll B. Merriam, Emil Schram, and Howard J. Klossner have been uniformly helpful and constructive with their advice and counsel and concrete aid, not only as to loan applications I placed before them but to those of many of my colleagues.

I cannot refrain from a word of praise to the R. F. C. general counsel, Claude E. Hamilton, and his staff of excellent attorneys. Mr. Hamilton is rendering splendid aid and assistance and is worthy of highest commendation.

I cannot call out of the entire staff all names; my tribute goes forth to the entire staff.

SUMMARY OF LOANS BY RECONSTRUCTION FINANCE CORPORATION

I give you a summary of R. F. C. activities since its organization February 2, 1932, 7 years ago. I make copious use of the report submitted by Chairman Jones and sent to the President as of February 2, 1939. I quote frequently from that report, making the words of Mr. Jones my own.

In addition to the original purposes of the Corporation and the many amendments to the act from time to time which have expanded the scope of its direct operations, R. F. C. activities have also been carried on through Commodity Credit Corporation, organized October 17, 1933; The RFC Mortgage Co., organized March 14, 1935; Electric Home and Farm Authority, organized August 1, 1935; Disaster Loan Corporation, created February 15, 1937; Federal National Mortgage Association, organized February 10, 1938.

Total R. F. C. authorizations have been \$13,206,639,807. Of this amount \$2,900,601,066 was by direction of Congress in which R. F. C. directors had no discretion.

Authorizations for which R. F. C. directors have responsibility aggregate \$10,306,038,741. Of this amount \$2,293,568,866 was withdrawn or canceled; either the purposes for which the authorizations were made were not carried into effect or the applicants found they did not need the money; \$7,243,873,197 has been disbursed and \$5,372,565,029, or 74 percent, repaid; \$768,596,678 remains available to the borrowers or for the purposes for which the authorizations were made.

Of the amount authorized and disbursed by direction of Congress, \$1,799,984,009 was for direct relief, and \$1,001,112,169 to other governmental agencies. Of the former amount \$17,158,858 was repaid by counties and municipalities, and of the latter amount \$37,000,000 was repaid from capital stock of regional agricultural credit corporations. From October 1932 to May 1933 R. F. C. invested \$44,500,000 in the capital stock of 12 regional agricultural credit corporations to make loans principally on livestock. In addition to this investment in their capital stock, R. F. C. advanced them \$173,243,641 to enable them to make loans principally on livestock. All of these loans have been repaid, and the companies have sufficient money on hand to retire the balance of the capital stock. These agencies were trans-

ferred to the Farm Credit Administration by Executive order in May 1933.

Since their transfer to the Farm Credit Administration they have made additional loans of approximately \$100,000,000. All the loans made by them have been repaid except approximately \$12,000,000.

In February 1938 R. F. C. asked Congress to authorize and direct the Secretary of the Treasury to cancel its notes given to the Treasury for disbursements made by direction of Congress for which R. F. C. received no benefit. The act authorizing such cancellations was approved February 24, 1938. Pursuant to this act, notes aggregating \$2,699,236,946 have been canceled. As stated, much of this money was used for direct relief, but approximately \$850,000,000 is carried by the Treasury and other agencies in the form of capital stock of governmental corporations or other obligations or has been converted into cash.

CLASSES OF LOANS

Classes of loans made are loans and other aid to agriculture; loans to banks; preferred stock, capital notes, and debentures; closed-bank loans; drainage, levee, and irrigation loans; self-liquidating loans; railroad loans; loans to business and industry; mortgage loans; loans to insurance companies; loans to building and loan associations; loans to public-school authorities; loans to State funds created to insure deposits of public moneys; mining loans; rural electrification loans; Commodity Credit Corporation; the RFC Mortgage Co.; Federal National Mortgage Association; the Electric Home and Farm Authority; and disaster loans.

This gives us a bird's-eye view of the magnitude of the tasks of the R. F. C. It has been a boon to millions of our people. It has relieved much of suffering and misfortune in many parts of the land. All classes, all sections have been aided. The benefits and benefactions of the R. F. C. have been incalculable.

LOANS AND OTHER AID TO AGRICULTURE

Agriculture in one way or another has been accorded loan authorizations and allocations of \$3,101,673,840. Such vast aid to farmers cannot be lightly considered.

Of this, \$399,636,000 was to Federal land banks, \$29,035,359 to joint-stock land banks, \$9,250,000 to Federal intermediate credit banks, and \$199,072,648 to livestock and agricultural credit corporations to provide funds to meet the needs of farmers and stockmen.

One billion eight hundred and forty million seven hundred and seventy-four thousand one hundred and seventy-eight dollars was for loans through Commodity Credit Corporation and other agricultural agencies to producers of cotton, corn, wheat, tobacco, turpentine, resin, wool, mohair, hops, figs, dates, raisins, prunes, peanuts, butter, and pecans in 39 States.

Cotton loans were made in Alabama, Arizona, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, Missouri, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

Corn loans were made in Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, Ohio, Pennsylvania, South Dakota, and Wisconsin.

Wheat loans were made in Arkansas, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, New York, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and Wyoming.

Tobacco loans were made in Kentucky, Tennessee, and Virginia.

Turpentine and resin loans were made in Alabama, Georgia, Florida, Louisiana, Mississippi, and South Carolina.

Wool and mohair loans were made in California, Colorado, Idaho, Indiana, Iowa, Kentucky, Massachusetts, Minnesota, Missouri, New Mexico, North Dakota, Oregon, Pennsylvania, Texas, Utah, Wisconsin, and Wyoming.

Loans on figs, dates, raisins, and prunes were made in California; on hops in Washington; and on pecans in Georgia.

Peanut loans were made in Alabama, Florida, Georgia, North Carolina, South Carolina, Texas, and Virginia.

Loans to associations were made on butter produced in California, Illinois, Michigan, Minnesota, Missouri, Nebraska,

New Jersey, New York, Ohio, Oregon, Pennsylvania, and Washington.

Think of the vast number of commodities whose growers have been aided.

Eighty-three million three hundred and seventy thousand nine hundred and fifty-five dollars went to finance the exportation of some of these commodities.

One hundred and fifteen million dollars was allocated to the Secretary of Agriculture for crop loans. Of this, \$44,500,000 was reallocated and, with \$40,500,000 allocated by R. F. C. to the Governor of the Farm Credit Administration, used to provide \$45,000,000 capital of the Production Credit Corporations and \$40,000,000 capital and surplus of the Federal Intermediate Credit Banks.

Sixty-one million nine hundred and thirty-four thousand seven hundred dollars was allocated for the capital and expenses of the Regional Agricultural Credit Corporations, and \$97,000,000 for the capital of the Commodity Credit Corporation.

Of \$202,600,000 originally allocated to the Farm Credit Administration for loans to farmers and to joint stock land banks, \$200,000,000 was reallocated and used to provide capital of the Federal Farm Mortgage Corporation.

These items were by direction of Congress and their outstanding balances were included in the items for which our notes were canceled in accordance with the act of Congress approved February 24, 1933.

Farmers and stockmen in every section of the country have been the recipients of these loans. They should bless the R. F. C. and its overseers.

RAILROAD LOANS

Of the \$1,243,348,560 loan commitments to railroads, \$200,460,500 representing securities purchased from P. W. A., \$307,561,724 was not used, the purposes for which the authorizations were made not being carried into effect, or the roads having an R. F. C. commitment were able to get the money from private sources. Eight hundred and twenty-six million seven hundred and seventy-three thousand one hundred and sixty-one dollars has been disbursed to 82 roads. Three hundred and forty-six million five hundred and nine thousand three hundred and sixteen dollars of this has been paid, leaving a balance outstanding of \$480,263,845 due from 50 railroads. Thirty-two roads have paid their loans in full. Nineteen were placed in receivership or trusteeship after receiving loans. Three of these are no longer indebted to the Corporation. The balance due from the remaining 16 roads in the custody of the courts aggregates \$168,565,837. Interest is being paid currently on 2 of these, the loans of which aggregate \$25,825,227.

R. F. C. will have some individual losses on railroad loans, as in other classes of borrowers, but, treated as a class, there should be little net loss on railroad loans.

To be more specific in the railroad situation, R. F. C. has collected \$86,335,352 interest from railroad loans, and, in addition to this, has approximately \$15,000,000 interest accrued that it believes to be good. The margin in this interest over the cost of money to the Government will cover losses on individual railroad loans.

LOANS TO BUSINESS AND INDUSTRY

Seven thousand three hundred and seventy-one loans have been authorized to business enterprises, aggregating \$447,324,578. Banks have agreed to take participations in 1,661 of these loans in the amount of \$61,492,756, their participations ranging from 10 percent to 60 percent. The banks and R. F. C. share proportionately in security and repayments. Of the R. F. C. part of these loans \$86,027,903 was not used, and \$144,192,699 remains available to the borrowers; 2,720 of these loans, or 37 percent of the total number, have been for \$5,000 or less. During the past 12 months 49 percent have been for \$5,000 or less. Fifty-three percent of the loans have been for \$10,000 or less, 83 percent for \$50,000 or less.

In addition to the participations taken for their own account, banks hold \$57,552,558 of these loans with a take-out agreement from the R. F. C. For the take-out agreements the R. F. C. gets a part of the interest paid by the borrower. This is 2 percent per annum where the bank's participation

is 25 percent of the loan or less; 1½ percent where the bank's participation is from 25 percent to 50 percent; 1 percent where the bank's participation is 50 percent or more.

Participation agreements and take-out commitments are executed when the loan is made, and the take-out commitment is equivalent to insuring the bank to the extent of the agreed take-out. It is necessary to exercise the same care in insuring part of a loan as when the Corporation makes the entire loan. The same investigation is required and the same expenses incurred.

In April and May 1933, the R. F. C. made commitments to lend apple growers in the State of Washington up to \$2,000,000. Under these commitments it authorized 960 loans to 716 applicants in the amount of \$1,025,120, of which \$991,506 was disbursed.

In addition to the foregoing loans to business, the Electric Home and Farm Authority has bought installment contracts from 2,573 dealers in electrical appliances. These are loans to business. They furnish the dealer with capital for his credit sales. The contracts carry the unconditional endorsement of the dealer.

R. F. C. will probably have a substantially larger percentage of loss from industrial loans than from any other class. Forty-six of these, representing loans in the aggregate amount of \$3,009,092, have already been foreclosed and the security reduced to possession. Properties securing three of these loans, which amounted to \$234,905, have been sold at a net loss to the Corporation of \$31,003. Five hundred and forty-three loans to business are in default and 60 are in process of foreclosure. In addition to these, 507 of the loans to apple growers in the State of Washington are in default.

R. F. C. has authorized 2 loans at the request of the Maritime Commission, 1 to the American President Lines, Ltd., \$2,500,000, secured by a first mortgage on 13 ships, and another for building ships at Tampa, Fla., \$300,000. Local banks took an additional \$200,000 participation in this loan.

It has loaned the Tennessee Valley Authority \$3,000,000.

It has authorized loans to the Lower Colorado River Authority of \$5,000,000 for purchase of operating units in the vicinity of this project. The Authority expects to sell some of the units to the cities and towns in which they operate.

In cooperation with T. V. A. the R. F. C. authorized a \$6,000,000 loan to the city of Knoxville to buy its power plant from the Tennessee Public Service Co., but with the R. F. C. commitment it was able to get the money from private sources.

MORTGAGE LOANS

This item—\$608,597,899—includes the capital stock of the RFC Mortgage Co., \$25,000,000, and loan authorizations to the RFC Mortgage Co. of \$160,021,276. It also includes the capital stock of the Federal National Mortgage Association, \$11,000,000, and loans to it of \$50,000,000. It includes \$362,576,623 loans to privately owned mortgage-loan companies made principally in 1932, 1933, and 1934 to prevent the companies from failing and to enable them to grant extensions to their borrowers. Four hundred and eighteen million six hundred and sixty-two thousand nine hundred and sixty-four dollars has been disbursed and \$298,016,329 repaid.

November 1933 the R. F. C. aided the savings banks of New York State by authorizing the investment of \$50,000,000 in the capital notes or debentures of the Savings Banks Trust Co., which company the saving banks of New York organized to assist any that might need to realize on their mortgages. None of this money was used.

R. F. C. also authorized \$86,000,000 to the Institutional Securities Corporation, organized by the savings banks for the same purpose. Only \$14,312,567 of the amount was used and it has all been repaid.

Publication of this procedure by the R. F. C. and the banks was so reassuring to depositors that the banks were able to remove the restriction on withdrawals allowed under the law in a very short time.

The act authorizing the investment in the preferred stock, capital notes, and debentures of banks made no specific provision for aiding mutual savings banks, of which there are a great many in New York and the New England States.

R. F. C. aided the New England banks and some of those in New York State through buying their notes, with provisions of subordination in favor of depositors, in this manner bringing to the savings banks the same assistance provided for National and State commercial banks.

THE RFC MORTGAGE CO.

Because there was practically no mortgage money available to deserving borrowers to protect their properties from foreclosure, and to aid in the reorganization of properties covered by excessive mortgages and mortgage bond issues, Congress, at Mr. Jones' request, authorized the R. F. C. in January 1935 to invest in the capital stock of mortgage companies up to \$100,000,000 when any such investment was approved by the President. Following the approval of this act, the R. F. C. endeavored to interest private capital to organize mortgage companies, offering to take preferred stock with them.

Meeting with no success in this effort, the R. F. C., with the approval of the President, organized the RFC Mortgage Co. March 14, 1935, with a capital of \$10,000,000, later increased to \$25,000,000. The stock is all owned by the R. F. C. The company has authorized \$137,969,839 loans on income-producing business properties, borrowing its requirements from the R. F. C. The company has been a lifesaver to many communities when real-estate loans were at a standstill.

F. H. A. INSURED MORTGAGES

Because banks, insurance companies, and other private investors were reluctant to buy F. H. A. insured mortgages, the R. F. C. announced August 17, 1935, that it would buy these mortgages at a discount of one-half of 1 percent and sell them at a premium sufficient to cover the cost of operation. The R. F. C. has authorized the purchase of \$96,955,222 F. H. A. insured mortgages and has completed the purchase of \$73,083,604 of these. The R. F. C. has sold \$16,604,899 to private investors at a modest premium; \$34,108,848 has been transferred to the Federal National Mortgage Association.

Of the total number of F. H. A. insured mortgages bought, 102 loans, aggregating \$400,845, have been foreclosed, for which the R. F. C. holds or will receive the equivalent amount, less cost of foreclosures, in F. H. A. 2¾-percent and 3-percent debentures carrying Government guaranty. The loss on the loans foreclosed will be less than 10 percent.

DISASTER LOANS

By special direction of Congress through amendments to our act, the R. F. C. from 1933 to 1936 made loans for rehabilitation of property damaged by floods, earthquakes, or other catastrophes; \$16,784,521 was authorized for this purpose; \$12,003,055 disbursed; \$4,278,027 of this has been repaid.

Following the Ohio River flood in January 1937, Congress directed R. F. C. to organize the Disaster Loan Corporation and provide it with capital up to \$20,000,000 to make loans to those who suffered losses from the flood or other catastrophes in the year 1937. This act was later amended to include catastrophe losses that occurred in the years 1936 and 1938.

Immediately following creation of this Corporation, R. F. C. established offices for making loans at Ashland, Ky.; Cincinnati, Ohio; Huntington, W. Va.; Ironton, Ohio; Portsmouth, Ohio; Cleveland, Ohio; Paducah, Ky.; Memphis, Tenn.; Dyersburg, Tenn.; Louisville, Ky.; Cairo, Ill.; Evansville, Ind.; Harrisburg, Ill.; Galena, Ill.; and New Orleans, La. Loan committees composed of local citizens were set up to recommend loans. These committees served on a voluntary basis and were of great assistance to the Corporation in meeting the emergency.

Seven thousand five hundred and fifty-five loans, aggregating \$8,805,051, were authorized as a result of the Ohio River flood; \$1,574,504 was not used; \$6,785,729 of this has been disbursed and \$1,752,542 repaid. It is significant of the character and integrity of the American people that 80 percent of these loans are current in their payments.

The Board of R. F. C. is now making disaster loans as a result of the hurricane in September 1938, principally in the New England States. Immediately after the hurricane we established offices at Charleston, S. C.; Gardner, Mass.;

Hartford, Conn.; Lowell, Mass.; New Bedford, Mass.; New London, Conn.; Providence, R. I.; Springfield, Mass.; Worcester, Mass.; Keene, N. H.; Concord, N. H.; New Haven, Conn.; Montauk, Long Island, N. Y.; Quogue, Long Island, N. Y.; with loan committees composed of local citizens to recommend loans. These committee members also serve on a voluntary basis.

Loans aggregating \$3,764,625 have been authorized to 1,526 applicants who suffered losses from the hurricane. We are lending to salvage the very large amount of blown-down timber. Probably 25,000 farmers and landowners lost their timber. It is estimated that 3,000,000,000 feet of timber is down as a result of the hurricane, and effort is being made to salvage as much of it as possible. The facilities of the Forestry Service and the Federal Surplus Commodities Corporation are being used to salvage the timber.

Disaster and catastrophe loans have been made in 34 States—Arkansas, California, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Washington, and West Virginia.

Imagine the closing up of the R. F. C. and the inability of the vast populations of the States visited with disaster, unable to procure the relief granted by the R. F. C. That would be disaster upon disaster.

Whenever the R. F. C. or its directors and personnel are ever criticized just point to their splendid work in the disaster zones.

CONCLUSION

In addition to the foregoing, vast loans to banks have been arranged to meet the abnormal demands of the depositors during the Nation-wide depression. Also capital loans were made to these banks by way of purchase of their preferred stock and debentures.

There have been drainage, levee, and irrigation loans. In many States loans have been made to insurance companies, building and loan associations, and public-school authorities. There have been loans to State funds created to issue deposits of public moneys. There have been mining loans, loans for rural electrification. There has been set up the Commodity Credit Corporation which has made loans on cotton, corn, wheat, tobacco, and so forth.

Let us not forget also that the R. F. C. has accumulated an operating reserve sufficient to cover any and all probable losses. Thanks to the wit, ingenuity, resourcefulness, and wisdom of Chairman Jones and his Board and counsel and aids, despite the vast services it has rendered throughout the country, despite the vast amount of credit available, there has been no net loss to the Government and there doubtless will be none.

Mr. MAPES. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, I will use some of the time of the gentleman from Illinois [Mr. SABATH] if he wants to yield it to me. Would the gentleman care to yield to me any of his time under the rule?

Mr. SABATH. I yielded the usual 30 minutes, half of the time, to the gentleman from Michigan.

The SPEAKER. The gentleman from Illinois declines to yield further time. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. GIFFORD. Mr. Speaker, I may say I did not expect to take this particular time, but we need all the time possible today in order to comment on the long era of experimentation on borrowed money. We wish to review the many and various activities of the R. F. C. and to show how the R. F. C. has been used as a vehicle to mop up losses and direct gifts, although obliged to pay interest to the Treasury, which carried its notes as assets, to the evident misleading of the public as to the condition of the Treasury. We shall show that the Government and the R. F. C. have stood back of a very great variety of undertakings. A little later I will enumerate a large number of these activities. I imagine that on the other side of the House you are not anxious to take

much time. You are merely desirous of seeing these bills pass with as little criticism as possible. It is probably not a matter of affection you have for many of these activities competing with private business. If your wife sees you off on the train it may not be from affection—she may merely wish to be sure you are out of the way. I am sure that many of these activities are not pleasing to real Democrats, but you are now saddled with them and do not dare to shake them off.

The Export-Import Bank, about which there has been so much comment in the newspapers recently, is a dangerous weapon to put in the hands of a President; who already has in his hands so many dangerous weapons, the possible use of which might bring us into economic war with other nations, possibly with dire results. I remind you of his power of devaluation of gold and silver and the power even to use the printing press.

Mr. SABATH. Mr. Speaker, will the gentleman yield so that I may give him the information that the Export-Import Bank is dealt with in a bill that is not before the House?

Mr. GIFFORD. It will be, just a little later.

Mr. SABATH. And on that bill the committee will have 3 hours of general debate.

Mr. GIFFORD. I may not be able to get further time, so I wish to comment on that bill now and refer to other instrumentalities just to arouse your interest. For instance, Mr. Jones stated that the local private banks would rather lend at 1 percent to the Electric Home and Farm Authority than take 9 percent from the purchasers. This is highly significant. Private banks now look only for safety and absolute security, relying on the Government's guaranty back of all of these subsidized experiments. It is time that these dangerous economic weapons were taken away from the Great Spender. He has not proved to be the "Great Emancipator" of our economic troubles.

Conditions have not greatly improved. The index of the New York Times yesterday shows business going straight down again, and this despite the protest that times are getting better. However, we believe in the Honorable Jesse Jones, and no manner of man could have been selected to have guided the R. F. C. as well as he has done. We have no criticism of him. The criticism is that this administration has given him so many questionable schemes to administer. He himself has tried to protect his R. F. C. from the staggering grants and losses caused by the Commodity Credit Corporation, the W. P. A., the P. W. A., and the capital which he was forced to furnish for many other corporate devices. When he came before us a year ago and requested that we mark off about two and a half billion dollars worth of these grants and losses, on which he was paying interest to the Treasury, which was calling them assets, we were pleased to order the Treasury to cancel his notes. He will always answer truthfully if we are able to present the question properly to him. But there are too many activities concerning which we are sadly uninformed. The gentleman from California [Mr. THOMAS F. FORD] smiles. He seems to know all about these things, but half of the membership of the Banking and Currency Committee are new members, and there are many new Members of the House who may wish to obtain full and accurate information about many of these recent experimentations of the Government. Seemingly, all business is affected in some phase or other by this Government competition.

[Here the gavel fell.]

Mr. SABATH and Mr. RANDOLPH rose.

The SPEAKER. Does the gentleman from Illinois yield to the gentleman from West Virginia?

Mr. SABATH. I yield.

EXTENSION OF REMARKS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include in the Appendix an address delivered by myself this morning at the National Aviation Forum.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter I received from a Mr. Scullen with reference to the freight-rate situation, together with a copy of my reply.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONTINUATION OF RECONSTRUCTION FINANCE CORPORATION

Mr. SABATH. Mr. Speaker, I am not going to answer the gentleman from Massachusetts and his usual tirade, except to correct him. I believe that after a thorough investigation of the items in the New York Times and in other trade journals he will find steel and other businesses on the incline and improving. Commercial and industrial activity has surpassed the level of 1937 and is far in excess of the mark set in 1929.

As to the gentleman from Michigan [Mr. WOLCOTT], I very much regret to have to refer to his remarks concerning the administration's responsibility for the recession in 1937 and 1938. Would the gentleman have carefully read and studied conditions, he would most certainly be obliged to concur that the recession was not due to any acts of President Roosevelt, but to the management of big business and industrialists under the leadership of republicanism. In their attempt to block the wage and hour bill they started their crusade by ceasing operations. They dismissed thousands of employees and created a critical condition of unemployment for the purpose of scaring Congress and the President in their efforts to proceed with the wage and hour bill.

With reference to the remarks of the gentleman from New York [Mr. FISH], the older Members of the House remember and the younger ones should know of the organized attempt by big business to repeal and amend the capital-gains and surplus taxes. Special attention should be given, and I again emphasize the general Nation-wide campaign by a strategically organized lobby for passage of amendments to the capital-gains and surplus taxes. The "big boys" never like to pay taxes and are always scheming how best to unload them on those less able to pay.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. Yes.

Mr. AUGUST H. ANDRESEN. Does the gentleman recollect that in March 1937 the President made a speech in which he said that the price level of commodities was too high, and that from that day on we started to have the so-called Roosevelt recession?

Mr. SABATH. I correct the gentleman again. From March on and until September 1937, more people were employed and the country was in as prosperous condition as ever. However, in the month of October 1937 the conspiracy was hatched—operations ceased, plants closed, and then the recession set in.

Mr. AUGUST H. ANDRESEN rose.

Mr. SABATH. I cannot yield now. The gentleman from New York [Mr. FISH] apparently gives much credit to the Republican President, Mr. Hoover, for the R. F. C. Again, he is mistaken, and I am indeed surprised that he should make such statements. Unfortunately, he does make many statements that are not based on facts, and I regret that I am obliged to set him right. The first Reconstruction Finance Corporation bill was introduced by me in 1931, and the chairman of the Banking and Currency Committee, sitting right here knows that to be a fact.

Many of you have received a telegram from President Hoover setting forth a proposal in connection with the legislation which was then being formulated. To enlighten the new Members and to remind some of the older Members with short memories, especially the gentleman from New York [Mr. FISH], I insert the telegram received by me from President Hoover:

THE WHITE HOUSE,
Washington, D. C., June 23, 1931.

HON. ADOLPH J. SABATH,
Chicago, Ill.:

You no doubt have seen my statement in Sunday's press of the proposal of the American Government in respect to postponement

for 1 year of all intergovernmental debts. Inasmuch as the proposal is, of course, contingent upon action by Congress, and as the matter is one of national interest having no partisan character in that light, I consulted before action the Senators and Representatives of both parties present in Washington and as many as possible who were accessible in the country. This list of generous support from Members was shown in the public statement referred to above. I regret that difficulties of communication rendered it impossible to contact with all Members of the Senate and House. I do not wish to press any Member for reply as to his views if he prefers not to give them at this time, yet if you are favorable to the proposal in the first paragraph of the statement above mentioned, it would undoubtedly aid in the negotiation now in progress if you could inform me thereof.

HERBERT HOOVER.

In reply to this message I sent President Hoover the following telegram:

JUNE 23, 1931.

His Excellency HERBERT HOOVER,

President of the United States, Washington, D. C.:

I am satisfied that your proposal will be helpful and beneficial, and I will gladly support it, but I still feel that immediate steps should be taken to relieve conditions in our own country, as they are much more alarming than you may be aware of or the press dares to publish.

A. J. SABATH, M. C.

From that time on I pleaded with President Hoover to save the country from complete collapse, and I proposed and introduced on December 9, 1931, a bill—H. R. 5116—to create a National Relief Finance Corporation and urged hearings thereon. However, the committee, in its desire to obtain approval from President Hoover, merged my strong bill with that of Representative Strong and gave it a title which bore the words "Reconstruction Finance Corporation." I did not designate by bill as a "reconstruction" bill, as I did not desire to leave the implication that the Republican administration had destroyed and that the Democratic House was going to reconstruct. Of course, the gentleman from New York [Mr. FISH] may recollect my efforts since December 1929 to suspend activity on the stock exchange and to prohibit short selling. Stock manipulations were made, fearing that if no action were taken by the Government that it would affect—yes; that it would destroy—not only the banks but the insurance companies as well and bring about a panic. Unfortunately, due to their failure to act, the Hoover administration and the Republican Party did engulf the Nation.

I do not wish to encumber the RECORD, but I refer the gentleman to H. R. 5116 and other bills of the Seventy-first and Seventy-second Congresses which I introduced on the subject, and particularly to my speech of January 15, 1932, which will refresh his memory and be informative to the new Members.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I cannot yield now. The chairman of the Banking and Currency Committee knows how I endeavored untiringly to obtain a hearing on the bill in 1931, and knows further that its consideration and passage was delayed by Republican members of the committee upon the advice of President Hoover and his advisers. They believed it would be politically wise to postpone action until shortly prior to the Republican convention in 1932, so that the ensuing benefits from that legislation could be utilized in the 1932 fall campaign. The gentleman from New York [Mr. FISH] should also remember that, when the bill did pass the House, President Hoover, for the purpose of further delay, vetoed it. In his veto message he recommended that the provision tending to be beneficial and to aid commerce be eliminated, and that the provision granting loans to municipalities and States be made only upon self-liquidating projects. Consequently, we were obliged to pass a bill from which the beneficial provisions had been eliminated and which restricted loans to municipalities and States only on self-liquidating projects. Had even this legislation been enacted in 1930 or 1931, as I had advocated, I am satisfied that the crash, if not prevented, would have been greatly minimized.

In my effort to create confidence in the institution, I provided in my bill for the appointment of four outstanding men, namely, former President Coolidge; and, if I am not mistaken, the defeated candidate for President, Alfred E. Smith; the former chairman of the War Finance Board, Mr.

McAdoo; and Mr. Stevens—two Democrats and two Republicans. Unfortunately, the provision naming these gentlemen as directors, proposed on the floor as an amendment, was defeated on the pretense that it was unconstitutional to specifically name gentlemen in the bill. I assure the gentleman from New York [Mr. FISH] I was not playing politics as he was in those alarming days. I saw the storm brewing with great force and was trying to save the situation as much as possible, and what I feared came to pass in 1932 and 1933. I feel that the gentleman from New York owes it to himself and to the country to correct his statements and not to claim credit where credit is not due.

It should also be recalled that Mr. Ogden Mills, Assistant Secretary of the Treasury, opposed the billion-dollar capitalization of the Reconstruction Finance Corporation and the four billion reserve and suggested a \$250,000,000 capitalization as being sufficient to restore confidence. This statement is merely to clear the record.

Mr. HOFFMAN. Mr. Speaker, will not the gentleman please yield?

Mr. SABATH. As soon as I get through explaining to my friend Mr. FISH. Confidence was restored only after Mr. Roosevelt was elected, and the Democratic Party in Congress began to function. I suggest to the gentleman from New York that he familiarize himself with the record and with the proceedings of the committee. As I stated before, the first Reconstruction Finance Corporation bill was vetoed by Mr. Hoover, who insisted that loans should be made only to self-liquidating projects. In the last hours of the Congress, however, in the desire to pass some legislation, we agreed to the suggested amendment, which, nevertheless, precluded the making of loans to business as was originally contemplated. Therefore, only those who derived any benefit under the first act were the railroads, the banks, and the insurance companies. Yes; the banks, but not all of them. The small bankers were forgotten. Only the more powerful ones were able to obtain money, including my fellow townsman, former Vice President Dawes. He obtained \$95,000,000 only a few days before resigning as the Chairman of the R. F. C. The small banks were permitted to be closed. In my own city in June 1932, during the Republican Convention, notwithstanding my appeals, 42 of the outlying banks were closed. All of them could have been saved from closing with great losses to the thousands of their depositors with only one-third of the amount of money which was loaned to Vice President Dawes' bank.

However, under Mr. Hoover's administration there was no sympathy or desire to help the smaller man or the smaller bank. Unfortunately, we still have about \$40,000,000 coming from Mr. Dawes, who unloaded his responsibility onto others.

Mr. Speaker, though my memory is not as good as in years gone by, yet time has not so long passed that I cannot vividly recollect those trying days and my humble efforts to impress President Hoover and others then in power of the seriousness of conditions. When I recall that those who were then employed worked only 2 or 3 days a week at a salary or wage far below that needed on which to exist I dislike to think of those unfortunate conditions, but I am happy, though we still have unemployment, that today we have employed from eight to nine million of the wage earners who were in such dire want.

If it had not been for the Republican conspiracy, today nearly everyone capable of working would have been at work. Conditions are improving. They will improve if you gentlemen will not harass and try to embarrass the administration, but will try to cooperate as I believe you should and is your duty. You will see that we will again enjoy that prosperity to which the American people and our Nation is entitled.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In view of the fact that a magazine carried the statement that a poll of the correspondents who report our debates, designated the gentleman who is speaking as well as myself, as one of the least useful Members of the House, does not the gentleman think he is wasting his time this morning?

Mr. SABATH. Mr. Speaker, in the past few weeks I have seen many articles criticizing and condemning writers who recklessly and unjustly have assailed many men in public life in their good names and records. However, the statement of Miss Dorothy Thompson, appearing in this morning's Washington Post, is perhaps more direct and seems to express the views of many of the fair and to-the-point writers. It is entitled to some thought on the part of those who are guilty. I should like to include her entire article, but take the liberty to insert two excerpts, as follows:

SLANDERING PRESS IS ON WAY OUT

When free speech and a free press allow themselves to license to slander, libel, malign, distort, and vilify, they are on the way out.

There also is no possibility in journalism of avoiding misjudgments and even misstatements of purported fact, for the most conscientious are fallible. But it ought to be possible to frame a code whereby slander is earnestly discouraged.

Personally, I have paid no attention to the ridiculous article referring to the gentlemen from New York, Michigan, and myself, because before it came to my attention I was informed by a gentleman in the press gallery that when the article came to their notice the members were questioned and replied that the article was untrue and that no poll had been taken.

While the gentlemen from New York and Michigan differ with me politically, I cannot advise them what to do, but would suggest that they ignore such printed untruths and falsehoods.

However, there are some polls taken that are correct. For instance, one that I saw in today's papers, showing the popularity of President Roosevelt is greater today than ever before. The percentage is 58 as against 54 only a few months ago. [Applause.]

May I suggest to the new Republican Members that the sooner they realize their responsibility to the people at home to vote for progressive legislation, as they have promised, and which made their election possible, the better it will be for them and for the country. President Roosevelt is still as popular as ever. He will continue in the love and affection of the American people, and you might as well know right now that it will be to your advantage to stand by him and cooperate to help advance the conditions of all the people of America. [Applause.]

In conclusion, as referred to above, I hereby insert remarks made by me on this floor on January 15, 1932:

RECONSTRUCTION FINANCE CORPORATION

(Speech of Hon. ADOLPH J. SABATH, of Illinois, in the House of Representatives, Friday, January 15, 1932)

The House in Committee of the Whole House on the state of the Union had under consideration the bill H. R. 7360, the Reconstruction Finance Corporation bill.

Mr. SABATH. Mr. Chairman, due to the unrestrained and unrestricted frenzied financing on the part of our international bankers; due to the greed of big business and investment bankers who are responsible for overcapitalization, overextension, and overproduction; due to the criminal stock inflation and manipulation, this greatest and richest of countries, possessing more gold, wheat, and foodstuffs than it knows what to do with, is now enduring the hardest times in its history.

The Republican Party not only permitted, but sanctioned, approved, and even aided in this debauchery, in this orgy of high financing and manipulation. It aided in draining the legitimate business; yes, 95 percent of the population of its available cash. And when in 1929 I appealed to the President and you Republicans to stop the destruction, the President and you were deaf to my appeals and warnings. I was told that I must not interfere with business. And big business was not interfered with.

Yes; the efficient big-business propaganda worked overtime serving notice on Congress not to interfere. Big business had its full sway, and what are the results? Two thousand three hundred bank failures in the United States in the year of 1931 alone—this notwithstanding that not a single bank closed in Canada—and those banks still open in great distress; railroads, insurance companies, States, and municipalities unable to meet their pay rolls and obligations; plants, factories, shops, and merchandise establishments closed; one-half of the apartment buildings, homes, and farms in the hands of bond committees and receivers and being sold for taxes; 8,000,000 people unemployed and pleading for work; over 20,000,000 people obliged to live and actually existing on charity. These are the accomplishments of Hoover's administration, and these are the achievements of our great financiers and industrial leaders who for years resented congressional interference. But now, when these great pillars of society realize that they themselves are in danger of being engulfed in the catastrophe which they brought about, they turn in desperation to the Congress which they despised.

Their predominant thought is, "To hell with the suffering masses; save us first, and do it quickly." That is the reason for this haste.

Mr. Chairman, ladies, and gentlemen, for over 2 years, I and untold thousands of thinking men of this Nation, scenting the fast-approaching crisis, appealed to President Hoover and the Republicans in control of Congress for some relief legislation, but we were ignored. Therefore, I am disgusted listening now to some of you and to your President for speedy action on this bill, when you and the very greedy interests that you represent insisted last session that Congress adjourn so as not to interfere with the round-the-corner approaching prosperity.

Gentlemen, do you not know that the same interests that have brought about and are responsible for the existing conditions have cunningly and cleverly endeavored to place the blame upon Congress for their misdeeds, and that they now clamor for haste so that Congress may swallow this big banker and railroad reconstruction bill? I designated my bill the national relief finance corporation and drafted it to comply with the title. However, the title you gave it, reconstruction, is proper, and is a candid admission that you have destroyed and at this late date are using us to rebuild what you have wrecked.

Mr. Chairman, in the hope of reestablishing confidence, saving the banks from closing their doors, and preventing the pauperizing of millions of depositors and widespread unemployment, I have for over a year advocated and demanded the restriction of short selling, particularly that called "bear raiding." I have advocated with all the force that I possess the establishment of a \$5,000,000,000 national relief finance corporation, which would aid not only banks, industries, and municipalities, but also the farmers and the wage earners of this Nation. And ever since December 1930 I have argued with, implored, yes, pleaded with, the President and the Governor of the Federal Reserve Board to accept for rediscount finance corporation securities and to sanction legislation to make possible the rediscounting of municipal short-term securities, as well as to make loans or to purchase for investment purposes mortgages on homes; but the President and the Federal Reserve Board have ignored my recommendations, advice, and pleas, and have refused to take notice of the distressing conditions and the appeals of small banks and bank depositors and the petitions of millions who demand work rather than charity or dole.

In the last session of Congress, Mr. Chairman, ladies, and gentlemen, I made repeated efforts to secure such legislation, but, again, no consideration was given to my urgent appeals. Therefore, shortly after the adjournment of Congress last March, when bank failures, unemployment, and want and misery still continued to increase, I again addressed urgent appeals to the President, and was instrumental in causing thousands of businessmen to petition him to call a special session of Congress for the purpose of enacting legislation which I had recommended, or any other legislation which would relieve the distressing conditions. Yet, Mr. Chairman, all that the President saw fit to do was to issue new assurances of the coming business revival, and notwithstanding that during the entire summer months the press and the businessmen of the Nation implored him for some action, he remained indifferent and devoted himself to international-banker and stock exchange-financier conferences.

And when I read that the President had at last called a White House conference, I hoped that some constructive program would be agreed upon. But my hope was short-lived, for on the following day I secured the names of the men with whom he had conferred and immediately concluded that no possible good could accrue to the Nation from that conference. The press reports disclosed the fact that the present Speaker of this House, Hon. JOHN N. GARNER, then the Democratic leader of the House, was leaving Texas by airplane to comply with the President's request for a conference, and though I have confidence in our Speaker, yet I felt it my duty to forewarn him, and I sent him the following telegram:

CHICAGO, ILL., October 6, 1931.

HON. JOHN N. GARNER,

Washington, D. C.:

I read in today's papers that after a secret conference with the Wall Street bankers the President is calling a conference of some Democrats for the purpose of binding them to the Wall Street formulated program. As you know, the Federal Reserve Board, under the domineering influence of Wall Street, has miserably failed and was in a great measure responsible for the complete demoralization of our industries and banking institutions. I therefore suggest that you do not bind the liberal and progressive Democrats to any Wall Street formulated program.

Demand that a special session of Congress be immediately called for the purpose of relieving conditions and to reestablish confidence. People have lost faith in President Hoover and his administration and are clamoring for action to save millions of people out of employment and out of food. Will demand the establishment of a \$5,000,000,000 prosperity finance corporation to be managed by financiers uncontrolled by Wall Street destructive forces. Will also demand increase in large income and inheritance taxes and immediate liberalization of the Volstead Act.

ADOLPH J. SABATH.

And received the following answer:

WASHINGTON, D. C., October 6, 1931.

HON. A. J. SABATH,

Chicago, Ill.:

Telegram received. Greatly appreciate your clear-cut analysis of situation. Have no intention of binding myself nor of attempting to bind Democratic Members of House. Concur fully in your view that situation justifies calling special session.

JNO. N. GARNER.

Mr. Chairman, on the succeeding day my conclusions were confirmed, for the press devoted much space to the plan evolved by these financiers.

As soon as the details of the conference were made known, the press seriously questioned the benefits that might be derived from this \$500,000,000 private bankers' pool and charged that the international bankers consented to the formation of such a pool on the condition that President Hoover would agree to the European moratorium and, above all, charged that it was a plan to relieve the railroads and the financial institutions that owned a large amount of these securities. Mr. Chairman, being asked for my view of this Wall Street-White House plan, I issued the following statement:

"The publicity given to the recent Hooverian proposal with regard to the creation of a private bankers' pool has tended to encircle the plan in the minds of the people with a halo it does not rightfully deserve. For the entire plan has been exposed by the press as a rather naive scheme to relieve the large holders of railroad securities.

"I doubt very seriously whether this scheme—evolved by Wall Street financiers primarily for their benefit—will ever materialize. But whether it materializes or not, I will persist in my demands for the creation of a Federal agency to deal with the serious situation practically and efficiently. I have often suggested that there be created a Federal finance corporation, capitalized for \$1,000,000,000, with the power to issue bonds to the extent of five times its capital structure. Such an institution would not be difficult to create, if the oversubscription of the Federal bond issues be a criterion.

"Unlike the Wall Street-Hooverian pool, my proposal would not strain to a greater extent the banks of the country, nor would it cost the Government anything; in fact, it would probably result in a profit. A Federal institution of this kind would bring liquid money into every business, emancipate banking from its troubles, and particularly bring aid to the small bank, where it is most needed. I am satisfied that this plan, coupled with a broader rediscount power on the part of the Federal Reserve Board, would relieve not only the banks and make for a clearer perspective but would be a positive blessing to all of the insurance companies and municipalities and to the business of the Nation in general.

"It is because of these and other reasons that I have appealed to the President to call a special session of Congress. My appeals, however, go unheeded. What possible excuse can there be for the President's refusal to call a special session? Conditions require it. If it be politics, then something should be done so that political differences do not retard the Nation's attainment of happiness and prosperity. If it be collusion between the party in power and Wall Street—and it is more than idle rumor which states that the Hooverian pool is a reciprocation for the extension of the moratorium and the cancellation of the European war debts—then it is a candid admission by the administration that it is solely concerned with giving aid to foreign nations and is indifferent to the best interests and welfare of our country.

"Therefore, instead of groping around like the administration and accomplished nothing, the Nation's only salvation at this trying crisis is to call immediately a special session of Congress.

"A. J. SABATH."

Four months have elapsed since the country was assured that this \$500,000,000 private bankers' pool was pregnant with possibilities. Therefore, am I not justified in asking the President or you Republican prosperity makers what became of it and where it was lost? Did it die a prenatal death, or was it only Wall Street "hot air" combustion, or, perchance, just plain Republican buncombe?

In view of all of these delays and empty promises, I cannot help become suspicious of the suddenly acquired haste which the President now displays by his messages to Congress, and I cannot help resent the attitude of his spokesmen on the floor of the House for criticizing our efforts to safeguard properly the provisions of this tremendously important bill.

The outcries from some of you Republicans for a vote will not fool anyone, for the simple reason that the people must, and do, realize that if we had a Roosevelt or a Wilson in the White House this or other relief legislation, properly safeguarded so that direct benefits would accrue to many instead of a few, would have been enacted long ago. Mr. Chairman, I will vote for the bill, but only because it is patterned after the bill I have advocated for 2 years, and though its provisions are not as liberal as those in mine, I hope it will in a measure relieve the existing conditions. However, I never dreamed that Republican ingenuity would be so great as to succeed in eliminating nearly every safeguard which my bill provided.

The bill that I introduced on the first day of this session provided for a capital of \$1,000,000,000 and the power to issue bonds to the extent of five times the capital. This would have made it possible to utilize \$5,000,000,000 for the purpose of relieving the distress current throughout the country, and not, as you maintain, for the purpose of reestablishing confidence. Confidence, I agree, is important, but even more important are those provisions which will make for confidence. If, as you say, the creation of a corporation with a capital of \$500,000,000 and resources of \$2,000,000,000 will result in confidence, therefore it is logical to believe that a corporation with a capital of \$1,000,000,000 and resources of \$5,000,000,000 will be bound to be doubly effective in creating confidence. But in the last analysis what is needed is the ready cash and the liberal credits; these will turn the tide.

But I fear that under this bill, which should be designated a big banker, railroad, and agriculture relief bill, the small banks, the small-business men, and the small industries will secure only in-

direct benefits, if any, and the municipalities, which are in dire need the country over because of Republican misrule, are foreclosed from receiving any aid whatever. And this, to my way of thinking, is the most important omission and fault of the bill.

Mr. Chairman, the need to aid our municipalities is great, and relief given to them would have a more beneficial effect than any loans made to New York banks or to their railroads. Several of our large cities are in danger unless immediate relief is given to them, for they find it impossible to borrow money to pay employees, including policemen, firemen, and teachers. I reiterate, the conditions in our municipalities are alarming. In the city of Chicago we find ourselves, due to Republican misrule, 2 years behind in collecting our taxes and unable to borrow funds to operate. What is true of Chicago is true also of most of the large municipalities—New York, Boston, Philadelphia, Cleveland, Detroit—but it is not necessary to go further. The municipalities constitute an important part in the functioning of this Nation, and it should be recognized that aid given to them will enable them to start needed but delayed improvements which can result in work for thousands of unemployed, thereby making it unnecessary for the unemployed to be objects of charity or to accept doles.

Mr. Chairman, ladies, and gentlemen, without trying in any way to mitigate the hard lot of the farmers, I want to say that this great economic upheaval has not been called an "industrial depression" for nothing. It is an "industrial depression," and being that, it has affected the cities particularly, because they are the seats of industry. The 8,000,000 or more unemployed people in the United States are the unemployed of industry, and, consequently, of the cities. I repeat, the lot of the farmer is distressing, but at least he has a roof over his head and enough to eat, and to that extent he is not in as serious a plight as the city dweller.

I appreciate the assurances which many of you have given me to vote for my amendment to secure relief for the municipalities; but, unfortunately, due to the ruling of the Chairman, this is impossible. Therefore, I will introduce a bill to that effect and will endeavor to secure favorable action from the committee, so that I can obtain a vote on it in the House; and if I succeed, I hope that you will demonstrate by your votes that you do believe in reciprocity and do recognize the fact that the unemployed people of the cities, unable to secure food, grow as hungry as those on farms. Remember, I ask for no appropriation, only a loan which will be repaid with interest within 1 year. That is all I ask for, gentlemen.

Mr. Chairman, ladies and gentlemen, before I conclude, permit me to make this observation and suggestion: Having lost confidence in our banking institutions, many people have withdrawn their savings, which is to be deplored, inasmuch as this retards the resumption of business and employment. But had the President acted in time, Nation-wide committees to unloosen hoarded money would have been unnecessary. Like Nero, who fiddled while Rome burned, the President "fiddled around" while this economic and social destruction was being wrought. I doubt whether there is \$1,400,000,000 of hoarded money, unless it be in the coffers of the extremely rich, and he should realize that we cannot unloosen it from them by an appeal or a law. But I will suggest what could and should be done without delay to put more money into circulation.

We have today in the Treasury over four and a half billion dollars' worth of gold; therefore instead of selling bonds and increasing taxes to obtain sufficient revenue to meet the deficit, why not issue the amount of currency against the gold reserve in the vaults of the Government that is permitted under the law? Is there anyone who will deny that the issuance and the putting into circulation of approximately \$5,000,000,000 in currency would not relieve immediately the terrible conditions?

Oh, I realize that the propagandists of financiers, big business, and big hoarders of money will immediately create alarm by saying that this is inflation. But the Lord only knows that the deflation has gone far enough, and if ever there was a need for some inflation, this is the time.

Why should people be obliged to repay their obligations with a dollar that has two or three times its 1929 value? As I have stated several times, Mr. President, if you had acted on my recommendations 2 years ago, yes even a year ago, there would have been no need for your extraordinary appeal to unloosen hoarded money, and if you will act on my suggestions in this respect, the country can be saved from complete ruin and demoralization. But I doubt that you will, and this notwithstanding that during your campaign and after your election you encouraged and urged the people to invest their savings in inflated stocks and bonds.

You sanctioned—yes, it is charged, aided in—the unloading on the small banks and people of over \$8,000,000,000 worth of foreign bonds that are now worth less than 50 cents on the dollar. Against my protests, you have permitted the avaricious Wall Street racketeers, the "bears" and short sellers, to hammer down the prices of the securities which you advised the people to buy to a small fraction of their real value.

You have remained mute to all appeals and warnings. Your last play to unloosen hoarded money is another gesture; you know—and if you do not know, you should know—where the money of the country is; it is in the coffers of the international bankers and stock manipulators.

You have frequently assured the country that you are opposed to wage reductions, but your indifference, your refusal to call Congress to pass needed relief legislation, has brought about reductions in wages, salaries, and earnings of all breadwinners. Is it possible that your deliberate inaction was due to a plan, as it is often charged, to force wage reductions for those still employed?

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4012) to continue the functions of the Reconstruction Finance Corporation, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4012) to continue the functions of the Reconstruction Finance Corporation, and for other purposes, with Mr. CELLER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Alabama is recognized for 30 minutes and the gentleman from Michigan is recognized for 30 minutes.

Mr. STEAGALL. Mr. Chairman, I think my friends on the minority side of the aisle will acquit me of the habit of indulging in partisan discussions on the floor of the House. As a rule, I avoid that kind of discussion when important measures are under consideration. But I want to depart from that custom today, in order that I may briefly bring the record down to date and keep it in harmony with the facts.

Reference has been made to the Reconstruction Finance Corporation Act as a partisan measure. That bill was first passed in this House in January 1932. The bill was sponsored by the present chairman of the Committee on Banking and Currency, now addressing you. Mr. GARNER was Speaker of the House and Mr. Hoover was President of the United States. We were approaching the end of 12 years of rule under the party represented by the Hoover administration at that time. There had been, during that period, 10,000 bank failures in the United States. We had witnessed a sweeping decline in our trade and commerce, both foreign and domestic. Agriculture was paralyzed. Bankruptcies in every type of business extended throughout the land. The people were suffering from Nation-wide mortgage foreclosures upon farms and urban homes. Confidence was completely destroyed. Bank runs were the order of the day, and many solvent institutions were closing frequently as a result of the lack of confidence on the part of the public.

Some of us, and I speak authoritatively, had for years proposed and urged the passage of legislation to restore confidence in banks by insuring bank deposits, and to put an end to the suffering and distress experienced by the people of the country as the result of bank failures. It is not unfair to say that the occupant of the White House at that time was sought out by the chairman of the Committee on Banking and Currency of the House, and other Members, and urged to cooperate in passing legislation to insure bank deposits and restore confidence. We were unable to secure his approval or his cooperation. But this House in 1932 passed a bill insuring bank deposits, along with another measure providing for the liberalization of the policies of the Treasury, and the Federal Reserve System, with a view to raising commodity prices and preventing the further spread of insolvency extending over the Nation.

The Senate of the United States was under the control of the opposing political party, and both of those measures failed of consideration in the Senate. We were told over and over by those in high places, by leading men in the financial world, and those high in official circles that the collapse of community banking institutions throughout the United States

was a wholesome development that should be welcomed. That was the answer to those of us who were fighting to arrest the downward trend that had become the source of serious alarm to all in positions of responsibility and to thoughtful citizens everywhere.

On Friday morning, after the Christmas recess of the Congress had been arranged to begin on Saturday night following, the President summoned to the White House the Speaker of the House, the majority leader, Mr. Rainey, the chairman of the Committee on Banking and Currency of the House, and other Government officials for a conference at breakfast.

At that conference the President suggested the passage of the Reconstruction Finance Corporation Act. Let me relate the difficulties that were outlined to us around the breakfast table that morning. I cannot go into full details but we were told that 800 banks in the New York Federal Reserve district—not Dallas, Tex., not Atlanta, Ga., not Kansas City—but 800 banks in the New York district with a capital and surplus of \$600,000,000 were impaired in the amount of \$475,000,000. We were told that we faced a spread of bankruptcies and failures that would involve not only the banks of the Nation, but the railroads and the insurance companies in which the hard earnings of citizens had been placed through the years for the protection of their families. Those were the conditions confronting us; such was the picture presented that morning; and it was presented again that afternoon in a conference with certain Members of the Senate attended by leading bankers and businessmen from New York, and officials of the administration. At that time we were urged to call off the Christmas recess to consider such legislation. The suggestion was abandoned, however, and the legislation was taken up when we came back in January.

The bill that was introduced by the administration provided for the establishment of the Reconstruction Finance Corporation. Under the administration bill offered the only institutions to be made eligible for relief by the Reconstruction Finance Corporation were the banks, the railroads, and the insurance companies of the United States. The gentleman from Massachusetts [Mr. LUCE], who labored ably and constructively in the passage of that legislation knows that I am stating its history correctly.

A subcommittee of the Committee on Banking and Currency was appointed to rewrite the bill, and the subcommittee for the first time brought within the benefits of the legislation the plan for direct relief to depositors who had suffered as the result of the bank failures, and the first provision for benefits to agriculture under that legislation. Those of you who will get the original bill will find that I am stating the facts.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Let me continue, please.

I wrote with my own hand an amendment to the bill which provided for loans for the relief of depositors in the 10,000 banks throughout the United States that had collapsed during the years 1920-31. That provision was fought by the administration and Treasury and Federal Reserve officials. I will not go further into detail unless I am called on to do so. The amendment was incorporated in the bill passed by the House. It was not included in the Senate bill but was agreed to in conference. I was followed into the conference committee in the Senate Office Building by those high in the administration at that time and urged to drop that provision from the bill. Not only that, we put in that bill the first provision for loans to agriculture and agricultural marketing associations, for the benefit of the farmers of the United States. Later under a change of administration the policy to which I have referred was extended by further legislation. Under legislation, for relief of depositors in closed banks, more than \$1,000,000,000 was lent throughout the United States for the relief of people in communities where banking institutions had gone down in wreck and ruin.

Since that time other measures not necessary to enumerate here, have been adopted, amending and extending the benefits of the Reconstruction Finance Corporation Act. Before Mr. GARNER left the Speaker's office he spon-

sored a bill on this floor that passed the House under which the benefits of the Reconstruction Finance Corporation funds supplied from the people's Treasury, were to be used for the benefit of all classes of business, large and small, in the United States. That bill failed of passage in the Senate, that body being at that time under the control of the opposing political party.

I was glad to cooperate with President Hoover. I sympathized with him. No man on this side can say that I ever allowed politics or any consideration of a partisan nature to interfere with my efforts to assist him—and the same is true of the other members of the Committee on Banking and Currency of this House. Mr. Chairman, I thought it was proper for the sake of the RECORD to refer to the history of this legislation. If this were the time and the occasion I should like to proceed further in tracing what has been done since then for the protection of citizens who trust their funds in the banks of the land; and to make the benefits of the Reconstruction Finance Corporation available to every business enterprise in the United States in the effort to enable business and industry, big and little, resume normal operations.

Mr. Chairman, we still have our difficulties. All has not been accomplished that we should like to see, but it is only fair for the truth of history to state these facts in justice to the membership of this House and to the present occupant of the White House whose leadership made these accomplishments possible, and which were impossible before he took office in 1933. [Applause.]

I now wish to refer briefly to this bill under consideration.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to my colleague, and am glad to do so.

Mr. CRAWFORD. I should like to ask the chairman of the committee—and this by reason of his intimate knowledge of the whole picture—whether in his opinion the failure of banks during the 10-year period from 1920 to 1930 was largely due to the fact that they had loans that could not be liquidated quickly or because the loans were unsound? Would the gentleman give us his opinion on that?

Mr. STEAGALL. I think a large part of unsound loans were held by the big banks that did not fail. When the fire spread from the back alley to the front street and involved those high in the banking world who had sneeringly answered our insistence that something should be done to save the community banks of the country, they came here and demanded that we open the Treasury of the United States for their protection; and under conditions that existed at that time we were afraid not to do it.

Mr. CRAWFORD. Does the gentleman feel that those banks which are now making loans on an amortized basis are pursuing a much sounder policy from the standpoint of

soundness and liquidity than did the banks in prior decades which made loans that were annually amortized?

Mr. STEAGALL. That involves a discussion of banking details. I think it is a fortunate development that we have come to stress the matter of soundness of loans rather than mere liquidity. As will be remembered, some of us labored industriously to liberalize the test for loans, and permitting loans made upon a basis of soundness to be accepted by Federal Reserve banks for accommodation to banks needing funds. We have accomplished some progress in this regard; officials of community banks were told by those in high places in the banking world, and in the official circles as well, that they should cease making loans to the people of their communities, to whom they had been accustomed to make loans, the soundness of which had been demonstrated by experience, but that they should seek investments elsewhere in what they were told were liquid securities. The country was flooded with billions of dollars of such securities, which later proved worthless. It was under that kind of leadership more than anything else that the smaller community banks of the country got into trouble. They were urged to cease making loans on character. They were told to standardize and automatize their loaning methods instead of continuing to do business in the light of their experience and in light of their knowledge of the character, the history, and the background of the people of their communities with whom they did business.

Mr. Chairman, I want to discuss the bill before us and I shall not yield further. The bill we are now considering provides for the extension of general activities of the Reconstruction Finance Corporation until January 15, 1941. The Senate has passed a similar bill, making the expiration date June 30, 1941—the end of the fiscal year—which many of us believe is an improvement.

An amendment will be offered to conform to the Senate provision.

The Reconstruction Finance Corporation was approved January 22, 1932. The measure provided a capital fund of \$500,000,000 for the Corporation and authorized the expansion of capital to three times the original amount, making the resources of the Corporation \$2,000,000,000. By a later enactment the resources of the Corporation were increased to \$3,800,000,000. Later the resources of the Corporation were reduced to \$3,400,000,000. The resources of the Corporation were again increased to \$4,250,000,000. Measures were passed from time to time authorizing the Corporation to expand its capital for the purpose of supplying funds for different relief agencies and activities of the Government, the operations of which were conducted outside of the Reconstruction Finance Corporation and not as a part of the regular activities of the Corporation. I attach hereto a summary of the activities of the Corporation.

Summary of activities of Reconstruction Finance Corporation from Feb. 2, 1932, through Feb. 1, 1939

	Authorizations	Cancellations	Disbursements	Repayments and other credits ¹	Balance outstanding
For benefit of agriculture.....	\$2,584,639,140	\$982,459,540	\$1,446,284,760	\$1,414,958,458	\$31,326,302
To open banks to meet demands of depositors.....	1,334,744,454	196,378,317	1,138,217,337	1,060,626,324	77,591,013
For distribution to depositors in closed banks.....	1,331,814,759	327,511,981	983,701,788	920,580,062	63,121,726
For bank capital (including Export-Import Banks).....	1,349,234,714	169,593,552	1,146,590,662	562,558,630	584,032,032
For self-liquidating projects (including P. W. A. municipal securities).....	954,058,325	44,719,243	741,744,404	457,826,219	283,918,185
To business enterprises.....	390,816,097	86,027,903	160,595,495	49,697,449	110,998,046
To drainage, levee, and irrigation districts.....	142,845,995	20,480,759	85,600,433	3,204,792	82,395,641
To railroads (including receivers and trustees).....	1,248,348,590	307,561,724	826,773,161	346,509,316	480,263,845
For loans to and capital of mortgage loan companies (including \$25,000,000 capital the RFC Mortgage Co. and \$11,000,000 capital Federal National Mortgage Association).....	608,597,899	103,599,895	418,662,964	298,016,329	120,646,635
For loans to and capital of insurance companies.....	138,914,750	13,331,442	125,168,210	95,374,562	29,793,048
To building and loan associations (including receivers).....	154,240,454	29,028,416	118,221,753	116,255,022	1,966,761
To public school authorities.....	24,580,800	1,267,300	22,450,000	22,301,000	149,000
Catastrophe rehabilitation loans.....	10,784,521	4,139,466	12,003,055	9,540,494	2,456,551
To State funds for insurance of deposits of public moneys.....	13,087,716	23,085	13,064,631	13,064,631	-----
For mining, milling, and smelting businesses.....	12,655,500	7,392,000	4,179,700	1,531,252	2,648,448
For other purposes.....	669,057	54,243	614,814	514,489	100,325
Total, by directors of the Corporation.....	10,306,038,741	2,293,568,866	7,243,873,197	5,372,565,029	1,871,308,168
Allocations and loans to other governmental agencies and for relief by direction of Congress.....	2,900,601,066	15,001	2,801,096,178	2,753,398,603	47,697,575
Grand total.....	13,206,639,807	2,293,583,867	10,044,969,375	8,125,963,632	1,919,005,743

¹ Includes \$25,111,268 credited on indebtedness for property taken over.

² Total loans to business of Reconstruction Finance Corporation and participating banks, \$447,324,578. Bank participations \$61,492,756, including \$4,984,275 Reconstruction Finance Corporation loans taken up by banks.

³ Includes \$2,699,236,946 cancellation of Corporation's notes pursuant to act of Congress approved Feb. 24, 1938.

I attach also a statement showing the income, expense, and surplus of the Corporation.

Reconstruction Finance Corporation, analysis of surplus (income and expense from Feb. 2, 1932, to Feb. 1, 1939, inclusive)

Income:	
Interest and dividends earned.....	\$491,441,259.75
Premium on loans and investments sold.....	7,889,337.41
Premium on Corporation's notes sold.....	700,309.69
Participation and commitment charges, etc....	1,394,905.72
	<hr/> 501,425,812.57
Expense:	
Interest on notes sold—	
To Secretary of the Treasury.....	194,801,846.54
To others.....	24,507,636.90
Other interest.....	1,694,332.80
Administrative expense.....	60,893,556.30
Other.....	9,676.99
	<hr/> 281,907,049.53
Balance, surplus and reserves.....	219,518,763.04

This statement is highly creditable to the management of the Reconstruction Finance Corporation. It discloses a high degree of efficiency that amply meets the highest expectations of those responsible for the enactment of the law. Great credit is due Jesse Jones and his associates for the splendid manner in which they have conducted the business of the Corporation.

The bill under consideration provides for the continuance of the Electric Home and Farm Authority. The Electric Home and Farm Authority is a corporation set up under the laws of the District of Columbia out of relief funds for the purpose of making loans upon electrical appliances in connection with rural electrification and to extend the use of electrical appliances in rural and in urban homes at reduced cost. The Authority has a capital of \$850,000 provided from N. I. R. A. funds and held by its trustees for the United States. It borrows its requirements at low rates with R. F. C. backing.

It has purchased from 2,573 dealers in 32 States 101,953 installment contracts covering installment sales for home electrical appliances aggregating \$15,573,318, of which \$7,239,106 has been paid. These contracts usually run from a few months to 3 years, the average being about 2 years.

Electric Home and Farm Authority operates in cooperation with utility companies and with dealers who sell the equipment. The dealers guarantee the notes and the utility company makes collections with its monthly bills. It is helpful to householders who find it necessary to buy on installment.

Buying these contracts is making loans to business enterprises, to dealers, upon the security of the equipment sold, and the obligation of the purchaser of the equipment. Payments are made promptly, and there are no losses to speak of.

If we did not have the Electric Home and Farm Authority, the R. F. C. would extend the same service in small loans to business. It is much more convenient and economical to handle these particular loans through the Electric Home and Farm Authority as they are now being handled. It is simply the businesslike way to conduct these operations.

The Authority is not losing money and there has been a substantial reduction in the interest rates paid by consumers. That Authority has served over 100,000 families in the United States, aiding them in securing these modern conveniences for home life at a reduced cost. The Authority is saving money for consumers, promoting the distribution of modern appliances for the convenience and comfort of the public, and involving no loss to the Government.

Another provision of the bill under consideration makes the assistance of the Disaster Loan Corporation, established under a previous act, available for loans for relief from disasters occurring during the years 1939 and 1940. Under the present law the Disaster Loan Corporation is limited to demands resulting from disasters occurring in 1936, 1937, and 1938. The act was approved February 11, 1937, to meet the conditions arising from floods in Kentucky, Ohio, and elsewhere, and later amended to take care of floods in 1936 and

also in 1938. The Corporation has loaned \$9,661,733. It has collected \$1,808,199, leaving now outstanding loans in the amount of \$7,853,534. The bill under consideration would increase the capital of the Disaster Loan Corporation from \$20,000,000 to \$40,000,000. It is hoped that the additional amount authorized by the pending bill will not be needed, but it is felt that the Corporation should be supplied with sufficient funds to care for disasters that may occur during 1939 and 1940.

Mr. Chairman, I reserve the balance of my time.

Mr. WOLCOTT. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, the Committee on Banking and Currency through the years I have been a member thereof has rarely been a partisan committee. It has been my boast that behind closed doors I have never seen there a vote cast from partisan motives. The interjection of partisanship this morning is not to my own taste.

The gentleman from Alabama, chairman of the Committee on Banking and Currency, has, as best my memory goes, correctly given the early history of the Reconstruction Finance Corporation, with the exception that there was before the meeting at the White House to which he made reference a meeting in October attended by the older members of the committee from both sides, together with the Secretary of the Treasury, Assistant Secretary, and others concerned with the situation. It was the most solemn meeting I ever attended. About 30 men were present, equally divided between the parties. The President told us that unless we committed ourselves to a program that would hearten the people every bank in the United States would close its doors within 2 weeks.

Partisanship was forgotten. No man spoke there with any desire to advance his own fortunes or that of any party. We left the meeting on that evening with an agreement by every man there that he would stand by four proposals and secure their enactment at the earliest possible moment. The news was given to the country by telegram and for the second time President Hoover saved the day. He had saved it when he secured the moratorium on foreign debts and he saved it again that evening.

Mr. Chairman, I refer to this with no desire to claim any credit for any party or for any man. I say that the 30 men who were there, by the action that was then taken, staved off what came on the following 5th of March. There followed other conferences, no doubt, and perhaps advantage came from them. I do not repeat this with the desire to claim any credit for any man or for any group. One of those measures developed into the Reconstruction Finance Corporation, started by a Republican, developed by a Democrat, the most efficient and useful public service that was rendered in the course of those trying years.

I am not here to ask that you refuse to continue the life of this Corporation. If you please, extend it for 2 years. I would vote for it as long as the Corporation is headed by Jesse Jones, who has been the outstanding man in the present administration for his efficiency, for his judgment, for his prudence, and for his usefulness. [Applause.]

I greatly regret that the gentleman from Chicago should have seen fit to renew the slur at Mr. Jones for the loan to the Dawes bank. Mr. Jones told us the other day that he thought we would in the end get out of that loan without loss. If it should all be lost, nevertheless it saved the complete wreckage of tens and twenties and hundreds of banks in the Northwest.

Leaving that aside, however, let me tell you why I take the floor this morning. It is to raise the question whether we have reached the point when we may begin to stop any of the work that has been done. In phrasing it in that way I imply no slur upon what has been done. That is a question of itself. I am asking you to confront the question of whether it is time to begin to curtail. We were told that all these measures in the mass were meant for depression measures and were temporary expedients to be abandoned whenever the time came. It is true we are not out of depression. It

is true that somehow, for some reason no man explains satisfactorily, a year and a half ago we entered upon a new and secondary depression, and some of these measures may be continued wisely by reason thereof. But whether or not we shall start at once strikes me as a question we ought to face on both sides of the aisle dispassionately and without prejudice for the public welfare.

It so happens that tied up with the general extension of the life of the Reconstruction Finance Corporation is that of one of the smaller corporations, the Electric Home and Farm Authority. I ask your consideration of that with no hostility to its purpose and with no criticism of its conduct, but simply on the ground that this furnishes an excellent example of the sort of thing in my judgment we ought now to face.

The Electric Home and Farm Authority was created for the purpose of advancing the sales of electrical equipment, of all appliances that go into the home and are operated by electricity. This was perhaps one of the desirable things in the whole program through which we have passed. It was perhaps important that we should encourage the sale of electrical appliances. If I remember aright, the first suggestion came in connection with T. V. A. It was said we should encourage and help T. V. A. to make disposal of its power by having the Nation finance conditional sales. When the camel put his nose under the tent he kept right on. This camel has been going under the tent until he is almost out of sight behind the canvas. This activity has expanded until now it is found in 32 States, with every indication that it will presently get into the other 16.

In short, we have established here a system which furnishes Federal Government backing for an industry. We have picked out one industry and are putting the Government behind it. This is perhaps a good thing, and I am not going to argue that at all, because I do not know much about it. I do argue, however, that if you finance the conditional sales of vacuum cleaners you have exactly the same duty, if it be a duty, to advance the conditional sales of automobiles.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield to the gentleman from Georgia.

Mr. COX. I have the impression that the Electric Home and Farm Authority is an activity that is maintained because of its beneficial influence upon interest charges in installment buying. If I am correctly informed, this agency is not endeavoring to build up volume. As I understand, it has spread out into several States because of the necessity of influencing interest charges in installment buying in such States, and the agency has served to bring about a form of schedules maintained heretofore by all interests selling on the installment plan, for instance, the sellers of automobiles and other articles that are sold on credit, and has served to hold down interest charges to the extent that installment buyers are now saved hundreds of millions of dollars on their credit transactions. This is my understanding of the purpose of the activity and of the influence it has had upon interest charges.

Mr. LUCE. The point I am bringing out is not the desirability of the ends the gentleman has in mind. I am raising the question of whether we shall embark upon or continue and spread our Federal Government activities until we give every sick and feeble activity Federal subsidy.

Some years ago I told the House one afternoon I was the only Democrat left in Congress. Two other Members rose to their feet and demanded admission to my quota. One of them is no longer with us. I do not know how the other two men would feel on this particular matter, but I do think that Thomas Jefferson would never have dreamed of extending the activities of the Federal Government to the financing of any one industry in this country as is done here. So I rather think I may claim still to be the only Democrat left in the House.

I cannot conceive it to be a wise function of a democratic government to undertake perpetually the practice of financing individual industries by putting behind them Government credit. This may be a good industry, and I am not arguing that point. It may have helped and doubtless has

helped a hundred thousand people to get into debt. I am not arguing that point. It may be a desirable thing that any sick industry should be helped by the Government, one that is so feeble it cannot stand on its own feet. I am not arguing that point. I am arguing against the wisdom of the Government's perpetuating such a program after the need has passed and after no more emergency exists in that particular field.

It may be added that this is an industry peculiarly free from any questions of depression-produced suffering. It is a luxury industry. Of the 14 appliances and equipment concerned, only 4 are in my own home, and I have thought my home comfortable. I had not supposed myself to be among that third of the people alleged to be ill-housed. My forebears had none of the four and they did not know they were ill-housed. It did not occur to them to ask the Congress of the United States to finance their purchase of attic-ventilating fans or any of the other 13 conveniences listed.

I leave a parting thought with you. Observe that the bill as it is printed, although the chairman of the committee has explained that he intends to amend it, will make this authority expire about a week before a new President is inaugurated. The newspapers have been greatly concerned with the question of who will be the next Democratic candidate for the Presidency. In the hearings we were told that the present occupant of that chair, according to the memory of the witness, desires his authority to expire January 15, a week or so before the next inaugural. The gentlemen above me in the gallery may infer from that some answer to their question of who will not be the next Democratic candidate for President. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 14 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, although there is considerable time for discussion of these matters, it has to be taken in turns because of the division of time on the rules and on the bills. I tried to say something during the first 5 minutes that might cause you to be interested to know a little more about these measures.

The gentleman who preceded me talked about the Electric Home and Farm Authority, which is under the control of the R. F. C. I have here the report of the Rural Electrification Administration, which seems to be a close relative. In this report there is no statement of assets and liabilities or of its financial conditions. It simply tells us how much money they have given to each State, and I can find but little financial information that is worth while. It is full of stories to prove how wonderful it is that the farmers can have electricity. It is full of matters like this—how the housewife likes her new equipment, "I do not know how I ever got along without it; I would almost rather give up my husband than give that up." It is replete with that sort of thing. I have several such statements marked, but I have not the time to read them. I tried to explain to you in my previous remarks that the banks of the country will lend at 1 percent to this Authority, backed by the Government, when they could get 9 percent from the borrower himself; but they do not want to take any chances, and the banks have heard probably the stories of high-pressure salesmanship indulged in to sell them these things. The stories have been plentiful. The best one I have heard I will give you only to illustrate, perhaps, what has caused the feelings the banks have about the proposition and explain why they are unwilling to loan even at 9 percent. He had one cow. The agent sold him two milking machines—and took the cow for security. [Laughter.] If that needs further explanation, he was probably told that he needed the two machines because one might be out of order sometime.

High pressure salesmanship! That was to be expected. But this highly colored report dwells only on the great blessing it has brought to the farmers. When, oh, when, will we recover from the "blessings of the New Deal"? It will tell you how the two babies, born too early, were saved because the farmer had electricity in his house, and you can believe it if you wish to. Such are the tear-compelling arguments.

Of course, it is a good thing. I am not saying it is not, but I am trying to bring out the thought that there are many such good things upon which our Government might embark. I know and you know quite well that the "road back" is the only "safe road" and we must take that road mighty soon. Huge debts do not seem to frighten you, but we have gone through with a tremendous amount of money. A \$50,-000,000,000 debt is facing us. I suspect you will be saying, "Well, we went through with an awful lot with that last President of ours." A lady said, "I went through a lot with that husband of mine," and the other said, "How much—\$100,000 worth?" [Laughter.]

I must read to you rather hastily of the many activities the Government has indulged in and in respect to most of which it has used the R. F. C. as the dumping ground to furnish the capital stock and start them on their way. The R. F. C. gave Harry Hopkins \$1,800,000,000, and the Treasury took R. F. C. notes for it, made them pay interest and carried it as an asset on the Treasury books, so you could read that the Government had assets to that amount. P. W. A. would take its securities to the R. F. C. and it would market them and again use the money. By using the R. F. C. to furnish the capital stock of these many devices which we set up, we could temporarily hide the losses and the Treasury could report the face value as assets. A year ago we ordered cancellation of about \$2,600,000,000 of these so-called assets then appearing on the books of the Treasury.

The President, as I have told you before, during the campaign of 1936 on the stump—we have his speeches—stated that we had \$6,000,000,000 of assets. Did not he know that two and a half billion dollars were worthless assets, notes of the R. F. C., based on money that had been given away? If you do not believe it, in May 1937 they had \$3,-625,000,000 of the notes of the R. F. C. In May 1938 only about seven hundred and sixty-three millions were reported. Was that honesty in bookkeeping? I was interested in Mr. Jones' recent testimony. "We control the Commodity Credit Corporation." I then asked how many bales of cotton they owned. Well the answer was, in effect, "the Government is supposed to own 11,000,000 bales of cotton." Then I asked, "Have you taken over any of that cotton?" "No." "We still hold the farmers' notes, and have not foreclosed on any of that cotton?" "No; these assets of the Corporation are notes of the farmers" and there was cotton on which money was loaned at 12 cents a pound. I had thought the Government owned 11,000,000 bales of cotton. That it would not dump except at favorable intervals so as not to hurt trade. I fear that they are like the seed-loan notes. I have told of this before. We have a large amount of farmers' seed-loan notes dated from 1921, amounting to about 152 millions of dollars carried at their face value as assets in the Treasury. Contemplate that. This statement goes out to the public, and I have complained often, but what is the use of complaining? I have offered a resolution "that these securities be audited." It was summarily dismissed by the majority. We have complained about money misspent in various activities and the Comptroller General has ruled that the money has been improperly spent. But what can we do about it? The water has already gone over the dam. We cannot recover.

I here desire to put into the RECORD a list of the various corporate devices and spending agencies backed by the Government. Can you not think of something favorable to your district that may be set up as a corporation, to loan money at a very low rate, with the Government guaranty, or has everything already been provided for? There are the H. O. L. C. mortgages, the farm land-bank mortgages, the Land Bank Commissioner mortgages, the R. F. C. mortgage companies, savings and loans securities, the Regional Agricultural Credit Corporation, the Federal Home Loan Bank, the United States Housing Authority—which now wishes to double its activity. This is the proper hour to consider these things, because we are to be asked during this session to renew many dangerous powers granted to this administration, which is bringing about a debt of \$50,000,000,000. There is the Export-Import Bank, and you will be told about that this

afternoon. The papers are full of comments the last few days relating to it. Will you loan to Brazil or rather loan to dump wheat in Brazil and arouse the Argentine to demand reprisals? Is that the good-neighbor policy? Are you sabotaging the work that was done in South America lately? Of course, the banks did not loan any money to the Chinese Government for war material, but we loaned it to her for something else, that she might use other moneys that she may have for armament. You do not have to loan money direct for war purposes. This merely releases other funds for that purpose. Oh, the ways by which definite purposes can be attained by indirection. And the helplessness of those who try to learn the truth. Committees of the Congress are often unable to arrive at the whole truth.

To resume, there is the Disaster Loan Corporation and the A. A. A., with about a billion yearly; the Electric Home and Farm Authority, the R. E. A., with about seventy-five million; and the F. D. I. C. and the T. V. A. and the C. C. C. and the Federal Subsistence Homestead Corporation and the intermediate credit banks. All have been subsidized by the Government. The Central Bank for Cooperatives and banks for cooperatives, and the Maritime Commission, with loans of \$61,000,000 already. Then there is the agency for seed loans, and the Farm Security Administration; a new thing to take over Tugwell's Resettlement Administration vagaries. Now it is the Farm Security Administration, thinking you would not recognize it. There are loans to Indians, and now we are soon going to be asked to loan for socialized medicine and many other things not yet thought of. There are about 27 of these corporate devices carrying merrily on, because their transactions are guaranteed by the Government.

Am I saying anything that you care to refute? I yield if I am. Does anyone challenge any of these statements? Does anybody care to suggest a misstatement? Well, I trust the recital will be interesting to the new Members of this House who will wish to know what has happened to their Government during the last 6 years. I have the Treasury statements here, if anybody wants to challenge my statements. When we declare it to be dishonest bookkeeping, why do you sit there and take it?

Mr. PIERCE of Oregon. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Gladly.

Mr. PIERCE of Oregon. Is it not true that the Farm Security Administration shows that over 85 percent of their funds which they have loaned will be paid back?

Mr. GIFFORD. No. The F. S. A. has under its control those resettlement schemes like Tugwelltown, which already is a 50-percent loss.

Mr. PIERCE of Oregon. No. I am talking about the loans that are being made to the farmers.

Mr. GIFFORD. I am talking about the Farm Security Administration. I am not talking about the farm mortgages and the farm land banks. These F. S. A. schemes are enterprises that Tugwell started, and the Government owns them lock, stock, and barrel, where they expect to resettle people, build manufacturing plants in competition with private industry, which the Comptroller said they could not do.

Mr. PIERCE of Oregon. I am not defending those. I am defending the loans that are being made by the Farm Security Administration.

Mr. GIFFORD. I think the gentleman is referring to the Farm Credit Administration. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, many million voters have become "annoyed" with the New Deal and "are in the market for something better."

So states that brilliant publicist and distinguished Representative from New York [Mr. BARTON], who in a clever article in Collier's entitled "After Roosevelt, What?" endeavors to show that the Republican Party is prepared to

give the people what they want without "annoying" farmers, business, the unemployed, or any other sizable group of voters.

Our distinguished political analyst discovers that the Republican Party realizes at last that this is the twentieth century and that the task of this century is to raise the consuming capacity of the people. This must be done because "the masses of the American people have been thoroughly convinced that they should and can have a better life."

The enlightenment of the Republican Party has gone further than this.

Both parties—

We are told—

are agreed on adequate relief, collective bargaining, the regulation of exchanges, social security, and low-priced housing; these, in principle, have ceased to be matters of political controversy.

This is certainly some concession. Thumbing through the CONGRESSIONAL RECORD for the past 6 years, the curious reader discovers that every one of these five major New Deal policies was bitterly attacked by the discredited and futile Republican minority in Congress, who prophesied ruin to follow in their wake.

The guaranty of bank deposits, the H. O. L. C., the N. R. A., the T. V. A., the A. A. A., the removal of gold from the control of the banks, the S. E. C., and even the C. C. C. met with an opposition that was appalled by such direct efforts to restore confidence, protect investors, save mortgaged homes, to use our public power resources for the benefit of the people, and to take drastic and bold measures to save the farmer. Hardest of all for the paralyzed opposition to accept was the Government's recognition of its direct responsibility for the welfare of the people, which extended to the unemployed, resulting first in the Civil Works Administration and then in the Works Progress Administration.

In 1934 the two parties lined up in the congressional campaign in direct and deadly opposition. The Democrats defended the New Deal and advocated its development. The Republicans, almost without exception, attacked the New Deal as socialistic, impractical, wasteful, unconstitutional, and, above all, as an "infringement upon the liberties of the American people."

The people's answer was to greatly increase the majority membership in both Houses, an unprecedented result in midterm elections.

A strengthened Democratic administration proceeded to develop and expand the New Deal. The majority supported measures intended to give security and decent living conditions to farmers and to workingmen and women everywhere, to promote collective bargaining, and even to work out a system of fair labor standards with the abolition of child labor. Along with this came the Social Security Act, which represented the first attempt of any administration to provide for the aged and the unfortunate. It is as yet inadequate, but it is a great beginning of a new and better era.

In 1936 the two parties went before the people in a Presidential campaign. The candidate of the Republican Party showed his acumen and political sense by attacking a minimum of the New Deal measures. For the most part his argument was something like this: "Restore the Republican Party to power and we will do the things the Democrats have done, but will do them better, without burden to the taxpayer and without strain on the Constitution."

However, in most congressional campaigns of 1936 the New Deal was roundly attacked as subversive, socialistic, extravagant, and as being opposed to business.

The result of the 1936 election was decisive. Once more and unmistakably the people approved the New Deal and asked for its rapid development.

Then began an unprecedented attack in Congress, in the conservative press, over the radio, in forums all over the land, against President Roosevelt and the Democratic program. Losing at the polls, the opponents of the New Deal took other and subtler measures to stop it.

These attacks, combined with adverse decisions of the Supreme Court, prevented the rapid development of the Demo-

cratic program to restore business prosperity and employment. Frankly, the Seventy-fifth Congress failed to accomplish the objectives of the administration. Nevertheless, every poll clearly revealed that the great majority of the voters were with the administration.

In the congressional campaigns of 1938 the Republicans, instead of attacking, took a different tack, based, perhaps, on Landon's technique 2 years earlier. In many districts they refrained from attack on the President. In district after district the Republican candidate cried: "Elect me and I will do the things the Democrats have done, but will do them better, without burdening the taxpayer and without strain on the Constitution." This gentle wooing by ardent candidates, combined with their dramatic readiness to espouse all sorts of panaceas presented by minority groups, turned the trick in many a congressional district.

Instead of the normal mid-term pick-up of 40 or 50 seats by the minority, the Republicans gained 70 seats. This is clever work. No wonder the old party is heartened, that it hopes to return to power through the adoption of a program that will "annoy" the fewest possible voters; that it advocates "adequate" relief without "unbalancing the Budget," a clever utopian idea calculated to "annoy" no one.

Mr. BARTON has the program ready. In the first place, the Republican Party must reaffirm the old-fashioned faith that there is no substitute for work, that the way to have more is to produce more. He emphasizes the obvious fact that abundance is obtained through mass production. Adroitly skipping the fact that abundance in warehouses and elevators and factories and on the shelves of great mercantile establishments does not necessarily mean abundance in the homes of the people, he tells us that he sees in the fact that about one-third of the families in the United States have an annual income of only \$471, "the greatest challenge and opportunity ever offered in American industry."

Only, of course, under Republican leadership, when \$471 can be given the purchasing power of \$800. How? The implication is through further application of science to industrial production. But the real answer is by keeping wages low and, if this cannot be done, by keeping the relative cost of labor so low that prices can be lowered. There is no suggestion for lowering of prices through the abandonment of the cunning and crooked and destructive practices which made enormous unearned profits for the inside groups, who cut such melons as that notorious million dollars handed to Grace by Bethlehem Steel while the stockholders got no dividends and labor was underpaid.

So here we are, with precisely the same old sophistry, the same philosophy of reducing labor costs and thus attaining "normalcy," with low prices which will convert the lowest income groups into valued customers. Of course we all know that under no price level ever yet devised can a \$471 family have anything but the barest hovel in which to live and the barest minimum of food, with rags and tags for clothing. The scientific investigators in the cost of living have given us data on this. Whatever the income, one-fourth normally goes for rent. If more, there is lack of balance in the family budget. Does the gentleman from New York think that under his system of low prices rents will go down so that the family with an income of \$471 can rent a decent house for less than \$10 a month? In fact, that figure will have to be nearly doubled. So we have our \$471 American family unbalancing its budget in the beginning by paying nearly if not quite half its income for rent. What about food? First come milk, bread, eggs, cereals, meat, fruit, vegetables. By expert buying and cooking the normal family of four can get these food necessities for from \$5 to \$6 a week. Happy situation! The \$471 family, unless it lives in a cave, will be just able to pay the grocer and the milkman and will have precisely nothing left for clothing, heat, light, carfare, dentist and doctor bills, church, and recreation, not to mention funeral expenses for those members of the family who kindly give up the struggle and pass to their eternal reward in what it is hoped will be a land of plenty.

The impossibility of the prices of the basic necessities being reduced sufficiently to enable the \$471 budget to cover

necessities is evident to all except the lyric writer who gives hope to the minority side of the House.

We Democrats think and know that the only way to bring back that lowest one-third of our population is by raising their income. Lowering the price of overstuffed furniture, office desks, sewing machines, automobiles, even clothes and silk hats, will not help these destitute Americans. Science applied to industry will not lower their rentals or make the hovels in which they live fit for human habitation; science applied to industry will not reduce appreciably the cost of essential foods. It may reduce the cost of clothing, but the lower-income Americans simply cannot buy new clothing. It may reduce the cost of furniture and furnishings, of costume jewelry and silk hosiery, but it will not enable the poor to buy these.

And it must be realized that the core and center of the opposition plan is the reduction of the relative cost of labor. Whether this is done by reducing wages or by reducing the number of the employed, it simply reduces the purchasing power of labor, regardless of lower prices of goods beyond their income.

Hence, the heavenly heyday envisioned in this much-discussed clever article becomes merely a pipe dream, consoling to Republicans who still dream of the good old days when industrial melons were juicy and plentiful, when laborers in the steel and automobile and other large-scale industries had to deal individually with some foreman or boss, and when given the pay of peons had to like it or leave it.

With collective bargaining, with the shorter workweek, with better working and living conditions, the lot of labor has been vastly improved under the Roosevelt regime. Much has been accomplished. And much remains to be done.

First is a better understanding between Government and business. The signs are favorable for this. Many business leaders realize that a prosperity beyond any ever experienced is possible in the United States if production, employment, wages, and purchasing power are simultaneously increased.

All the Democratic Party asks is that the great majority of financial and industrial leaders accept the new order. That they abandon exploitation and all the old rottenness and help to bring about increased production for a vastly increased consuming power. In general, businessmen seem to be ready for this. Many have also accepted collective bargaining and the principle of good wages and shorter hours. For businessmen, always shrewd and alert, are coming to realize that the greatest market in the world lies all around them, right here in the United States. They are figuring now on increasing sales in this State or that, where employment and wages are improving, where the luxury field has been enlarged, where better housing brings demand for new furniture with all the fixings, and they are hopefully noting the trend to reduce the number of families in the \$471 group and thus to convert destitute groups into customers. This will mean larger production and steady profits. That it may mean a higher rate of taxation on profits is not so important, so long as there are profits to be taxed.

The writer used to be deeply interested in foreign trade as a means of raising our national income and our standard of living. The undeveloped countries on this continent offered, at that time, what seemed to be the best opportunities for new outlets for manufactures. Right now, he recognizes the fact that while foreign trade is good, a vastly increased home consumption due to increased and widely distributed purchasing power, is the real solution. Here is the golden key to balanced prosperity. [Applause.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, this bill provides for a continuation of the Reconstruction Finance Corporation and the Electric Home and Farm Authority until January 15, 1941. It also provides for a continuation of loans by the Disaster Loan Corporation through the years 1939 and 1940.

The Reconstruction Finance Corporation was organized on February 2, 1932. It was organized to give relief to the banks, the insurance companies, and the railroads. Since that time the activities of that Corporation have been greatly

enlarged. Whether or not the original organization of the Reconstruction Finance Corporation and the purposes to be subserved demonstrated a fundamental difference between the Republican and Democratic Parties I leave for you to decide. It is beside the question here. Whether or not it is a fundamental conception of the Republican Party that if you give relief to the large industries and they prosper, the average man will prosper also, I think is beside the question, because the other activities of the Reconstruction Finance Corporation, the enlargement of its powers, have been voted for, irrespective of party alinement, by Republicans and Democrats.

Since the organization of the Reconstruction Finance Corporation, its powers have been enlarged as follows:

It has been authorized to make loans to States and municipalities for relief and work relief; to finance the sale of agricultural products in foreign markets; to finance and carry on the marketing of agricultural products and livestock; creating the regional Agricultural Credit Corporations, who make loans to farmers and stockmen; loans to railroads; purchase of preferred stock in insurance companies; loans for repair or damage caused by floods or other catastrophes—to carry out the purposes of the last-mentioned authorization, the Disaster Loan Corporation was formed—loans to purchase the assets of closed financial institutions; loans to States and public agencies and business enterprises; to aid in financing projects authorized under Federal, State, and municipal laws; loans for organizing farmers' mineral rights pools; loans to aid the mining, milling, and smelting industry; loans to aid the fishing industry; loans to school authorities for payment of teachers' salaries; loans to public-school districts and other public-school authorities.

Those were not just gratuities given at the whim of Congress. They were given to the people of America because they came before the committee telling it that they needed this help and imploring that it be given to them.

The Reconstruction Finance Corporation was organized on February 2, 1932, and it has continued to function to this time. From February 2, 1932, to February 1, 1939, it disbursed \$10,044,969,373, and it has received repayments and other credits amounting to \$8,125,963,632, leaving a balance outstanding of \$1,919,005,743. I think that is a splendid record. It is a great tribute to that plain, homespun, sensible man who administers this great organization. I am in accord with the views that have been expressed by our able colleague, the gentleman from Massachusetts [Mr. LUCE]. Jesse Jones has done a splendid work. He does not affect the phraseology of the professor or the assurance of the professional economists but he is a man of sound judgment and great ability. He has accomplished much good, not only for part of the country but for all sections. It is true some of the people who have been benefited by these activities do not seem to think he has been as liberal as he should have been but, after all, he was administering a trust. It was Government money that he has been spending. He has handled it conscientiously and faithfully. I think this report is one of the finest reports of any agency in the history of this or any other Government.

Mr. PIERCE of Oregon. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PIERCE of Oregon. Of this \$1,900,000,000, how much is still good or collectible?

Mr. SPENCE. Practically all of it. We have heard talk about the loan that was made to the great bank in Chicago. I believe it is generally recognized that that loan prevented a major catastrophe. [Applause.]

Coming from the Ohio Valley, a section that has been periodically devastated by recurring floods, I am deeply interested in extending the authority of the Disaster Loan Corporation to make loans to those affected by disasters during the years 1939 and 1940.

This corporation was originally organized in 1937 to aid those who had been the victims of the flood in the Ohio and Mississippi Valleys.

It was subsequently amended to include loans to the victims of the disasters of 1936, including the floods in New England, and subsequently amended to include loans because of the disasters of 1938.

It now has the power to continue lending to those who were the victims of the disasters occurring in the years 1936, 1937, and 1938, including the New England hurricane, but not to those affected by disasters in subsequent years.

The Disaster Loan Corporation was incorporated originally for \$20,000,000 nonassessable stock.

Loans disbursed for the Ohio Valley flood was \$6,785,000.

There has been repaid \$1,750,000.

Five million dollars approximately still outstanding and unpaid.

Hence the entire capital, to which its lending capacity is limited, will be exhausted.

The present amendment increases the capital to \$40,000,000 nonassessable stock, making available \$20,000,000 for loans for the years 1939 and 1940.

The principle of equal justice under law is involved because all those who are similarly situated should have substantially the same relief, and those who are the victims of disasters in 1939 and 1940 should be able to obtain the same assistance as those who were affected by disasters in previous years.

The purpose of the law is to furnish relief to those who by no care, prudence, or foresight on their part could have protected themselves.

It may not have been administered with the liberality with which we would have liked to see it, but there is a provision in the law that there should be reasonable assurance of the repayment of the loan.

I hope in the future the law will be administered in a spirit of helpfulness and liberality and the powers of this corporation will be extended as provided in the bill.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired; all time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That (a) section 1 of the act approved January 26, 1937 (50 Stat. 5), is hereby amended by striking therefrom "June 30, 1939" and inserting in lieu thereof "January 15, 1941"; (b) section 1 of the act approved March 31, 1936 (49 Stat. 1186), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "January 15, 1941"; (c) section 9 of the Reconstruction Finance Corporation Act (47 Stat. 9), as amended, is hereby further amended by inserting after the second sentence thereof the following sentence: "Such obligations may mature subsequent to the period of succession of the Corporation as provided by section 4 hereof."; and (d) the act approved February 11, 1937 (50 Stat. 19), as amended, is amended by striking from the first sentence "\$20,000,000" and inserting in lieu thereof "\$40,000,000"; and by striking from the second paragraph "or 1938" and inserting in lieu thereof "1938, 1939, or 1940."

Mr. STEAGALL. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. STEAGALL: Page 1, line 5, after the word "thereof", strike out "January 15" and insert "June 30."

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. SIROVICH. The distinguished gentleman on the other side of the House, in making an address earlier today, stated that \$2,500,000,000 was lost in the operations of the Reconstruction Finance Corporation. In view of the splendid work all Members of Congress feel this organization has done, will the gentleman from Alabama kindly enlighten the membership of the House whether this statement is true or not?

Mr. STEAGALL. I may say to the gentleman from New York that I purpose to incorporate in my remarks statements that will show the various transactions and tell the entire story of the operations of the Reconstruction Finance Corporation and the various corporations dealt with in the pending bill.

Mr. SIROVICH. Is the statement as to the losses true?

Mr. STEAGALL. Answering specifically the question raised by the gentleman from New York, there has been no net loss in the operations of the Reconstruction Finance Corporation up to this time in any year resulting from the operations of the corporation itself.

Mr. SIROVICH. Have they made a profit?

Mr. STEAGALL. I infer that the gentleman's question is predicated upon statements which may have been made upon the floor in my absence referring to losses by the Reconstruction Finance Corporation. The Reconstruction Finance Corporation supplied funds for relief measures on various occasions and under various acts of Congress in lump sums, which was simply a method employed to raise the funds for those activities of the Government.

The Reconstruction Finance Corporation in its own operations has had individual losses in some instances, but the net account shows a profit of \$219,000,000.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. RANKIN. Does the amendment the gentleman has offered have any reference to the Electric Home and Farm Authority?

Mr. STEAGALL. No; this is simply an amendment changing the expiration date from January 15, 1941, to the end of the fiscal year June 30, 1941.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was agreed to.

Mr. STEAGALL. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. STEAGALL: Page 1, line 9, after the word "thereof", strike out "January 15, 1941" and insert "June 30, 1941."

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 2, after line 9, insert a new paragraph, as follows:

"Section 1 of the act approved January 26, 1937 (50 Stat. 5), is hereby amended by striking out the words 'or otherwise' where the same appears in the proviso of said section, so that the said proviso shall read as follows:

"*Provided, That in order to facilitate the withdrawal of the credit activities of the Corporation from time to time during such period, the President finds, upon a report of the board of directors of the Corporation, that credit for any class of borrowers to which the Corporation is authorized to lend is sufficiently available from private sources to meet legitimate demands upon fair terms and rates, the President may authorize the directors to suspend the exercise by the Corporation of any such lending authority for such time or times as he may deem advisable.*"

Mr. WOLCOTT. Mr. Chairman, the amendment speaks for itself. When this act was passed we were in a sort of cloud concerning what our fiscal and credit policies should be. As a consequence we gave extraordinary powers to the President, particularly with respect to credit policies. The power contained in this act is one of them.

I believe it is the duty of the Congress to write the credit policies of the United States. I believe that the President should not be imbued with such authority that he can create a situation wherein we virtually operate under a managed economy. Today the United States Government and all of its people are operating under a managed economy as severe as prevails in any European or Asiatic country. The President by Executive order can plunge this country into a depression any time he wants to, and he has done so. The President may expand the currency, may accelerate the velocity of credit so that he can inflate our credit and currency to the prejudice of all our business dealings. No democracy in the world has delegated to even a group of individuals such extraordinary power as he has with respect to credit.

Under this bill as it is written the President can find upon his own responsibility and without seeking the advice of anyone that there are available adequate private credit facilities and may withdraw R. F. C. credits.

He does not have to seek or follow the advice of the Board of Directors of the Corporation. The most important thing about this is that we may today pass an act authorizing the Reconstruction Finance Corporation to lend to private industry, as we did, and the President within 24 hours may completely nullify the act of Congress by finding that, in his opinion, there is sufficient private capital available to meet the demands of those whom we seek to help. That is an extraordinary power which I do not believe we want to continue, now that we know something of the credit situation. Therefore I have asked that this bill be amended to strike out the phrase "or otherwise," so that the President cannot manipulate our credit except through the advice of the Board of Directors of the Corporation. I think it is very plain this Congress should recoup to itself control over our credit and currency. It is going to be my program, and I believe the program of a large number of the minority in this House, to prevent the extension of these extraordinary powers which have been given to the President. I affirm that this is the place to start.

If we are going to continue to give these powers to the President, the country should know it now. I do not believe this House wants to continue the policy which it has followed for the last 5 years of granting these extraordinary powers to an individual; therefore I ask that the members of the Committee not only give serious consideration to this as a fundamental question but that it adopt the amendment which I have sent to the Clerk's desk.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is a little difficult to tell just how far the gentleman's amendment goes. However, there is one organization covered by the pending bill that I desire to discuss for just a moment. I refer to the Electric Home and Farm Authority, which was created in 1935 for the purpose of financing loans to people in every section of the country in order to enable them to buy electrical appliances. The Authority has now been broadened so that they may also secure loans with which to wire their homes.

This Authority is not losing money. On the contrary, it is making a profit. At the same time it enables the people who desire it to secure credit with which to supply these appliances for their homes. It is not going into the loan business. The Electric Home and Farm Authority does not buy or sell appliances; it does not lend money directly to the purchasers of these appliances. It is done through the various dealers throughout the entire country. The Electric Home and Farm Authority buys up the securities or notes or installment contracts, and as a result, instead of losing money it has really made a profit.

It has purchased from 2,573 dealers in 32 States 102,953 installment contracts covering installment sales for electrical appliances aggregating \$15,573,318, of which \$7,239,106 has been repaid. These contracts usually run for from a few months to 3 years, the average being 2 years. The Electric Home and Farm Authority operates in cooperation with the utility companies and with the dealers who sell the equipment. It is not confined to the Tennessee Valley area, the Columbia River, or the Colorado River areas. It is not confined to those municipalities that own their own distribution system. It operates anywhere that these dealers want this convenience to help them supply credit to those people who want to buy electrical appliances for their homes.

Mr. KEEFE. Will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Do I understand that the Electric Home and Farm Authority specifies the character of the contract under which the dealer sells this equipment to the householder or the farmer, or do they buy the contracts from the dealers that the dealers themselves have written?

Mr. RANKIN. That is right.

Mr. KEEFE. Do they not specify the interest rate on those installment contracts?

Mr. RANKIN. Yes. The interest rate, I believe, is 5 percent.

Mr. KEEFE. Then they are just taking the place of finance companies?

Mr. RANKIN. They are taking the place, as it were, of a finance company and doing something no finance company would do, financing small loans at low costs.

Mr. KEEFE. And beating down the interest rate so the purchaser gets the commodity at a lower charge?

Mr. RANKIN. Exactly; bringing down the interest rate so the poor fellow who wants to buy a few dollars or a few hundred dollars worth of these supplies may be enabled to get them at a reasonable rate of interest and pay for them in installments running over 2 or 3 or 4 or even 5 years.

Mr. KEEFE. Does the record show that the interest rates on these contracts taken over by this Authority are lower than the interest rates on contracts taken over by finance companies, many of which finance such contracts as the gentleman has just described?

Mr. RANKIN. They certainly are in some sections of the country. If a man borrows through some of these finance companies, invariably he has to get some one to look up the title to make his contract, or secure his loan for him, and by the time he gets the money it will invariably cost him from 50 percent to 100 percent extra for all these incidentals. This Electric Home and Farm Authority is a great organization and one that ought to be perpetuated.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is difficult to follow the reasoning of the gentleman from Michigan in connection with this amendment. If it is desired at any time to terminate the activities of this Corporation, the better method would seem to be to permit the President of the United States to act upon his own initiative or secure any advice which he may desire to seek.

The position taken by the gentleman from Michigan would place the President without authority to terminate the activities of the Corporation in the absence of the approval and advice of the officers of the Corporation itself. In other words, the gentleman's amendment would leave it up to the board of officers to decide for themselves whether or not their activities should be dispensed with, rather than clothing the President of the United States with that authority. That is certainly what is involved in the gentleman's amendment.

Mr. Chairman, the reason for this provision is that we have various emergency acts which we hope may be terminated by order of the President without waiting for a session of the Congress in the event developments make it desirable to do so. The power was placed in the President to terminate any of these various activities in order that any action he may take in one case may be made to harmonize with others.

Whatever action is taken would necessarily deal with the whole situation. It would be a confusing thing to have the President clothed with the power to terminate an emergency activity in one instance and not in others. That is all there is to the amendment. It simply would take away from the President the power to terminate the activities of the Corporation, unless with the advice and recommendation of the officers themselves.

Mr. Chairman, I ask that the amendment be voted down.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Michigan.

Mr. WOLCOTT. I wish to clarify what the gentleman has just stated. This amendment ties the hands of the President in no particular except that he cannot act unless the Board of Directors makes a report.

Mr. STEAGALL. I so stated.

Mr. WOLCOTT. The amendment does not bind the President to follow the recommendations of the Board of Directors, it requires only that a report be made; but it does prohibit him from acting on his own volition without receiving the advice of the Board of Directors of the agency he wishes to terminate.

Mr. STEAGALL. What the gentleman is seeking to do by his amendment if followed and applied is to tie the hands of the President so that if he decides to abolish any agency of the Government he must first get the consent of the officials to be abolished. That is all there is to the amendment.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe this matter can be clarified very simply. The law now provides—

That in order to facilitate the withdrawal of the credit activities of the Corporation when from time to time during such period the President finds, upon a report of the Board of Directors of the Corporation or otherwise, that credit for any class of borrowers to which the Corporation is authorized to lend is sufficiently available from private sources to meet legitimate demands upon fair terms and rates, the President may authorize the directors to suspend the exercise by the Corporation of any such lending authority for such time or times as he may deem advisable.

The only question presented by this amendment is whether the President is going to have the sole authority to do this without any advice from anyone else, from any other agency of the Government, or whether he must seek the advice and at least have before him the benefit of the study and research of the Board of Directors of the Reconstruction Finance Corporation. What does this mean otherwise? Why did we write into this bill the provision that upon the report of the Board of Directors of the Corporation he could find that private credit was available? This bill contemplates that the Board of Directors shall find that credit is available otherwise and so advise the President, and then he may or may not, just as he sees fit, curtail the governmental credit facilities. There is no obligation in this bill at the present time on the President to seek the advice of anyone. He may take action now on the recommendation of the Board of Directors or otherwise. Under this bill the President can sit at his desk 5 minutes from now and destroy the very intent and purpose of the legislative enactment of this Congress with respect to the Reconstruction Finance Corporation.

As a Member of Congress I do not wish to assume the responsibility for giving the President such power, and I do not believe if you understood this provision—and I am sorry there are not more Members on the floor today to discuss this all-important and fundamental question—in the face of the explicit instructions given you by the people of this country on November 8 you would want to continue giving this President or any other President extraordinary powers to control the credit of this country; credit is the very lifeblood of this Nation.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. Is the gentleman in favor of the elimination of sundry boards or the curtailment of their powers?

Mr. WOLCOTT. Yes.

Mr. SPENCE. Does the gentleman, then, wish to leave it to the bureaucrats and to those who now have charge of these functions to say whether or not they shall be abolished?

Mr. WOLCOTT. I would prefer that the bureaucrats, as the gentleman calls them and as we all call them, at least make a recommendation. This Congress seldom acts unless some of the bureaucrats do make recommendations. I would prefer that the bureaucrats make these recommendations rather than the "communicrats," or whatever one may call them.

Mr. SPENCE. Would they make a recommendation to abolish their own offices and abolish the power they have?

Mr. WOLCOTT. I may say to the gentleman the President is not bound to follow their recommendations in any particular, but the President has a right to assume that if the Board of Directors of the Reconstruction Finance Corporation, which the gentleman concedes and I concede has done a splendid job, recognizes that credit is available from private sources, then, although the President is not bound to follow that recommendation, he should follow it to some extent; at least, he should have that information before him.

This does not go to the life of the Corporation. I believe Jesse Jones or any of the other members of the Board of Directors of the Reconstruction Finance Corporation is worth ever so much more to himself in a private capacity than he is in a governmental capacity. We are proud to have such men as Jesse Jones and the other members of this Board in this particular capacity. I believe the President should not only seek the advice of the Board of Directors but in many cases follow it. In the case before us now, the President can act on his own initiative without seeking the advice of his own Cabinet, or any member of his Cabinet, or any agency which is set up to advise him on these matters. I do not believe the President should ever take the initiative or should ever be given the authority to take the initiative to dry up the very lifeblood of this Nation without some strings being tied to it. I think this Congress should have some assurance that he has at least sought the advice of someone before he takes such action. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Wolcott].

The question was taken; and on a division (demanded by Mr. Wolcott) there were—ayes 89, noes 110.

So the amendment was rejected.

Mr. LUCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCE: On page 1, line 6, strike out subsection (b).

Mr. LUCE. Mr. Chairman, this amendment will bring a test vote as to whether the House is or is not ready to begin curtailing the activities of the Government.

I have in my hand a page from the Harvard Business Review of last summer, showing a diagram whereby it appears that there are 57 varieties of alphabetical agencies created under the New Deal—57 varieties—you may have heard that phrase somewhere. It seems not to be confined to the consumption of beans, but to include also the activities of the New Deal. The next page has another table showing that there are inside of these 57 varieties 13 subsidiaries. So, if I rightly interpret it, there are 70 agencies that we now have to face. Shall they not or shall they be made permanent?

This motion authorizes the beginning of exterminating some of these 70 varieties. This particular one concerns the Electric Farm and Home Authority now operating in 32 States and employing 120 people. You will vote whether you will continue employing 120 public servants to interfere with private industry and to continue the process of shackling those who are ambitious to make a success for themselves.

Sir, I submit the question without further argument in its favor. It is a question of whether there shall be or shall not be a continuance of this particular subsidized industry.

Mr. THOMAS F. FORD. Mr. Chairman, I am only going to take a minute to answer my distinguished and beloved friend from Massachusetts, who is attempting to strike out one of the most important features and one of the most important activities of the Reconstruction Finance Corporation.

In the first place, prior to the inauguration of the Electric Home and Farm Authority, a person wanting to put a range in his home or some other electrical appliance, had to do so, if he did so, on time payments, with an interest penalty of from 22 percent to as high as 40 percent. The Electric Home and Farm Authority comes along and by taking a 5-percent discount enables the ordinary home owner to equip his home with all electrical appliances necessary at a very low cost.

Mr. LUCE. May I interpolate that that is increased to 9 percent in the process?

Mr. THOMAS F. FORD. Well, admitting that, although I do not admit it, but admitting that is true, the difference between 9 percent and 22 percent is considerable and the difference is in favor of the home owner who is attempting to bring into his home the results of modern science in making the work in the home easier. Therefore I say that for us to undertake to curtail the activities of this particular corporation at this time would mean that we are doing two things. We are depriving the home owner of an opportunity

to get electrical appliances cheap while at the same time we are providing a market for electrical power for both private and publicly owned institutions where the rates are fair and reasonable.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. I yield.

Mr. BROWN of Georgia. Is it not a fact that this agency has operated at a profit?

Mr. THOMAS F. FORD. That is true.

Mr. BROWN of Georgia. And a big saving to its customers.

Mr. THOMAS F. FORD. With a big saving to the user and a profit to the corporation.

I think, Mr. Chairman, to adopt this amendment would be the most foolhardy step this Congress could possibly take at this time.

Mr. GIFFORD. Mr. Chairman, I think it ought to be made clear, if possible, that this Electric Home and Farm Authority operates after the R. E. A. has completed its part. The R. E. A. builds the lines to the farms. The people then get together and form a cooperative at a fee of \$5 each, and when they have enough members they can apply to the R. E. A., which lends them the money to carry the line and the poles to the farmers. When it was found that the farmers could not buy electric gadgets they had to think of something. So they organized the Electric Home and Farm Authority, which will lend money to these people at 9 percent to buy these appliances. It is a wonderful scheme. A high-pressure salesman sells these appliances for the dealer to these people, taking a so-called "grab" on the goods sold. The dealer can get his money from the Authority, which says it will not lose money. Well, at 9-percent interest and good profits perhaps it would not. The dealer is relied upon by the Authority to meet these obligations. But if the dealer loses too much money through these high-pressure salesmen, then the Authority will have to take over these appliances, which may be called "cats and dogs." As a result we will go into the pawn-shop business to a certain degree. It is very fine for the Government to back up all of these things, but the gentleman from Massachusetts [Mr. LUCE] simply asked the question, Do you want to cut down a little on these activities? Have they not already gotten such a start that they may not now finance themselves? If it has been proved a good investment, the private banks ought to carry on and the Government withdraw from this field.

Is it not a reasonable request to desist from this little activity and let the Nation know that we can begin to cut out some of these so-called emergency measures? We ought to think of some really ridiculous activity in order to bring this problem to your attention. I cannot think of anything ridiculous enough at the moment, but there are a tremendous number of activities whereby comforts could be brought to our homes if the Government will guarantee business against losses. I spoke of the movement for socialized medicine. When this is brought to your attention the appeal will be so great that you will vote many more millions if such a scheme as this is so persuasive.

Mr. RANKIN. Mr. Chairman, I move to strike out the last word to reply to the two distinguished gentlemen from Massachusetts [Mr. LUCE and Mr. GIFFORD], these two new apostles of economy. I remember when the R. F. C. was created under the Hoover administration and they loaned the Dawes bank \$90,000,000 and lost probably fifty million of it, that these two gentlemen sat silent. I wonder where Mr. LUCE, the author of this amendment, was in those days.

Where, where was Roderick then!
One blast upon his bugle horn,
Were worth a thousand men!

But now, when we are making money by helping the little man to buy a refrigerator, or a water pump, or an electric stove, or a washing machine, he becomes very much excited and calls it socialism.

The gentleman from Massachusetts [Mr. GIFFORD], who just spoke—and we have heard often—I have often wondered how and why he talked so much and gave the facts all the

time. I know now; he does not give the facts all of the time. He guesses at them. He says that this was organized for the farmer. If it would do the farmers any good, you would not hear of the two distinguished gentlemen from Massachusetts supporting it, even though it came from a rank Republican.

But this is not for the farmers alone. It was not organized in connection with the R. E. A. It was organized before the R. E. A., if I remember correctly, and it aids people everywhere in buying these appliances, whether in the city or in the country.

But when we talk about the tariff, when you talk about taking the tariff off refrigerators, the two gentlemen from Massachusetts will hit the ceiling, because they say their people are employed in manufacturing refrigerators.

When we try to work out a plan to enable the American people to buy those refrigerators, to buy those water pumps, to buy those electric ranges, to buy electric washing machines, to buy cream separators, to buy electrical dish washers, and sundry other electrical appliances, to make their homes more comfortable and more attractive, and to lift the burdens from the farmers and relieve their wives of the drudgeries under which they have struggled throughout the centuries, even though it does not cost the Government a dollar, but, according to this report, makes the Government a profit of \$79,000, even though it furnishes a market for goods manufactured in Massachusetts, why then the two gentlemen from Massachusetts, who slept all the way past the Dawes loans, rise and manifest their indignation that this Government should participate in anything so socialistic.

They complain that their money changers in Massachusetts do not get their rake-off, that this is in competition with them. As a matter of fact, these small loans to these small people would not be made by those money lenders in whose behalf they complain, because they do not deign to touch the little fellows. If they do, they do not pile 9 percent on them, but they begin with 22 percent and work up.

I will place some data in the RECORD some time to show you how sales of electrical appliances have increased since this organization has been operating in 32 of the States.

O Mr. Chairman, this is doing more for the small householders of this country, upon whom the destiny of this Nation depends than almost any other organization, for the amount of money it uses, and it is making money instead of losing it. The small home owner is the man upon whom we must depend to save this country, and not on the money changer on the fifteenth floor. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HULL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, whatever sympathy there may be with the motive of the able gentleman from Massachusetts to curtail Government activities in various lines, I cannot agree with him as to curtailing this particular activity at this time.

There are some other activities I would be willing to endeavor to curtail, were it possible. Through one Government agency \$45,000,000 was loaned to China in order to enable China to buy some of the things they could not buy in this country without that loan. Very recently the Export-Import Bank loaned some other countries \$21,000,000 to enable their citizens to buy things they could not buy without a loan from this country.

Even now there is a gentleman in this country from Brazil, apparently seeking further loans from our people, notwithstanding the fact that at this time Brazil owes our people more than \$350,000,000 in bonds and securities on which there is default of both interest and principal. I would like to see some of those activities curtailed.

But I would like to call attention to the fact that the R. E. A. is rapidly expanding its lines in all sections of the country. All of its lines are going into the homes of farmers. Anybody who knows anything at all about the farm situation must recognize that the buying power of the farmer

is at a very low ebb. Furthermore, that the credit facilities of the farmers are at just about an equally low ebb.

It is true that under ordinary circumstances some of these customers, not only of the R. E. A. lines but also the public utilities, might go to their local banks and obtain the loans necessary to buy such equipment, but under the present system of running our country banks whereby some bank examiner sits on the desk and dictates how every transaction should be made, it is impossible for many country banks to make such loans. So it does seem to me this plan is working out satisfactorily. There has been no loss. If we curtail the buying power of the people who resort to such loans at this time, we will not only cripple the services of the R. E. A. projects but we will also cripple the buying power of the people who may patronize the public-utility lines in a similar manner.

Under the circumstances I hope this amendment will not be adopted. I believe this agency should be continued at least another 2 years, and that the people who, for the first time, are receiving the benefit of electrical facilities, may continue to buy, in a moderate way, the things which they absolutely need, not only for their comfort and convenience but the equipment which is absolutely necessary for the farm home, just as it is necessary for the home in the city. [Applause.] [Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. LUCE].

The amendment was rejected.

Mr. WOLCOTT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on two occasions today reference has been made to the so-called Dawes loan, and I think that again, as happens every year, that matter must be explained in the language of Mr. Jones, Chairman of the Board of the Reconstruction Finance Corporation.

One speaker said that the loan was \$95,000,000. Mr. Jones says that the actual amount of the loan is \$90,000,000. The next to the last speaker said that the losses aggregated at the present time \$40,000,000. Mr. Jones, in his testimony on pages 18 and 19 of the hearings, says that \$69,741,000 of the \$90,000,000 loaned have already been recovered. On being questioned by my masterful friend from California, Mr. THOMAS F. FORD, Mr. Jones goes on to say in reply to this question by Mr. FORD:

Mr. Chairman, you have some securities in addition to that, do you not, that will ultimately pay out?

Mr. JONES. You mean of that bank?

Mr. FORD. Yes.

Mr. JONES. Oh, yes. There are a lot of them, a tremendous aggregate face amount.

Mr. FORD. And much of that will pay out in time?

Mr. JONES. Yes.

Mr. Jones had previously testified in committee in response to a question which I asked as to what was the total amount of the loan, as follows:

Mr. JONES. Ninety million dollars. In addition to the collections there is on deposit with the court, I suppose, \$7,300,000 paid in on judgments against stockholders on their assessments. That would make a total of \$69,000,000, assuming that the court confirms the judgments. That would be \$69,741,000. That includes both interest and principal payments. We have applied \$16,363,000 of that as interest. I think I said, the last time I was up here, that probably we might lose as much as \$10,000,000.

Now, Mr. Chairman, if the Reconstruction Finance Corporation had not charged \$16,000,000 of that against that loan as interest, that loan would be paid to within \$5,000,000 of its face value at the present time.

Mr. Jones said last year before the Committee on Banking and Currency, in answer to criticism of the so-called Dawes loan, that although he was not Chairman of the Board at the time it was made, he was a member of the Board and voted to make that loan.

He did not want to shirk any responsibility at all. He said in substance: "Were I to be asked to do it again I would do it under those circumstances." The circumstances were that there were about \$120,000,000 of deposit liabilities. The result of that loan sanctioned by Mr. Jones, then a member of the Board and now chairman of the

Board was to save perhaps billions of dollars in the assets of the people of the Midwest and the far West whose life savings were involved. It saved, throughout that seventh Federal Reserve district, calamities similar to that which attended the unwarranted closing of the Detroit banks but a short time before. Mr. Jones was right when he said that even were we to lose every cent of the \$90,000,000, it would probably be as good an investment as the United States ever made. I merely take this opportunity to clear up, I hope once and for all—at least as far as this session is concerned—any question about the so-called Dawes loans.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. GIFFORD. Will the gentleman or some Member advise us who was chairman of the Reconstruction Finance Corporation at the time the loan was made?

Mr. SHAFER of Michigan. Was it not Pomerene, the Democrat?

Mr. RANKIN. This is the first analysis of the loan I have heard for some time. At the time Mr. Jones went in as head of the Reconstruction Finance Corporation the loss on the Dawes loan showed to be around \$50,000,000. Prosperity increased, of course, when the Democrats came into power and we recovered some of those losses. [Laughter.]

Mr. WOLCOTT. I know the gentleman wants to be fair and will correct his remarks in accordance with the record.

[Here the gavel fell.]

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CELLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4012) to continue the functions of the Reconstruction Finance Corporation, and for other purposes, pursuant to House Resolution 97, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? [After a pause.] If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein certain excerpts from the report of the Reconstruction Finance Corporation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONSTRUCTION OF CERTAIN PUBLIC WORKS FOR THE NAVY

Mr. COX, from the Committee on Rules, submitted the following resolution (Rept. No. 79), which was referred to the House Calendar and ordered to be printed.

House Resolution 98

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 4278, a bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 6 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EXTENSION OF REMARKS

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein

a Lincoln Day address delivered by my colleague, Mr. DONDERO, at the Northwestern Republican Club banquet in Detroit on February 16.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio talk given by my colleague, the gentleman from Michigan, Mr. Wolcott, in connection with the American Forum of the Air last night.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the organization of the government of the District of Columbia.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address delivered by me at Philadelphia.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by Hon. Elmer Anderson before the South Dakota Historical Society.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD at this point and to include therein a letter which I have just received regarding the Surplus Commodities Corporation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FEDERAL OPERATION OF RELIEF OF THE SURPLUS COMMODITIES CORPORATION

Mr. ALEXANDER. Mr. Speaker, I have called attention on several occasions to the wastefulness, impracticability, and wanton destruction of all values, which exists in this Government, and which is growing daily by reason of the operation and control of relief activities by the Federal Government centralized here in Washington, in contradistinction to the traditional and democratic way in which we have heretofore successfully handled such problems through local governmental agencies, and to which system we should return. A good illustration of such destruction, not only of economic and material values, but also of democracy and respect for our Government, as well as of those deeper personal and individual moral and spiritual values, is contained in the following letter which I have just received from Minneapolis:

FEBRUARY 15, 1939.

HON. JOHN G. ALEXANDER,

House of Representatives, Washington, D. C.

DEAR JOHN: I wish to give you some information in regard to the operations in this territory of the Surplus Commodity Corporation and the disastrous effect their distribution is having on both the retail and wholesale business in the territory on the commodities distributed.

As you probably know, what little I have is mostly invested in a wholesale company distributing fruits, vegetables, and groceries in Minnesota and the Dakotas, which business is injured, as well as the business of our customers, the retail grocers, by the unethical delivery of increasing and unnecessary quantities of commodities entirely unnecessary for relief. It is reported that many items are being used in trade or barter for other commodities and that much of the items delivered to relievers cannot be used and is a loss or is resold. It simply is not possible to dump such quantities in a territory without demoralizing the trade. For instance, the delivery in Minnesota in 1938, in some commodities in which I am interested, are reported as follows: 7,000,000 oranges, 100,000 boxes, or over 200 carloads; 1,775,000 grapefruit, 25,280 boxes, or over 60 carloads; 1,250,000 fresh peaches, 62,500 boxes, or over 60 carloads; 1,000,000 fresh tomatoes, 50,000 crates, or over 50 carloads; 4,500,000 fresh apples, 100,000 boxes, or over 133 carloads; 13,250,000 potatoes, 220,000 boxes; besides many cars of dried peaches, prunes, raisins, apples, rice, and many other quantities, apparently enough to feed many times the number of people on relief.

In North Dakota, from January 1 to August 1, 1938, 13,000 tons of food staples were distributed by the division of S. C. C. from the State public welfare at Bismarck, N. Dak., amounting to 742 carloads, including 280 cars of potatoes—in a potato-growing State—and other similar commodities, including 25 cars of fresh tomatoes.

It should be easy to see, with such quantities delivered miscellaneously, the effect it would have on the trade of the taxpayers who have to foot the bills for the losses.

The Detroit Lakes, Minn., paper carried a news item recently of the receipt there of a carload of clothing which was stored in the courthouse and that quantity on hand was so far above the needs that solicitors were sent out to urge people to come and get clothing so that the courtroom could be used for other than storage.

I would appreciate it if you will take a personal interest in this situation and if you wish further information will try and secure it for you.

Thanking you in advance, I remain,

Yours truly,

FRANK R. THOMPSON,
Minneapolis, Minn.

It is easy to understand the national trends and to visualize the future of a Nation which operates its public affairs, and especially anything as serious and important as our relief and unemployment problems, on such a basis as that described in the above letter. Sooner or later the day of reckoning will come, and then it will not be well either for the poor and needy of for those still untouched by the economic depression, and the great need of the day is for all of us to listen now to this cry which reaches to high heaven demanding that this situation be stopped and stopped at once and in its place that a sound, sensible, democratic, and constructive program be substituted before it is too late.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier in the day.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF EXPORT-IMPORT BANK AND COMMODITY CREDIT CORPORATION

Mr. SABATH. Mr. Speaker, I call up House Resolution No. 96 for immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 96

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 4011, a bill to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. SABATH. Mr. Speaker, does the gentleman from Michigan [Mr. MAPES] desire time?

Mr. MAPES. Yes. Will the gentleman yield the time to which this side is entitled to the gentleman from New York [Mr. FISH]?

Mr. SABATH. That is satisfactory. I yield the gentleman from New York [Mr. FISH] 30 minutes.

Mr. Speaker, this resolution makes in order H. R. 4011 and provides for 3 hours' general debate, after which the bill will be taken up under the 5-minute rule.

The bill, H. R. 4011, extends the life of the Commodity Credit Corporation and the Export-Import Bank to January 15, 1941. It limits to \$100,000,000 the aggregate amount of loans the Export-Import Bank may have outstanding at any one time, and this is the maximum amount of capital which the R. F. C. is authorized to supply the Export-Import Bank. The bill also provides that the Commodity Credit Corporation may have outstanding at any one time notes, debentures, and other obligations in the amount of \$900,000,000 instead of \$500,000,000, as provided under existing law.

I am not going to take a great deal of time because 3 hours has been granted for general debate on the bill, and the members of the Banking and Currency Committee, I am satisfied, will explain every provision and the need for this exten-

sion. I desire to call attention to one thing, however, in view of the remark that has been made that this aims to help only one section of the country. May I call attention to the fact that under this law we have aided every section of the country? Money has been advanced for butter, corn, cotton, raisins, tobacco, wheat, wool, mohair, and many other commodities. I think it has rendered a great service and has been a very great aid to our Nation. Personally I feel there should be no opposition to the bill or any of its provisions. It is legislation in the right direction, and, I repeat, it is legislation that has been of great benefit to every section of the country.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Does the Export-Import Bank render to Congress a statement of its financial condition; a statement of its profits and losses? Do we know anything about what it is doing?

Mr. SABATH. Oh, yes; it has made reports, and they are extremely satisfactory. I know the members of the Committee on Banking and Currency, who have all the facts and all the information, will explain to the gentleman and thoroughly satisfy him or any other Member of the House on that point.

Mr. Speaker, I reserve the balance of my time.

Mr. FISH. Mr. Speaker, I yield myself 15 minutes.

Mr. MAY. Will the gentleman yield for the purpose of propounding a unanimous-consent request?

Mr. FISH. I yield to the gentleman from Kentucky.

COMMITTEE ON MILITARY AFFAIRS

Mr. MAY. Mr. Speaker, I ask unanimous consent that the Committee on Military Affairs of the House may sit during the session of the House tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. MAY]?

There was no objection.

EXTENSION OF EXPORT-IMPORT BANK AND COMMODITY CREDIT CORPORATION

Mr. FISH. Mr. Speaker, in order that there may not be any misunderstanding, I stated a little while ago that President Hoover recommended the Reconstruction Finance Corporation bill, that it was finally passed by a Democratic Congress, and that was one of the best things the Congress did. Not only is that a correct statement of fact but President Hoover also appointed the Board. I believe he appointed Senator Pomerene as Chairman of the R. F. C. and put other Democrats on the Board, such as Jesse Jones. I cannot see how there can be any controversy about those facts.

The bill pending before us, having to do with the continuation of the Export-Import Bank and the Commodity Credit Corporation raises several important issues. Although I am in favor of the continuation of both of these agencies, I believe their activities ought to be discussed freely. The Rules Committee has provided ample time in the 3 hours' general debate for such discussion.

As I stated, the bill raises new and important issues in this House. The Members, whether they be Democrats or Republicans, are largely familiar with the R. F. C.; however, they are not so familiar with the Export-Import Bank or its origin, and they are not familiar with the operation of the Commodity Credit Corporation, except the Democratic Members from the Southland and the cotton States.

Let me start first to discuss the Export-Import Bank. The original Export-Import Bank was designed to take care of our trade with Soviet Russia. That was the main purpose of enacting the law at that time. Now let us look at the facts. What do they disclose? Members of Congress will remember, when the question of recognition of Soviet Russia was before the House, it was stated if we would recognize Soviet Russia we would do a billion dollars worth of trade with her, including \$200,000,000 worth of cotton.

Prior to the recognition of Soviet Russia and under Republican administrations we did over a hundred million dollars worth of business with Soviet Russia yearly. In order to obtain recognition of Soviet Russia, juicy and rich plums were

dangled before the eyes of the big bankers and industrialists of New York City and before the eyes of the Baptists and Methodists of the South, who were against recognizing Soviet Russia on religious grounds. This tempting bait in the form of \$200,000,000 worth of cotton trade annually caused the southern Democrats to jump on the band wagon to recognize Soviet Russia. Their Senators and Representatives did likewise, and so did other Members of Congress, who swallowed the \$1,000,000,000 trade bait and propaganda.

Now, what are the facts? Instead of doing a hundred million dollars' worth of business, which we did previously, we do about \$25,000,000 of business with Soviet Russia. Instead of buying \$200,000,000 worth of cotton from the South, Soviet Russia has brought three and a half million dollars worth of cotton and they borrowed the money from the Reconstruction Finance Corporation to put over the deal.

This brings me back to the reason for the existence of the Export-Import Bank. Not doing any trade with Soviet Russia, of course, the bank went out of existence, but has since been revived. I have no criticism of the Export-Import Bank today and its operations, except in connection with one particular item. I believe it can be made very useful at the present time to promote and hold our trade with Latin America.

Mr. Speaker, we have a situation that is confronting this country and one about which we have heard a great deal from the President and from the Secretary of State during the last few months. I refer to our South American trade which the President and the Secretary of State are saying is being jeopardized by competition from the totalitarian states. The fact is, our trade is being jeopardized in South America and in Latin America, not so much by the totalitarian states as by Germany primarily through the use of blocked marks on a barter basis. That is the only way Germany can trade, because we have most of the gold in the world. They have no gold with which to trade, so they barter goods with blocked marks, and they are making very serious inroads on our trade in Brazil, the Argentine, and Chile.

Shall we continue to lose a large part of the trade we have been doing with these countries and which we picked up during the World War? We secured these markets during the World War when Germany could not ship goods to South America, and have largely held this trade. Under Hitler, Germany, through the use of blocked marks—and Germany has a perfect right to use the barter system of trading—is undermining our export business with the Argentine, Brazil, Chile, Mexico, and other South American countries. Germany, Italy, and Japan have as much right to trade in South America as we have. They have as much right to trade there as we have to export our goods to Poland or Czechoslovakia or Hungary, in close proximity to the German Reich. The only way to keep our trade in South America is to do what these other nations are doing, that is, to subsidize either our ships or our exports to meet the competition in the price of goods or in service. The Government should help in providing better facilities and transportation and with short-time credits.

Mr. SIROVICH. How about long-term credits?

Mr. FISH. And long-term credits also.

I am for this bill. I believe it is a sound proposal, particularly if we apply it to South America. I should like to see it confined to the American hemisphere or the American continent. I am a little suspicious, as I shall explain later, when loans are made in the amount of \$25,000,000 to China through a Chinese bank.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. SIROVICH. Has the president or the board of directors of the Export-Import Bank the right to extend long-term credits to South America the same as European countries do?

Mr. FISH. This bank has the right to lend money to our American producers to ship their goods to any country in the world, not only to South America. I want to encourage our export trade with South America. I have to confess I

am a pan-American. I also believe in the Monroe Doctrine. I believe Latin America is the logical market for the United States, and that everything should be done within our power to encourage trade with these countries. I believe this particular plan, the Export-Import Bank, is one of the ways to encourage such exports, and this trade should be extended. I may say, furthermore, that if we do not do something of this kind immediately, not next year, our failure to do so will be the kiss of death to the trade we have in South America at the present time. If we do not provide some governmental loan facilities now, we might as well be prepared to kiss the trade good-bye.

Mr. PATRICK. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Alabama.

Mr. PATRICK. Does the gentleman refer to this bill as now drawn, without amendment? Is the gentleman speaking of the policy in applying this measure if the life of the Export-Import Bank is extended?

Mr. FISH. That is right.

Mr. PATRICK. The gentleman is referring to the application of this measure as it now stands? Does the gentleman believe the bill as now drawn will take care of the South American trade to which the gentleman refers?

Mr. FISH. As the bill is drawn, extending the authorization to \$100,000,000, it would take care very largely of the South American trade. I should like to limit loans to any country outside of South America or the American Continent to \$5,000,000, so if loans in excess of that amount were sought to be made, the consent and approval of the Congress would have to be obtained.

I have to confess I am suspicious of this administration and its secret diplomacy. I am suspicious that this administration may use this weapon, Export and Import Bank, to lend money to nations abroad that are involved in war, and may drag us into war against the will of the American people.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Does not the gentleman believe the bill should be safeguarded so it will provide that no money may be loaned to foreign governments for the purpose of buying our airplanes or other elements of our national defense which are secret?

Mr. FISH. I will have to divide that question. I may say to the gentlewoman I do not object to any foreign nation's buying our airplanes. I do not care what nation buys our airplanes, whether it be England, France, Italy, Germany, or any other nation. However, I am absolutely opposed to giving away our military secrets. I think that is a shameful performance.

Mrs. ROGERS of Massachusetts. But the gentleman does not want to sell our Army or Navy planes?

Mr. FISH. Certainly not. Why should Members of Congress vote money to hunt down foreign spies or to offset what we call the foreign spy system in America? We are told in the midst of this war hysteria that this country is covered with spies who have come here from foreign countries to try to find some of our military secrets or some of our airplane secrets. We appropriate money for protection against these spies and chase around after them, yet the President of the United States gives away the most important secret of all. Of course, I am against such procedure. If foreign nations wish to go into the open market and bid on our airplanes, I have no objection whatever.

Mrs. ROGERS of Massachusetts. I did not refer to bidding in the open market. I referred to selling our Army and Navy planes.

Mr. FISH. Of course, I believe anyone who has followed the Senate Military Affairs Committee hearings knows the position of the Chief of Staff, General Craig, and General Arnold, the Chief of the Air Corps, who protested against permitting a French officer to inspect one of our new types of airplanes.

Mrs. ROGERS of Massachusetts. Would the gentleman then like to place in this bill a safeguard against such action?

Mr. FISH. The President did not do it through this bill but as Commander in Chief of the Army. I want a safeguard against lending money for war purposes to any country. I am not worried about South America, because in accordance with the Monroe Doctrine we have a moral obligation to defend South America.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Illinois.

Mr. SABATH. The gentleman stated he does not object to our selling to foreign countries anything we manufacture, but objects only to secrecy in such transactions. Does not the gentleman believe that when people go to invest \$25,000,000 or \$50,000,000 they are entitled to know what they are buying?

Mr. FISH. Let them go to our factories.

Mr. SABATH. That is what they do.

Mr. FISH. But not to our Army and Navy, and get an airplane which is our newest and best airplane, one that has never been used before. Even the Chief of Staff and the Chief of the Air Corps have agreed this was one of our greatest secrets. I do not believe in selling American secrets. I believe in selling American goods.

Mr. SABATH. These were not secrets.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I wish to ask the gentleman to clear up in my mind what he means with reference to the \$5,000,000 loan. Does the gentleman refer to authorizing the Export-Import Bank to make \$5,000,000 loans to foreign countries as such, or to companies owned and controlled by foreign countries?

Mr. FISH. No; to lend to people over here to export our goods to foreign lands. For instance, this particular Export-Import Bank has made commitments totaling about \$50,000,000, of which \$25,000,000 is a commitment to the Chinese Bank or to a company backed by the Chinese Bank, 50 percent of which is owned by the Chinese Government. One thousand war trucks are being supplied by American money taken out of the Treasury of the United States to help the Chinese. All of us on both sides of the aisle may be for the Chinese, but when you get to financing foreign wars or when you begin to furnish war material for one party in a war, then you are dragging the United States directly into that war.

Mr. SACKS. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. SACKS. I would like to call the gentleman's attention to the testimony of Mr. Jones, where he directly said that this is not a loan to the Chinese Government but a loan to a Chinese-owned American trading company in New York and credits are extended not to China but to this company, which is partly owned by American interests.

Mr. FISH. If the gentleman will follow through, he will find that the loan is made to some Chinese interests in America.

Mr. SACKS. No; to Americans.

Mr. FISH. An American-Chinese company which is backed by the Bank of China.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 15 additional minutes.

That company is backed by the Bank of China and 50 percent of that is owned by the Chinese Government. So, indirectly, our Government is financing this war. We are supplying 1,000 war trucks and when you go to supplying war trucks the next thing will be supplying airplanes, machine guns, and war material. There ought to be a direct prohibition against it.

Mr. SACKS. Mr. Speaker, will the gentleman yield further?

Mr. FISH. I yield for a brief question.

Mr. SACKS. I also want to refer the gentleman to a short statement made by Mr. Jones in which he said that no

war materials are being purchased with the money and that this money is lent in New York to an American firm and only backed up by the Bank of China to these American investors.

Mr. FISH. That is exactly why I propose that this bill should be amended so that none of this money should be used for war materials.

I am pointing out to the House, and this must be self-evident to any thinking man regardless of partisanship, of the \$50,000,000 of total commitments, \$25,000,000 has been made through the Bank of China and so far they have used it to send trucks to China. I want to stop that kind of financing. I do not care whether it is war trucks or something else used for war purposes, I want to stop it by an amendment prohibiting the use of any of this money for war material.

Mr. STEAGALL. Mr. Speaker, will the gentleman yield?

Mr. FISH. Certainly.

Mr. STEAGALL. As a matter of fact, there has not been one dollar of money loaned to the Universal Trading Co., with whom the negotiations respecting the \$25,000,000 loan have been made. No money has been furnished them and none will be, except as each transaction is approved by the Export-Import Bank officials and by the State Department.

Mr. FISH. That is correct. This is a \$25,000,000 commitment, which is one-half of the total commitments of the Export-Import Bank, and out of that they have already ordered 1,000 trucks that are to be paid for out of the \$25,000,000.

Mr. GEYER of California. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes; briefly.

Mr. GEYER of California. I do not know whether the gentleman has been inconsistent or not. Probably the gentleman has not been inconsistent, but it seems to me the gentleman said he would be perfectly willing to sell airplanes abroad, but not trucks. Am I mistaken about that?

Mr. FISH. I am willing to sell both trucks and airplanes, but not with Government funds. I do not object to other people coming over here and buying them. The Government of the United States is financing this transaction. I do not care if foreign nations spend their own money over here, but I do not want the United States to be a Santa Claus for the entire world in their eternal wars. We have been that once, and I do not want that to happen again.

Mrs. ROGERS of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mrs. ROGERS of Massachusetts. Is it not also an amazing foreign policy when we have a neutrality act on our statute books? I voted against the so-called neutrality act because I thought then that this very thing might happen.

Mr. FISH. The gentlewoman from Massachusetts is absolutely right, she voted against the neutrality act, but this is an unneutral transaction. If we finance foreign wars, of course, that is being unneutral. That is the reason I want to see an amendment adopted in this bill and I want to limit the amount, because I have no confidence unless it is done that the President will not endeavor to finance a war on some unneutral basis in China or elsewhere.

Now, just because the totalitarian states trade in South America, we are practically told that we must meet that trade with battleships and 16-inch guns, with submarines and torpedoes, and with airplanes and air bombs.

This is not the way to meet foreign trade or even foreign propaganda, and there is a great deal of totalitarian propaganda in South America. The way to meet such trade is either to have better goods, better prices, and better service, or subsidies and the way to meet the propaganda, of course, is to meet propaganda with propaganda, and I have never known the New Deal to be a shrinking violet when it came to the use of propaganda. Yet we are supposed to go to war because these foreign countries are trading in South America. We are supposed to go to war to meet this propaganda. We are expected to go to war to stop them from trading in Latin America. That is evidently a part of the whole scheme of war hysteria and appeal to emotionalism. I

am in favor of this bill because it helps us meet that trade and that competition from totalitarian states, primarily Germany and Japan, in Latin America.

I think we ought to hold our Latin-American trade, but if we lose it we are to blame, then we will have something to explain because after all that is our logical market. The reason I do not like all this secrecy, the reason why the gentlewoman from Massachusetts [Mrs. ROGERS] does not like the secrecy about these airplanes sales is because this is not the first of such transactions by the Government. A lot of us would like to know something about the stabilization fund, how that stabilization fund is being operated, and we would like to know whether \$1 of that gold fund has been used to finance any war material for foreign nations, directly or indirectly, by devious financial and exchange manipulations. We would like to know all about the secrecy involved in buying silver from Mexico, Spain, and China, which was all done in secrecy. That is why we seek to limit the powers of the President.

I do not know, and I do not know that anybody else in the Congress knows, anything about our secret stabilization fund, or how these deals were put over to buy silver from Mexico and Spain. We found out about the airplane deal only because there was an accident and a French officer was injured. The American people otherwise would not have known a word about it.

In the balance of my time I propose to discuss the Commodity Credit Corporation.

The New Deal farm program has collapsed, and farm prices have fallen to the lowest level outside of 1932 and 1933 that they have fallen in this country, for 50 years. I hold in my hand a statement of the Associated Press, taken from the Washington Evening Star, which is headed "United States Cotton Exports Slump to 1880's Level."

UNITED STATES EXPORTS SLUMP TO 1880'S LEVEL

Commerce Department reports showed yesterday exports of American cotton slumped to the level of the 1880's during the first 6 months of the current marketing season.

Shipments to foreign countries between August 1 and February 1 totaled 2,192,285 bales, compared with 3,832,247 during the corresponding period last season.

Authorities on foreign trade estimated that unless there was a change in the Government's policies, exports for the full season would amount to about 4,000,000 bales. With the exception of the World War year of 1917, exports have not been less than 4,175,000 bales since 1885.

Nobody questions the good intentions of the New Deal farm program. Nobody on our side questions the good intentions of the New Deal to raise farm prices. I certainly never question the intentions of the New Deal to help the farmer, and I imagine that I voted for some of those bills. Their intentions were right, and the only test is whether they have succeeded or failed, and I say to you that the farm-control program of the administration is the most colossal failure in American history.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. MARTIN of Massachusetts. The gentleman says that he does not question the good intentions of the New Deal. I presume he knows that hell is paved with good intentions.

Mr. FISH. Yes. And the failure of the New Deal farm program is the most tragic and disastrous of all New Deal failures.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. SCHAFER of Wisconsin. I question their good intentions to help the farmer. They sent their New Deal prophet, Ezekiel, to destroy 5,000,000 hogs, and then imported hundreds of millions of pounds of processed pork from foreign countries, and when they did that I say they were not looking after the interest of the American farmer or the American packing-house employee, who are out of jobs today.

Mr. FISH. That is the way it worked out but I do not question their intentions. I question, naturally, the working

out of their program. In the main it was fallacious and unsound from the beginning. Their program was one of scarcity, of plowing under crops, of destroying crops, and of birth control of pigs. Under the Republican administrations, from 1922 to 1930, agricultural prices were generally 100 percent higher. The Commodity Credit Corporation, which a lot of Republicans know little about because they do not come from the cotton States, and under the Commodity Credit bill, which we are talking about, 75 percent of all of the credit has gone for cotton loans. The Commodity Credit Corporation now holds loans on \$560,000,000 worth of cotton.

Under the Republican administrations between 1920 and 1930, under these wicked Republican administrations, under the wicked and vicious Republican tariff, cotton in the Southland averaged 17½ cents a pound and today, after 6 years of the New Deal, and I suppose you still want to blame it on the Republican tariff and Herbert Hoover and probably George Washington—in the Southland today, after this program of scarcity and plowing under of crops and the expenditure of half a billion dollars a year for the alleged benefit of the farmers, the great cotton crop of the South is now selling for 8½ cents a pound. That is why we say the New Deal farm program has failed. It has failed because it was wrong in the beginning. It was unsound and destructive, it could not work out. It is a program of scarcity, a program of the destruction of wealth, and that is only half the story when we speak of this cotton program.

You people of the South have followed the Tugwells, the Ezekiels, the Corcorans, and the Cohens, and you have followed them to economic suicide. They have given the kiss of death to you cotton producers of the South, and today you find cotton selling at 8 cents a pound, and as I say, that is only half the story.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. FISH. No; I cannot yield. You have also lost one-half of your world markets on cotton. Under a Republican administration you exported over 8,000,000 bales of cotton and this year you will not export 4,000,000 bales. As we reduced cotton crops under the New Deal farm program, Brazil, Egypt, Abyssinia, India, Soviet Russia, and China produced more and more cotton until they have produced 4,000,000 bales more for the world markets. They have taken away the wealth which under a Republican administration went abroad in the form of cotton and came back to the farmers of the South in the form of gold and buying power.

Naturally, when we discuss this particular bill, which has financed the surplus cotton, the American people are entitled to the facts. The Commodity Credit Corporation has spent 75 percent of its funds on cotton loans, averaging 10 cents a pound. It has already loaned \$560,000,000 on cotton. What do you propose to do with this cotton? I just called up Mr. Jones and asked him, and he said, "There is nothing that can be done with it."

I submit there is nothing you can do except burn it. If you give it away you destroy the value of the cotton that is left; you reduce prices still further. We have not only had this economic loss, but we hold this cotton that is valueless—\$560,000,000 worth of it—after appropriating year after year hundreds of millions of dollars to plough under cotton and create a program of scarcity. The net result is that we have lost both. The price has gone to 8 cents a pound here and we have lost the world markets for our surplus cotton.

The answer is: If you had cotton at 17 cents, the parity price; if you had wheat at \$1.50, instead of 67 cents; if you had corn at 80 or 90 cents or \$1, instead of 47 cents, then we could not say "your farm program has failed." There is only one test, and that test is the prices of these farm commodities. I say to you Democrats: Before I am a Republican I am an American. I want to see prosperity among all the farmers of our country in the South, West, East, and North. [Applause.]

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I do not yield. I do not care whether it is the Southland or the North. We know that cotton growers in the South with 8-cent cotton cannot buy goods produced in

the North and the East. We know that your cotton men have no buying power and you cannot have any buying power unless you produce at a reasonable profit and use that profit for yourselves. Naturally, it is not a partisan issue. It is far above party. We cannot have a prosperous North, we cannot have a prosperous New York State, if the farmers of the West and the South are not making a reasonable profit beyond cost of production and have a buying power and are prosperous themselves. [Applause.]

The SPEAKER. The gentleman has consumed 30 minutes.

Mr. SABATH. Mr. Speaker, it is gratifying, indeed, to find the gentleman from New York [Mr. FISH] showing such a great interest in the South and in the growers of cotton. The gentleman is trying to point out that there may be a probable loss of \$500,000,000. I do not know and no one can determine what the losses might be, but I do know that it will not be even one-tenth of the amount that the American people lost due to Republican administration on the \$11,000,000,000 loaned to foreign countries. These bonds and debentures were unloaded on the American people, very little of which will be recovered.

The gentleman calls attention to the present-day prices. I remember that under the Republican administration of 1931-32 hogs and cattle were selling for 2 cents and 2½ cents. Today they are 8 cents. Wheat was selling from 27 to 29 cents. It is selling for about 60 to 75 cents now. What applies to these commodities applies to everything else.

So, although the gentleman shows an interest in the South, he is not showing a great deal of interest in the veracity and truth about conditions.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. I yield.

Mr. O'CONNOR. Is it not a fact that in the fall of 1932 beef cattle were selling over the scales in the Western States for as low as 2 cents a pound and that they are now selling for as high as 8 and 9 cents?

Mr. SABATH. That is what I was trying to convey.

Mr. O'CONNOR. And is it not further a fact that the total farm income for the year 1938 is nearly 100 percent higher than the total farm income for the year 1932?

Mr. SABATH. Nearly every intelligent man knows, but, unfortunately, for political reasons, some of the gentlemen on the other side do not wish the truth to be known and are trying to mislead the country with false figures and with untrue statements.

Mr. O'CONNOR. Is it not a fact that in 1932 the total farm income was only approximately \$4,000,000,000 and in 1938 it was a little in excess of \$7,000,000,000?

Mr. SABATH. The gentleman is correct.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. SIROVICH. I want to call to the attention of the distinguished chairman of the Rules Committee that when the McNary-Haugen bill, with the principle of debentures, was before the House 10 or 12 years ago, Democrats and Republicans united to pass the bill. This would have put agriculture, including cotton, upon a parity with industry; but the Republican President vetoed the bill, and my distinguished friend [Mr. FISH], who is now so interested in the welfare of the cotton farmer of the South, voted against the McNary-Haugen bill in those days. That bill would have helped the farmer to secure the justice that he is entitled to receive. [Applause.]

Mr. SABATH. Mr. Speaker, I am going to conclude, but before doing so I must call the attention of the gentleman to the statement wherein he said that great secrets have been disclosed to French representatives who were here to purchase airplanes. I have it on good authority that all secret instruments on that airplane were removed before same was shown to the Frenchmen. I hope that in the interest of fair play these misstatements will not be made in the future. There were no secrets imparted to the French representatives. This is all I wish to state; and now, Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4411) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4411) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, with Mr. Celler in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Alabama [Mr. STEAGALL] is recognized for one hour and a half, and the gentleman from Michigan [Mr. Wolcott] is recognized for one hour and a half.

Mr. STEAGALL. Mr. Chairman, this bill provides for the continuance of the Commodity Credit Corporation to January 15, 1941. An amendment will be offered to change the expiration date to the end of the fiscal year, June 30, 1941.

The Commodity Credit Corporation was organized in 1932 by Executive order with a capital stock of \$3,000,000. Additional funds were supplied to the corporation through the medium of loans from the Reconstruction Finance Corporation. In 1936 the Reconstruction Finance Corporation, under the authority contained in an act of Congress, purchased \$97,000,000 of the capital of the Commodity Credit Corporation, making the total capital \$100,000,000. In 1938 the capital stock of the Commodity Credit Corporation was transferred to the Treasury of the United States, and the Treasury, under the provisions of the act, is required to maintain unimpaired the capital of the Corporation at \$100,000,000. The Treasury is required to have an annual accounting on the 31st of March of each year and supplement the capital stock of the Corporation in case of its impairment and authorized necessary appropriations to carry out this purpose. In case of a surplus it is to be covered into the general funds of the Treasury of the United States.

The purpose of the Commodity Credit Corporation is to make loans to producers or to finance the marketing of farm products or other commodities for the protection of producers against loss due to forced seasonal sales.

The Reconstruction Finance Corporation made commitments to the Commodity Credit Corporation in the sum of \$1,754,712,665, and made disbursements in the sum of \$767,716,962. All of such sums have been repaid to the Reconstruction Finance Corporation. The Commodity Credit Corporation disbursed money to the extent of \$897,779,520. Of this amount \$522,983,139 have been repaid to the Commodity Credit Corporation.

Loans now outstanding, including loans that are being carried by banks which the Commodity Credit Corporation is obligated to purchase, amount to \$747,448,203.

Loans are made at the rate of 4 percent per annum; and when made by banks or lending agencies, the bank or lending agency retains 2½ percent, and 1½ percent is paid for the benefit of the Commodity Credit Corporation.

The Commodity Credit Corporation is officered by men from the Reconstruction Finance Corporation, the Treasury Department, and the Department of Agriculture. The directors come from the same agencies.

The Commodity Credit Corporation is managed by a board of directors consisting of Representatives of the Reconstruction Finance Corporation, the Department of Agriculture, the Farm Credit Administration, and the Export-Import Bank.

I will insert in the RECORD a statement covering the transactions of the Commodity Credit Corporation and giving a complete account of its transactions:

Commodity Credit Corporation since its organization, pursuant to Executive Order No. 6340, dated October 16, 1933, has made loans on agricultural commodities in connection with programs of the Department of Agriculture. Such loans are functioned through the facilities of the Reconstruction Finance Corporation under an agreement providing for reimbursement of expenses incident to the loans. Prior to May 2, 1938, Commodity Credit Corporation borrowed funds required in addition to its capital, from Reconstruction Finance Corporation and through issue of collateral trust notes, on the security of the commodity loans. Since that date necessary funds have been borrowed through issuance of notes guaranteed by the United States, such notes being issued pursuant to the act of March 8, 1938 (Public, No. 442, 75th Cong.). From the date of organization through February 1, 1939, loans disbursed by Commodity Credit Corporation and by lending agencies, under a purchase agreement, have aggregated \$1,284,931,553.12. Repayments have aggregated \$537,483,350.17, leaving outstanding loans as of February 1, 1939, of \$747,448,202.95. A statement of disbursements, repayments, and outstanding loans for each commodity, together with the collateral remaining pledged, is given below:

Commodity	Disbursements ¹	Repayments ²	Outstanding ³	Collateral pledged ⁴
Butter-----	\$30,210,810.62	\$10,490,926.04	\$19,719,884.58	\$20,292,146
Corn-----	245,528,329.25	155,062,131.09	90,466,198.16	\$169,475,336
Cotton-----	908,536,279.99	348,212,538.47	560,323,741.52	\$11,014,935
Dates-----	61,302.00	61,302.00	-----	-----
Figs-----	213,351.33	94,027.40	119,323.93	\$7,414
Hops-----	1,394,627.62	-----	1,394,627.62	\$7,035,156
Peanuts-----	12,207,271.31	7,154,475.70	5,052,795.61	\$1,599
Pecans-----	296,524.63	5,116.92	291,407.71	\$2,292,759
Prunes-----	2,653,229.20	2,358,207.89	295,021.31	\$20,007
Raisins-----	3,685,303.52	1,317,000.00	2,368,303.52	\$99,920
Tobacco-----	9,559,674.46	4,811,824.53	4,747,849.93	\$431,755,191
Turpentine and rosin-----	19,234,528.21	5,998,882.47	13,235,645.74	\$9,953,778
Wheat-----	40,775,960.59	640,162.68	40,135,797.91	\$69,134,694
Wool and mohair	10,574,360.39	1,276,754.98	9,297,605.41	\$58,687,957
Total-----	1,284,931,553.12	537,483,350.17	747,448,202.95	-----

¹ Disbursements to producers and commitments to banks and other lending agencies.

² Includes a balance of \$14,370,462.68 on cotton loans and \$1,019,748.01 on corn loans charged off after liquidation of collateral.

³ Includes loans held by banks and other lending institutions which Commodity Credit Corporation has agreed to buy.

⁴ Pounds.

⁵ Bushels.

⁶ Bales.

⁷ Tons.

⁸ Gallons transported.

⁹ Barrels of rosin.

Based upon the valuation of assets made by the Secretary of the Treasury as of March 31, 1938, pursuant to the act of March 8, 1938 (Public, No. 442, 75th Cong.), losses on commodity loans aggregated \$92,422,740.32. In addition to such losses, administrative expenses totaled \$1,862,664.01, making a deficit as of March 31, 1938, of \$94,285,404.73, which amount was restored by appropriation authorized by the act of March 8 referred to above.

With the exception of the amounts charged off as shown above, the amount appropriated to restore the capital is not considered in the above statement and is carried as a reserve against outstanding loans.

The losses of the Commodity Credit Corporation amount to approximately \$140,000,000. This statement is based upon actual losses already ascertained, and estimated losses that would be shown upon a final casting up of the account at this time upon a sale of the commodities held by the Corporation at present market prices.

Undoubtedly the Commodity Credit Corporation has rendered a great service to agriculture and to the Nation as a whole in aiding in the orderly marketing of farm products and other commodities and in protecting the people of the Nation against the sacrifice of farm products at seasonal periods.

The Export-Import Bank was created under the laws of the District of Columbia in 1934 by Executive order. The Congress in 1935 ratified that action. The capital of the bank was \$1,000,000, and was held jointly by the Secretary of State and the Secretary of Commerce for the benefit of the United States; \$45,000,000 of its preferred stock was owned by the Reconstruction Finance Corporation, purchased upon the request of the Secretary of the Treasury and upon the approval of the President.

The bank's principal activity is in connection with the export of agricultural and manufactured products. The total commitments have amounted to \$210,613,930. Of this amount \$92,204,740 were canceled because of the inability of the

applicants to complete the transaction or because they were able to secure satisfactory accommodations elsewhere when it was known that the Export-Import Bank would make the loans. Disbursements have been made in the amount of \$63,618,965. Repayments have been made in the amount of \$36,297,547. One hundred and eighty-one loans have been authorized and 88 of them not used.

The amount of the bank's participation in loans made jointly with lending institutions ranges from 45 to 75 percent, many of its transactions being of the type where the bank participates with other banks or lending institutions in extending accommodations.

A second Export-Import Bank was organized that did business for a while in connection with the minting and supplying of silver to the Cuban Government. Those transactions have been completed and the bank finally liquidated without loss.

I may say, replying to statements that have been made on the floor, that the Export-Import Bank had nothing whatever to do with the financing of the purchase of airplanes by the French Government. That was a transaction with which the Export-Import Bank had no connection whatsoever, directly or indirectly, and for which the officials of that bank were in no wise responsible.

The bank has made a commitment in the amount of \$25,000,000 to an American Corporation known as the Universal Trading Co. owned by Chinese, the loan to be secured by endorsement of the Bank of China, an institution owned in part by the Chinese Government and in part by citizens of China. No loans have actually been extended under this arrangement, and no loan can be made or shipment made by reason of accommodations extended by the Export-Import Bank except as each transaction is approved by the officials of the Export-Import Bank and by the Department of State. It has never for a moment been contemplated that any sale of any type would be financed by the Export-Import Bank for war purposes or in violation of any treaty or any other law of our Government. No loan has yet been actually made under the agreement. Four years prior to the conflict between Japan and China, during the year 1933, there was a commitment for a loan in the amount of \$50,000,000 to the Chinese Government. Only a small proportion of this loan was made, and a large part of the money used has been repaid. The agreement was canceled at the instance of China.

The first transaction of this type was conducted in 1932 under the administration of President Hoover by the Grain Stabilization Board, with the approval of the President and officials of the administration. A part of that loan has been repaid. The balance is being taken care of periodically and the obligations met as they mature under an agreement with the Export-Import Bank which now holds the claim against China.

Mr. Chairman, I reserve the balance of my time.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, I am certainly opposed to a continuation of the Export-Import Bank, which is one of those institutions that grows by feeding on itself. I want to call the attention of the House to what I consider a rather important item in this bill. The law as it stands now reads:

Notwithstanding any other provision of law, the Export-Import Bank of Washington and the Second Export-Import Bank of Washington.

Let me emphasize those words, "Second Export-Import Bank of Washington—District of Columbia," and so forth.

The revision of the act refers to the Export-Import Bank of Washington. Note it leaves the Second Export-Import Bank of Washington out entirely.

Mr. WILLIAMS of Missouri. Will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman from Missouri.

Mr. WILLIAMS of Missouri. The gentleman is aware of the fact that the Second Export-Import Bank has been liquidated and has been out of existence for some time?

Mr. SMITH of Ohio. That still does not answer the proposition that the law provides that a Second Export-Import Bank may be formed.

Mr. WILLIAMS of Missouri. I understood the gentleman was criticizing this bill because it did not extend the time of the Second Export-Import Bank.

Mr. SMITH of Ohio. We do not know whether the charter has been canceled. Can the gentleman assure us that the charter has been canceled?

Mr. WILLIAMS of Missouri. Absolutely. It has been liquidated and the assets have been turned over to the present Export-Import Bank.

Mr. SMITH of Ohio. Does this law anywhere provide there shall not be a second Export-Import Bank?

Mr. WILLIAMS of Missouri. There is no provision in this bill for a second Export-Import Bank.

Mr. SMITH of Ohio. Let me read the law again:

Notwithstanding any other provision of law, the Export-Import Bank of Washington and the Second Export-Import Bank of Washington.

Mr. WILLIAMS of Missouri. What law is the gentleman reading from?

Mr. SMITH of Ohio. I am reading the one passed on January 31, 1935, section 9.

Mr. WILLIAMS of Missouri. Now we have only the one.

Mr. SMITH of Ohio. But it is not provided in the law that there shall be only one. If it is so provided, I should like to know where it is in the law.

Mr. WILLIAMS of Missouri. Of course, the gentleman certainly understands that the first Export-Import Bank, and the second for that matter, was organized under an Executive order?

Mr. SMITH of Ohio. That is right.

Mr. WILLIAMS of Missouri. One of them has been liquidated, leaving only the other. If that is not plain to the gentleman, I do not know what is.

Mr. SMITH of Ohio. That does not answer the proposition that a Second Export-Import Bank may be formed. It is in the law. This law provides a limitation of \$100,000,000 upon the one bank, not the other banks that may be formed.

There is another clause in the law which reads as follows:

Said banking corporations.

It is not "banking corporation" but "banking corporations." That is in the plural. What does that mean? It means the law as it stands at the present time places no limit to the amount that may be issued by a second, third, or fourth export-import bank that may be created.

May I make a further observation? This bank, of course, has extensive powers. The law was enacted some time after the Executive order creating the first Export-Import Bank of Washington, and was put into effect on February 8, 1934.

What is this Export-Import Bank for? It is used to finance loans, of course, for exporters. I should like to know this: With about \$9,000,000,000 of reserves in our banks at the present time, with about \$3,000,000,000 of excess reserves, with interest rates lower than they have ever been in the history of America, and the Government setting up an institution of this kind, it takes away all possible hope of the private investor or the private banker financing these things. Mr. Chairman, I am convinced if the American people knew exactly what this Export-Import Bank is they would abolish it in a minute, as they would a lot of these other agencies that have been set up in the last few years. [Applause.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield to the gentleman from Georgia [Mr. BROWN] such time as he may desire.

Mr. BROWN of Georgia. Mr. Chairman, this bill (H. R. 4011) provides for the extension of the functions of Commodities Credit Corporation as an agency of the United States to January 15, 1941, or such earlier date as may be fixed by the President, and also authorizes the Corporation to issue notes and obligations in the additional amount of \$400,000,000. This authorizes a total borrowing capacity of \$900,000,000, which, coupled with the capital provided under the

terms of the act of March 8, 1938, provides the Corporation with a billion dollars in the aggregate. These funds may be used by the Corporation in its activities in making loans upon the security of agricultural commodities. Originally, Commodities Credit Corporation was designed to assist the Agricultural Adjustment Administration in carrying out the latter's programs of production and marketing adjustment by means of loans to producers. Such loans were made, approximately, at market levels in order to assist producers to carry their commodities and market the same in an orderly manner at reasonable prices. During a period of many uncertainties in foreign and domestic affairs, Commodities Credit Corporation has provided the markets of the major agricultural commodities with a bulwark of strength or basic values which were available in the event of any weakening in market prices.

With the passage of the Agricultural Adjustment Act of 1938, Commodities Credit Corporation became the main vehicle for carrying into effect the principles of the ever-normal granary. This act provides mandatory loans upon the basic agricultural commodities of cotton, corn, and wheat. In the case of cotton and wheat, loans may be made under the act at rates varying between 52 percent to 75 percent of parity. The two loans which were authorized during 1938 were both made at approximately 52 percent of parity. In connection with corn, the act establishes a somewhat different formula, which depends upon the estimated production of the crop determined by the Secretary of Agriculture in November of each year. Under this formula, loans on the 1938 crop were fixed at 57 cents per bushel, which was 70 percent of parity, the minimum permitted under the act.

In addition to the foregoing loans, the Corporation is authorized to make loans upon the security of agricultural commodities recommended by the Secretary of Agriculture and approved by the President. The present loans of the Corporation cover the following commodities: Cotton, corn, gum, turpentine and rosin, wool and mohair, wheat, peanuts, tobacco, raisins, dates, figs, prunes, and butter.

The hearings held before the Banking and Currency Committee indicate that the Corporation has disbursed \$1,284,000,000, including disbursements by lending agencies holding purchase agreements, and that repayments have aggregated \$537,000,000, leaving outstanding \$747,000,000. On page 69 of the hearings a detailed summary is presented of the disbursements, repayments, and amounts outstanding. It will be observed from the commodities listed that practically every section of the country has been affected by the loans of the Corporation. Necessarily, such loans can be made only upon nonperishable commodities which may be warehoused and stored for considerable periods of time. Efforts have been made in all instances to make such loans available solely to producers or associations of producers in such manner that the control and the marketing of the commodities is retained by the individual producer pledging the same. In only one or two instances have any exceptions been made to this basic principle. This principle has been carried to the extent that most of the cotton which has been released has been marketed by the producers which obtained the loans in the first instance. This practice has permitted the producer to negotiate for the sale of his own commodities with the result that such commodities move in the normal channels of trade without being concentrated in the hands of a board or commission.

I believe the loss under the last appraisalment by the Secretary of Agriculture was \$94,000,000. This was last March. Ninety-two million dollars of this sum was lost on cotton. Since that time up to the present time Mr. Jones has estimated an additional loss of \$20,000,000; in other words, we have a loss on cotton of around \$110,000,000 and a loss of some four or five million dollars on other commodities.

This is not such a great loss compared with the benefits the farmers have received. It is impossible for the cotton farmers of the South to make expenses at the present price of cotton. In many districts in many States the only money crop we have is cotton; therefore, these losses added to what we have received from relief do not amount to anything

like the sum received as relief benefits by the people in Pennsylvania and New York and many other States of the Nation. I am not advocating that anyone in our section have an advantage over people in another section. I want to assist all the people in every section of our country.

In making loans at or near market levels it is inevitable that in some instances losses will be incurred by the Corporation. However, in view of the vastly greater benefits accruing to all the producers by means of the price which is maintained throughout the marketing year, it is believed that such losses are well justified. The availability of a fixed loan throughout the marketing season has prevented many producers from undergoing the disheartening experience of finding the value of their commodities drastically reduced, due to a temporary market flurry, and as suddenly increased at a later date. The act of March 8, 1938, provides an orderly manner for the determination of the losses incurred by Commodity Credit Corporation and authorizes appropriations to be made annually to cover such losses.

As examples of the beneficial effects of these loans, the following instances may be cited. The conclusions, of course, are matters of opinion, but they can be substantiated in all instances by producers. For example, in connection with the loan upon butter, it is believed by those familiar with market trends that the loans by Commodity Credit Corporation prevented a break in market price of at least 5 cents per pound. Assuming an annual production of approximately 4,000,000,000 pounds of butterfat, this would represent an earning or saving to the producers of \$200,000,000 by reason of the Commodity Credit Corporation loan. The total loans on butter have aggregated approximately \$30,000,000, and an ultimate loss of two or three million dollars on such butter would not be serious in view of the above saving. As a matter of fact, the pledged butter surpluses are now being distributed in relief channels by using section 32 funds.

Let us consider the loan on wool and mohair. During the winter of 1938, the wool market exhibited extreme weakness due to rumors of trade agreements, depression, and other ills. The loan authorized by the Corporation immediately established a fair set of values and provided a steadying influence throughout the marketing season. During slack times when dealers or manufacturers were exhibiting little or no interest in wool, the producers were able to obtain loans on a reasonable basis with the possibility later of realizing upon any increase in values. This increase has occurred during the past 3 months, and well over 50 percent of the wool pledged to the Corporation has now been released and loans repaid.

The programs have worked similarly on all commodities, although in some instances the shrinkage in world and domestic consumption has more than reacted on domestic-market trends.

The hearings on the bill clearly brought out the manner in which the loans are authorized and handled. This procedure may be briefly summarized. The directors of the Corporation represent Farm Credit Administration, Department of Agriculture, and Reconstruction Finance Corporation. Under the terms of the Agricultural Adjustment Act of 1938, all loans are recommended by the Secretary of Agriculture and must be approved by the Corporation and the President. The diverse representation on the Board of Directors and the fact that the recommendations originate through the Department of Agriculture permits full discussion of the various loan programs undertaken by the Corporation, although the mandatory features of the Agricultural Adjustment Act greatly restrict the administrative discretion which might well be permitted to the agency involved.

The Reconstruction Finance Corporation has made its facilities in the field available for the Commodity Credit Corporation loans, which has greatly simplified the operations of the Corporation and has prevented the extra cost which might be incurred by establishing new field agencies. Further, in most loan programs the Corporation has operated on the principle of permitting banks to make loans to the producers in the first instance which are later purchased by the Corporation at par plus 2½-percent interest. The advantage of this

procedure is that the producer deals with his local bank in a normal manner and obtains the loans with the least possible delay.

Illustrations of the manner in which loans are made by banks under the contract to purchase of the Corporation are set forth on pages 62 to 67, inclusive, of the hearings. All loans are made without recourse and producers may obtain the pledged or mortgaged commodities at any time upon the payment of loan value plus interest and charges. As a consequence procedure is established which permits the pledged commodities to move easily back into normal trade channels.

Fifty-two percent of parity on cotton is around 8 cents, as the present parity on cotton is approximately 16 cents per pound.

I tried to persuade the Secretary of Agriculture to make the loan on cotton at a higher rate than 52 percent of parity. I believe if the Corporation had loaned 12 cents instead of 8 cents on cotton this past year the price of cotton would have been much higher, and then the Government could have sold cotton on loans of previous years at a much higher market price.

In conclusion, it is believed Commodity Credit Corporation should be kept available, with sufficient funds and powers to deal with the marketing and supply problems which may arise. [Applause.]

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, the Commodity Credit Corporation has made loans on a number of agricultural commodities. However, the great bulk of its loans have been upon cotton. I wish to make a few remarks this afternoon on the results of the cotton loans.

It will be recalled that the Democratic Party platform in 1932 condemned the Farm Board for its extravagance and because it was speculating in farm commodities. That platform also condemned the Republican Party because, it contended, the Republican Party had destroyed our foreign trade. Listen to this: The Farm Board during its existence made loans on a total of 3,478,000 bales of cotton. Since 1933 the Commodity Credit Corporation has made loans on 15,921,328 bales of cotton—on practically all of which there have been substantial losses because the loans were made above the market price.

In 1932 we exported 8,754,000 bales of cotton. The estimate for the year which will end July 1, 1939, is that we will export 3,500,000 bales, if we continue on approximately the same basis we have been exporting since the beginning of this crop year. In December our cotton exports were the lowest of any December since such statistics have been kept, going back to 1881. For this crop year up to date our cotton exports are the lowest of any year since before 1899. Perhaps the Farm Board should be criticized for its cotton-loan policy, but it must be remembered that its program was an experiment. Whatever has been done by the Commodity Credit Corporation has been done with its eyes open. In other words, this administration deliberately undertook to do something that had already been demonstrated to be a failure.

Our cotton situation is indeed a serious one. There is no one in the House who has any greater sympathy for the cotton producer or any greater desire to do something to benefit that commodity than myself. It is not a Southern problem, it is a national one. Undoubtedly, aside from unemployment, it is the greatest economic problem confronting the country today. Yet I think every one must admit that our method of handling it up to date by means of loans above the market price has been a failure. Today we have a situation where the Federal Government owns, or will own, approximately 11,000,000 bales of cotton, and the Government investment in this cotton is at a rate which is bound to result in a tremendous loss when it is liquidated.

Mr. WILLIAMS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield for a question.

Mr. WILLIAMS of Missouri. Was the gentleman in favor of giving the Secretary of Agriculture, under the Agricultural Adjustment and Soil Conservation Act, the power to fix the loan price on cotton, wheat, and corn, as is provided

in that language, as I understand, within certain limitations, in accordance with the schedule provided therein? Does the gentleman believe that is a wise provision?

Mr. HOPE. Of course, the act itself provides for mandatory loans on these three commodities in the amount of at least 52 percent. I personally do not believe that is a wise provision as far as cotton is concerned. I doubt its wisdom as far as wheat is concerned. I believe in corn we have a different situation, perhaps, in that we have there a commodity which is not exported to any considerable extent, a commodity which is consumed principally in this country and consumed almost altogether as livestock feed. I doubt the advisability of fixing a mandatory loan rate upon any commodity like cotton where a large proportion of the commodity must go into the export markets over which we can have no possible control.

Mr. WILLIAMS of Missouri. However, that is the present law?

Mr. HOPE. That is the present law.

Mr. WILLIAMS of Missouri. And the Commodity Credit Corporation has no discretion as to the loan price on such commodities.

Mr. HOPE. That is true. If we wish to get at this situation, we will have to amend the Agricultural Adjustment Act of 1938 rather than attempt to do anything in this particular bill, which merely extends the powers of the Commodity Credit Corporation for a further period of time.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. NELSON. I was wondering whether in the gentleman's opinion the plight of the cotton farmer is due more to the law now under discussion or to the Three A's, or do both have a part in the situation?

Mr. HOPE. Well, my feeling is that the various cotton loans that have been made above the market price have contributed more to the present situation than any other factor.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. HAWKS. Have not these factors more or less had a very definite effect upon the free flow of not only cotton but all the other commodities in our markets? I am more familiar with cheese and butter, and is it not a fact that our cheese holdings and our butter holdings in storage today are far in excess of anything we have ever experienced in this country?

Mr. HOPE. Well, I shall take the gentleman's word for that, because I do not know. If the gentleman states that to be the fact, I assume it is. Of course, the Commodity Credit Corporation has not made loans on any other commodity to anything like the extent it has on cotton. Today we have considerably more than a year's domestic consumption of cotton in the hands of the Federal Government and loans have been made upon it. It is frozen, it is impounded there, at a price at which it cannot be disposed of except at a loss, and at a price at which it cannot be exported. If it is released from the Government loan and put on the market it is bound to utterly demoralize prices. I am not opposed to a continuation of the Commodity Credit Corporation, but I am opposed to our present policy of cotton loans above world prices. It has failed and will continue to be a failure.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER of Wisconsin. Mr. Chairman, our distinguished Republican from Ohio a few moments ago put his finger on one of the Ethiopians in the woodpile. Page 2 of the committee report indicates what the law will be after the pending bill is enacted. It will read as follows:

SEC. 9. Notwithstanding any other provision of law, the Export-Import Bank of Washington and the Second Export-Import Bank of Washington, D. C., banking corporations organized under the laws of the District of Columbia as agencies of the United States, pursuant to Executive orders of the President, shall continue—

And so forth. Therefore if this bill is enacted into law in its present form, you will continue the Export-Import Bank

of Washington and the Second Export-Import Bank of Washington, D. C.

The limitation of \$100,000,000 of outstanding loans applies only to the Export-Import Bank of Washington and not to the Second Export-Import Bank of Washington, for the limitation proviso in the pending bill reads as follows:

Provided further, That the Export-Import Bank of Washington shall not have outstanding at any one time loans in excess of \$100,000,000, the capital for which the Reconstruction Finance Corporation, when requested by the Secretary of the Treasury with the approval of the President, may continue to supply from time to time through loans or by subscription to preferred stock.

The sky is, therefore, the limit of the obligations which the Second Export-Import Bank of Washington might incur. What are our New Deal brain trusters trying to put over in this bill? The record shows that every time the Democratic Party is in power our Uncle Sam is an international sucker who plays Santa Claus in a big way for foreign nations and foreign peoples.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. In just a moment.

We now have a national debt of more than \$40,000,000,000 and many more billions of dollars' worth of obligations guaranteed by the Federal Government. The Federal Government is spending almost \$10,000,000,000 a year and collecting about half of this staggering sum in taxes. The time is fast approaching when our American dollar will be worth just about as much as the 180,000,000,000 of German marks and Russian rubles which I have in my office. Let us stop the wanton, unbridled expenditures of Government moneys before America goes into bankruptcy and over the brink of inflation to chaos, misery, and suffering such as we have never known. Anyone who has studied the history of foreign nations which have experienced inflation as a result of drunken orgies of spending such as the New Deal has been carrying on for the past 6 years knows that its devastating effects equal those of a major war of invasion.

I am opposed to continuing these Government Export-Import Banks. We have sufficient private banks whose vaults are now overflowing with money which is available for loans to American interests.

I can understand why Mr. Roosevelt wants to continue this American Government agency for the benefit of people in foreign lands. Mr. Roosevelt is, no doubt, internationally minded, for he was an international banker on many fronts, a former director of the International Germanic Trust Co., formerly the president of a Canadian corporation, the United European Investors, Ltd., which engaged in German mark transactions and investments in Germany. He was also associated with Robert Roland Appleby, former president of the British Empire Chamber of Commerce, in the Federal International Banking Co.

Mr. Chairman, the Export-Import Bank activities are not the only ones of Mr. Roosevelt's administration which I believe are adverse to the best interests of Americans and for the benefit of non-Americans. He demanded that American citizens turn in their gold to the Government for \$20.67 an ounce or go to jail for 5 years, and then imported almost \$8,000,000,000 worth of gold from foreign countries at \$35 an ounce. Most of this gold was imported from England and France, with whom his administration is lining up on foreign problems. These two countries now owe the American taxpayers' Treasury more than \$10,000,000,000, which was handed to them by the World War Democratic administration, of which our ex-international-banker President was a main cog.

Mr. Chairman, I quote now from the testimony of Mr. Jones, Chairman of the Reconstruction Finance Corporation, appearing on page 84 of the Committee on Banking and Currency hearings on this bill:

The committee was discussing the \$25,000,000 loan which the Export-Import Bank made to China.

Mr. BARRY. What was the purpose of that \$25,000,000 loan to China? What products was that designed to facilitate the export of?

Mr. JONES. I do not know exactly what they were going to buy. It must not be in violation of the neutrality act.

The CHAIRMAN. You did extend a credit of \$25,000,000 to the Chinese Government?

Mr. JONES. No; not to the Chinese Government. It is to a Chinese-owned American trading company in New York, the credits as they are extended will be guaranteed by the Bank of China, but not by the Government of China.

Mr. BARRY. Could that credit be used in connection with the export of war material to China?

Mr. JONES. No. The understanding is that it will not be.

Mr. BARRY. Did I understand you to say that the Chinese Government is not liable, but a privately owned Chinese corporation?

Mr. JONES. I do not know whether the corporation is owned by the Chinese Government or not. It is owned in China, and it is domiciled in New York, and the credits are guaranteed by the Bank of China, and the Bank of China, I understand, is owned half by the Government of China and half by private interests. The commitment was intended to cover private transactions.

Mr. Chairman, I cannot lend myself to using the American taxpayers' hard-earned tax money for the benefit of foreign interests as this transaction indicates.

When are you New Deal spendthrifts going to stop playing Santa Claus in a big way to foreign countries? Do you fail to realize that we have more than 12,000,000 Americans out of work and hunting for jobs? Do you not know that the Government cannot indefinitely operate on borrowed money, and that every dollar expended by Government must be produced in tax dollars by the sweat and toil of someone this year or next year, this generation or the next generation?

On April 13, 1934, the Johnson Act was enacted, preventing financing in America of foreign governments, their political subdivisions, organizations, and associations while such governments, political subdivisions, organizations, or associations were in default on the payment of their obligations, or any part thereof, to the Government of the United States.

This legislation was directed to our foreign debtor nations, who owe the United States Government over \$12,000,000,000, which was handed to them by the World War Democratic administration, when Uncle Sam was roaming around in foreign countries, getting into difficulties and getting his pockets picked, just as he is now doing under your Democratic administration.

The foreign policies of your present administration are certainly not a new deal, but the identical deal the American people had under the Wilson administration, in which the present New Deal President was a leading light. As I pointed out, the sky is the limit as to loans for the Second Export-Import Bank of Washington, and the Chinese loan clearly demonstrates that our foreign debtor nations or their subjects can be financed in America through the Federal Treasury, to which they owe billions, and absolutely defeat the purpose of the Johnson Act.

I shall vote against this bill. I want Uncle Sam to stay home and stop playing Santa Claus to non-Americans. Keep out of foreign entanglements and foreign wars.

Charity begins at home. I sincerely hope this House will defeat this indefensible, camouflaged, un-American legislative monstrosity.

Mr. WOLCOTT. Mr. Chairman, I yield 2 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I want to bring to the attention of the House the fact that tomorrow I shall try to have accepted as an amendment to this bill a prohibition which in effect will provide the Export-Import Bank of Washington shall not make loans, the proceeds of which are to be used for or in any aid of the purchase for export of arms, munitions, including airplanes now in the possession of or to be acquired by the United States Army, Navy, or Marine Corps, except with the consent of Congress.

Mr. Chairman, tomorrow I shall try to secure time in order to explain further why I feel the sale of our United States Army, Navy, and Marine Corps planes, with the secrets that go with them, is so undesirable, particularly at this time. This is in defense of our defense. Last Thursday I introduced a bill which was more far-reaching in its effect. It provided that our secret Army and Navy arms and munitions, including airplanes, should not be sold to foreign governments. I believe that every human being in the United States today is anxious that our defense be kept extremely strong.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That (a) section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "January 15, 1941"; (b) section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "January 15, 1941"; (c) section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by inserting before the period at the end of the last sentence thereof a colon and the following: "Provided further, That the Export-Import Bank of Washington shall not have outstanding at any one time loans in excess of \$100,000,000, the capital for which the Reconstruction Finance Corporation, when requested by the Secretary of the Treasury with the approval of the President, may continue to supply from time to time through loans or by subscription to preferred stock"; and (d) section 4 of the act approved March 8, 1938 (58 Stat. 108), is hereby amended by striking from the first sentence thereof "\$500,000,000" and inserting in lieu thereof "\$900,000,000."

Mr. WILLIAMS of Missouri. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. COOPER] having resumed the chair, Mr. CELLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4011, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DARDEN (at the request of Mr. ROBERTSON), on account of illness.

To Mr. HOUSTON, for 10 days, on account of important business.

To Mr. MALONEY, for 10 days, on account of official business.

EXTENSION OF REMARKS

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to insert in the RECORD a radio address made by my colleague the gentleman from Texas [Mr. SOUTH].

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

CONTINUATION OF RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1102) to continue the functions of the Reconstruction Finance Corporation, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, I understand that if we pass the Senate bill, then it is the intention of the gentleman from Alabama to strike out all after the enacting clause and substitute the House bill?

Mr. STEAGALL. Yes. In order to expedite the matter, I will ask unanimous consent to strike out all after the enacting clause and substitute the House bill.

Mr. WOLCOTT. It merely facilitates the matter in conference?

Mr. STEAGALL. That is right.

Mr. WOLCOTT. The only distinction between the Senate bill and the House bill as we have passed it as amended is the last paragraph, having to do with the amount of loans outstanding, as I recall?

Mr. STEAGALL. The Disaster Loan Corporation.

Mr. WOLCOTT. With respect to the Disaster Loan Corporation?

Mr. STEAGALL. Yes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That (a) section 1 of the act approved January 26, 1937 (50 Stat. 5), is hereby amended by striking therefrom "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (b) section 1 of the act approved March 31, 1936 (49 Stat. 1186), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (c) section 9 of the Reconstruction Finance Corporation Act (47 Stat. 9), as amended, is hereby further amended by inserting after the second sentence thereof the following sentence: "Such obligations may mature subsequent to the period of succession of the Corporation as provided by section 4 hereof."

Mr. STEAGALL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEAGALL: Strike out all after the enacting clause and insert the following:

"That (a) section 1 of the act approved January 26, 1937 (50 Stat. 5), is hereby amended by striking therefrom 'June 30, 1939' and inserting in lieu thereof 'June 30, 1941'; (b) section 1 of the act approved March 31, 1936 (49 Stat. 1186), as amended, is hereby further amended by striking from the first sentence thereof 'June 30, 1939' and inserting in lieu thereof 'June 30, 1941'; (c) section 9 of the Reconstruction Finance Corporation Act (47 Stat. 9), as amended, is hereby further amended by inserting after the second sentence thereof the following sentence: 'Such obligations may mature subsequent to the period of succession of the Corporation as provided by section 4 hereof'; and (d) the act approved February 11, 1937 (50 Stat. 19), as amended, is amended by striking from the first sentence '\$20,000,000' and inserting in lieu thereof '\$40,000,000'; and by striking from the second paragraph 'or 1938' and inserting in lieu thereof '1938, 1939, or 1940'."

The SPEAKER pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on agreeing to the Senate bill as amended.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the proceedings by which the bill H. R. 4012 was passed will be vacated and the bill laid on the table.

There was no objection.

HOOR OF MEETING

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the business that would be in order on the calendar on Wednesday of this week may be dispensed with.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.), pursuant to the order heretofore made, the House adjourned until tomorrow, Tuesday, February 21, 1939, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Tuesday morning, February 21, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, February 21, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m. Tuesday, February 21, 1939.

COMMITTEE ON MILITARY AFFAIRS

There will be a meeting of the Committee on Military Affairs in room 1310, New House Office Building, at 10:30 a. m., February 21, 1939, for the consideration of H. R. 2969, to provide for the common defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and to encourage, as far as possible, the further development of strategic and critical minerals in the United States, and for other purposes, and all allied bills, as follows: H. R. 2643, H. R. 3320, H. R. 2556, H. R. 1987, and H. R. 987.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Wednesday, March 1, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto. Room 346 House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, February 21, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Tuesday, February 21, 1939, on H. R. 3576 will deal particularly with legislation necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

453. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to authorize the consolidation of the lands on the Sisseton Indian Reservation, N. Dak. and S. Dak.; to the Committee on Indian Affairs.

454. A letter from the Acting Secretary of the Navy, transmitting the draft of a proposed bill declaring the conservation of petroleum deposits underlying submerged lands

adjacent to and along the coast of California; to the Committee on the Judiciary.

455. A letter from the Acting Secretary of the Navy, transmitting the draft of a proposed bill to authorize the Secretary of the Navy to contract for the production of designs, plans, and specifications for public works in the interest of the national defense; to the Committee on Naval Affairs.

456. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to amend title II, section 208, of the act approved June 16, 1933, with respect to its application to Indians; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COX: Committee on Rules. House Resolution 98. Resolution providing for the consideration of H. R. 4278; without amendment (Rept. No. 79). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Military Affairs was discharged from the consideration of the bill (H. R. 3961) for the relief of Kenneth A. Bixler, and the same was referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALL:

H. R. 4306. A bill to make the United States Coast Guard Academy library a public depository for Government publications; to the Committee on Merchant Marine and Fisheries.

By Mr. BLAND:

H. R. 4307. A bill to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CALDWELL:

H. R. 4308. A bill to provide for reimbursement of counties for loss of taxes on certain lands owned by the United States; to the Committee on the Public Lands.

H. R. 4309. A bill to amend the Civil Service Retirement Act with respect to optional retirement ages; to the Committee on the Civil Service.

By Mr. FERGUSON:

H. R. 4310. A bill to amend section 13 of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

By Mr. GEARHART:

H. R. 4311. A bill to protect the public health by regulating the importation of dairy products into the United States; to the Committee on Ways and Means.

By Mr. HULL:

H. R. 4312. A bill to amend the Code of the District of Columbia to provide for the organization and regulation of cooperative associations, and for other purposes; to the Committee on the District of Columbia.

By Mr. KEAN:

H. R. 4313. A bill to provide for the insurance by the Federal Housing Administration against losses incurred by reason of loans made for the purpose of discharging tax claims against small homes; to the Committee on Banking and Currency.

By Mr. MANSFIELD:

H. R. 4314 (by request). A bill to provide Federal aid to States in the control of water pollution, to create a Division of Water Pollution Control in the United States Public

Health Service, and for other purposes; to the Committee on Rivers and Harbors.

H. R. 4315. A bill to provide for the transfer of certain land owned by the United States to the State of Texas, and certain other land to the county of Galveston, Tex.; to the Committee on Military Affairs.

By Mr. MAGNUSON:

H. R. 4316. A bill making an appropriation for seed-flax investigations; to the Committee on Appropriations.

By Mr. POWERS:

H. R. 4317. A bill to reduce the rate of interest on obligations of home owners to the Home Owners' Loan Corporation to $3\frac{1}{2}$ percent, and to allow the Home Owners' Loan Corporation to extend the period of amortization of home loans from 15 to 20 years; to the Committee on Banking and Currency.

H. R. 4318. A bill to amend the Railroad Retirement Act of 1937 so as to provide for payment of benefits with respect to the month in which an annuitant or pensioner dies; to the Committee on Interstate and Foreign Commerce.

H. R. 4319. A bill to provide for the advancement in rank of certain officers of the United States Army upon retirement; to the Committee on Military Affairs.

By Mr. RISK:

H. R. 4320. A bill to amend the Fair Labor Standards Act of 1938 (Public, No. 718, 75th Cong., approved June 25, 1938); to the Committee on Labor.

By Mr. SCHAFER of Wisconsin:

H. R. 4321. A bill authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. SCHWERT:

H. R. 4322. A bill giving clerks in the Railway Mail Service the benefit of holiday known as Armistice Day; to the Committee on the Post Office and Post Roads.

By Mr. SHANLEY:

H. R. 4323. A bill to provide for World War veterans in compiling service with regard to the Railroad Retirement Act; to the Committee on Interstate and Foreign Commerce.

By Mr. VAN ZANDT:

H. R. 4324. A bill to exclude insurance benefits as income for pension purposes; to the Committee on World War Veterans' Legislation.

By Mr. VOORHIS of California:

H. R. 4325. A bill to amend the Civil Service Retirement Act, and for other purposes; to the Committee on the Civil Service.

By Mr. WHELCHER:

H. R. 4326. A bill to amend an act known as the "Agricultural Adjustment Act of 1938" so as to authorize the United States Government to take over all cotton upon which they have made loans in payment of notes given in security thereof if not paid at maturity, and the cotton held as collateral would not bring enough to cover loans; to the Committee on Agriculture.

By Mr. FLAHERTY:

H. R. 4327. A bill to increase annual payments to State and Territorial homes for veterans; to the Committee on Military Affairs.

By Mr. McLEOD:

H. R. 4328. A bill to incorporate the American Gold Star Sisters; to the Committee on the Judiciary.

By Mr. MILLS of Louisiana:

H. R. 4329. A bill to authorize a preliminary examination and survey of Black River, Catahoula and Concordia Parishes, La., with a view to control of floodwaters; to the Committee on Flood Control.

By Mr. VINSON of Georgia:

H. R. 4330. A bill to authorize the Secretary of the Navy to contract for the production of designs, plans, drawings, and specifications for construction projects in the interest of national defense; to the Committee on Naval Affairs.

By Mr. WHITE of Idaho:

H. R. 4331. A bill to provide for the construction in Lapwal, Idaho, of a memorial to Chief Joseph, famous Nez Perce

Indian, and an Indian museum; to the Committee on the Library.

By Mrs. ROGERS of Massachusetts:

H. R. 4332. A bill to provide for the acquisition, and preservation as a museum, of the Stephen Decatur House in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. CARTER:

H. J. Res. 171. Joint resolution authorizing the President of the United States to accept on behalf of the United States a conveyance of certain lands on Government Island from the city of Alameda, Calif., and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. SCHAFER of Wisconsin:

H. J. Res. 172. Joint resolution to provide for the preparation, printing, and distribution of pamphlets containing the history of Brig. Gen. Casimir Pulaski, Revolutionary War hero; to the Committee on Printing.

H. J. Res. 173. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1939, General Pulaski's memorial day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

H. J. Res. 174. Joint resolution to establish the Gen. Casimir Pulaski Memorial Commission to formulate plans for the construction of a permanent memorial to the memory of Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. MILLS of Louisiana:

H. J. Res. 175. Joint resolution to provide old-age pensions at the rate of \$30 per month for all persons who are more than 60 years of age and possess property less than \$10,000 in value or with a net income of less than \$1,000 per year; to the Committee on Ways and Means.

By Mr. HOBBS:

H. J. Res. 176. Joint resolution declaring the conservation of petroleum deposits underlying submerged lands adjacent to and along the coast of California, below low-water mark and under the Territorial waters of the United States of America, essential for national defense, maintenance of the Navy, and regulation and protection of interstate and foreign commerce; reserving the same as a naval petroleum reserve, subject to any superior vested right, title, or interest; and authorizing appropriate judicial proceedings to assert, ascertain, establish, and maintain the right and interest of the United States of America in such reserve, and to eject trespassers; to the Committee on the Judiciary.

By Mr. SABATH:

H. J. Res. 177. Joint resolution authorizing \$10,000,000 for the construction of an aircraft manufacturing plant in the vicinity of Chicago, Ill.; to the Committee on Military Affairs.

By Mr. TREADWAY:

H. Con. Res. 9. Concurrent resolution providing for a joint committee of the House of Representatives and of the Senate to make suitable arrangements for the commemoration of the inauguration of the first President of the United States under the Constitution; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to consider their Senate Joint Memorial No. 5, with reference to the beet-sugar industry in Montana; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of North Dakota, memorializing the President and the Congress of the United States to consider their Senate Concurrent Resolution No. 106, with reference to agriculture products; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to consider their Senate Joint Memorial No. 2, with

reference to the General Welfare Act of 1937; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution No. 9, with reference to manganese deposits in South Dakota; to the Committee on Mines and Mining.

Also memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States to consider their Senate Concurrent Resolution No. 7, with reference to H. R. 2, the General Welfare Act; to the Committee on Ways and Means.

Also memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States to consider their resolution with reference to S. 286 and H. R. 2196, concerning tax on fuel oil; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD:

H. R. 4333. A bill granting a pension to Samuel H. Fulk; to the Committee on Pensions.

By Mr. BLAND:

H. R. 4334. A bill for the relief of O. T. Travis; to the Committee on Claims.

By Mr. BUCKLER of Minnesota:

H. R. 4335. A bill for the relief of Peter Winter; to the Committee on Military Affairs.

By Mr. BYRON:

H. R. 4336. A bill for the relief of Percy C. Wright; to the Committee on Military Affairs.

By Mr. COLE of Maryland:

H. R. 4337. A bill granting a pension to Beulah Viola Kercher; to the Committee on Pensions.

By Mr. FULMER:

H. R. 4338. A bill granting a pension to Mary E. Sineath; to the Committee on Pensions.

By Mr. GREEN:

H. R. 4339. A bill for the relief of Ira W. Pinholster, Jr.; to the Committee on Claims.

H. R. 4340. A bill for the relief of Ira W. Pinholster, Jr.; to the Committee on the Post Office and Post Roads.

By Mr. HART:

H. R. 4341. A bill for the relief of Patrick Connelly, Inc., a corporation of the State of New Jersey; to the Committee on Claims.

By Mr. LECOMPTE:

H. R. 4342. A bill granting a pension to Margaret E. Duckworth; to the Committee on Invalid Pensions.

By Mr. MARTIN of Iowa:

H. R. 4343. A bill for the relief of Ed Ulch; to the Committee on Claims.

H. R. 4344. A bill for the relief of Leo Umbdenstock; to the Committee on Claims.

H. R. 4345. A bill for the relief of Ben Whittington; to the Committee on Claims.

H. R. 4346. A bill for the relief of Clarence R. Killion; to the Committee on Military Affairs.

By Mr. OLIVER:

H. R. 4347. A bill for the relief of Celia MacDonald; to the Committee on Claims.

By Mr. POWERS:

H. R. 4348. A bill to pay an annuity to George T. Cranmer; to the Committee on the Civil Service.

By Mr. ROBSION of Kentucky:

H. R. 4349. A bill for the relief of the estate of Lewis Marion Garrard Hale; to the Committee on Claims.

By Mr. ROMJUE:

H. R. 4350. A bill granting a pension to Effie T. McElhiney; to the Committee on Invalid Pensions.

By Mr. KEEFE:

H. R. 4351. A bill granting a pension to Anna Hilbert; to the Committee on Pensions.

By Mr. MICHAEL J. KENNEDY:

H. R. 4352. A bill for the relief of Thomas J. Lee; to the Committee on Military Affairs.

By Mr. KRAMER:

H. R. 4353. A bill for the relief of Amelia Eisenstein; to the Committee on Immigration and Naturalization.

H. R. 4354. A bill for the relief of Bessie Singer Weinman; to the Committee on Immigration and Naturalization.

H. R. 4355. A bill for the relief of Thomas William Harry Ball; to the Committee on Military Affairs.

H. R. 4356. A bill for the relief of William Lakeview Hunnewell; to the Committee on Naval Affairs.

H. R. 4357. A bill for the relief of Felix Frank, his wife, Sarah, and children, Jacob and Pauline; to the Committee on Immigration and Naturalization.

H. R. 4358. A bill for the relief of Eugene Gruen and his wife, Kate; to the Committee on Immigration and Naturalization.

By Mr. THILL:

H. R. 4359. A bill for the relief of Bennie Morrison; to the Committee on Indian Affairs.

By Mr. VOORHIS of California:

H. R. 4360. A bill for the relief of Francis L. Gannon; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1196. By Mr. ANDERSON of California: Resolution adopted by Knights of Columbus, San Mateo Council, No. 1346, San Mateo, Calif., and signed by Francis J. Walsh, grand knight, strongly urging that the Government of the United States adhere strictly to its policy of absolute neutrality with respect to war in Spain and that the embargo upon shipment of munitions to either party in Spanish conflict be maintained; to the Committee on Foreign Affairs.

1197. By Mr. BUCK: Petition of Kathryn M. Warren and 41 other residents of Vallejo, Calif., petitioning the Congress of the United States to help promote general welfare of the people of the United States by securing passage of legislation (H. R. 251 and 924) which will stop, so far as is possible by Federal law, the great advertising campaign for the sale of alcoholic beverages now going on by press and radio; to the Committee on Interstate and Foreign Commerce.

1198. Also, petition of Mrs. A. B. Pendleton and 10 other residents of Sacramento, Calif., petitioning the Congress of the United States to help promote general welfare of the people of the United States by securing passage of legislation (H. R. 251 and 924) which will stop, so far as is possible by Federal law, the great advertising campaign for the sale of alcoholic beverages now going on by press and radio; to the Committee on Interstate and Foreign Commerce.

1199. By Mr. CARTER: Petition of Mrs. John Mackin, of Oakland, Calif., and 94 others, urging a continuance of the present neutrality act; to the Committee on Foreign Affairs.

1200. Also, Assembly Joint Resolution No. 18, of the California Legislature, memorializing the Congress to provide for Kern River flood control; to the Committee on Rivers and Harbors.

1201. Also, Assembly Joint Resolution No. 20 of the California Legislature, relative to Federal aid to State or Territorial veterans' homes; to the Committee on World War Veterans' Legislation.

1202. Also, petition of Gerald Bolger, Catholic priest of Livermore, Calif., and 45 others, urging a continuance of the present neutrality act; to the Committee on Foreign Affairs.

1203. By Mr. CHIPERFIELD: Petition of Townsend Club, No. 1, of Williamsfield, Ill., urging House bill 2 be brought to the floor for consideration; to the Committee on Ways and Means.

1204. Also, resolution of the House of Representatives of the State of Illinois, urging that persons over 65 years of age not be removed from Works Progress Administration rolls until their application for State assistance has been approved; to the Committee on Appropriations.

1205. Also, petition of Townsend Club, No. 1, of East Galesburg, Ill., urging House bill 2 be brought to the floor for consideration; to the Committee on Ways and Means.

1206. By Mr. CRAWFORD: Petition of Leo Fialkowski and certain residents of Lake Odessa, Mich., asking Congress to adhere to Neutrality Acts of August 1935 and May 1937; to the Committee on Foreign Affairs.

1207. Also, petition of John Nemeik and other residents of Bannister, Mich., opposing any move to lift the Spanish embargo; to the Committee on Foreign Affairs.

1208. Also, petition of Ed Wycoff and 20 other residents of Elwell, Mich., urging early enactment of House bill 2; to the Committee on Ways and Means.

1209. By Mr. CURLEY: Resolution of the New York State Waterways Association, opposing legislation intended to place control of the rates of water carriers under the jurisdiction of the same body at present vested with the duty of regulating and fostering the business of their competitors; to the Committee on Interstate and Foreign Commerce.

1210. By Mr. FISH: Petition signed by Mr. Harry Tallmadge, president, Townsend Club No. 1, Rhinecliff, N. Y., and 249 other residents of Dutchess County, N. Y., favoring the passage of House bill 4199; to the Committee on Ways and Means.

1211. Also, petition signed by Harry Montague, secretary, New York State branch, United National Association of Post Office Clerks, and 36 other postal clerks, favoring the passage of House bill 3812; to the Committee on the Post Office and Post Roads.

1212. By Mr. FLAHERTY: Petition of the Dorchester Citizens' Association, of Dorchester, Mass., protesting against all Works Progress Administration projects interfering with private industry; to the Committee on Appropriations.

1213. By Mr. HARTER of New York: Petition of the International Ship Masters' Association of the Great Lakes, Kenmore, N. Y.; to the Committee on Rivers and Harbors.

1214. By Mr. HOUSTON: Resolution adopted by the First Baptist Church of Eldorado, Kans., opposing the inclusion of churches in the scope of the Social Security Act; to the Committee on Ways and Means.

1215. By Mr. LUTHER A. JOHNSON: Resolution passed by the State Senate of Texas, urging that legislation be passed to eliminate the discrimination in freight rates against Texas and the Southwest; to the Committee on Interstate and Foreign Commerce.

1216. Also, petition of W. I. Cunningham and W. H. Houck, of Buffalo; James H. Allen, of Blum; Rev. H. W. Bennett, of Teague; Rev. B. G. Taylor, of Midlothian; and Rev. Chalmers Kilbourne, of Waxahachie, all of the State of Texas, opposing the amending of the Social Security Act so as to include disabled and retired ministers; to the Committee on Ways and Means.

1217. Also, petition of Rev. C. R. Haden, Jr., rector of St. John's Episcopal Church; R. L. Hamilton; W. A. Lang; M. D. Almond, Jr.; H. D. Johnson; E. P. Norwood; E. M. Polk, Jr.; C. B. Bronwon; K. R. Blackwell; and George S. Swan, all of Corsicana, Tex., opposing amendment to the Social Security Act to impose tax on the church with reference to retired ministers, etc.; to the Committee on Ways and Means.

1218. By Mr. MARTIN J. KENNEDY: Resolution of 400 persons, residents of Yorkville, assembled in the Yorkville Casino, New York City, on the 16th of February 1939, requesting that the embargo on democratic Spain be lifted; to the Committee on Foreign Affairs.

1219. Also, resolution adopted at a meeting of the State Council of Parks, of New York, held January 27, 1939, in the office of the State Council of Parks, New York City, opposing any claim of the Government of the United States to the ownership of the lands under tidal waters of the State of New York or any other State; the mere assertion of such claim by the Government of the United States throws a cloud on the title of the State, its municipalities, and its citizens, and by its nature will cause irreparable damage to the States, their municipalities, and their citizens who own and have improved and managed such lands under such

tidal waters; also requesting that a copy of this resolution be sent to the Attorney General and to each Senator and Representative of the State of New York in Congress; to the Committee on the Public Lands.

1220. By Mr. KEOGH: Petition of the New York State Waterways Association, concerning House bill 2531; to the Committee on Interstate and Foreign Commerce.

1221. Also, petition of retired American teacher pensioners, Philippines, Owensville, Ind., concerning amending the Philippine Independence Act; to the Committee on Insular Affairs.

1222. Also, petition of the United States Flood Control Federation, of Pittsburgh, Pa., concerning flood control; to the Committee on Flood Control.

1223. By Mr. MARSHALL: Petition of the General Welfare Center, No. 1, Ira Bookwalter, secretary, relative to an immediate public hearing on the General Welfare Act (H. R. 11); urging Members of Congress to carefully study its provisions and enact it into law at the conclusion of such hearings; to the Committee on Ways and Means.

1224. By Mr. MASSINGALE: Petition of certain citizens of Oklahoma to the Congress of the United States, favoring the enactment of the Townsend national recovery plan; to the Committee on Ways and Means.

1225. By Mr. MONKIEWICZ: Petition of 576 members of the Hartford Chapter of the American Society for the Hard of Hearing and others, favoring enactment of House bill 1813, a bill to provide for the education of all types of physically handicapped children, to make an appropriation of money therefor, and to regulate its expenditure; to the Committee on Education.

1226. Also, petition of certain citizens of Manchester, Conn., requesting that the Seventy-sixth Congress enact the improved General Welfare Act (H. R. 11); to the Committee on Ways and Means.

1227. By Mr. MUNDT: Senate Concurrent Resolution No. 3, of the South Dakota State Legislature, introduced by committee on State affairs and passed by the senate (the house of representatives concurring), asking Congress to liberalize and amortize the payments of Federal seed and feed loans; to the Committee on Agriculture.

1228. Also, Senate Concurrent Resolution No. 6, of the South Dakota State Legislature, introduced by Mr. Odell and passed by the senate (the house concurring), memorializing Congress to carefully scrutinize and investigate the qualifications of nominees to be confirmed for judicial positions; to the Committee on the Judiciary.

1229. Also, Senate Concurrent Resolution No. 7, of the South Dakota State Legislature, introduced by Mr. Barrett, and passed by the senate (the house concurring), memorializing Congress to discuss and give full consideration to General Welfare Act, House bill No. 2; to the Committee on Ways and Means.

1230. By Mr. RISK: Memorial of the Board of Aldermen of the City of Newport, R. I., protesting against the removal of the U. S. S. *Constellation* from its present anchorage in the city of Newport, R. I.; to the Committee on Naval Affairs.

1231. By Mr. SABATH: Petition of the Sixty-first General Assembly of the State of Illinois, urging the enactment of remedial legislation to provide that persons of the age of 65 and over be retained in employment under the Works Progress Administration and those persons heretofore removed be returned thereto, until such time as their applications for State assistance be approved; to the Committee on Ways and Means.

1232. By Mr. SANDAGER: Concurrent resolution of the State of Rhode Island, in general assembly, January session 1939, to defeat Senate bill 286 and House bill 2196, which bills seek to place a 3-cent tax per gallon on the sale of fuel oil used for heating and for the generation of power; to the Committee on Ways and Means.

1233. By Mr. SCHAEFER of Illinois: Petition of Local Union No. 471, Alton, Ill., Painters, Decorators, and Paperhangers of America, Albert Lowe, secretary, urging support of amendments to the National Labor Relations Act as pro-

posed by the American Federation of Labor; to the Committee on Labor.

1234. Also, petition of Arthur Barker and others of Burksville, Ill., urging Congress to enact legislation which will assist the Nation's railroads and preserve the employment of thousands of railroad workers; to the Committee on Interstate and Foreign Commerce.

1235. Also, petition of the Illinois State Federation of Labor and the postal employees of the State of Illinois, urging early and favorable action of Congress on House bill 3812, a bill granting postal employees credit for Saturday in annual- and sick-leave law, thereby conforming to the 40-hour workweek or 5-day-week law; to the Committee on the Post Office and Post Roads.

1236. By Mr. VAN ZANDT: Petition of members of Du Bois Pennsylvania Division, No. 1, of the Order of Benefit Association of Railway Employees, approving the program submitted by the joint committee appointed by the President to formulate suitable legislation to right the damage and wrongs of the present railroad policies; to the Committee on Interstate and Foreign Commerce.

1237. By Mr. WHITE of Idaho: Petition of certain citizens of Copeland, Idaho, requesting the lifting of the embargo on arms to Spain and citing the fact that Spain's defeat means a new menace to the democracies of the world and the further argument that there is no embargo against Japan; to the Committee on Foreign Affairs.

1238. The SPEAKER: Petition of Mary E. Logue, of Langhorne, Pa., and others, petitioning consideration of their petition with reference to neutrality; to the Committee on Foreign Affairs.

1239. Also, petition of Stanislaus County Townsend Clubs Advisory Council, Modesto, Calif., petitioning consideration of their resolution with reference to House bill 2 and Senate Resolution 3, known as the General Welfare Act; to the Committee on Ways and Means.

1240. Also, petition of R. E. Ashcraft, of Riverbank, Calif.; petitioning consideration of their resolution with reference to the General Welfare Act; to the Committee on Ways and Means.

1241. Also, petition of the Berkeley Young Democratic Club of California, petitioning consideration of their resolution with reference to the creation and naming of the John Muir National Park; to the Committee on the Public Lands.

1242: Also, petition of the city and county of Honolulu, Honolulu, Hawaii, petitioning consideration of their Resolution No. 126 with reference to sugar; to the Committee on Ways and Means.

1243. Also, petition of T. C. Richards, of East Orange, N. J., petitioning consideration of their resolution with reference to national finances; to the Committee on Ways and Means.

SENATE

TUESDAY, FEBRUARY 21, 1939

(Legislative day of Monday, February 20, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O God, whose spirit searcheth all things, purify the thoughts of our minds and pour into our hearts such love toward Thee that all life shall glow with new purpose and new meaning and, being inwardly and outwardly renewed, we may live to the fullness of our capacity.

If in hours of depression we seem to stand alone and the darkness hems us in, open a window in our souls and fill us with light, that in Thy sunshine's blaze our day may brighter, fairer be. Make us true lovers of our country and help us to become noble and true-hearted citizens, an honor to America, and a spring of hope to our neighbors; that, taught by the discipline of years and the joy of Thy com-

panionship, we may be better fitted to be Thy messengers to a sin-sick world. We ask it for Jesus Christ's sake. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, February 20, 1939, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed the bill (S. 1102) to continue the functions of the Reconstruction Finance Corporation, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 950. An act to exempt all vessels of the United States of less than 200 tons gross registered tonnage from the provisions of the Officers' Competency Certificates Convention, 1936 (being International Labor Conference Treaty, Convention No. 53, adopted by the International Labor Conference at Geneva in 1936);

H. R. 3646. An act to authorize certain officers and employees to administer oaths to expense accounts; and

H. J. Res. 79. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held April 24 to 29, 1939, inclusive.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Reynolds
Andrews	Donahay	King	Russell
Ashurst	Downey	La Follette	Schwartz
Austin	Ellender	Lee	Sheppard
Bailey	Frazier	Logan	Shipstead
Bankhead	George	Lucas	Smathers
Barbour	Gerry	Lundeen	Stewart
Barkley	Gibson	McKellar	Taft
Bone	Gillette	McNary	Thomas, Okla.
Borah	Glass	Maloney	Thomas, Utah
Bridges	Green	Mead	Tobey
Brown	Guffey	Miller	Townsend
Bulow	Gurney	Minton	Truman
Burke	Harrison	Murray	Tydings
Byrd	Hatch	Neely	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Capper	Herring	Nye	Wagner
Caraway	Hill	Overton	Walsh
Chavez	Holman	Pepper	Wheeler
Clark, Idaho	Holt	Pittman	White
Connally	Hughes	Radcliffe	Wiley
Danaher	Johnson, Calif.	Reed	

Mr. MINTON. I announce that the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Washington [Mr. SCHWELLENBACH] are detained from the Senate because of illness.

The Senator from Illinois [Mr. LEWIS] is unavoidably detained.

The Senator from Mississippi [Mr. BILBO], the Senator from Nevada [Mr. McCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained on important public business.

Mr. WALSH. I announce that my colleague the junior Senator from Massachusetts [Mr. LODGE] is absent because of a death in his family.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

PRAYERS IN THE SENATE

Mr. NEELY. Mr. President, today the Senate for the first time in its entire existence began with prayer a session that followed the expiration of a recess. Heretofore the Chaplain has officially presented to the Throne of Grace his petition in behalf of the Members of this body and in favor of the country only at the beginning of a session that was held after an adjournment had expired. The Senate has frequently

recessed from day to day and from time to time for a period of many weeks, during which no prayer was offered because, under the peculiar precedents and rules of the Senate, the time embraced in a single recess, regardless of its length, could never exceed a single legislative day. Throughout the long last session of the Seventy-fifth Congress the Chaplain, through no fault on his part, prayed in this Chamber but four times.

A few months ago the senior Senator from Pennsylvania [Mr. DAVIS] and I, in the course of a conference concerning the great fraternity known as the Loyal Order of Moose, concluded that one of the crying needs of this weary, war-torn world is the regeneration which can be achieved only by worship of the Supreme Being. We were impelled to the opinion that both the Senate and the country needed more than four prayers a year. In pursuance of our decision, and with the able Senator's approval, I, as the chairman of the Committee on Rules, recently introduced Senate Resolution No. 8, which the Senate, without a dissenting vote, later adopted, and by virtue of which every day's proceedings in this body will hereafter begin with prayer.

Senators, will you not permit me, with appropriate humility, to suggest that we seriously strive to enter into the spirit of this daily worship; that we seek surcease of impatience, intolerance, and hate in the citadel of charity, truth, and love that stands in serenity and safety upon the holy hill of prayer? And during these periods of daily consecration, let us devoutly offer up our own fervent petitions for perpetual peace throughout the world and good will toward all the people of every nation, of every color, and of every creed. Let us, in this time of great international crisis, depend less and less upon our own impotent selves and more and more upon our omnipotent God—

Who is very merciful and very great;
Who is clothed with awe and majesty;
Who covers Himself with light as with a garment;
Who stretches out the heavens like a curtain;
Who lays the beams of His chambers in the waters;
Who makes the clouds His chariots;
Who walks upon the wings of the wind;
Who makes the winds His messengers;
Flames of fire His ministers;
Who laid the foundations of the earth
That it should not be moved forever.

The famous and beloved Billy Sunday used to tell the following story:

"On the northern coast of Holland lies a long, low, narrow strip of fertile land with no natural barriers between it and its relentless foe, the sea. Two hundred years ago the resourceful Dutch built a great dike around the parts of this territory which were exposed to the invasion of the water. Within the dike is the thriving city of Alkmaar. The steeples of its churches are on a level with the top of the dike. About a hundred years ago the dike master in charge had planned to go to Amsterdam on a stagecoach which was to leave Alkmaar at 7 o'clock in the evening of a certain day. An hour before the coach's departure a violent storm swept all over Holland. It was the time of the high tides in November. The north wind howled, and the waves beat against the dike. Then occurred in the breast of the dike master a terrific battle between duty and inclination. Duty said: 'Go to the dike.' Inclination said, 'Go to Amsterdam.' He said to himself: 'This is the last trip the stagecoach will make till spring, and I long to go to Amsterdam, but duty demands that I go to the dike.' Duty eventually won, and as the wind howled with increasing fury he went to the dike. Upon his arrival there 200 dike keepers cheered and cried: 'Now we will be saved, for the dike master knows how to win the war against the waves.' At 9 o'clock the tide was rapidly rising, and it was known that it would continue to rise until midnight. Ten inches higher and all the north of Holland would be submerged, and not a human being in Alkmaar would survive. Presently there came a cry for help, and someone shouted: 'Four stones went out before that last wave.' The dike master put a rope under his arms, and strong men held the end of it as he descended into the icy waters with a bunch of willows and a bag of sand with which he stopped

the water that was rushing through the breach in the wall. Other cries for help followed in rapid succession, and they were met until all the stones and all the sand and all the willows were gone. It is now 11:30; 3 inches more and the water will go over the top of the dike, and every life in the north of Holland will be lost. The dike master said: 'Oh, my men, off with your coats.' Every one of the 200 responded, and every man's coat was used to repair the dike. At 15 minutes until midnight the water was still rapidly rising; not a scintilla of material was left with which to continue the struggle. Then the dike master cried: 'Oh, my men, we have done the best we could and the most we dared. There is but one power that can save us now. Down on your knees and devoutly pray for aid from the blessed Christ who said to the stormy waves of Galilee: "Peace, be still." And they all prayed as they had never prayed before, and in a moment the storm miraculously subsided, and, in the picturesque language of Mr. Sunday, the wind cooed like a baby girl tugging at her mother's breast. And not a life was lost in the fearful storm that swept over sea and land on that memorable night."

The moral of this story is so obvious that to emphasize it would be to slander the perception of those who have courteously honored me by listening to its narration.

In the midst of manifest perils which encompass the world and terrify mankind, let us, by proper devotion, save ourselves from remorse similar to that voiced by Jesse Harris Oliver in the following beautiful sonnet entitled "Omission":

I'm sorry, Lord, that I forgot to pray.
The wind across my bed was oh, so sweet
With April bloom; and on my window seat
The full moon paved a white, untroubled way
Where I might see with sleep-contented eyes
The day I loved, with all its humble deeds.
The tramp I fed; my gift of flower seeds;
The dress I craved—and gave as a surprise—
The wind of April blew sweet across my bed
And brought the morning.
Now a mocking bird sings in the maple branches at my head.
And all the sky with hope is brightly stirred.
So, here beside me is another happy day—
I'm sorry, Lord, that I forgot to pray.

FLORIDA SHIP CANAL (S. DOC. NO. 35)

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, responding to Senate Resolution 64, requesting the Department of Commerce to review and supplement its findings on the Florida ship canal (agreed to February 9, 1939), which, with the accompanying paper, was referred to the Committee on Commerce and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of North Dakota, which was referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 106

Concurrent resolution urging immediate investigation by Congress of manufacturers of farm implements to determine costs of raw materials, manufacture, distribution, ultimate costs to farmer, price spread between farmer and consumer of farm products, determination of farm-machinery prohibitions, prohibitions as to flax crops and importation to meet the country's need, and to determine if a trust exists exercising unfair practices to the detriment of the agricultural Commonwealth

Be it resolved by the Senate of the State of North Dakota (the house of representatives concurring therein):

Whereas the Government of the United States is largely dependent upon agriculture as one of its basic industries, the solvency of which must be assured if we are to continue as a happy and prosperous nation; and

Whereas all attempts by the Government or independent agencies to appreciably narrow the spread between the prices received by the farmer or agriculturist for the products he has to sell and the price said farmer or agriculturist has to pay for the necessary equipment or machinery to the successful operation of said agricultural industry has been of no avail; and

Whereas the farmer or agriculturist for the past many continuous years has been compelled to accept prices for his products much below the cost of production, while at the same time he has been compelled to pay ever-increasing prices for the machinery and equipment essential to the successful operation of said agricultural industry, bringing about a recognized condition where the purchase of new or replacement machinery is almost prohibitive, as, for

example, during the year 1915 a farmer could buy a binder in exchange for approximately 145 bushels of wheat, while during the year 1938 it would require approximately 1,050 bushels to replace the same machine, notwithstanding the ever-increasing supply of raw materials essential to the manufacture of machinery and equipment leading toward and actually bringing about a lower market price to the manufacturer; and

Whereas the price spread between what the farmer or agriculturist receives for the products he has to sell and what the ultimate consumer has to pay appears to be sufficient to afford the producer the cost of production; and

Whereas there is an ever-growing belief on the part of the agricultural Commonwealth to the effect that an "implement trust" does in fact exist, exercising unfair practices to the detriment of agriculture; and

Whereas there is entertained a further belief of sinister motives and unfair practices on account of the immensity, financial ability, and influence arising therefrom on the part of said farm-implement manufacturers by and between said manufacturers and the various Federal agencies, such as the soil-conservation department, the Department of Agriculture, and the officials whose duty it is to impose duties and tariffs through the prohibition of the use of certain farm implements, such as the moldboard plow, etc., making necessary the purchase of new equipment, the forbidding of farmers to raise flax while at the same time permitting large imports of flax from foreign countries to the detriment of the United States farmer, leading to the conclusion that the said United States farmer was sold down the river so that the door would be left open and enable the farm-implement manufacturers to sell their wares to the countries favored with such imports to this country; and

Whereas the farmer is anxious to cooperate with the Federal Government on any stable plan to benefit agriculture, but finds it a physical and financial impossibility to keep abreast of the kaleidoscopic changes in policies of the Department of Agriculture requirements; and

Whereas Thomas Jefferson once said, "I have sworn on the altar of God eternal hostility against any form of tyranny over the mind of man; I am for freedom of speech and freedom of the press; I am opposed to silence by force instead of reason, any complaint of criticism, just or unjust, by our people against the Government"; and further left with us with this admonition, "Were we directed from Washington when to sow and when to reap, we should soon want bread": Now, therefore, be it

Resolved by the Senate of the State of North Dakota (the house of representatives concurring), That we petition and urge the Congress of the United States to institute immediately an investigation into all matters contained herein and to enact such laws that will eliminate the abuses complained of to the end that the farmers of this Nation may receive the cost of production for their products and thereby be placed on a parity with other forms of industry; and be it further

Resolved, That attested copies of this resolution be sent to both Houses of Congress of the United States, to each of the Members thereof from this State, and to the Secretary of Agriculture, all of Washington, D. C.

Mr. WHEELER presented a joint memorial of the Legislature of the State of Montana, favoring an investigation relative to the destruction, removal and failure to replace the fair-grounds buildings of Musselshell County, Mont., which was referred to the Committee on Public Lands and Surveys.

(See joint memorial printed in full when presented by Mr. MURRAY on the 13th instant, p. 1342, CONGRESSIONAL RECORD.)

Mr. MALONEY presented a petition, numerous signed, of members of the Hartford Chapter of the American Society for the Hard of Hearing and sundry other citizens, all in the State of Connecticut, praying for the enactment of the so-called Pepper-Boland bill, providing for the education of all types of physically handicapped children, which was referred to the Committee on Education and Labor.

Mr. CAPPER presented a petition of sundry citizens of St. Marys, Kans., praying that the United States adhere to the principles of neutrality and that the Spanish embargo be not lifted, and also praying for a thorough investigation of subversive activities, including the "United Front," which was referred to the Committee on Foreign Relations.

He also presented petitions, numerous signed, of sundry citizens of St. Marys, Dodge City, Spearville, Colony, Niles, Bellefont, Offerle, and Wichita County, all in the State of Kansas, praying that the embargo on the shipment of arms and munitions to Spain be not lifted, which were referred to the Committee on Foreign Relations.

He also presented a petition, numerous signed, of sundry citizens of Dodge City, Wright, and Spearville, all in the State of Kansas, praying that the embargo on the ship-

ment of arms and munitions to Spain be not lifted, and also opposing any change in the neutrality law, which was referred to the Committee on Foreign Relations.

He also presented the petition of members of the Current Events Club of Emporia, Kans., praying that the embargo on the shipment of arms and munitions to Spain be lifted, and also that the neutrality law be revised, which was referred to the Committee on Foreign Relations.

Mr. HOLT presented a paper in the nature of a memorial from the Kanawha County (W. Va.) Industrial Union Council, remonstrating against the enactment of the so-called Walsh-Green bill, being Senate bill 1000, to amend the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also presented a paper in the nature of a petition from Local No. 1, the National Flat Glass Workers' Union, American Federation of Labor, of Parkersburg, W. Va., praying for the adoption of an amendment to the National Labor Relations Act sponsored by the American Federation of Labor, which was referred to the Committee on Education and Labor.

He also presented a resolution of Local Union, No. 15, the American Flint Glass Workers' Union of North America, of Paden City, W. Va., favoring the enactment of legislation to protect workers from alleged unfair methods of automatic machine production, and also from certain improved methods as utilized in the rural districts of the country, which was referred to the Committee on Education and Labor.

He also presented a memorial of 50 members of the Jackson's Mill Baptist Church, Weston, W. Va., remonstrating against the enactment of legislation to bring religious bodies under the operation of the Social Security Act, which was referred to the Committee on Finance.

THE MILITARY BUDGET AND FOREIGN RELATIONS

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Foreign Relations a letter from Miss Dorothy Ringler, secretary of the Christian Endeavor Society of St. John's Reformed Church, Mifflinburg, Pa., on the subject of national defense.

There being no objection, the letter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

MIFFLINBURG, PA., February 17, 1939.

Mr. J. J. DAVIS,

United States Senator, Washington, D. C.

DEAR SIR: We, the Christian Endeavor Society of St. John's Reformed Church, have made the following resolutions, which we would like to be put in the CONGRESSIONAL RECORD:

We are against the huge increases in our military budget; we also oppose the fortification of Guam and any attempt to force Japan to conform more closely with our wishes in the Far East, realizing that by taking sides in Europe we are repeating the tragic experience of 1917-18. We urge that a world economic conference be supported, so that problems of the world may be settled at conference tables instead of on the battlefield.

Sincerely yours,

DOROTHY RINGLER,
Secretary of Christian Endeavor Society.

ST. LAWRENCE SEAWAY TREATY

Mr. WAGNER presented a resolution of Buffalo Lodge No. 1, International Ship Masters' Association, Buffalo, N. Y., which was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

INTERNATIONAL SHIP MASTERS' ASSOCIATION,
BUFFALO LODGE, No. 1,
Buffalo, N. Y., February 17, 1939.

To the Grand Lodge, I. S. M. A., in session at Detroit, Mich., January 24-27, 1939:

Whereas the United States Government has been trying to negotiate a treaty with the Government of the Dominion of Canada relative to the St. Lawrence River seaway and the development of power at what is known as the International Rapids section of said river; and

Whereas our association has no objection to the development of the power project, but does object to the development of a seaway or navigation feature: Be it

Resolved, That the delegate from Lodge No. 10, International Ship Masters' Association, petition the grand lodge in session at Detroit to object strenuously the development of said seaway on the grounds that it would open the Great Lakes to the competition of the tramp steamers of the world who would drive both Canadian- and American-owned ship to minimum operation, thus

ruining completely a business for members of our association vessel owners and seamen alike; be it further

Resolved, That the grand secretary and the local lodge secretaries notify their Senators and Congressmen of our association's objection to this needless development.

[SEAL]

I. S. M. A. LODGE, No. 1,
C. E. NASH, *Secretary*.

FREIGHT RATES

Mr. WAGNER presented a paper in the nature of a memorial from the Farwell & Rhines Co., Inc., Watertown, N. Y., which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

WATERTOWN, N. Y., February 17, 1939.

Hon. ROBERT F. WAGNER,
Senate Building, Washington, D. C.

DEAR SENATOR WAGNER: Whereas there have been certain bills introduced into the Seventy-sixth Congress, namely, H. R. 188 and S. 158, which, if passed, would be harmful to labor, agriculture, and industry in New York State; and

Whereas the primary object of these bills is to compel by legislative action the establishment and maintenance of freight rates from one rate territory to another on the rate per mile that applies within the destination territory, which in turn would provide a substantially higher rate in one direction than in another over the same rails and between the same points; and

Whereas the United States having been justly divided into several rate territories because of differing costs of transportation caused primarily from the fact of differing volumes of tonnage produced and available for transportation in the various sections of the country; and

Whereas Watertown and vicinity is located in what is designated official territory, and being that territory lying east of the Mississippi River and north of the Ohio and Potomac Rivers, and recognized as one of the greatest industrial sections not only of the United States but of the entire world, and because of this fact it provides the greatest number of tons per mile of transportation and consequently the lowest cost of operation for the railroads in that territory of any territory in the United States; and

Whereas these bills, or any of them, if enacted into law, would require the Interstate Commerce Commission, regardless of the equity, their better judgment, or otherwise, to disregard differing cost which form the basis for these different rate territories, and arbitrarily make from official territory to all other territories rates which would be materially higher than would be charged shippers in these other territories for shipping the same or similar articles, the same or similar distances into New York State, to the serious disadvantage of and discrimination against Watertown and vicinity.

Whereas such a prejudice to New York and preference of these other territories would not only seriously restrict the marketing and consequently the production of articles of commerce in New York State to the substantial and grave loss to its labor, agriculture, and industry, but even more seriously would induce substantial removal of manufacturing operations from this State to these more favored localities to the disadvantage of all its citizens.

Therefore, we respectfully request and urgently ask you not only to vote against these bills but also urge your colleagues to vote against same.

Respectfully yours,

THE FARWELL & RHINES CO., INC.,
F. J. RHINES, *President*.

FEDERAL OWNERSHIP OF LANDS UNDER STATE TIDAL WATERS

Mr. WAGNER presented a resolution adopted at a recent meeting of the State Council of Parks held in New York City, which was referred to the Committee on Public Lands and Surveys and ordered to be printed in the RECORD, as follows:

Be it resolved, That the State Council of Parks of the State of New York is unalterably opposed to any claim of the Government of the United States to the ownership of the lands under tidal waters of the State of New York or any other State. The mere assertion of such claim by the Government of the United States throws a cloud on the title of the State, its municipalities, and its citizens, and by its nature will cause irreparable damage to the States, their municipalities and their citizens who own and have improved and managed such lands under tidal waters; be it further

Resolved, That a copy of this resolution be sent to the Attorney General and to each Senator and Representative of the State of New York in Congress.

REPORTS OF COMMITTEES

Mr. DONAHEY, from the Committee on Commerce, to which was referred the bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, reported it without amendment.

Mr. HILL, from the Committee on Military Affairs, to which was referred the bill (S. 439) to confer the Distinguished Service Medal on Col. Richard C. Patterson, reported

it without amendment and submitted a report (No. 75) thereon.

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (S. 1084) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, reported it with an amendment and submitted a report (No. 76) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 88. A bill referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for finding of fact and recommendations to the Congress (Rept. No. 77); and

S. 414. A bill for the relief of the Indians of the Fort Bert-hold Reservation in North Dakota (Rept. No. 78).

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the joint resolution (S. J. Res. 45) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807), reported it without amendment and submitted a report (No. 79) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LOGAN:

S. 1517. A bill for the relief of F. E. Perkins; to the Committee on Claims.

S. 1518. A bill to provide for the establishment of the Cumberland Gap National Historical Park and the Cumberland National Recreational Area in Tennessee, Kentucky, and Virginia; to the Committee on Public Lands and Surveys.

By Mr. WHITE:

S. 1519. A bill for the relief of Vincent and Gladys Gowen; to the Committee on Claims.

S. 1520. A bill to amend the Communications Act of 1934, and for other purposes; to the Committee on Interstate Commerce.

By Mr. SMATHERS:

S. 1521. A bill for the relief of Hazel R. Heard Chapman; to the Committee on Claims.

By Mrs. CARAWAY:

S. 1522. A bill for the relief of Eula S. Damm; to the Committee on Finance.

By Mr. PITTMAN:

S. 1523. A bill to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government; to the Committee on Foreign Relations.

By Mr. HATCH:

S. 1524. A bill granting a pension to Dovie C. Bessent; to the Committee on Pensions.

By Mr. NEELY:

S. 1525. A bill granting a pension to America E. Dye; to the Committee on Pensions.

By Mr. BARBOUR:

S. 1526. A bill to amend the Interstate Commerce Act (pt. II); to the Committee on Interstate Commerce.

By Mr. MALONEY:

S. 1527. A bill for the relief of Joseph Lopez Ramos; to the Committee on Claims.

By Mr. WALSH:

S. 1528. A bill for the relief of Charles Dancause and Virginia P. Rogers; and

S. 1529. A bill for the relief of Catherine Ward; to the Committee on Claims.

By Mr. BYRD:

S. 1530. A bill for the relief of John P. Shorter; and
S. 1531. A bill for the relief of Edmund S. Dennis; to the Committee on Claims.

By Mr. THOMAS of Oklahoma:

S. 1532. A bill to provide for the payment of certain Creek equalization claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. WAGNER:

S. 1533. A bill for the relief of Kurt G. Stern; and S. 1534. A bill for the relief of Moukbil Kemal Tash; to the Committee on Immigration.

S. 1535. A bill to provide for the appointment of two additional district judges for the southern district of New York; to the Committee on the Judiciary.

By Mr. McKELLAR:

S. 1536. A bill for the relief of James N. Harwood; to the Committee on Claims.

S. 1537. A bill to amend the Classification Act of March 4, 1923, as amended, to create a Mechanical Service, and for other purposes; to the Committee on Civil Service.

By Mr. BANKHEAD:

S. 1538. A bill for the relief of Konstantinos Dionysiou Antiohos (or Gus Pappas); to the Committee on Immigration.

By Mr. REYNOLDS:

S. 1539. A bill to amend the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1931, and for other purposes; to the Committee on the District of Columbia.

By Mr. OVERTON:

S. 1540. A bill to adjust the compensation of the members of the National Advisory Health Council not in the regular employment of the Government; to the Committee on Commerce.

S. J. Res. 75. Joint resolution to authorize Commander Henry Coyle, United States Coast Guard, to accept the decoration and diploma of the Marine Medal of Class One (gold), conferred upon him by the Government of Greece; to the Committee on Commerce.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated below:

H. R. 3646. An act to authorize certain officers and employees to administer oaths to expense accounts; to the Committee on Agriculture and Forestry.

H. R. 950. An act to exempt all vessels of the United States of less than 200 tons gross registered tonnage from the provisions of the Officers' Competency Certificates Convention, 1936 (being International Labor Conference Treaty, Convention No. 53, adopted by the International Labor Conference at Geneva in 1936); and

H. J. Res. 79. Joint resolution authorizing the President to invite the States of the Union and foreign countries to participate in the Oil World Exposition at Houston, Tex., to be held April 24 to 29, 1939, inclusive; to the Committee on Foreign Relations.

BUILDING PROGRAM FOR BUREAU OF FISHERIES—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (S. 1492) to provide for a 5-year building program for the United States Bureau of Fisheries, which was referred to the Committee on Commerce and ordered to be printed.

CONTINUATION OF SPECIAL COMMITTEE ON TAXATION OF GOVERNMENTAL SECURITIES AND SALARIES

Mr. BROWN submitted the following resolution (S. Res. 86), which was referred to the Committee on Finance:

Resolved, That Senate Resolution 303, Seventy-fifth Congress, third session, agreed to June 16, 1938, is hereby continued in full force and effect until June 1, 1939, and the time for making the report required by such resolution is hereby extended to such date.

FOREIGN RELATIONS OF THE UNITED STATES—ADDRESS BY SENATOR PITTMAN

Mr. BARKLEY. Mr. President, I ask unanimous consent that an address on our foreign relations delivered last night in the National Radio Forum by the distinguished Senator from Nevada [Mr. PITTMAN] may be referred to the Committee on Foreign Relations and printed in the Record.

There being no objection, the address was referred to the Committee on Foreign Relations and ordered to be printed in the Record, as follows:

ADDRESS OF HON. KEY PITTMAN, OF NEVADA, MADE DURING THE NATIONAL RADIO FORUM, FEBRUARY 20, 1939

I am here tonight by invitation of the National Radio Forum, sponsored by the Washington Evening Star, to discuss the subject of Our Foreign Policy. It is the most vital question now pending for determination by the American people and their Congress.

It will be unfortunate, indeed, for the future safety and welfare of our country if our citizens fail to give substantial support to their Government in the administration of our foreign policy. This support will not be obtained unless our citizens study the fundamental principles underlying the policy, and are not distracted in their thoughts and actions by local situations, race prejudices, political partisanship, demagoguery, or propaganda suspicion aroused by inflammatory headlines with regard to insignificant incidents.

There are in my opinion only four fundamental foreign policies of governments. These policies may be stated as follows:

(1) A policy based upon conquest of territory and domination of the lives of the nationals of other nations through military force or the threat of the use of military force.

(2) The policy of appeasement.

(3) The policy of defense. This policy includes the protection of a country's territory, and the rights of its nationals throughout the universe. It holds that such protection shall be accomplished, first, through every established, peaceful instrumentality; second, through every legal resistance to encroachments upon the integrity of a nation's territory and the rights of its nationals; and third and lastly, through the use of physical force if every other means has failed, to successfully defend its territory and the rights of its nationals.

(4) The last of the four policies, which some governments have practiced, is the policy of isolation.

I shall very briefly discuss, first, this latter policy, as, unfortunately, in spite of the history of its uniform puerility, it is urged by some of our citizens—even by men and women of prominence.

The people of a country, through their government, can isolate themselves for a time by refraining from taking any part in world affairs. They cannot, however, by this action impose isolation upon any other country, nor can they prevent any other country from violating their isolation. We have so many recent examples of peoples and their governments attempting to protect their territory and their peace and safety through the doctrine of isolation that the impracticability of the policy is self-evident.

Austria, since the World War, adopted and practiced a policy of isolation. Behold Austria! Ethiopia practiced the policy of isolation. Note the condition of Ethiopia. Czechoslovakia, under the rules of the League of Nations, practiced the policy of isolation. Czechoslovakia's territory has been divided up, its government destroyed, and its spirit of democracy annihilated. Witness China. No people and no government ever practiced more sincerely the doctrine of isolation. They interfered with no other government and no other people. They made no preparation for defense, relying upon their peaceful attitude, the treaty promises of other governments, and their pronounced and practiced policy of isolation.

Let us now return to the policy of conquest and domination through military force and the threat of the use of military force. This policy has been adopted and is now being practiced by the Governments of Germany, Italy, and Japan, three of the most powerful military governments in the world. These Governments are absolutely controlled by arbitrary and ruthless dictators—Germany by Hitler, Italy by Mussolini, and Japan by a small military clique.

What are the intentions of these military dictators? Do their policies constitute any threat to the safety of the United States? We can only determine these questions by a study of the statements and the actions of these military dictators. Time does not permit me to read the numerous statements of these dictators. They have been published time and again. They have all ridiculed democratic forms of government. They have even pitied our people in the United States because, as they allege, our Government is too weak and too cowardly not only to protect our citizens and our institutions from abroad, but even to protect our peaceful citizens from lawlessness at home. They have defied the League of Nations, the Nine Power Treaty, and every instrumentality that governments have set up to protect the integrity and the rights of small governments against unjust domination and conquest, and for the preservation of peace among all nations.

The statement does not require confirmation to those who read. Great Britain and France urged that there should be arbitration with regard to the Sudetenland. Was this agreed to? No. Hitler had 1,000,000 soldiers on the border of Czechoslovakia. He had more airplanes than France and Great Britain combined. He and Mussolini had twice the capacity for production of airplanes as Great Britain and France. Hitler refused to arbitrate the justice of his demands. Why? Because Great Britain and France had discovered that Hitler had a dominating military force in the air and on land.

Could there be any more perfect demonstration of rule by force than the determination of the conference at Munich? This also clearly exposes the puerility of the power of appeasement. Hitler was not uneasy. The British Government in 1932 abandoned the

policy of defense and adopted the policy of appeasement. It has practiced such policy of appeasement ever since, without accomplishing anything for ultimate peace, but on the contrary to the encouragement and aid of the ambition of the dictator governments, which ambition, unless obstructed, inevitably will lead to the most disastrous war in all history.

When Japan challenged the indictment of the League of Nations and the opinion of the world in 1932, and continued her conquest of Manchuria (a part of China), the policy of appeasement of Great Britain was expressed by Mr. Simon when he yielded to Japan on the promise that Japan would not interfere with the "open door" policy in Manchuria and the commerce of Great Britain. Of course, Japan never intended to maintain the "open door" policy in Manchuria and did not maintain such policy. On the contrary, through a fiction of local self-government, Japan has practically excluded the commerce of all countries except her own from Manchuria.

Again, when Mussolini undertook his conquest of Ethiopia the British Government, with absolute influence over the League of Nations, composed of over 52 nations, after actuating them to assert the policy of the League of Nations, retreated under the policy of appeasement. Ethiopia was conquered. Hitler advanced and fortified the Rhine, and Great Britain, under the policy of appeasement, did nothing. Hitler conquered Austria without battle, and Great Britain yielded under the policy of appeasement. Czechoslovakia, whose territorial and political integrity were guaranteed by Great Britain and France and 52 other nations, was yielded to the military domination of Hitler under the policy of appeasement.

The policy of appeasement has accomplished nothing for ultimate peace. The policy of appeasement has accomplished nothing for justice and liberty. The policy of appeasement has been but a process of surrender and retreat before military force, with the abandonment of every treaty and every promise of protection to the independence of small countries and the liberty of peoples. May we say, however, in support of the policy of appeasement, that it has postponed a few days the execution of the victims.

The policy of appeasement has not only been unsuccessful and ultimately destructive, but has been immoral. It is evident that no person can die but once, and the period of life is limited, and that it is far better that he die a few days earlier for Christianity, justice, and liberty than that he live a little longer in cowardice and degeneracy.

Hitler told Chamberlain that he was only interested in the borders of the Sudetenland. A few weeks later he changed the borders of Czechoslovakia in many other particulars. He declined to permit the borders of Poland and Hungary to be joined. Why? Because every student of history knows that he intends to preserve an alley through which he can conquer the Ukraine.

Does anyone doubt that Hitler has in his program the domination of the Ukraine? In fact, does anyone doubt that Hitler has the domination of Siberia in mind? If so, simply read his book, "Mein Kampf." He is moving eastward at present. Is he succeeding? Hasn't Hungary joined his alliance? Hasn't Hungary been compelled to discharge Imre, its anti-Nazi Premier, and place in his stead a Nazi premier? Did not the policy of appeasement of Great Britain surrender to the mercy of Hitler not only Czechoslovakia but Poland, Rumania, Yugoslavia, and Turkey? What is there to stop his domination, if not conquest, of these countries? What can Holland and Denmark do with regard to the demands of Hitler, in view of Hitler's dominating military force and policy, and the policy of appeasement of Great Britain?

For the time being, we will pass Mussolini. He has militarized Italy to the fullest extent. He has a tremendous military force. He is by force of circumstances—and may continue to be—in the Berlin-Rome-Tokyo axis.

How about Japan? Any student of history knows the fixed policy of Japan. It has been announced too often to be misunderstood. It is the domination of Eastern Asia, including the islands of the Pacific. It is a domination based upon military power. These assertions have been made by many students of history, and by me on the floor of the Senate many times. Every statement and every act of the militaristic clique of Japan justifies these conclusions with regard to their intentions. They are, today, challenging not only their sacred agreement with us, with China, and other powers to preserve and protect the political integrity of China, but they are violating their solemn agreement with us for equal opportunities in China of our citizens with the subject of Japan. They are now taking possession of and fortifying the Island of Hainan, only 700 miles from the Philippine Islands. These fortifications will control the commerce of the far Western Pacific. They have by word and act ignored, repudiated and challenged their sacred agreement under the Nine Power Pact. They have through their military authorities and otherwise informed us definitely that there is a new order in eastern Asia, and that we are out of the picture.

This is the history of the acts, at least, of the dictator powers. Their intent to dominate the world is evident to any unbiased thinking person. "Well, how can this affect us?" is asked by even those who have the right to be called statesmen. It must be evident that at the present time there is nothing to stop the conquest of Europe and Asia by the three dictator powers. Does that affect us? I pass the question of our islands in the Pacific. I pass the question as to whether after their conquest they would directly attack the United States. The question is, would they attempt to dominate the Latin-American republics? Some may say "Why should they?" Others may say "No." As a matter of fact, the broad areas of Latin America with its vast resources of natural

wealth cannot be overlooked by ambitious dictators. That might be a presumption. As a matter of fact, we know that the three dictatorial powers, Germany, Italy, and Japan are increasing their populations and influence in Latin America. We know that these dictatorial powers are through every means, monetary, financial, and political, preparing for the domination of Latin America.

Of course, this penetration into Latin America does not become pertinent, and will not become pertinent until and unless these totalitarian powers have obtained sufficient domination in Europe and Asia to permit them to move in force against Latin America. Any reasonable man will say that that is possible. Any reasonable man would say we should protect against such possibility.

We hear pacifists say we will defend our own shores, but we will fight nowhere else. Will we fight against the threat to our own shores? Where does the threat start? Are we to wait until a fleet lands its marines on the Atlantic and Pacific and its airplanes bomb our cities? Are we to wait until military forces are established on our borders and airplane bases established that may freely bomb the Panama Canal before we act? Are we to pursue the policy of appeasement and surrender and retreat before the threat of war, until our own country has been made the battleground of a foreign invader, and our aged and our women and children are bombed from the air?

I assert that no patriotic American citizen will agree to such a cowardly, unpatriotic, and disastrous policy.

And what is our foreign policy in the circumstances? I have attempted to state it in the third policy. The President, in his message to Congress, clearly stated our policy, as I have attempted to restate it here. We will enter into no entangling alliances. We will be prepared, singly and alone, to successfully defend our country, its institutions, and our citizens. We will not aid a government whose policy is based upon conquest and military domination. We will not refuse the oppressed governments any aid that we may legally give them, short of war. We will prepare, without alliance, to defend our Government, its institutions, its people, and their rights against any illegal and unjust attacks. We will, unafraid, resist any encroachments upon the rights of our citizens under any treaties with us by every legal means at our command, short of war, relying upon this power which in my opinion is sufficient and will avert war. We are not frightened however, by the circumstances that this resistance may cause some other country to declare war upon us.

In the first place, that declaration would be both absurd and futile. No country can now successfully attack our shores. In the second place, our people are not cowardly. While they hate war they are not afraid to die for Christianity, morality, justice, and liberty. Many a mistake has been made in past history by not letting dictator governments know this on the start. They probably would never have moved. That we will die, however, for these things we consider worth more than life, we know. And possibly we will preserve peace by telling people who do not understand these things what we intend to do and will do.

There is a propaganda going on through this country today that would be despicable except that it is pitiful—preaching the doctrine of fear, fear that if we assert our right to enjoy religion, morality, and justice, and our right to liberty, that we will be forced into war.

We are told that the legal things that the President has done to date are leading us into war as we were led into war in 1917.

The situations in 1917 and today with regard to our foreign policy are entirely different. Prior to the World War our people, our President, and our Congress asserted the rights of our citizens to enjoy the freedom of the seas under the accepted rule of international law. That law was definite as to neutrals. That law was definite as to neutrals having a right to trade with neutrals. Neutrals had a right to trade even with belligerents. No ship of neutrals could be destroyed when trading with neutrals; no ship of a neutral could be destroyed even when trading with a belligerent, and even if carrying contraband of war, without first making provision for the safety of those on board the ship. Both sides in the World War denied neutrals their rights under international law. The only difference was that one side did not destroy lives and the other did.

President Wilson protested against the violation of our neutral rights for months and months, and then came the final order of the German Government, which read as follows:

"Under these circumstances Germany will meet the illegal measures of her enemies by forceful preventing, after February 1, 1917, in a zone around Great Britain, France, Italy, and the eastern Mediterranean, all navigation, that of neutrals included, from and to England, from and to France, etc. All ships met with in that zone will be sunk."

Remember that the line of this zone was hundreds of miles out in the Atlantic, and unmarked, and excluded the neutral ships of the United States from all the neutral countries in Europe. Between February 1, 1917, and the day of the declaration of war by the United States, on April 6, our merchant ships were destroyed in that zone without notice, with the loss of the lives of 73 of our citizens.

The people of this country chose war. The President of the United States was impelled to ask for a declaration of war, but it was the Congress of the United States under the Constitution, and the Congress alone, that declared war. Congress could have refused to declare war. It didn't. Look back over the record vote and you will find that only a few in each house voted against it.

Today the foreign policy of our Government has been modified by the Neutrality Act passed by Congress and approved by President

Roosevelt. In effect, it modifies, if it doesn't abandon, our right to the freedom of the seas under international law.

We will not now permit any arms, ammunition, or implements of war to be shipped to any belligerent country or to any neutral country for reshipment to a belligerent country. We will not permit any products of the United States to be shipped to a belligerent country by a citizen of the United States. The title must first be transferred to a foreigner. The President is authorized to prevent our ships from engaging in commerce with belligerents. Our citizens are prohibited from traveling upon belligerent passenger ships.

President Wilson did not and could not lead us into war in 1917. President Roosevelt, under the approved policy of our Government and the Neutrality Act, has no intention to lead us into war and cannot lead us into war. Every Senator and Congressman is an elected representative of American citizens. Never in the history of the United States were such representatives more responsive to the will of their constituents. This is right and in accord with our form of representative government. Congress, under the accepted policy of our Government, will not lead us into war.

Why further impose upon the credulity and the fear of our citizens? Why join in the policies of appeasement or isolation that have not made for peace but for war throughout the world? Why not wholeheartedly support the honorable, peaceful, and practicable policy of our administration? Every patriotic citizen will!

SPEECH BY SENATOR ASHURST AT TESTIMONIAL DINNER TO HON. HOMER CUMMINGS

[Mr. ASHURST asked and obtained leave to have printed in the RECORD the speech delivered by him at the testimonial dinner in honor of Hon. Homer Cummings, on January 11, 1939, which appears in the Appendix.]

AFFILIATION OF STATION KVOA WITH BLUE NETWORK—ADDRESS BY SENATOR ASHURST

[Mr. ASHURST asked and obtained leave to have printed in the RECORD an address delivered by him on February 5, 1939, on the occasion of the affiliation of station KVOA, in Tucson, Ariz., with the blue network of the National Broadcasting Co., which appears in the Appendix.]

AMERICA'S PLACE IN THE WORLD—ADDRESS BY SENATOR NYE

[Mr. REED asked and obtained leave to have printed in the RECORD an address delivered by Senator NYE before the Saturday Discussion Club, National Republican Club, at New York City on February 18, 1939, on the subject Our Place in the World, which appears in the Appendix.]

AMERICA'S FOREIGN POLICY—ADDRESS BY SENATOR BRIDGES

[Mr. JOHNSON of California asked and obtained leave to have printed in the RECORD a radio address delivered by Senator BRIDGES on February 20, 1939, on the subject America Needs a Foreign Policy, which appears in the Appendix.]

THE TRADITION OF AMERICAN SECURITY—ADDRESS BY SENATOR TRUMAN

[Mr. MINTON asked and obtained leave to have printed in the RECORD an address delivered by Senator TRUMAN before the National Aviation Forum at the Mayflower Hotel on February 20, 1939, on the subject The Tradition of American Security, which appears in the Appendix.]

THE WORKS PROGRESS ADMINISTRATION—ADDRESS BY SENATOR PEPPER

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD a radio address on the Works Progress Administration delivered by Senator PEPPER on January 21, 1939, which appears in the Appendix.]

COTTON PROGRAM—ADDRESS BY DR. M. F. DICKINSON

[Mrs. CARAWAY asked and obtained leave to have printed in the RECORD a radio address on the cotton program delivered on January 24, 1939, at Chicago, Ill., by Dr. M. F. Dickinson, of Little Rock, Ark., which appears in the Appendix.]

RESOLUTIONS OF AMERICAN FARM BUREAU FEDERATION

[Mr. CAPPER asked and obtained leave to have printed in the RECORD resolutions adopted by the American Farm Bureau Federation at its twentieth annual meeting at New Orleans, La., on December 15, 1938, which appear in the Appendix.]

ADMISSION OF GERMAN REFUGEE CHILDREN

[Mr. WAGNER asked and obtained leave to have printed in the RECORD several editorials and letters regarding the admission of German refugee children into the United States, which appear in the Appendix.]

HOUSING AS A JOB PROVIDER

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an editorial from the American Federation of Labor weekly news service of February 18, 1939, entitled "New Housing as Job Provider," which appears in the Appendix.]

THE SILVER PROGRAM—EDITORIAL FROM WASHINGTON STAR

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an editorial from the Washington, D. C., Evening Star of February 20, 1939, entitled "Silver-Lined Cloud," which appears in the Appendix.]

SEVENTY-FIFTH ANNIVERSARY OF THE FOUNDING OF THE ORDER OF KNIGHTS OF PYTHIAS

Mr. DAVIS. Mr. President, in these days when the spirit of good will and friendship is so necessary to meet the distress of our troubled world it is with a feeling of consolation that I am permitted to speak briefly concerning an important gathering I attended last evening at the Willard Hotel. The occasion was the seventy-fifth anniversary of the founding of the Order of the Knights of Pythias in this city by Justus Henry Rathbone. Following the Civil War this order was established to help heal the wounds left from the stormy period of fratricidal strife.

The Knights of Pythias has found its great inspiration in the story of Damon and Pythias, which is a heroic example of true friendship that is deathless. This order has been carried into every State in the Union and is found in practically every cross-roads town in the country.

Mr. President, I ask unanimous consent to have printed in the RECORD as a part of my remarks the address of the Honorable E. Lee Stapp, supreme chancellor of the Supreme Lodge of the Knights of Pythias, delivered with eloquence last evening on the occasion of the seventy-fifth anniversary of the founding of this beneficent order.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Supreme Chancellor STAPP. Mr. Toastmaster, brothers, sisters, ladies, and gentlemen, on Friday evening, the 19th day of February 1864, in Marint's Hall, 914 E Street NW., also known as Temperance Hall, here in the city of Washington, the Capital City of the United States of America, Justus Henry Rathbone first gave to the world the thought and conception with which he was inspired by the ancient Greek story of Damon and Pythias, by reading to 12 of his friends who had met with him a ritual he had written, wherein he had made friendship, as exemplified by these two Grecian characters, the basic and underlying principle. That little gathering was so impressed that each of them assumed the obligation of the ritual, and then and there formed an organization which they named Knights of Pythias. Little did they think what an institution they were constructing—they "built wiser than they knew"—and we rejoice in the record of achievements that now mark 75 years in the cause of a common humanity.

The stability of this fraternal structure, imbedded upon a foundation of friendship and supported by the two great pillars of charity and benevolence, intertwined by the chain of brotherly love, is evidenced by a membership scattered over the continent of North America, and among many of the islands of the sea. More than two millions of men have joined this great fraternity in the practice of its precepts and promotion of its principles, and have truly exemplified its humanitarian purposes.

For the inspiration which gave birth to our beloved order and the success that has attended its humane missions from the time of its formation to this diamond jubilee, we are indebted to a loving and merciful God, to whom this night, in every city, village, and hamlet wherever the tricolored banner of Pythian knighthood has been unfurled, there is being offered up in common union the earnest, sincere, and heartfelt thanks of a grateful membership of a true fraternity.

From the humble beginning here in the city of Washington on February 19, 1864, the Order of Knights of Pythias has, through the efforts of our predecessors and continuing with our help, reached to all departments of our life.

The Pythian Sisters, in due course of time, came into existence as a part of this great fraternity, and thereby there was added to the Knights of Pythias an organization having as its objective the practice of love, equality, fidelity, and purity. You know of the good work of this organization.

The Dramatic Order Knights of Khorassan likewise became a part of the Pythian order and was likewise recognized by the supreme lodge in due time, and by its recognition we added the objective of "lift up the fallen" to the Pythian army. The work of this organization is well known to you, and its foundation has further spread the gospel of Pythian charity from coast to coast.

In our efforts to aid and assist the people of the supreme domain and to teach respect of law, the uniform rank, now controlled by

the military department, came to us as a part of the Pythian army, and thereby the Army of the Lily was made a part of the organization, and with this we actually organized our own army to further the Pythian cause. This uniformed Pythian army has made its own name and reputation, of which you are familiar.

Believing, as we do, that we have a responsibility to the boys and girls in the supreme domain, the Pythian order recognized in due time the Princes of Syracuse as a part of the order. Here there is an organization for the training of the boys of the supreme domain, that they may become better trained in a satisfactory manner that will make of them better men and citizens.

The Pythian Sisters likewise undertook the training of the young girls, and to this end the Sunshine Girls came into existence, and through this effort the girls of the supreme domain are trained to be better ladies and citizens.

From all this the order has been in position to relieve the suffering not only of its own membership but likewise of humanity in general. Homes for the aged and orphans of our membership have been established and maintained and today are being maintained.

Our order has become a leader in the daily life of the people of the communities where our lodges are in existence because of our civic programs and our efforts to aid and assist our youth to become better men and women and good citizens of our country and to help the youth of the supreme domain start a Pythian life.

And so tonight, with the joinder of all the branches and auxiliaries of the Knights of Pythias in commemorating this anniversary of 75 years of fraternal work in the field of humane endeavor, we have given public expression of the teachings and principles of the order, so that the world may know what Pythian knighthood means and what it stands for.

The lesson of friendship reveals those noble qualities of honor and confidence, which are the very rocks that constitute the foundation principle of our order, securely laid in that most durable cement—brotherly love.

"Charity is the scope of all God's commands." It is an eternal debt, a divine virtue, the practice of which should commend itself to all who would help man to nobler things and loftier aspirations. It is the living inspiration of all who truly believe in the brotherhood of man and the fatherhood of God. It enables us to close our eyes to the frailties of human nature, and in the faults of others to see the good that tends to uplift and elevate.

Clothing the naked, feeding the hungry, and giving alms to the needy is the benevolence that naturally follows where friendship reigns and charity is exemplified. In its practice we should be limited only to the needs of the unfortunate and as our means may permit.

These, then, constitute the foundation, ground work, and superstructure of our fraternity, and may these principles of friendship, charity, and benevolence throw around us their enchanted trinity. Let us go forth from these diamond jubilee exercises renewed in our faith, with the fires of fraternity burning within our souls, illuminating our pathway, and guiding us to that celestial lodge beyond the skies—to enter into a renewal of our faith in the principles of friendship, charity, and benevolence, so that our order may not only continue but that we will leave behind us records from which our successors can and will, by our examples, build a grander and more glorious fraternity.

In all this we ask, may God bless the Knights of Pythias and all its auxiliaries.

SUMMARY OF FEDERAL ELECTION LAWS

Mr. HATCH. Mr. President, recently, in connection with the work of the committee which is making some study of election laws and proposed legislation pending before our subcommittee, I asked the Legislative Reference Service to make a complete compilation of all existing Federal election statutes. They furnished the compilation to me. The committee met this morning, and thought the compilation might be of interest to all Senators as well as to members of the committee. Therefore, I ask unanimous consent that it be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

SUMMARY OF FEDERAL ELECTION LAWS

GENERAL PROVISIONS

Constitution, amendment 14, section 2. Denial of right of male inhabitants, 21 years of age, to vote, except for participation in rebellion or other crime, to cause reduction in congressional representation in proportion to number of persons denied such right.

Constitution, amendment 15. Right of citizens to vote not to be denied or abridged on account of race, color, or previous condition of servitude.

Constitution, amendment 19. Right of citizens to vote not to be denied or abridged on account of sex.

R. S. 22 (U. S. C. 2: 6). Practically restates Constitution, amendment 14, section 2, above.

R. S. 1980 (U. S. C. 8: 47). Conspiracy to prevent persons from voting, to be a ground for recovery of damages by persons so deprived.

R. S. 1981 (U. S. C. 8: 48). Persons who neglect to prevent conspiracy to deprive qualified persons of the right to vote, made

liable to party injured, for all damages caused by such wrongful act.

Act of June 30, 1876 (19 Stat. 69; U. S. C. 34: 509). Increase of force at any navy yard, not to be made within 60 days before an election, except upon certification by the Secretary of the Navy that such increase is necessary.

Act of March 22, 1882 (22 Stat. 31, sec. 8; U. S. C. 48: 1461). Bigamists declared not entitled to vote, nor eligible for election for office, etc., under the United States.

Act of March 4, 1909 (35 Stat. 1092, sec. 19; U. S. C. 18: 51). Persons conspiring to intimidate citizens in the free exercise of their civil rights declared ineligible for office, etc., created by Constitution or laws of the United States.

Same (p. 1092, sec. 22; U. S. C. 18: 55). Army or Navy officers to be punished for bringing troops to a place where a general or special election is to be held, unless needed to repel armed enemies of the United States.

Same (p. 1092, sec. 23; U. S. C. 18: 56). Officers, etc., in the military or naval service of the United States to be punished for intimidating qualified voters from freely exercising right of suffrage.

Same (p. 1092, sec. 24; U. S. C. 18: 57). Army or Navy officers to be punished for prescribing or attempting to prescribe qualifications of voters at State elections.

Same (p. 1092, sec. 25; U. S. C. 18: 58). Military or naval officers to be punished for compelling election officers to receive votes from persons not legally qualified to vote, or imposing regulations for general or special elections contrary to law or otherwise interfere with the duties of election officers.

Same (p. 1093, sec. 26; U. S. C. 18: 59). Persons convicted of offenses as defined in sections 22-25, above, are to be further punished by being declared disqualified from holding any public office under the United States, but nothing is to prevent any officer, soldier, sailor, or marine from voting in an election district provided he is otherwise qualified according to the State laws.

Same (p. 1103, sec. 78; U. S. C. 18: 140). Penalty prescribed for using false certificates of citizenship for purpose of registering as voter.

Act of February 28, 1925 (43 Stat. 1073-74, secs. 312, 313; U. S. C. 18: 208; 2: 251). Penalty provided for soliciting, etc., by Members of Congress, candidates, Government officers, etc., for any political purpose.

Contributing by national banks or corporations organized by authority of Congress, for political elections is declared unlawful; a corporation violating this provision is to be fined \$5,000, and its officers who consented to such contribution are to be fined \$1,000 or imprisoned 1 year, or both.

Act of December 11, 1926 (44 Stat. 918, c. 3; U. S. C. 18: 140-151). Penalty prescribed for soliciting or receiving contributions for use of influence to obtain appointive office under the United States.

Act of June 19, 1934 (48 Stat. 1088, sec. 315; U. S. C. 47: 315). Licensee of a radio station required to afford equal opportunities to all legally qualified candidates for public office.

Act of June 19, 1934 (48 Stat. 1138, sec. 25; D. C. C. 5: 217 W). District of Columbia insurance companies prohibited from making contributions in aid of any candidate for political office; penalty on officers, directors, etc., of companies violating this provision.

Act of August 26, 1935 (49 Stat. 824 (h); U. S. C. 15: 791). Holding companies, under Public Utility Act of 1935, prohibited from making political contributions through the mails or any means of interstate commerce.

ELECTION OF THE PRESIDENT

Constitution, article II, section 1. Each State is to choose, in a manner to be prescribed by the legislature, a number of electors equal to the Senators and Representatives to which the State is entitled. Senators, Representatives, and officers of the United States must not be chosen as electors. Congress may prescribe a uniform date for choosing the electors and for their voting for President.

Constitution, amendment XII. The electors are to meet in their own States and vote by ballot and certify their votes to the President of the Senate. The votes are to be counted at a joint session of Congress. In case of no majority, the House of Representatives must choose the President from the three highest candidates, each State delegation having one vote.

R. S. 131 (U. S. C. 3: 1). Electors are to be chosen on the Tuesday following the first Monday in November.

R. S. 132 (U. S. C. 3: 2). Number of electors: If no apportionment yet made after last census, the old apportionment is to be continued.

R. S. 133, 134 (U. S. C. 3: 3, 4). Provision for filling of vacancies, etc., may be made by State law.

R. S. 139 (U. S. C. 3: 10). Electors are to seal the certificates required to be made by them and certify upon each that the lists of all votes of the State for President and Vice President are contained therein.

Act of February 3, 1887 (24 Stat. 373-375; U. S. C. 3: 6, 17-20). State laws are to govern contests as to choice of electors. The votes are to be counted at a joint session of Congress the second Wednesday in February (changed to 6th day of January by act of June 5, 1934 (48 Stat. 879, sec. 7)).

Act of May 29, 1928 (45 Stat. 945-947; U. S. C. 3: 5a, 9, 11a-11c). Electors are to meet and give their votes on the first Wednesday in January (changed to first Monday after the second Wednesday in December by sec. 6 (a) of act of June 5, 1934 (48 Stat. 879)) next, after their appointment at such place as the State legislature directs.

Certificates of electors (setting forth the names of the electors and the canvass under the laws of the State of the number of votes cast) are to be sent to the Secretary of State of the United States to be preserved by him for 1 year as public records, and at the first meeting of Congress thereafter, to be transmitted to the two Houses of Congress; six duplicates of said certificate are to be delivered to the electors.

Electors are to annex lists of votes cast for President and Vice President to each certificate furnished them, which lists and certificates are to be disposed of as follows: One forthwith by registered mail to the President of the Senate of the United States; two to the Secretary of State of the State; two, on the following day, to the Secretary of State at Washington (one of which is to be subject to the order of the President of the Senate, the other preserved as public record); one delivered to the judge of the district in which the electors assembled.

If there is any State from which no certificate has been received by the President of the Senate or the Secretary of State by the third Wednesday in January (changed to fourth Wednesday in December, 48 Stat. 879, sec. 6 (b)), the President of the Senate or Secretary of State shall request one from the secretary of state of the State, who is to immediately transmit the same by registered mail to the President of the Senate.

If no certificate has been received from any State by the fourth Wednesday in January (changed to fourth Wednesday in December, 48 Stat. 879, sec. 6 (c)), a special messenger is to get the copy in the possession of the district judge and immediately bring it back to the seat of government.

ELECTION OF SENATORS AND REPRESENTATIVES

Constitution, article I, section 2. Voters in each State are to have the same qualifications as voters for members of the State legislature.

Same; section 4. The times, places, and manner of holding elections for Senators and Representatives are to be prescribed by the State legislature, but Congress may make or alter such regulations, except as to the places of choosing Senators.

Same; section 5. "Each House shall be the judge of the elections, returns, and qualifications of its own Members."

Constitution, amendment 17. Senators are to be elected by the people of each State for 6 years. Voters in each State are to have the same qualifications as voters for members of the State legislatures.

R. S. 18, 19 (U. S. C. 2: 1a, 1b). A Senator's election must be certified by the executive of the State from which he has been chosen, under the seal of the State, to the President of the Senate; such certificate is to be countersigned by the secretary of state of the State.

R. S. 25 (U. S. C. 2: 7). Representatives and Delegates are to be elected on the Tuesday after the first Monday in November in every even-numbered year.

R. S. 26 (U. S. C. 2: 8). The time for holding elections for a Representative or Delegate to fill vacancies may be prescribed by the laws of the States and Territories.

R. S. 105-129, amended by acts of March 2, 1875 (18 Stat. 338, c. 119), March 3, 1879 (20 Stat. 400), and March 2, 1887 (24 Stat. 445) (U. S. C. 2: 201-226). Procedure prescribed for contesting the election of a Member of the House of Representatives. (Notice of intention to contest, time allowed for answering notice, time for taking testimony, issuance of subpoenas, penalty for failure to attend or testify, etc.)

Act of March 3, 1875 (18 Stat. 400, sec. 6; U. S. C. 2: 7). Modifies R. S. 25, above, by making it inapplicable to any State in which a constitutional amendment would be required in order to effect a change in the day of the election of its State officers.

Act of February 14, 1899 (24 Stat. 836, c. 154; U. S. C. 2: 9). Votes for Representatives in Congress to be by written or printed ballot, or by voting machine if authorized by State law; votes received or recorded contrary to this requirement are to be of no effect.

Act of August 8, 1911 (37 Stat. 14, sec. 5; U. S. C. 2: 5). Candidates for Representatives at Large in any State are to be nominated in the same manner as candidates for Governor, unless otherwise provided by the laws of the State.

Act of June 4, 1914 (38 Stat. 384, c. 103; U. S. C. 2: 1). Senators are to be elected by the people at the regular election for Representatives in Congress.

Corrupt Practices Act of February 23, 1925 (43 Stat. 1070-1074; U. S. C. 2: 241-256; 18: 208). Political committees must choose their chairman and treasurer before accepting any contribution or making any expenditure for the purpose of influencing a congressional election.

The treasurer must keep a detailed account of all contributions, by whom made, how used, and to whom paid, and keep receipted bills, stating the particulars, for every expenditure over \$10 for at least 2 years from date of filing statement.

Persons receiving contributions for a committee must make report, showing the name of the person contributing and the amount contributed on demand of the treasurer or within 5 days after receiving the contribution.

Complete and detailed statements as to contributions must be filed by the treasurer with the Clerk of the House of Representatives three times a year and 5 days before the general election.

Individuals making expenditures aggregating \$50 or more for purpose of influencing the election of candidates in two or more States are required to file statements accounting for such expenditures with the Clerk of the House of Representatives.

Candidates for the Senate or House must file, between 10 and 15 days before, and 30 days after the date of election, a full state-

ment as to contributions received, expenditures made, and any promises or pledges made. Candidates must file reports showing the total vote cast for all candidates for the office at the last election.

All statements required to be filed (1) are to be verified by oath, (2) deemed properly filed upon deposit in registered mail, and (3) preserved for 2 years as part of public records in the office of either the Clerk of the House of Representatives or the Secretary of the Senate.

Candidates are prohibited from making expenditures in excess of amounts authorized by law. If no smaller limit is prescribed by State law, candidates for Senator are limited to from \$10,000 to \$25,000; for Representative, Delegate, or Resident Commissioner, to from \$2,500 to \$5,000, according to number of votes cast at the preceding election.

Promise of appointments, etc., and offer of money to procure support or to influence votes, are declared unlawful.

Violations under the act, except where a specific penalty is imposed, are to be punished by fine of \$1,000 or imprisonment for 1 year, or both.

Willful violations, by a fine of \$10,000 and imprisonment for not more than 2 years.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes.

The VICE PRESIDENT. When the Senate recessed last evening the Senator from New Hampshire [Mr. BRIDGES] had the floor, and the Chair recognizes that Senator.

The question is on the amendment offered by the Senator from Colorado [Mr. ADAMS] to the amendment reported by the committee, on page 48, to strike out the words beginning on line 5, after the word "Gilbertsville", down to and including the words "Watts bar" on line 6, the language being "and for the construction of a dam at or near Watts bar."

Mr. BRIDGES. Mr. President, yesterday as the Senate recessed the subject of appropriations for certain dams in the T. V. A. area was under consideration. I was speaking at that time, and I shall continue for a few moments today. I think the subject was pretty well covered yesterday by the Senator from Colorado [Mr. ADAMS] and the Senator from Ohio [Mr. TAFT], with the addition of some remarks interjected by the Senator from Maryland [Mr. TYDINGS]. I shall approach the subject this morning, however, in support of the Adams amendment, and I will go further and include Gilbertsville Dam in my remarks, attempting to show that not all of those who are advocating these appropriations seem to agree in their figures, or as to what the future holds in store.

First, I ask that there be incorporated as a part of my remarks, in order to save the time of the Senate, an article written by me entitled "T. V. A., a Deception; 'Yardstick' a Fraud."

The PRESIDENT pro tempore. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

T. V. A. A DECEPTION; "YARDSTICK" A FRAUD

(By STYLES BRIDGES, United States Senator from New Hampshire)

Although results of the joint congressional investigation of the Tennessee Valley Authority leave much to be desired, there can be no question that the long months of public hearings have brought about a much wider public understanding of the functioning of such agencies of the Federal Government.

The committee consists of five Senators and five Representatives—only three of whom had voted against the T. V. A. or T. V. A. amendments. Chairman DONAHUE was wholly fair in questions involving opportunity of hearing to all sides. But Mr. Francis Biddle, counsel for the committee, did not fit well into the role of a supposedly unbiased, fact-finding agent of the committee. He attempted to gag employees of T. V. A. in order to prevent the former chairman, Dr. Arthur E. Morgan, from interviewing T. V. A. experts possessed of necessary information. On other occasions he stepped out of his role as interrogator to flatly contradict replies by adverse witnesses.

In such an atmosphere it is remarkable that the investigation had any constructive results. It is a tribute therefore to the diligence of minority members of the committee that, despite these handicaps, the T. V. A. today stands convicted of a long list of delinquencies.

It will be remembered that Senator WILLIAM H. KING, Utah Democrat, joined with me in a bipartisan demand for an investigation of the Authority early last year after Dr. Arthur E. Morgan, Chairman, had charged his fellow directors, Dr. Harcourt A. Morgan

and David E. Lillenthal, with what amounted to collusive action in favor of compromising the marble-land claims of Senator George Berry, of Tennessee, against T. V. A. But our resolution was not adopted by both Houses until after the President had summarily and—I believe—illegally dismissed Chairman Morgan for alleged contumacy in refusing to participate in a private Presidential hearing of charges and countercharges among the directors. Dr. Morgan's stand that such a hearing had no legal basis and that the proper place for the airing of his charges was before a duly authorized congressional committee led to his discharge. But it also made inevitable a congressional investigation along the lines of the King-Bridges resolution.

The resolution was passed after it had been hastily broadened to authorize a side excursion to smear private utilities. Contrary to all historical precedent, none of the authors of the measure was included on the investigating committee, which was heavily weighted with friends of the T. V. A.

The essence of Chairman Morgan's charges against his fellow directors was that their policies had been dishonest. He later amplified his accusation to explain that he had not meant to infer there had been personal graft and corruption but that the public statements and the actions of the directors had been cloaked in hypocrisy; that the actual records of the T. V. A. did not bear out their public statements. He asserted that this course had resulted in a deplorable atmosphere of concealment and lack of candor in an agency charged with the construction and operation of a half-billion-dollar Federal project.

The first strategy of the committee counsel was an attempt to discredit Chairman Morgan by making it appear that he had retracted his first assertions when he elaborated his charges of dishonesty. This effort failed because evidence of the kind of deceptive public administration he was talking about came to light in embarrassing abundance.

As this is written, a few days before the end of the hearings for 1938 and for the Seventy-fifth Congress, the stenographic record now has mounted to nearly 20,000 pages or the incredible sum of approximately 4,000,000 words. A mountain of words has labored. Has it brought forth a mouse? From the standpoint of those who had hoped for a sincere thoroughgoing inquiry into the affairs of the T. V. A. I should say the answer is "yes." The tangible results of the inquiry thus far have only served to confirm suspicions so widely held and believed among those familiar with T. V. A. as to assume the aspects of common knowledge. None the less, what we once stated as opinion we can now state as proven fact, viz:

1. That the T. V. A. yardstick rates are a brazen fraud on the public, the taxpayer, the consumer, and the investor.
2. That T. V. A.'s bookkeeping is lax, incompetent, deceptive, impossible of audit, and tends to conceal rather than to reveal the true state of fiscal affairs.
3. That past protests that T. V. A. is a bona fide flood-control and navigation project, and not primarily an adventure into socialism via the backdoor of Federal sale and distribution of electric power, are but a part of the reason Chairman Morgan charges the T. V. A. with dishonesty.
4. That T. V. A.'s pitiless destruction of investments in private utilities by ruthless duplication of existing facilities has been for the purpose of reducing the sale price of such properties to a below-cost point, low enough to create a capital rate base on which yardstick rates could pretend a semblance of realism. (In other words, the purpose of T. V. A.'s competitive policy is not actually to complete its threatened duplication—which would be costly to T. V. A. also—but to spend enough money on duplication of lines as to bring private utilities to T. V. A.'s sale terms, at the expense of all investors in private utilities affected.)
5. That T. V. A.'s most potent aid in this policy of utility duplication has been another arm of the Federal Government, the Public Works Administration. This clandestine affinity between T. V. A. and P. W. A. has been denied under oath in court proceedings. But the series of cumulative coincidences of such cooperation is so revealing that anyone of intelligence examining the record would place such oath-bound denials somewhere between legal quibbling and plain perjury.
6. That instead of being a bankable proposition, as its officers have claimed, T. V. A. will (if and when it finds a market for all its power after completion) run an annual deficit of about \$10,000,000 chargeable to its power facilities.
7. That T. V. A. has violated the law (a) by its failure to observe the general code in relation to its annual audits by the Comptroller General's Office; (b) its failure to follow "even remotely"—to quote the Federal Power Commission—the Uniform System of Accounting established by the F. P. C. as required by law; (c) its failure to establish its headquarters at Muscle Shoals, Ala., as legally required; (d) by ignoring the congressional requirement for nearly 2 years that T. V. A. submit its allocation of costs; (e) by neglecting to maintain its nitrate plants in "stand-by" condition as required by law.
8. That T. V. A. has been profligate with public funds, careless of its fiscal responsibilities; inefficient, theoretical, and impractical; dictatorial toward local inhabitants; a hopeless misfit for the task before it.

I could add to the list. These are but a few of the main points. All of them tend to uphold the position of the ousted Chairman that T. V. A. has been deceptive in its dealings with Congress, with the public, with private utilities and utility investors, and with the taxpayer.

Proceeding from the fact that the construction program of T. V. A. is designed primarily for power in the face of the clear language of the law that navigation and flood control shall be paramount, there follows a long sequence of fallacies and public deception.

The hearings show that after ignoring the law from January 1, 1937, to June 16, 1938—until after the evidence had been completed in a trial testing the constitutionality of T. V. A.—the Authority reluctantly submitted its estimates of allocation of the costs assigned by it to its various functions: flood control, navigation, and power. This belated acknowledgment of a congressional mandate dated August 31, 1935, assigned 48 percent of T. V. A.'s construction costs to power, with the balance almost equally divided between flood control and navigation improvement.

All independent engineers agree that this figure for power is ludicrously low in view of the ineffectiveness of the river system either as an aid to navigation or control of floods and the importance of T. V. A.'s high dams in the power scheme. Eloquent testimony by no less an authority than Dr. Edward L. Moreland, dean of engineering of the Massachusetts Institute of Technology, punched gaping holes in the T. V. A.'s theory of cost allocation. Norris Dam, for example, contains 500,000 acre-feet of "dead storage" at a cost of \$10 per acre-foot which has only one possible use and purpose; namely, power storage. This dead storage is there in order that the level of the reservoir can be made higher to create a greater "head" or fall of water for power purposes. Yet this \$5,000,000 is ignored in the cost allocations for power. All of these concealed power costs add to the charges against flood control and navigation, and reduce T. V. A.'s capital cost rate base for power. Thus a very large element of concealed subsidy invalidates the yardstick theory. Private utilities, whose rates are supposed to be tested by T. V. A.'s yardstick, not only pay the full cost of their dams but also pay for navigation facilities, locks, and low water control. Dr. A. E. Morgan asserted that for legal reasons Power Director Lillenthal had insisted on allocations on the basis that power was a mere byproduct, and that Mr. Lillenthal only reversed himself after the chairman had testified before a committee of Congress as to the hypocrisy of such procedure.

T. V. A. witnesses made much of their assertion that at the time rates were established 12.5 percent was added in lieu of taxes, that being the tax figure then said to prevail among private utilities. The joker, of course, is that private industry pays taxes not on the basis of gross revenue but on the basis of assessed valuation. T. V. A. pays about \$40,000 to the States it occupies in lieu of taxes—5 percent of its gross. Yet the assessed valuation of the part of its properties which it chooses to charge to power would, if it were a private utility, produce taxes in excess of \$1,000,000 annually.

I could pursue this subject almost indefinitely. Depreciation charges are wholly inadequate; interest rates are insufficient; the Authority has had the use of \$20,000,000 worth of aid from other Federal agencies which is not entered on the books; it has subsidized 11 nearby land-grant colleges with millions of dollars, part of which should be but is not charged to power; it is exempt from social-security taxes; has at its disposal the franking privilege, freedom from gasoline, automobile, tire, and all other taxes; has special Federal rebates; pays no insurance. None of these factors—which should be included in an honest yardstick—is an element of cost under the standard T. V. A. has set as its gage of proper rates which private industry should charge.

One of the most astounding facts brought forth in the hearings was that T. V. A. set its rates in September 1933, 5 years before it had determined what part of its total costs would be allocable to power—and therefore how much it must include in rates for taxes, interest, depreciation, and amortization. The uncanny foresight of the 1933 rate makers is now demonstrated. When they finally determined their cost allocations—although there had occurred a complete reversal of allocation theory in the meantime—they did not find it necessary to alter their rates by so much as one mill.

All this and more of irrefutable evidence established that the T. V. A. yardstick—upon which rests the entire power program—is predicated upon a tissue of concealments, half truths, and trick bookkeeping.

The Comptroller General's audit of T. V. A.'s first year of existence remains uncompleted, due to T. V. A.'s faulty bookkeeping. The Authority values its property on one basis and shows depreciation on another basis. It reports all of its income but not all of its expenses. It keeps 16 different sets of books. The annual reports to Congress contain many items that disagree with figures shown in the reports of the Comptroller General. T. V. A. never closes its books, with the result that figures purporting to apply to 1 year are being adjusted for years afterward. After 5 years of constant audit the Comptroller General still has outstanding exceptions to 4,628 expenditures amounting to \$12,634,382.17.

Under the law the Authority is supposed to set up its books under the so-called uniform system of accounting which the Federal Power Commission has prescribed for private utilities. Congress insisted on this provision in order that the yardstick could be measured by the same system of bookkeeping that private utilities use. But the Federal Power Commission, after examining T. V. A.'s books, reported to the investigating committee that they do not remotely resemble the Commission's system.

Whether the state of these books is a matter of planned confusion or of stupid inefficiency, the result is the same. It remains impossible to discover down which rat hole the taxpayer's money disappeared, and, by the same token, it is impossible to determine the extent of fraudulence involved in the T. V. A. yardstick.

Bookkeeping is one excellent method to cover up, but not the only one. Many a farm-belt Congressman and Senator voted for the original T. V. A. Act under the fond delusion that the T. V. A. was to become the source of cheap fertilizer. Farm-belt enthusiasm visibly waned as the power program took dominant position to the neglect of fertilizer. The fertilizer department went on a buying spree early in 1938, although at the time it had enough phosphate-rock supply to have lasted for 34 years at the then rate of use. T. V. A. admitted that a single purchase increased T. V. A.'s supply to last an additional 60 years, or 94 years in all.

This purchase was from the International Agricultural Corporation, which had paid \$148,387.50 for some lands that it sold a short time later to the T. V. A. for \$678,459.80—a net profit of \$530,072.30. On the same basis, T. V. A. would pay the Tennessee Electric Power Co. more than \$300,000,000 instead of the \$67,000,000 which it has offered.

The treatment of the private utilities is in shocking contrast with T. V. A.'s super generosity toward owners of phosphate land.

According to Dr. Arthur E. Morgan's own story it had been his understanding that the original program for the T. V. A. yardstick included the purchase of a limited area from private utilities which would become a sort of laboratory experiment in efficient rate-making in which all legitimate private costs would be weighted. The picture changed, however, soon after organization of the board when Dr. Harcourt Morgan threw in his lot with David E. Lillenthal and by a 2-to-2 vote delegated all authority over power matters to Lillenthal.

Then began a war of attrition against private utilities that has not ceased. Holding hands under the table, T. V. A. and P. W. A. used a double-barrelled threat of subsidized duplication—not only of generation and transmission systems but also of distribution systems.

This threat was effective where the companies were willing to sell out at a loss rather than face duplication. The Tennessee Electric Power Co., whose stockholders are chiefly affected, with a stake of more than \$100,000,000 in that area, has refused to retreat. A subsidiary of Commonwealth & Southern Corporation, this company has at all times stood ready to sell at a fair price all or any integrated part of its properties that T. V. A. might need for its market.

To repeated proposals of this nature T. V. A. has turned a deaf ear for nearly 5 years, continuing to build hundreds of miles of duplicating transmission lines while its sub rosa partner, P. W. A., agitated TEPCO-served municipalities to accept funds to erect duplicating distribution systems for T. V. A. power. Last spring T. V. A. offered a negotiated purchase—which had about the same aspects of bona fide negotiation as the Munich peace pact. With a pistol to the head of the company negotiators, T. V. A. offered \$67,000,000—or else.

Wendell L. Willkie, president of Commonwealth & Southern, told the investigating committee that if the property were in another part of the country, free from T. V. A. menace, he would not sell it at less than \$120,000,000. Under the circumstances, however, he stated that he was willing to make a binding agreement to sell at any price fixed by the Securities and Exchange Commission.

T. V. A. rejected this as it has every other offer of arbitration. The offer was so fair, however, that T. V. A.'s refusal tended to substantiate the contention that the purpose of seeking to obtain private properties below cost is to create a capital base low enough to justify yardstick rates.

The committee has left undone much that it could have done. But I suppose the public should consider itself fortunate to have discovered as much as it has from an investigation bent on whitewashing this pet project of the New Deal.

Mr. BRIDGES. Mr. President, as I understand the situation, the amount of money restored by the Senate Committee on Appropriations was over \$17,200,000, over \$12,000,000 for Gilbertsville Dam, over \$4,250,000 for Watts bar dam, and some \$228,000 for Coulter Shoals Dam.

I wonder how many Senators realize the magnitude of the Gilbertsville Dam, if it is authorized and we proceed. It will create a lake in the Tennessee Valley about 184.6 miles in length, with an average width of between 3 and 5 miles. It will submerge and cover up, according to my best estimate, some 400,000 acres of excellent soil in the Tennessee Valley. It will destroy and cover up 137 miles of hard-surface highways. It will destroy three large highway bridges. It will destroy 69 miles of standard-gage railroad. It will mean the relocation of 35,000 people. It will mean the relocation of 2,500 dead bodies in cemeteries. In all, it probably will cost about \$112,000,000. That is what the program will include.

I wish to approach this matter from the viewpoint that, so far as navigation is concerned, a high dam would be more expensive than a series of low dams, and more hazardous than a series of low dams.

Second, for flood control it is more expensive than a system of reservoirs, and might actually become a menace.

From the power point of view, it will cost more per kilowatt-hour to develop than any previous T. V. A. developments, and the cost will be much more than the cost of coal.

I wish to speak just a moment to show the inconsistency of some of the remarks which have been made. Let us take the subject of the rentals of the T. V. A. According to the Budget estimate, in the budget submitted in May 1938, they show rentals for 1937 of \$99,965; for 1938, \$100,000; for the year ending in 1939, \$100,000 is estimated.

I ask to have included in the RECORD, without reading, so as to save the time of the Senate, the actual figures of what was paid for rentals in T. V. A., which shows that they are paying \$278,576.68 annually.

I also wish to ask some of the friends and sponsors who endeavor to gloss over the T. V. A., just why the Tennessee Valley Authority should consistently include in its budget estimate and requests amounts far under the total amount which it is actually costing it today.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Hampshire?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

Office space rented by Tennessee Valley Authority

[Compiled from a report of the office service department, contract section, as of May 2, 1938]

Location	Monthly rental	Annual rental
Alabama:		
Florence, First National Bank Bldg.....	\$45.00	\$540.00
Guntersville:		
Broad St.....	15.00	180.00
First National Bank Bldg.....	45.00	540.00
Do.....	25.00	300.00
Do.....	25.00	300.00
Main and Worth Sts.....	27.00	324.00
Sam Henry Bldg.....	10.00	120.00
Huntsville:		
305 Times Bldg.....	25.00	300.00
605 Times Bldg.....	15.00	180.00
Scottdale:		
First National Bank Bldg.....	33.33	400.00
Do.....	100.00	1,200.00
Hosley Mill Bldg.....	235.00	2,820.00
Do.....	365.00	4,380.00
Tennessee Valley Manufacturing Bldg.....	74.25	891.00
Washington, D. C.: North Interior Bldg.....	106.00	1,272.00
Illinois, Chicago, 930 Old Colony Bldg.....	32.50	390.00
Kentucky:		
Benton, Cross St.....	20.00	240.00
Murray:		
5th and Main.....	50.00	600.00
National Investment Bldg.....	30.00	360.00
Paducah:		
410 Citizens Bank.....	23.65	283.80
401 Guthrie Bldg.....	17.50	210.00
Smithland, county courthouse.....	20.00	240.00
Mississippi:		
Corinth, Waldrum, and Taylor Sts.....	50.00	600.00
Iuka, Mineral Springs Hotel.....	22.50	270.00
North Carolina:		
Asheville:		
203 Arcade Bldg.....	18.00	216.00
243 Arcade Bldg.....	20.00	240.00
Murphy:		
Courthouse.....	10.00	120.00
Knitting Mill Bldg.....	245.00	2,940.00
Pennsylvania:		
Philadelphia, Jefferson Bldg.....	40.00	480.00
Pittsburgh, 604 Chamber of Commerce.....	50.00	600.00
Tennessee:		
Bristol, 21 5th St.....	40.00	480.00
Camden, Commerce Union Bank.....	3.50	42.00
Chattanooga:		
302 East 11th St.....	42.50	510.00
James Bldg.....	621.78	7,461.36
James Bldg.....	2,421.31	29,055.72
1140 Market St.....	766.65	9,199.80
Pound Bldg.....	3,458.33	41,499.96
Columbia:		
106½ West 7th St.....	75.00	900.00
301 West 7th St.....	50.00	612.00
Dayton:		
145 Main St.....	57.50	690.00
Courthouse.....	15.00	180.00
Decatur, Courthouse Square.....	30.00	360.00
Harriman, Roane and Waldon.....	15.00	180.00
Jackson, Holland Bldg.....	80.00	960.00
Jasper, U. S. Highway 41.....	12.00	144.00
Knoxville:		
Arnstein Bldg.....	1,600.00	19,200.00
Daylight Bldg.....	244.29	2,931.48
Do.....	1,673.42	20,081.04
General Bldg.....	240.00	2,880.00
McGee Tyson Airport.....	10.00	120.00
New Sprankle Bldg.....	3,999.19	47,954.28
510 Union Ave.....	80.00	960.00
Union Bldg.....	4,999.02	59,988.24

Office space rented by Tennessee Valley Authority—Continued

Location	Monthly rental	Annual rental
Tennessee—Continued.		
Knoxville—Continued.		
Ferris Hall, University of Tennessee.....	\$18.00	\$216.00
421 Wall Ave.....	550.00	6,600.00
Lenoir City:		
First National Bank.....	20.00	240.00
Do.....	5.00	60.00
Memphis, Farnsworth Bldg.....	97.50	1,170.00
Morristown, 133 West Main St.....	23.00	276.00
Paris:		
129 East Washington St.....	19.00	228.00
101 North Poplar St.....	85.00	1,020.00
Pulaski, Highway 64.....	20.00	240.00
Savannah:		
First National Bank Bldg.....	15.00	180.00
Main and Cherry.....	15.00	180.00
Sweetwater, Forest and Main.....	15.00	180.00
Total.....		278,576.08

Mr. BRIDGES. Mr. President, I understood yesterday that the senior Senator from Tennessee [Mr. McKellar] made the statement that it was essential that we have the proposed dams in order that the Tennessee Electric Power Co.'s load be cared for. I think the Senator from Tennessee will agree that that is essentially, or in a sense, what he said.

Mr. McKellar. Will the Senator not repeat that?

Mr. BRIDGES. I stated that the Senator from Tennessee said yesterday that it was essential that these dams be continued in order that they might carry the eventual load of the Tennessee Valley Authority as a result of their recent purchase.

Mr. McKellar. Of course.

Mr. BRIDGES. I might say to the Senator from Tennessee that this is contrary to the testimony of Mr. Krug, of the T. V. A., before the joint investigating committee, that he said at that time, in justifying the enormous loss in operations for the fiscal year 1933, that the system was only 40 percent loaded, that four more large dams are practically completed to add their enormous surplus of power. Furthermore, that the T. V. A. and the municipalities which are acquiring the Tennessee Electric Power Co. system are acquiring also generating plants, and that these plants have carried essentially the load there for some time past. So I cannot see a future market being developed as the result of these purchases, or the need for the expansion of the dams.

He spoke also of flood control, stating that we needed these dams for flood control. It is my understanding that the flood-control capacity of the Watts bar dam is so small that the dam would be filled within a short time, and it would in a great flood not be extremely effective.

I have here a letter which is alleged to have been written by John I. Snyder, director of land acquisition for the T. V. A., and I understand that in the T. V. A. investigation he admitted writing the letter. Because it shows manipulation, scheming, and so on, I ask that it be read.

The PRESIDENT pro tempore. Without objection, the clerk will read.

The legislative clerk read as follows:

JANUARY 10, 1934.

JOHN E. CONNELLY, Esq.,
22 East Fortieth Street, New York City.

DEAR MR. CONNELLY: I should like to submit the following proposition for your consideration:

For some time I have been negotiating for a slate quarry for use by the Authority. The slate is located on a tract of land comprising approximately 4,800 acres. In the course of my negotiations I have become familiar with the property and details in regard to same. Yesterday I closed the lease for the quarrying rights by having a receiver appointed under a decree of the chancery court authorizing him to execute the lease in form submitted, having concluded the deal on behalf of the Authority which, incidentally, I am somewhat proud of as under my negotiations they are practically giving us our rights for nothing. I was regretfully thinking of the opportunity which this property offers to make some money.

It will be sold under the hammer in 60 days from February 12 to satisfy creditors' claims of approximately \$4,000. Back taxes thereon are a little over \$5,000. The property, I believe, can be conservatively valued at \$45,000. This property is almost surrounded by land of the Aluminum Co. of America, which they have acquired in connection with their project of building another dam on the Little Tennessee River. They have their largest producing plant in

this area and they offered \$35,000 for a very small strip (about 100 acres) of the property on the river edge. Their offer was refused the owner, presumably holding them up for all he could get. I have reason to believe they are now refusing to deal with him because they realize the circumstances the owner is now in and will probably bid it in at the sale.

Part of the tract is good bottom land, and with the Authority's acquisition of farms in this area the necessity of replacing these farms arises and there is a market for same.

This farm land will sell here for \$20 or \$30 an acre. At the moment I do not remember how much of this tract is good farm land, but it is a substantial amount. The owner tells me there are 8,000,000 feet of marketable timber on the property which he now has offers for and which presumably could be sold immediately.

You probably wonder if the above is true, why the owner has not been able to raise the \$4,000 to satisfy the creditors' claims against the property and prevent a forced sale. The answer to this is the hopeless inadequacy of the man himself and the title situation in connection with the property. The following facts I know:

The owner promoted, some 15 years ago, the Southern Slate Co., which was unsuccessful. This company became involved in an ejectment action in the trial court in regard to 200 acres of the property. They lost the action in the trial court and were compelled to file a bond on the appeal to cover damages connected with an injunction they had obtained. They lost the appeal and the attorneys who handled the suit had gone on the bond as personal sureties and were stuck for approximately \$2,000. The Southern Slate Co. liquidated and conveyed the property back to the owner for the consideration of his assuming the liabilities of the company. Time went by and he did not pay his attorneys and they got into financial difficulties and they pressed him for payment. They finally turned the matter over to another attorney who brought action against the Southern Slate Co. on their behalf and had the deed back to the owner (real party in interest) set aside on the ground of lack of consideration and obtained a judgment of \$3,040.73. The only other creditor's claim was for \$50 which has been settled and the creditors' claims against the property to date total just about \$4,000 with interest, etc.

The owner made application for a loan from the Federal loan banks and, as we were interested in seeing that the title to the property was cleared, I wrote to assist him in connection with the loan. The bank sent its appraiser and were ready to cooperate and push the loan through immediately but at that time the main reason for the rush on the matter was so that the loan could be granted before the end of 1933 and the taxes would be paid at a saving of \$1,500 (penalties were being waived). The owner (incompetent) found he could not get the loan in time to make the tax saving and as the appraiser was anxious to get home for Xmas, let him get away without making the appraisal. The owner of one of the large marble quarries in this section has offered to take a mortgage on the property if title is cleared.

I know, through my negotiations in connection therewith and my dealings with all the attorneys in the matter as a result of a title abstract which I have had made, the title can be cleared in a comparatively short space of time. The foregoing has been set forth and the estimates made very carefully.

This is my suggestion:

1. Send Al down here; I can arrange for his firm to grant him a leave of absence for 1 year to work for me. I will have him appointed on part-time basis and offer him what, in my opinion, is one of the most interesting jobs a lawyer might have to tackle. He would be out with Dr. H. A. Morgan, president of the University of Tennessee and one of the three directors of the Authority. The entire program of the development of fertilizer which has an equally important place in the activities with the development of power. When he was not engaged in this particular activity, he would be my assistant.

On a part-time proposition, i. e., approximately one-half of a lawyer's day, I believe I could justifiably offer him \$2,400 per year. One of the reasons that Al occurred to me is due to the fact that I know you are worried about his health. Knoxville has an altitude approximately 1,000 feet and Al's activities would take him into the mountain area which is considerably higher. The Smoky Mountains look down on Knoxville and are very beautiful.

The other half of his time he could devote to negotiations connected with this property (I can be of very material assistance in connection with the negotiations with the Aluminum Co.).

Al would have to leave New York by approximately February 4 as Margaret is planning to move us before then. He could stay with us until such time when his lease expires and Eleanor could join him. I can assure you that it would give him a year of experience in his professional training that he will find invaluable. I can also assure you that the life he would live here would do him a world of good physically. The climate since I have been here has been ideal. The summers are hot but not as bad as New York. There are some delightful homes in the same locality that Margaret has picked out near a lovely country club and I believe that Eleanor would enjoy it. I do not wish to give the impression that he will vegetate with his practice of law, rather, he will work under real pressure but it will not be of the type that keeps him until 3 o'clock in the morning. He will deal with men working for the Authority, who, in my opinion, have as much vision, experience, and ability as any that I have ever come in contact with. In his negotiations in connection with the property he will deal with all types of country lawyers and businessmen, who are shrewd and will force him to be on his toes.

I suggest Al because I have confidence that his work for the Authority will indirectly give me credit for knowing what type of

man to pick and also because I believe he and I can work together as a team, and also because I believe that although it will be entirely a new departure for him, he is capable of putting through some shrewd business deals.

2. This is probably the most vital factor: Approximately \$4,000 would have to be put up in escrow before February 12 in order to stop the property being advertised for sale.

Approximately \$5,000 should be raised in the very near future to get rid of the back taxes. There is a probability that if the money for the same could be made available at once, a deal could be worked out with the tax department by which the penalties could be waived and the taxes cleared for \$3,500; an approximate saving of \$1,500.

Over the period of a year Al should have approximately \$3,000 to \$6,000 as working capital and for his expenses. In other words, I am estimating a total of \$15,000 to be secured by a first mortgage on the entire property which will represent only one-third of today's value of same.

3. I would suggest formation of a corporation which would acquire title to the property absolutely free and clear except for the T. V. A.'s lease and for this mortgage of \$15,000. Al as your representative to hold approximately two-thirds of the stock of such corporation, the present owner of the property one-third. The corporation in my opinion, should be capable of paying off this mortgage within a year's time and make for itself a profit of \$30,000 (not necessarily cash profit but a liquid profit). My estimates in this regard are subject to further investigation before anything is done in connection with the matter.

4. The lease which I negotiate will only involve approximately 3 acres of the property and the royalties therefrom would be payable to the corporation. This lease provides for 30 days' exploratory period for us to decide whether the expense of taking slate out would be justifiable, but if we do go ahead at the end of that period, the royalties will not amount to more than \$1,000, probably only about \$500. (I said I was proud of this deal.) However, the slate to be taken out will be used for roofing the houses in the town we are building at the dam, and of course it means, if the slate is satisfactory, that the advertising alone with the actual opening of the quarry and putting it in such condition that it can be used in the future for this purpose, should considerably enhance the value of the property. Furthermore there is marble on the property which may, in itself, offer profitable opportunities.

5. I should like to discuss this matter with the board of directors of the Authority before proceeding with it and have no doubt that they will approve, but I desire to put myself in a position to avoid any possible criticism.

6. My suggested set-up for the corporation gives the owner much more than he would receive if I really desired to bargain with him, but in my opinion it is fair and is not taking advantage of him, incidentally I have not discussed this with him but I can make the deal.

7. Al would have to promote this proposition on his own initiative, as I could not concentrate on it, and the owner would be useless to him.

8. If the foregoing interests you, I would suggest you wire me to that effect at once, and I shall have the property more than conservatively appraised immediately by our board of appraisal and review, which consists of three men who are the most competent and have had the most experience regarding property in this area that we could find. I shall also have the timber cruise made at once and investigate the offers for purchase of this timber. I shall also obtain maps of the property and a copy of the survey thereof, and the expense of doing these things I can guarantee will not exceed \$100. This you will have to pay, as the moving will have me so broke that I will be picking up the pieces for some time to come.

9. If you desire to go into this venture and it should be successful, my remuneration for all and every bit of help I can give to Al in connection therewith and for suggesting it, may be charged off as an attempt to show appreciation for some of the things you have done for me and your forgiveness of Margaret for being such a damn fool as to pick me for a husband.

I realize that the foregoing is not set forth in sufficient detail or accurately enough to permit any final decision. All I am endeavoring to do is to find out whether it would be financially possible and also whether Al would like to tackle it.

Furthermore, any final figures or estimates I give you can be relied on as being the result of conservative and careful investigation, because if you decided to go ahead with this and it flopped I would never dare show my face in your vicinity again.

Sincerely,

J. I. SNYDER.

Mr. BRIDGES. Mr. President, I asked to have that letter read, as a letter which was alleged to have been written by this man Snyder, and which, in testimony given before the joint congressional committee, he admitted writing, to show the Senate some of the manipulating and finagling which is going on in the T. V. A. by T. V. A. officials, of which some United States Senators must be very proud.

Mr. McKELLAR. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Tennessee?

Mr. BRIDGES. I yield.

Mr. McKELLAR. Is that an original letter or a copy?

Mr. BRIDGES. It is a copy.

Mr. McKELLAR. Has the Senator ever seen the original?

Mr. BRIDGES. I have not, but I checked up on it. It was admitted to have been written by Mr. Snyder before the investigating committee.

I ask that a very short letter written by Mr. W. E. Hamilton, of the William E. Hamilton Engineering Co., of Knoxville, Tenn., be read at the desk.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The legislative clerk read as follows:

WM. E. HAMILTON ENGINEERING CO.,

Knoxville, Tenn., December 2, 1938.

Congressional Investigating Committee for the Tennessee Valley Authority.

GENTLEMEN: The writer has a grievance against the T. V. A. on account of the shameful and illegal treatment he suffered at the hands of a Mr. John I. Snyder, who while on a bountiful salary from the T. V. A. and ostensibly working in the interest of the T. V. A., struck out for himself and attempted to acquire my property by forcing me into the hands of a receiver and then to purchase the property through his father-in-law, for his own account and benefit. He confessed to all this before your committee, a dastardly conceived program which was exposed by his letter to his father-in-law, Mr. Connally, published in the Knoxville Journal on September 3, 1938, a copy of which is herewith enclosed.

This man, Snyder, is still on the pay roll of the T. V. A. at a salary of \$8,000. He has no knowledge whatever of slate or slate quarrying and knows nothing about my property. I had never had 10 minutes' conversation and no negotiation with him in regard to my slate property, although he states that he had been negotiating for months to acquire this property and told a number of lies, finally succeeded in putting the property in the hands of a receiver from whom he expected to buy it for the small payment of \$4,000 down. He had the stupidity to think that he could purchase this property, which is worth \$150,000, and mortgage it for the balance of the purchase price, and made efforts to do this.

I have written a statement of my grievances against this John I. Snyder, representing the T. V. A., and I am preparing a suit against Snyder and the T. V. A. for operating this quarry without any contract and for several other things Snyder was guilty of, together with damages to the property resulting from the ignorance of the employees who were paid \$700 by the T. V. A. Along with this there are heavy damages, as Snyder stopped all my business and forced the sale of my property at a price far below its value.

Your investigating committee did not uncover any episode in the multitudinous affairs of the T. V. A. which will hold a candle to this nefarious scheme which this young New York attorney tried to put over, to enable him to acquire for himself this valuable property, ignoring the fact that he was involving the T. V. A. in an unnecessary scandal.

There is an impression here in Knoxville that your committee is attempting to "whitewash" this man Snyder, which I think is not the case. I have been expecting, however, to be called on to reply to him before the committee, and I must protest against this unfair delay and would like to be heard.

Will you please advise me when?

Yours truly,

W. E. HAMILTON.

(Enclosure: Copy of letter published in Knoxville Journal, September 3, 1938.)

Mr. BRIDGES. Mr. President, I have before me a schedule of the budget-control account expenditures projected by the T. V. A. for the fiscal year ending June 30, 1939, amounting to \$51,634,500, which, less estimated power sales of \$5,000,000, and less other estimated income of \$1,000,000, or a total of \$6,000,000, gives a total of net projected expenditures or obligations of \$45,634,500. Rather than take up too much of the time of the Senate, I ask to have this statement incorporated in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, the statement may be printed in the RECORD.

The statement is as follows:

Schedule of budget-control account expenditures projected by T. V. A. for the fiscal year ending June 30, 1939

Board of directors, salaries and expenses.....	\$85,000
Chief budget officer, salaries and expenses.....	30,000
General manager's office, salaries and expenses.....	39,000
Washington office, salaries and expenses.....	21,000
Information division, salaries and expenses.....	174,000
Personnel department, salaries and expenses.....	643,000
Finance department, salaries and expenses.....	992,000
Legal department, salaries and expenses.....	405,000
Materials department, salaries and expenses.....	266,000
Land acquisition department, salaries and expenses.....	538,000

*Schedule of budget-control account expenditures projected by
T. V. A. for the fiscal year ending June 30, 1939—Continued*

Office service department, salaries and expenses.....	282,000
Land purchases projected, fiscal year 1939.....	3,041,000
Office service department, space, training, supplies.....	1,020,000
Automotive vehicle and airplane service.....	700,000
Water-control planning:	
Chief engineer's office.....	160,000
Salaries and expenses.....	2,321,000
Design department.....	4,726,000
Construction department, building the dams.....	23,622,500
Power planning department, salaries and expenses.....	117,000
Department of operations, salaries and transmission lines (power planning department).....	6,600,000
General office engineer, salaries and expenses.....	263,000
Chemical engineering department, salaries and ex- penses.....	1,810,000
Forestry relations department, salaries and expenses.....	569,000
Department of agriculture relations, salaries and ex- penses.....	977,000
Water control on land, chief conservation engineers.....	16,000
Regional planning studies department, salaries, etc.....	397,000
Health and safety department, salaries and expenses.....	604,000
Commerce department, salaries and expenses.....	143,000
Agricultural industries department, salaries and ex- penses.....	263,000
Reservoir property management, salaries, expenses, etc.....	750,000
Total of all projected expenditures.....	51,634,500
Less estimated power sales of.....	\$5,000,000
Less other estimated income.....	1,000,000
	6,000,000
Net projected expenditures or obligations.....	45,634,500

Mr. BRIDGES. I have before me a letter written to Mr. WOODRUM, chairman of the House Appropriations Subcommittee, by Mr. J. D. Battle, executive secretary of the National Coal Association, which very clearly indicates the inadvisability of going ahead with these dams, both from the point of view of economy and the point of view of the effect that they may have on a great industry, the coal industry of this country. Rather than to burden the Senate with reading this letter, I ask that it may be incorporated in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, the letter may be printed in the RECORD.

The letter is as follows:

JANUARY 26, 1939.

Hon. CLIFTON A. WOODRUM,
Chairman, House Appropriations Subcommittee,
Washington, D. C.

DEAR SIR: Re T. V. A. appropriation.

MEMORANDUM IN OPPOSITION TO FURTHER FUNDS FOR ADDITIONAL
HYDRO-POWER DAMS

The bituminous-coal industry and those dependent upon it for their livelihood have strongly opposed the hydroelectric power program of the Tennessee Valley Authority ever since its inception. This opposition rests upon the simple fact that the large increments of electric power that T. V. A. has undertaken to generate and market must inevitably destroy many existing outlets for coal as well as preempt large future markets for coal in the T. V. A. area—being the coal employed in the steam generation of electric power that T. V. A. electric power will supersede.

The loss of these outlets for coal and the resulting closing of mines and the permanent large-scale elimination of jobs in the production and transport of coal is unfortunate and, indeed, disastrous under any circumstances. It is doubly hard to bear when, as is the case here, it comes about through Government action with the aid of subsidies out of the Federal Treasury and when in reality coal offers a more economical medium today for the generation of additional increments of electric power in the Tennessee Valley than the T. V. A. substitute, if the cost of the latter were to be computed at its true total.

The extent of this displacement of coal by T. V. A. hydro-power and the resulting loss in jobs and in wages is a matter of very simple arithmetic. The coal equivalent of 1,000,000 kilowatt-hours of electricity is 710 tons. That is, the quantity of bituminous coal (at the rate of 1.42 pounds per kilowatt-hour) required to generate that quantity of electricity. T. V. A. reports that it sold 806,000,000 kilowatt-hours of electric energy in the last 6 months of 1938. But that is only a starter. It projects its annual output upon the completion of what it describes as its 10-dam system at 8,100,000,000 kilowatt-hours. Simple multiplication, 8,100 times 710 is 5,751,000 tons of coal prospectively displaced by T. V. A. hydro power.

It has been estimated—and the estimate never challenged—that 1 ton of bituminous coal by the time it reaches its final destination represents 1 day's work and wages for one man. At that rate T. V. A.'s complete electric output in terms of coal will destroy 5,751,000 man-days of employment annually.

At all events we know for a certainty that the coal tonnage as above stated represents more than \$11,000,000 to the producers of

which 60 percent is labor pay rolls and almost \$13,000,000 in railroad freight revenues of which 44 percent is labor pay rolls. So what we are dealing with in this situation is a potential direct wage loss of more than \$12,000,000 annually in the mines and on the railroads.

The T. V. A. has now passed from the realm of theory into the realm of fact. It is too late now to undo the mischief already done. The immediate question now before the Congress and the country is simply how far T. V. A. shall be permitted to extend and to expand its hydro power facilities and to what extent its prospective annihilation of coal markets may be checked and limited by appropriate action of the Congress.

This question is concretely presented in the request of T. V. A. for funds to finance the construction of additional hydro-power dams. The purpose of this memorandum is to register the opposition of our industry, and of the half million wage earners engaged in the industry and their families and all of the others whose support is dependent on the mining and transport of coal, to the appropriation of any funds for that purpose.

The appropriation for the T. V. A. now to be made by Congress will determine whether the projected dams at Gilbertsville, Watts bar, and Coulter Shoals shall be constructed and whether the additional hydro power of these three shall be added to the torrent of T. V. A. electricity, which is washing away millions of tons of coal.

These three dams, according to T. V. A.'s own estimates, will have an over-all cost of \$166,000,000 and an aggregate installed capacity of 300,000 kilowatts, which means, on the basis of a 60-percent load factor, an annual output of 1,576,800,000 kilowatt-hours.

It is true that in the case of the Gilbertsville project Congress, at the last session, was induced to include in the T. V. A. appropriation a small initial installment for this dam, and T. V. A. reports expenditures already made or contracted on this account of upward of \$4,000,000, but we are informed that the money so spent will not constitute a total loss even were the Gilbertsville Dam now to be abandoned, and none of it would be lost if the dam were confined to a navigation project.

It is true that the amount of money sought by T. V. A. in the present appropriation for Gilbertsville, Watts bar, and Coulter Shoals is but \$17,000,000—only about 10 percent of the total cost of \$166,000,000. But it is hardly necessary to point out that if Congress votes this present appropriation, it is virtually a commitment to provide \$150,000,000 additional for these particular dams in the years to come.

This committee and the Congress may very properly consider the question from the economy angle and consider whether this does not present an opportunity to reduce Government spending and the Treasury deficit by the sizable sum of \$166,000,000 without the slightest curtailment of what the President has referred to as essential Government services. But we are not arguing that point or resting our objections on that ground.

This committee and the Congress may very properly consider the question of whether these particular T. V. A. hydroelectric power dams are feasible and prudent from the practical standpoint of economical hydro power generation or whether, on the contrary, they are excessively costly. But that is an engineering question and a realm of controversy which we see no need for our industry to enter at this time. We do not rest our objections on that ground.

We are confining our presentation and the reasons why we believe these particular T. V. A. projects should not be sanctioned by the Congress to the single and simple proposition that their construction will further cripple the coal industry in the Tennessee Valley area and add to unemployment in very substantial amounts and aggravate the very conditions in that respect which the Congress and the country are now ostensibly seeking to remedy.

There are four large coal-burning steam plants for the generation of electric power within a hundred-mile radius of two of these proposed T. V. A. dams, Watts bar and Coulter Shoals. These four plants in 1937 generated 337,000,000 kilowatt-hours of electricity. The figures as to the exact coal tonnage consumed in these four plants in 1937 are not at hand, but taking it on a minimum basis, that is, on the assumption that the power was produced at the present national average of efficiency in steam plants, namely, 1.42 pounds per kilowatt-hour, these four plants absorbed 239,773 tons of coal.

There are six more large steam plants within a 150-mile radius of these projected T. V. A. dams. These six plants generated 648,000,000 kilowatt-hours of electricity in 1937. Applying the same reckoning to them, this accounted for 460,453 tons of coal.

Taking them together, we find within this 150-mile circle 10 plants, an output of 986,000,000 kilowatt-hours in 1937, upward of 700,000 tons of coal consumed.

These plants by name, electric output, and coal consumption are shown on the photostatic copies of a map which is hereto attached.

With respect to the proposed Gilbertsville Dam, there are more than 25 coal-burning steam plants, large and small, for the generation of electric power (additional to those referred to above) located within 150-mile radius of this new T. V. A. project. These plants had an aggregate output in 1937 of upward of 2,000,000,000 kilowatt-hours of electricity. Some of these plants served cities and towns in west Tennessee which are in process of switching to T. V. A. hydro power in any event. The others are in peril but are not yet gone.

It is easy to foresee what will happen to these steam plants and to the coal which they consume each year if and when T. V. A.'s hydro power from these new dams engulfs them. It is hard to see

how they can survive in competition with hydro power distributed and sold at a rate which covers no more than one-half of its true cost.

In the light of these facts and for the reasons hereinbefore set forth we most respectfully and earnestly urge that in whatever appropriation for the Tennessee Valley Authority for the ensuing fiscal year, your committee may recommend and the Congress may subsequently vote, no funds be included for the Gilbertsville Dam project and for the other two dams above named, and that T. V. A. be enjoined from expending any further moneys on these projects.

Respectfully submitted.

NATIONAL COAL ASSOCIATION.
By J. D. BATTLE, Executive Secretary.

Mr. BRIDGES. I should now like very briefly to call the attention of the Senate to an analysis, based upon the T. V. A.'s own allocation for power, of the cost of production of power per kilowatt. This analysis shows that at Coulter Shoals the cost per installed kilowatt is \$184.60; at Watts bar, \$158.19; at Norris Dam, \$137.34; at Hiwassee Dam, \$100.36; at Chickamauga Dam, \$215.77; at Guntersville Dam, \$249.63; at Wheeler Dam, \$123.39; at Wilson Dam, \$61.95; at Pickwick Landing Dam, \$133.01; at Gilbertsville Dam, \$277.05, or an average for the 10 dams of \$137.60. Without Gilbertsville, Watts bar, or Coulter Shoals, the average cost per kilowatts would be \$116.66. The cost at Gilbertsville, Watts bar, and Coulter Shoals would average \$214.49.

It is very plain, and it is well known that the cost per kilowatt for the development of electric power from steam is about \$75 per kilowatt, and in rare instances does it exceed \$80. We are building up a huge overhead, and each dam we add to the program increases the fundamental cost per kilowatt of production. As I said in the beginning, this analysis is based upon the T. V. A.'s own allocation of power, as revealed in the House hearings. Also, in relation to the coal industry, the annual loss to the coal industry as a result of the complete T. V. A. output will amount to 5,751,000 man-days. I do not happen to come from a coal State, but I know that the coal industry is one of the great sick industries of this country. I know that from time to time this legislative body has had measures before it for the benefit and aid of the coal industry. Yet we are going ahead in a headlong rush to do something which will further hurt and hinder a sick industry.

Rather than take the time to read it, I should like to have printed in the RECORD, as a part of my remarks, a statement

Estimated taxes, Federal and State, paid in 1937 by electric utility corporations which have or will be purchased by the Tennessee Valley Authority

Type of tax	Tennessee Public Service Co.	Tennessee Electric Power Co.	West Tennessee Power & Light Co.	Southern Tennessee Power Co.	Memphis Power & Light Co.	Holston River Electric Co.	Total
Estimated Federal taxes paid in 1937:							
Income.....	\$66,455	\$197,000	\$24,000	\$1,200	\$364,869		\$653,524
Capital stock.....	3,928	34,338	1,300	156	15,000		54,722
3-percent excise on gross sales.....	53,450	215,500	13,000		103,000	\$900	385,850
Social security.....	9,613	48,600	2,120		18,300	86	78,719
Other United States taxes.....	7,480	21,800			2,200	51	31,531
Total.....	140,926	517,238	40,420	1,356	503,369	1,037	1,204,346
Estimated State and local taxes paid in 1937:							
Real and personal property.....	323,808	1,550,000	67,511	3,400	593,528	3,250	2,541,497
All other.....	125,999	546,657	139,402	1,197	224,630	1,324	939,209
Total.....	449,807	2,096,657	106,913	4,597	818,158	4,574	3,480,706
Grand total.....	590,733	2,613,895	147,333	5,953	1,321,527	5,611	4,685,052

¹ Includes full year gross receipts tax based on estimate for first half year, \$7,211.

Mr. BRIDGES. Mr. President, I think that the groundwork for the T. V. A. situation has been very thoroughly discussed. I believe that we have in the Tennessee Valley a great experiment, which was set up originally along certain definite lines, for flood control, navigation, and power. I think that it is probably a fine objective to have this project as a yardstick. I am not opposed to it as a yardstick, but I want it to be an honest yardstick rather than a deceptive yardstick.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BRIDGES. Certainly.

showing the tax losses by local, State, and Federal Governments by Tennessee Valley Authority purchases of privately-owned electric utilities, utilities which have been purchased or are in the process of purchase. The annual loss to the Federal Government will amount to \$1,204,346, and to the State of Tennessee, \$3,480,706.

The PRESIDENT pro tempore. Without objection, the statement may be printed in the RECORD.

The statement is as follows:

TAX LOSSES BY LOCAL, STATE, AND FEDERAL GOVERNMENTS BY TENNESSEE

VALLEY AUTHORITY PURCHASES OF PRIVATELY OWNED ELECTRIC UTILITIES

The attached table shows the estimate tax revenues in the State of Tennessee of some six corporations whose electric utility properties have been or are about to be purchased by the Tennessee Valley Authority.

The figures are taken from the sworn testimony admitted without challenge as to accuracy by the Federal courts in recent litigation.

The Federal Government will lose \$1,204,346 annually, as follows:

Income tax.....	\$653,524
Capital-stock tax.....	54,722
3 percent gross energy tax.....	385,850
Social-security tax.....	78,719
All other taxes.....	31,531

The State of Tennessee will lose \$3,480,706 annually, as follows:

Real and personal property tax.....	\$2,541,497
All other State and local taxes.....	939,209

Thus the total tax loss to State and Nation in this one State amounts to \$4,685,000 annually. This figure is essentially correct but from it must be deducted approximately 10 percent allowance for certain bus and streetcar lines and one gas system not included in T. V. A. purchases.

In addition T. V. A. has announced plans for the ultimate purchase of 1,000,000 acres of land for reservoir and other purposes. The price will average about \$50 per acre. Additional hundreds of thousands of tax dollars will be lost from this source.

Compensating for the tax losses it creates, T. V. A., under its enabling act, must make a "contribution" of 5 percent of its gross sales to the States in which such sales are made. In 1937 the electric utilities involved here paid to the Federal Government on the excise tax of 3 percent on gross energy a total of \$385,850 (estimated). On the basis of the same rates as are now charged by these companies (although T. V. A. rates are about one-third lower) a 5-percent tax return on the same volume would yield to the State of Tennessee \$643,000—as against \$3,480,000 paid by private utilities.

Mr. McKELLAR. In reference to the Snyder letter, does the Senator know that just a few days—probably within a week—after the letter was written, Mr. Snyder sent his father-in-law a telegram canceling the letter and telling him not to consider it at all?

Mr. BRIDGES. No; I do not know that. However, I presume that he was found out, and took the easy way out.

Mr. McKELLAR. It is a fact that he sent a telegram. He knew that the letter was indiscreet, and within 2 or 3 days, or within a week, at all events, a telegram was sent asking his father-in-law not to consider the letter. Does the Sen-

ator know that the letter does not refer to any dam on the Tennessee River? It refers to a place on one of the tributaries, and nothing has ever been done with the project.

Mr. BRIDGES. I know that it must hurt the distinguished Senator from Tennessee to have to come to the defense of this man.

Mr. McKELLAR. It does not hurt me in the least. I hope the Senator will fill the Record with such claptrap as that. It does not hurt at all. It gives me a great deal of pleasure to have the Senator put such things in the Record.

Mr. BRIDGES. I admit it is claptrap. I put it in the Record merely to show what is passing through the minds of some of the chief officials of the T. V. A. and what they are engaged in. I am glad to have the Senator defend Mr. Snyder.

Mr. McKELLAR. If the Senator will again yield, the committee had that question before it and went into it fully. It obtained all the facts. Does the Senator mean to impeach the joint committee of the Senate and the House which has already passed upon this question? The Senator brings in only the letter. He does not bring in the telegram, which is in the Record. All the facts are in the Record. The Senator brings in only one side, and that is the landowner's side.

Mr. BRIDGES. I know, of course, that the Senator from Tennessee is very anxious, eager, and competent to present the other side.

Mr. McKELLAR. I shall try to do it.

Mr. BRIDGES. I think the Senator always does it very well.

So long as the Senator is talking about the investigation conducted by a joint committee I will say to the Senator that I think the counsel for the committee, who certainly conducted himself in the T. V. A. investigation in a very one-sided way from my point of view, has been very amply rewarded by the President of the United States in his appointment as a United States judge. I am glad to see that the New Deal stands by its friends, which is very evident as the result of this appointment.

Mr. President, I leave this issue with the statement that I favor the amendment offered by the distinguished Senator from Colorado [Mr. ADAMS]. I should go a step further than the Senator from Colorado in that I should eliminate Gilbertsville Dam from the bill. The House has indicated, by very strong evidence, its feeling on this matter, and I believe the Senate could very properly follow the action of the House. I realize that the T. V. A. has very ardent champions in this body, and I am not quarreling with the project from the standpoint of flood control, navigation, or as a yardstick, when figures are produced which are accurate and not confusing. However, when we need economy in America, and when the integrity and the solvency of our Nation may be involved as a result of the spending spree through which we are going today in going forward with the authorization of three dams which are absolutely not needed, I am opposed to their construction, and I do not believe any evidence has been introduced which proves conclusively that they are needed.

Therefore, Mr. President, I shall support the amendment offered by the distinguished Senator from Colorado [Mr. ADAMS] to the amendment of the committee.

Mr. VANDENBERG. Mr. President, I wish to discuss this matter very briefly from a somewhat different point of view. This bill and this particular item in the bill invite a few general observations regarding the fiscal and economic state of the Union.

Regardless of the intrinsic merits of new Federal enterprises and expenditures, it is my view that, unless something happens to arrest our spending trend, we may be headed pell-mell either for suicidal inflation or for bankruptcy. I do not propose to have any part in that responsibility if I can help it.

I welcome the suggestion that the new Secretary of Commerce has undertaken a program of "appeasement" in respect to private business, so that, at last, there may be effective cooperation to give private business a decent chance to

live and to substitute private spending for public spending; but, Mr. President, neither the efforts of the Secretary of Commerce nor the admonitions of the President nor any other efforts of this nature and character can hope to succeed so long as the public credit itself is endangered. You cannot build a sound superstructure upon a sinking base.

This bill is the first of 10 or a dozen general annual supply bills. It appropriates for just a small sector of the swollen Federal machine a total of nearly \$1,700,000,000. That is 50 percent more in this one bill than all the Federal income taxes paid by every income in the land in excess of \$5,000. As if to present indisputable evidence that the spending spree is not abating—and that is the new administration formula outlined in the latest annual Presidential message of January 4, 1939—to prove that the spree is not abating, this one supply bill is \$206,000,000 larger than the same bill last year.

Of course, there will be other appropriation bills, regular and special. It was announced by the Treasury last Friday that it had paid out in the first 7½ months of the present fiscal year \$90,000,000 more than the estimated Treasury receipts for the whole 12 months.

In other words, every Federal penny spent from February 15 to June 30 is deficit spending. It is money we have not got and cannot get; it is added to the public debt, which already is soaring past \$40,000,000,000. If expenditures for the fiscal year reach \$9,500,000,000 by June 30, as estimated by the Treasury—and they will probably be much more—the annual deficit will then be \$4,000,000,000.

In spite of all the wishful thinking, modeled after the Presidential message of January 4, 1939, wherein, for the first time in 6 years, the Chief Executive frankly abandoned his previous annual but always sterile promise of a balanced Budget "just around the corner," in spite of all the comforting Pollyanna nonsense that we can spend ourselves out of debt and into prosperity, the nagging voice of common sense whispers a sinister warning in the other ear that Gov. Franklin D. Roosevelt was right upon a different occasion when he said on July 30, 1932:

Any government, like any family, can for a year spend a little more than it earns; but you and I know that a continuation of that habit means the poorhouse.

We have had the habit for about 10 years; and that which once was condemned by Mr. Roosevelt as Governor as a vice is now embraced by him at present as a virtuous course of action; that which was once to be avoided as "the road to bankruptcy"—and those are his words, not mine—is now to be pursued as the essence of statesmanship and solvency.

Yes; and we are hearing a great deal about the new need these days for tremendously strengthened national defense. The greatest element, the most indispensable factor in national defense is a sound public credit. You can fool yourself all you please about the soundness of our public credit as tested by the cheap interest rates for money which flows into Government bonds simply because there is no other place for it to flow, but the public credit is not sound if a nation is "on the road to bankruptcy." Those were Mr. Roosevelt's words 6 years ago to describe deficit spending which involved only pin money as compared with deficit spending today.

On the eve of his departure last week for the Caribbean, the President assured business and industry—I quote from the Associated Press—

They have nothing to fear in the way of new and heavier taxes.

God knows they need that assurance, but they need it with something more than pleasant phrases which "keep the word of promise to the ear and break it to the hope." They need to know that such a promise can be kept. How can it be kept if deficit spending, at the rate of \$4,000,000,000 a year, shall continue? How can it be kept if the spending tempo carries on? How can it be kept except at the expense of an ultimate inflation which will be worse in its effects? As a matter of fact, in at least one specific instance, it cannot be kept at all unless the administration abandons its refusal to

rewrite title II of the Social Security Act, under which payroll taxes will automatically increase 50 percent next year.

It is the sum total of all taxes, which is one of the major burdens now retarding reemployment and crushing down both industry and agriculture. Every appropriation finally means a tax, and the time to remember it is when the appropriations are made. Mr. Roosevelt was eternally right when he said at Pittsburgh, on October 19, 1932:

Taxes are paid in the sweat of every man who labors, because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories, in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain.

Are taxes any less excessive than they were when Mr. Roosevelt was condemning them in 1932? Mr. President, the contemplation in the Nation as a whole is nothing short of appalling. The total cost of government—National, State, and local—in 1937—and it is greater now than it was then—was seventeen and a half billion dollars. How much is seventeen and a half billion dollars? It is the total annual income enjoyed that same year by all the people in the States of Washington, Oregon, California, Idaho, Nevada, Montana, Wyoming, Utah, Arizona, Colorado, New Mexico, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Minnesota, Iowa, Missouri, and Arkansas. The total income of that great group of States is required to build the treasuries of National, State, and local governments merely to pay the bill of government for 1 year.

How much longer can that enormous nonproductive absorption of the national income continue? Every dollar of the wealth produced in the area which I have described, which is the largest geographical half of the United States, would be insufficient at this time to pay just the cost of government. Yet the cost rolls merrily on into ever-larger figures and ever-increasing jeopardy.

In 1913 the cost of all government in the United States was \$34 per family. Now it is \$540 per family. The cost of all government is more than the year's yield from soil and earth—crops, livestock, metals, coal, oil, and lumber. It is more than we spend for food, clothing, and rent. And Washington sets the pace. If we were to confiscate every dollar of every American income in excess of \$5,000, as shown by the income-tax returns, it would not pay the bill for the Federal Government this year alone.

Now, let me quote Mr. Roosevelt again in—what shall I say?—his "horse and buggy" days. This is what Governor Roosevelt said in 1932:

I know something of taxes. For 3 long years I have been going up and down the country preaching that government—Federal, State, and local—costs too much. I shall not stop that preaching. I propose to you, my friends, and through you, that government of all kinds, big and little, be made solvent and that the example be set by the President of the United States and his Cabinet. This, I pledge to you, and nothing in this campaign transcends in importance this covenant with the taxpayers of this country.

I do not quote this to chide him for a broken promise. I quote it as the key to his Presidential policy for perhaps 4 months after his inauguration—4 months which saw him courageously pursuing these economies—4 months which found a well-nigh united Congress and country behind him in these efforts—and, what is more important and desperately significance, 4 months which probably registered the greatest economic recovery in the United States ever known to any people in any like period in the history of the world.

Solvency and confidence. Those were the keys to recovery then. They are still the keys to recovery today. The tragedy of it is that the keys seem to have been deliberately thrown away. The necessity is to find and use them once again.

The spending that is necessary in this country in order to put 12,000,000 unemployed back to work is private spending, not public spending. From 1919 to 1929 there was spent in this country for producers' durable goods and privately financed construction alone a total of \$210,000,000,000, or an average of \$19,000,000,000 a year. But in the 4 years from

1932 to 1935 this amount has dropped drastically to four and one-half billion dollars a year. We are still in that category. There is the primary and major loss. It is nearly fifteen billions a year. Deficit spending, even at the alarming pace of four billions a year, cannot possibly be a substitute. There is no substitute. Furthermore, the Government's deficit spending is pretty generally conceded to discourage private investment. Our net deficit from 1931 to 1938 actually totaled more than all the deficits of all the other nations of all the world combined for the same period; but it did not bring back the private spending of the Nation's enterprisers, the Nation's investors, the Nation's plant managers. That requires, first of all, confidence—real confidence—and confidence is not induced by the spectacle of an improvident government. That is the great stake which the unemployed themselves have in every effort to bring Federal income and outgo at least within speaking distance of each other.

A recent well-established clinic upon this subject in *Fortune* magazine came to these conclusions, in part:

- (1) That the fiscal policy of the administration has brought with it a failure in business confidence.
- (2) That the spirit of enterprise languishes largely because of the belief that the administration does not really care about the system of private enterprise.
- (3) That these intangible concomitants of the spending program should be at once corrected.
- (4) That public spending should indeed be used to counterbalance the business cycle.
- (5) But that this should be done within the framework of a periodically balanced Budget and a dependable debt-retirement plan.

Oh, but they say, "You cannot balance the Budget today. It is impossible. Where and how would you do it?"

Let us be entirely frank about that. I do not believe we can actually balance the Federal Budget this year or next. We have created too many new instrumentalities of Government in recent years, many of which are sound in principle and which the people would not permit to be abandoned. But we can stop the creation of new instrumentalities where we are; we can quit making new ones until we have caught up with the bills for those now existing; we can postpone every new governmental enterprise not immediately essential and provably indispensable; and we can clean house, wherever possible, in respect to existing undertakings. An evidence of a real will to thrift, an evidence of a dependable conservation purpose, will go far toward anticipating the solvency and stimulating the confidence which this national crisis so badly needs.

I think there is something to the theory that we must have an \$80,000,000,000 country in terms of annual income in order to sustain the Government structure and the Government services now demanded by the people, because it is not easy to see how we can close the unavoidable portion of the budgetary gap without increased revenue from increased wealth rather than from increased taxes. But, in my humble opinion, it never will be done on the present formula of trying to stretch sixty billions into eighty billions by spending the difference; and even on the present spending formula, if we ever thus became an \$80,000,000,000 country we should then discover that our new debts had piled up a burden which required a \$100,000,000,000 country to carry. In other words, it would always be a fruitless stern chase—just one jump ahead of the sheriff.

So whatever theory any of us may adopt—whether Roosevelt-Ecclesiastes, or the simple arithmeticians who still think 2 and 2 make 4, whichever school we join—I submit that there is a common need to put on the brakes. Otherwise we are headed for a crash. The very least we can do is to reject or postpone all new subsidies and to withhold, at least for the time being, all new social services and new governmental enterprises until we have found a way to pay for those already in existence which merit continuation.

There would be no advantage for anybody from any of these increased facilities if we should destroy a solvent society and a sound economy in which to enjoy them. There can be no compensation for tax burdens that kill industry

and agriculture, or for interminable deficits that kill confidence and recovery. As President Roosevelt, with high courage and intelligence, said once upon a time:

Most liberal governments are wrecked on the rocks of loose fiscal policy; we must avoid this danger.

And I mean to avoid it in every vote that I cast.

Therefore, though the pending items are relatively small—for what are a few million dollars, more or less, in this weltering debt—I shall vote against them under the rule which I have announced for myself.

Mr. WILEY. Mr. President, I desire to make a few observations in relation to this debate.

For several days I have listened to the arguments pro and con. As I understand the situation, under House bill 3743 the amount fixed by the House was \$21,797,000, and now the Senate committee has raised the amount for the T. V. A. to \$39,003,000. Of this \$39,003,000, the distinguished Senator from Colorado [Mr. ADAMS] has moved to strike out the item of \$4,252,000 allotted for starting work on the new Watts bar dam.

I understand from the remarks of the junior Senator from Ohio [Mr. TAFT] that the cost of the Gilbertsville Dam likewise should be removed; and we have just heard the distinguished Senator from Michigan [Mr. VANDENBERG] give an exposition as to why we should not vote these items.

It is practically conceded that the whole project is camouflaged under the theory that it is to improve navigation and provide flood control; that it is, in fact and in deed, a power project; and the recent purchase by the Government of the Willkie interests confirms that conclusion.

I think, in the first place, it was a mistake for the Government to get into the power business. But we are in the business now, as the clothing merchant told the bank, after the bank had financed him, that the bank was in the clothing business. The real issue, as I see it now, is this: Is there a need for these two additional dams, Gilbertsville and Watts bar? If there is such a need, is it an immediate need? If it is not an immediate need, then should we, under the present circumstances, go ahead, keep piling debt on debt, and putting the people more and more into a hole?

Personally, I think the people of the country are interested in the larger question which will grow out of this matter, and that is, Are we to go on, under the camouflage of flood control and improvement of navigation, and continue to get the Government more and more into business in competition with the citizens of the Nation? And if the Government gets more and more into competitive business with its citizens, shall that business be conducted on a business basis, so that the Government has no special privileges, or will the people's money be put into Government ventures so these ventures can cutthroat the interests of the people who have their money in private ventures?

The people in the various States of the Union are becoming extremely concerned about the constant increase in the national debt, as was so ably stated by the Senator from Michigan. We spend money here like water, and it is very difficult for the farmer and the businessman to keep his head above water. The distinguished Senator from Colorado expressed the wish of the people of the Nation when he said that it was time "to start toward economy." It was quite clearly demonstrated by the Senator from Ohio that the value of the Gilbertsville Dam as a flood-control measure is practically nil.

Speaking of the Gilbertsville Dam, as I understand the situation, if we make an appropriation, estimated at \$12,000,000 at this time, we will have just begun to spend, because the cost, as stated yesterday, would be some \$95,000,000. Are we going ahead and build that dam, or are we not?

As there appears to be no need, except to provide, according to the distinguished Senator from Nebraska, continuous work for some 400 men—I understand that there are some 500 men now on the T. V. A. projects who are receiving \$5,000 a year or more in salary—and as it appears there is no great value from the standpoint of flood control, and so far as I can ascertain the construction of these dams would not provide any additional income to be derived from the electric

power that is to be sold by the T. V. A., it would seem that the conclusion of both the Democratic Senator from Colorado and the Republican Senator from Ohio should be sustained.

Mr. BARKLEY obtained the floor.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HILL. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Reynolds
Andrews	Donahay	King	Russell
Ashurst	Downey	La Follette	Schwartz
Austin	Ellender	Lee	Sheppard
Bailey	Frazier	Logan	Shipstead
Bankhead	George	Lucas	Smathers
Barbour	Gerry	Lundeen	Stewart
Barkley	Gibson	McKellar	Taft
Bone	Gillette	McNary	Thomas, Okla.
Borah	Glass	Maloney	Thomas, Utah
Bridges	Green	Mead	Tobey
Brown	Guffey	Miller	Townsend
Bulow	Gurney	Minton	Truman
Burke	Harrison	Murray	Tydings
Eyrd	Hatch	Neely	Vandenberg
Eyres	Hayden	Norris	Van Nuys
Capper	Herring	Nye	Wagner
Caraway	Hill	Overton	Walsh
Chavez	Holman	Pepper	Wheeler
Clark, Idaho	Holt	Pittman	White
Connally	Hughes	Radcliffe	Wiley
Danaher	Johnson, Calif.	Reed	

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. BARKLEY. Mr. President, I do not desire to take very much time in covering territory which has been so frequently covered during the last 4 or 5 years in the discussion of the Tennessee Valley Authority. I would not have taken any time at all except for what I regard as some very erroneous statements and conclusions which have been submitted to the Senate during this discussion.

When I first came to Congress and for many years thereafter I was interested in having carried out an obligation which Congress entered into many years ago regarding the improvement of the Ohio River from Pittsburgh to Cairo for purposes of navigation. Congress committed itself to that proposal, and it took twenty-odd years, by the process of annual appropriations, to complete the construction of more than 50 locks and dams in the Ohio River between Pittsburgh and Cairo in order to insure a 9-foot stage for navigation during the entire year.

The logic behind that program I then thought and now think was sound, because men would not invest their money in steamboat lines which could operate only 5 or 6 months during the year. The improvement came too late to preserve the steamship lines which already existed on the Ohio River, because they gradually disappeared, for the same reason that caused the disappearance of navigation to a certain extent on the Tennessee River, since men go into business in order to make profit. They are not in business for charity; they do not invest their money in enterprises, except in very rare instances, unless there is hope at least that they will make dividends and profits out of their investments. Men would not any longer risk their money in enterprises which could operate only one-half time. It was for that reason that, over a long period of years, Congress having committed itself to the improvement of the navigation on the Ohio River, it completed it by the building of more than 50 locks and dams.

I may say in this connection that every city and town on the Ohio River was interested in the completion of that improvement.

Every year the Ohio Valley Improvement Association met in various places all the way from Pittsburgh to Cairo, in order to keep active the interest in the valley and to have that interest reflected in the action of Congress. It is to the credit of the Congress of the United States and the United States Government that that promise was kept, that the Ohio River has been afforded a 9-foot stage all the year,

and that since its completion river navigation has materially increased on the Ohio River.

The Congress in 1933 passed the T. V. A. Act, nearly 6 years ago, and it has been amended since. I think Congress is just as much committed to the completion of the Tennessee River project as it was to the Ohio River project, although there are different phases of the two projects, that on the Ohio being purely for navigation, while that on the Tennessee River combines navigation, flood control, and power.

I can well understand that there are Senators who think this project ought never to have been begun, but Congress thought otherwise, and passed the law. The testimony of the engineers shows that the dams which have been completed and those which are in contemplation will cost \$420,000,000, \$220,000,000 of which has already been expended. So that we are now in the very middle of the completion of this project, to which Congress committed itself 4 or 5 years ago.

It seems to me it would be just as unbusinesslike and just as foolish to stop the completion of this project in the very middle as it would for a man to start to erect a house and when he got up to the second story abandon it, unless circumstances were such as to force him to do it, which sometimes occurs. Everyone understands, whether he is for or against the T. V. A., that the full benefit of the T. V. A. project cannot be realized by the Tennessee Valley or the Ohio Valley or by the Mississippi Valley until it is complete from beginning to end, including all the dams contemplated, those which have been constructed, and those which are now under construction and are involved in this bill.

I realize that for the purposes of power alone the demand that has been developed up to date might be satisfied by the power constructions already installed, because the testimony shows that there is now being sold to the public in the Tennessee Valley, within the radius which can be served by the Tennessee Valley Authority, about all the power which is produced, but more power can be generated when a greater market is developed for it, even with the present depth of water.

Mr. President, admitting, for the sake of argument, that for power purposes the entire cost of the dams up to now would not be wasted if the Government proceeded no further, yet it would be extremely unwise and unbusinesslike for the Government to consider such a course. We have heard a great deal of argument about the generation of power by the Government and about the competition created in the field of private enterprise by the development of these power sites. If all the power of all the rivers of the United States were developed to fullest capacity today it would not serve more than one-tenth of the demand for power in the United States. So the fear that the construction of dams on the Tennessee River, or on any other river, or on all of our rivers combined, may affect the total consumption of power in this country seems to me to be a bugaboo, an exaggeration, and an imaginary multiplication of difficulties which will never arise.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WALSH. I understood the Senator to indicate by his statement that only 10 percent of the total consumption of power is possible of development on all the rivers of the United States.

Mr. BARKLEY. The information which I have received from authorities whom I think are reliable, is that if all the power that is possible of development on all the rivers of the country were developed it would amount to only about one-tenth of the power developed and used in regions where there is no water power.

Mr. WALSH. Has the Senator any information as to the extent of the power developments that have been undertaken on the rivers of the country by the Government or by private companies?

Mr. BARKLEY. No; I do not have such information. I will say to the Senator. Those developments are isolated.

They cannot include the development of a whole river. They have to be local, because there is no organization with which I have any familiarity that has the financial power or the financial backing to develop more than one power site at a time, if at all.

Mr. WALSH. I have been interested in the flood-control projects of New England. As the Senator knows, under the flood-control laws of 1936 and 1938 the Army engineers must submit to the Federal Power Commission a statement of the reservoirs and dams they are constructing so as to determine whether or not power developments are possible. Of the large number of reservoirs they are contemplating building I am surprised to find that the possibility of power exists only in three, and it is not very extensive either in those three dams.

Mr. BARKLEY. Under the flood-control acts and under the Power Act as originally enacted and as amended, I think all these developments have to be submitted to the Federal Power Commission to determine whether there is available power, so that if there is, that fact may be anticipated in the construction of the dams.

Mr. WALSH. And the dams must be so built that they can be converted into power producers if necessary.

Mr. BARKLEY. That is correct.

Mr. WALSH. I have been under the impression, as I think the general public has, that in various parts of the country there are watersheds and rivers capable of producing a great deal of power which have not been developed. What is the Senator's view of that suggestion?

Mr. BARKLEY. I think it is true that as science progresses and new devices are invented it may be possible in the future to develop more power from any given river than is now believed to be possible. It depends a good deal, of course, on the topography of the country, the flow of the water, the fall in the river, and all the things that enter into the matter of power as water goes over turbines and other devices which are supposed to reflect power.

Mr. WALSH. And also on a navigable river the maintenance of navigation has to be considered.

Mr. BARKLEY. Yes.

Mr. WALSH. In such cases power could only be incidental.

Mr. BARKLEY. Yes.

Mr. WALSH. I thank the Senator.

Mr. BARKLEY. And I thank the Senator for his interruption.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LUNDEEN. I should like to ask the able Senator a question. When we speak of cost in connection with power developments is it not correct to say that over a long term of years all power developments are self-liquidating?

Mr. BARKLEY. Yes; I think they are. If they were not self-liquidating, and if they could not be made self-liquidating, private capital would never enter upon such projects; they would not invest money in an enterprise upon which they could not hope at least to receive an adequate reward, and probably finally recapture the amount of money invested.

I mention this power situation because it seems to me that there is lingering in the minds of some of our colleagues the fear that the Government is going to take over all power possibilities in the future, and what I am trying to emphasize is that if the Government were to do it in all the rivers that are available, it would provide only a small proportion of the power necessary to serve the people of the United States.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HILL. Is it not true that the present shortage of power in the United States presents such a problem, from the standpoint of national defense, that the President of the United States has appointed a committee headed by the Assistant Secretary of War, Mr. Louis Johnson, to study the subject, determine what can be done, and make recommendations looking to an increase in the development and generation of power?

Mr. BARKLEY. The Senator is correct, and I thank him for the reminder that the President has appointed such a body to look into the question purely as a matter of defense in case of difficulty between our country and any other nation.

The only question involved in the particular pending amendment has to do with beginning or continuing the construction of Watts bar dam in Tennessee. However, inasmuch as the Gilbertsville Dam in Kentucky has been prominently brought into the debate, I wish to mention that, in order, if I can, to allay the fears of some of our friends who are opposed to the construction of the dam, and opposed to the entire enterprise.

The debate has been enlightening. It has brought forth a new theory of engineering, to the effect that water will run up hill, and that the higher a dam is built the less water it will impound. That theory has been advanced in the debate on this particular amendment. We have been frightened by the prediction of earthquakes brought to that region of the United States by the construction of a dam at Gilbertsville. I am not a seismologist.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator.

Mr. NORRIS. I think the Senator will remember that when Congress passed the Boulder Dam bill, seismologists by the wholesale predicted that that dam would go out as the result of an earthquake.

Mr. BARKLEY. Oh, yes. The Boulder Dam is much nearer to the center of earthquakes in this country than is Gilbertsville or the Tennessee Valley. There has been no untoward event in the West because of the construction of Boulder Dam.

I am perfectly willing to dismiss the subject of Gilbertsville so far as power is concerned, although some of our colleagues will vote against it because it holds out a threat of power, and others are against it because they say it is of no benefit whatever and is no good as a power dam. The discussion reminds me very much of the story of the man who, while chopping down a tree, killed his favorite dog. Thinking he might salvage something, he skinned the dog and took the hide to a hide dealer.

He said to the hide dealer, "Do you buy dog hides?"

The hide dealer said, "Yes."

The man said, "I have one here."

The dealer said, "Was it a fat dog or a lean dog?"

The man said, "It was the fattest dog I ever saw."

"Well," said the hide dealer, "we do not pay much for fat-dog hides."

The man said, "Well, it was not so damned fat as you might suppose." [Laughter.]

Some are opposed to Gilbertsville Dam because it holds out the threat of power, and others are opposed to it because it is no good as a power dam. No matter what the reason may be, some are opposed to it, I imagine, because they are opposed to the entire development.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McKELLAR. Before the Senator leaves Watts bar dam, let me say that it is likewise a water-storage dam.

Mr. BARKLEY. Yes; I am coming to Watts bar in a moment.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SHIPSTEAD. I have been informed that in time of flood the proposed dam will hold back enough water to keep the lower Mississippi from rising as much as 3 or 4 feet. Is that correct?

Mr. BARKLEY. So the engineers testified. The chief engineer of the T. V. A. was formerly an Army engineer. He has cooperated with and worked with the Army engineers. He has also been engaged in private engineering. He impressed me as being one of the most competent engineers of whom I have any knowledge. He has been with the T. V. A. since 1935. His testimony shows that even in 1937, when the terrific flood occurred in the Ohio Valley, with the imperfect state of completion of the dams in the

Tennessee River, the flood stage at Paducah and Cairo was lowered by anywhere from 6 inches to 1 foot, and that when the entire project is completed it will mean a difference of about 3½ feet in the stage of water at Cairo, Ill., and a similar stage up the Ohio as far as Paducah, 40 miles up the Ohio River, and, of course, for many miles down the Mississippi below Cairo.

The Senator understands the topography of the country in that section, and the confluence of the rivers. The Tennessee River is a long river; it is a large river. At Paducah, where it empties into the Ohio River, it is wider than the Ohio River itself at Cincinnati.

Mr. SHIPSTEAD. The Senator has answered my question. May I ask another?

Mr. BARKLEY. Yes; I shall be glad to have the Senator ask another question.

Mr. SHIPSTEAD. I am told also that if there had been a dam at the site that could have held back enough water to prevent the lower Mississippi from rising higher than a foot lower than the stage it reached, there would have been no disastrous flood on the lower Mississippi.

Mr. BARKLEY. According to the engineers, if the dam at Gilbertsville had been in existence in 1937, it would have held back enough water to lower the stage of water at Cairo by not less than 2 feet, or perhaps 2½ feet. Inasmuch as most of the water in the Mississippi below Cairo comes out of the Ohio River, the dam would have affected the flood in the Mississippi Valley below Cairo by anywhere from 1½ to 2 or 2½ feet. Lowering the flood stage on the Mississippi River by that much would have meant the difference between safety and disaster to thousands and thousands of persons, and probably would have made unnecessary breaking the sluice wall for the dam near New Madrid, on the Missouri side of the Mississippi River.

Mr. SHIPSTEAD. Has the Senator any information as to what damage that flood caused?

Mr. BARKLEY. The best estimate I have been able to arrive at—and I arrived at it from all kinds of sources, including General Markham, the Chief of Engineers of the United States Army—is that the Ohio River flood caused damage estimated at approximately \$400,000,000. Immediately after the floodwaters went down I made a trip by automobile with General Markham from Cairo, Ill., to Huntington, W. Va., a distance of between 600 and 700 miles, stopping at every community which had been damaged, to try to find out what could be done to protect it. I wish to say that I have never known an Army officer or a civilian engineer who had a more sympathetic outlook on the problem of flood control than had General Markham.

Mr. SHIPSTEAD. I agree with the Senator. He is a great engineer.

Mr. BARKLEY. He is a great engineer and a great humanitarian.

As I say, the estimate of damage done by the Ohio River flood is about \$400,000,000. Of course, that damage included the Ohio Valley and the Mississippi Valley below Cairo. If it had not been for the fact that there was practically no water in the upper Mississippi above Cairo—and that was an unusual occurrence—there is no way to estimate the amount of damage beyond \$400,000,000 which would have resulted in the lower Mississippi Valley, because if the Mississippi River had been full from Cairo to Minneapolis and St. Paul, the flow below Cairo, where the Ohio River empties into it, probably would have been several feet more than occurred in 1937.

Mr. SHIPSTEAD. At that time we had 27 dams between the mouth of the Illinois and the city of Minneapolis, most of which were completed.

Mr. BARKLEY. That is correct. However, the water conditions at that time were such that there was no flood stage in the upper Mississippi River, which greatly relieved the conditions below Cairo.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator.

Mr. LUNDEEN. The point just brought out by the able senior Senator from Minnesota in regard to the enormous

cost of the flood, the estimate of which was given by the Senator from Kentucky, would seem to justify the cost of the entire building project and more. Shall we charge up against those who oppose these projects the damage that could have been prevented?

Mr. BARKLEY. Of course, the Senator's question is not only pertinent but almost answers itself, because it is utterly impossible for those communities, when waters far beyond their control sweep upon them, either to protect themselves against the floods or to reimburse themselves for the damage done.

If more than \$400,000,000 worth of property is damaged and destroyed in the Ohio Valley in 1 year by one flood lasting about 30 days, not to mention the danger to the lives of millions of our people, how much damage would be spread out over a period of years when these floods come almost annually?

Mr. SHIPSTEAD. For the purpose of the Record, I desire to say that floods have recurred in the lower Mississippi River for many years. I suppose the damage which has been done cannot be estimated. A few years ago we passed an act based upon the theory that floods could not be controlled by building levees on the lower Mississippi; and Congress changed its policy as to flood control, based on the knowledge that the old system of controlling floods in the lower Mississippi was a failure, and that in order to avoid damage we must hold water back up the river and on the tributaries in order to prolong the flow of the water and keep down the flood. So, it would seem to me, from the standpoint of flood control alone, that this dam would be entirely worth while, irrespective of what it might do for power and navigation; and I do not underestimate the importance of navigation.

Mr. BARKLEY. I appreciate the Senator's contribution, and I agree with his conclusions.

I should like to read very briefly from the testimony before the committee. Colonel Parker, chief engineer, was testifying, and he said:

There is no longer any legitimate doubt as to the necessity for the construction of storage reservoirs on the Ohio River and its tributaries in order to supplement the protection afforded to the lower Mississippi Valley by the existing levee system. This point should not be misunderstood. There is no suggestion that the levee system should be discontinued or curtailed. It must be maintained and strengthened wherever possible; but it is now generally conceded that the protection afforded thereby is insufficient and must be supplemented in the only feasible way, i. e., by the construction of storage reservoirs at available sites on the tributaries of the Mississippi system.

The report of the Chief of the Army Engineers of April 6, 1937, set forth in Committee Document No. 1, Seventy-fifth Congress, first session, states the facts simply.

I quote from the report of the Chief of Engineers for 1937:

The present levees on the Mississippi are about as high as it is desirable to construct them. An increase in the height accentuates the danger of a crevasse and its consequences, besides presenting a serious hazard of subsidence in the soft ground which they must occasionally cross. Additional safety should be sought rather in the continuation of the program for improving the flood discharge capacity of the river channel and in reducing peak discharge by the construction of reservoirs.

That is the report not of the T. V. A. engineer but of the Chief of Engineers of the United States Army less than 2 years ago, who states that in order to protect even the lower Mississippi Valley the levees cannot be built any higher, but it is necessary to resort to the construction of reservoirs at convenient and suitable places on the tributaries of the Mississippi system. That means on the Ohio; it means on all the rivers that are tributary to the Ohio; it means the Tennessee; it means all the tributaries as far back as they may influence the flow of waters during flood season.

Now I desire to quote further from the testimony of Colonel Parker:

The importance of this reservoir protection is further illustrated by the fact that the Army engineers are now recommending the immediate construction of reservoirs on the Ohio River system for this purpose.

And that is true.

It is obvious that such storage reservoirs should be located so as to control the run-off from those rivers which make the principal contribution to Mississippi floods. It is an undisputed fact of record that the Ohio River system, including the Tennessee, makes

the largest contribution to such floods. It is equally obvious that reservoirs should be located as close as possible to the points to be protected; and the most effective sites for this purpose are located on the lower tributaries of the Ohio close to Cairo.

Those are the words of the chief engineer of the Tennessee Valley Authority, fortified by the report of the Chief of the Army Engineers made less than 2 years ago, that, in order to effect flood control in the regions where the greatest damage occurs, the levees cannot any longer be built higher, but it is necessary to resort to holding back the waters above the levees, and as engineering experts they say that the place to locate these reservoirs is as near as possible to the seat of danger, and they specify the Ohio and the Tennessee.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SHIPSTEAD. Does the Senator have any estimate of the amount of money that the Federal Government has had to spend for relief because of floods on the lower Mississippi during the last 30 or 40 years?

Mr. BARKLEY. I do not have those figures, but it is an enormous amount, and it has not always been represented by cash outlay either. It has been represented in the furnishing of supplies and food and clothing and tents and various kinds of equipment by the Army, by the Navy, and by the Coast Guard, and while the Red Cross is not a governmental institution, the money that it obtains and dispenses comes from the same people who support the Government.

Mr. SHIPSTEAD. There was a great flood during the Hoover administration.

Mr. BARKLEY. Yes, and as I recall, Mr. Hoover made a trip to the scene.

Mr. SHIPSTEAD. And Congress made an appropriation for the relief of the sufferers from that flood. I do not remember the amount.

Mr. BARKLEY. Yes, and that has been done from time to time.

There is, of course, a serious question involved. I am not sufficiently competent to cite comparative figures as to whether it is cheaper to build protective devices that will save the lives and property of the people or to neglect them and then from year to year appropriate enormous sums in order to take care of flood victims after they have been driven from their homes and their property has been destroyed. I believe that it is the duty of the Government of the United States, which is the only organization through which the people can speak effectively, not only to protect them against floods and other disasters, but I think it is just as much the duty of the Government to encourage the development of one natural resource as it is another, and water certainly is a natural resource. There is much more to the same effect in the testimony, but I do not wish to take up the time of the Senate in discussing it.

The pending amendment proposes to strike out the item with reference to Watts bar dam. I do not know that any Senator is going to offer a motion to strike the item for the Gilbertsville Dam; I hope not; but I am not interested in Gilbertsville alone. I would be ashamed of myself if I exerted my efforts here in behalf of a dam that happens to be close to my home and should not in the same degree exert myself in behalf of a dam a thousand or two thousand miles away from my home which is of just as much importance to those in the community affected as the one in my neighborhood is to my community. Ever since I have been a Member of the House of Representatives and ever since I have been a Member of this body I have never denied to any community in the United States, no matter how far removed, my support in behalf of any device or any protection or any enterprise that might make them more able to live in peace and to have the assurance that they had a government that was interested in the welfare of every community in the United States.

I lay down the proposition that this entire project ought to be completed from beginning to end, and it cannot be completed and will never be completed without the Gilbertsville Dam, on which five and one-half million dollars have already been spent.

I drove to Gilbertsville during last Christmas week. It is 23 miles from where I live. I had been there a year before, when the engineers were in there and soundings and borings were being made in the effort to find the most available and safest location for the dam, which had been originally projected for a site 20 miles up the river, at Aurora first, by a private power company. It was realized, after the T. V. A. took over the Tennessee River, that the Tennessee River could not exist half public and half private, and the T. V. A. negotiated with the private power company to ascertain how much they had invested. The private company welcomed an amicable settlement; the T. V. A. paid those who were interested in the private power company and in the location of the private dam what they had spent up to that time during the course of 5 years of surveys and preliminary work looking to the construction of the dam.

The site of the dam was moved down the river about 20 miles for two reasons. One was that it was thought a better location and a better foundation could be found nearer the mouth of the river and also that the construction of the dam nearer the mouth of the river would obviate the construction of another dam which was in contemplation at that time. As I have said, I visited Gilbertsville during last Christmas week. The T. V. A. have taken over the town of Gilbertsville; they have built a waterworks system, including two enormous water tanks, one on the east side and one on the west side of the Tennessee River. They have moved from Pickwick Landing Dam more than 60 houses by putting them on barges and moving them down the river to Gilbertsville, where the houses have been relocated for the use of those who are to work on the Gilbertsville Dam.

Mr. NORRIS. Mr. President, will the Senator yield to me at that point?

Mr. BARKLEY. I yield.

Mr. NORRIS. I ask the Senator to yield because he is now touching on a point which I forgot to mention when I was speaking. The same thing the Senator has told about as having gone on at Gilbertsville—moving from one dam location, after the dam is finished, to another dam location—is going to go on at Watts bar, just as the Senator has said.

Mr. BARKLEY. That is true; and that is a wise thing.

Mr. NORRIS. That is economy.

Mr. BARKLEY. That is economy. Of course lumber dealers and mechanics would have been glad to have the increased work involved in the abandonment of the houses at Pickwick Dam, and the construction of new houses and the purchase of new lumber in another community; but, as a matter of economy and good business, sixty-odd houses were loaded on barges at Pickwick Dam and floated down the river, unloaded at Gilbertsville, and they have been reconstructed there and are being occupied by employees. Water and sewerage connections have been made. Now it has been proposed, both at Gilbertsville and at Watts bar—which is involved in the pending amendment—that the Government of the United States leave that project for a year or 2 years, or permanently, and permit all the development there to go to waste.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SHIPSTEAD. How many dams are there on the Tennessee River, in the entire project?

Mr. BARKLEY. There are 10. I do not know whether or not I can name them all. Beginning at the mouth of the river, they are Gilbertsville, Pickwick, Wilson, Wheeler, Gunter'sville, Chickamauga, Watts bar, and Coulter Shoals. There are two others—Hiwassee, on a tributary of the Tennessee, and Norris, on Clinch River, a tributary of the Tennessee. Those are the 10. There are 10 altogether.

Mr. SHIPSTEAD. Will those dams produce a 9-foot channel?

Mr. BARKLEY. Those dams, when completed, will produce a 9-foot channel from the Ohio River to Knoxville.

Mr. SHIPSTEAD. If the dam, which is the subject of the pending amendment, is not completed, will there then be a 9-foot channel from the Ohio River to Knoxville?

Mr. BARKLEY. Oh, no. The dams have to be completed; and the construction of the Gilbertsville Dam provides for navigation for 184 miles up the Tennessee River from its mouth.

Mr. SHIPSTEAD. Will that, then, complete the 9-foot channel to the Ohio River?

Mr. BARKLEY. The 10 dams will complete the 9-foot channel.

Mr. NORRIS. Mr. President, I should like to make a suggestion at that point, if the Senator from Kentucky will permit me to do so.

Mr. BARKLEY. I yield to the Senator from Nebraska.

Mr. NORRIS. I think the Senator ought slightly to modify his answer. There is a place in the river between Hales bar and Chickamauga Dam that will be unfinished. Hales bar dam is the dam which is privately owned; and, by the way, it is the poorest dam on the Tennessee River. It will be necessary to acquire Hales bar dam and raise it a little, or do some excavating between Hales bar and Chickamauga Dam before the 9-foot channel can be completed.

Mr. BARKLEY. I thank the Senator for that correction. I had overlooked Hales bar. It does involve a few miles on the river which will have to be differently treated. In other words, the construction of the 10 dams will automatically bring about a 9-foot channel, with the exception of the strip which is affected by Hales bar.

Mr. SHIPSTEAD. Unless that is done, am I right in assuming that there will be no navigation because part of the river will not have a 9-foot channel?

Mr. BARKLEY. That is true.

Mr. SHIPSTEAD. So there can be no navigation on this part of the Tennessee River unless all the dams are completed so as to furnish a constant 9-foot channel?

Mr. BARKLEY. Of course, there would be some navigation, but it would not be continuous. It would not be of such a nature as to induce men to invest their money in river transportation.

Mr. SHIPSTEAD. That is what I am trying to bring out. It is not economically possible to conduct navigation in barges on a river unless there is a constant channel, and the channel should have a depth of at least 9 feet in order to carry an economically sound load.

Mr. BARKLEY. That is true.

Mr. SHIPSTEAD. Not to finish the channel would make it as impossible to have economical navigation as it would be to carry traffic over a railroad a thousand miles long while several sections of it were not completed.

Mr. BARKLEY. The Senator is absolutely correct; and that very situation is what drove river traffic off the rivers in that whole section of the Midwest.

Mr. ADAMS. Mr. President, will the Senator permit me to make a statement at this point in his remarks?

Mr. BARKLEY. I yield to the Senator from Colorado.

Mr. ADAMS. I think the Senator from Minnesota has misunderstood the situation.

If the Gilbertsville Dam is built, and the Watts Bar and Coulter Shoals Dams are not built, there will be navigation with a 9-foot channel for over 500 miles from the Ohio River.

In other words, the dam which is the subject of contention here is the dam at the upper end. The Gilbertsville Dam will complete navigation from the Ohio River for 500 miles without an interruption. There will not be that which the Senator sees, an interruption in the midst of the channel. The dam which we have asked to have eliminated is the dam at the uppermost end, and merely affects the completion of a channel to Knoxville.

Mr. SHIPSTEAD. How great a distance would that be?

Mr. ADAMS. About 74 miles.

Mr. SHIPSTEAD. What is the population of Knoxville?

Mr. ADAMS. Roughly, 100,000. At Knoxville, as the Senator knows, there is a great deal of coal. The traffic from

Knoxville would have to be coal going to the Illinois coal fields.

Mr. SHIPSTEAD. At Knoxville?

Mr. ADAMS. Yes; there is coal there.

Mr. SHIPSTEAD. Then I think we ought to finish the channel to that point.

Mr. McKELLAR. That is what the Congress has already provided for. That is the scheme for which Congress has provided; namely, to furnish a channel from Knoxville to the mouth of the river.

Mr. BARKLEY. Mr. President, in regard to Watts bar, so far as the expenditure of money is concerned, to a lesser degree the same situation exists there that exists at Gilbertsville. While at Gilbertsville five and a half million dollars have been spent, and those in charge are now in the middle of that expenditure, at Watts bar about \$600,000 has been spent. A good deal of the work has been preliminary, of course. It is always necessary to do a considerable amount of preliminary work before beginning the actual pouring of concrete in the river bed to build a dam.

When the Watts bar dam—which is not to cost sixty or seventy million dollars, but, my recollection is, \$35,000,000—is completed, it will involve the storage of 878,000 acre-feet of water.

Mr. NORRIS. No; 340,000 acre-feet.

Mr. BARKLEY. I thought the Chief of Engineers said 878,000 acre-feet.

Mr. ADAMS. No.

Mr. McKELLAR. But it is sufficient to protect Chattanooga.

Mr. BARKLEY. Whatever the amount may be, if my figures are wrong, it is sufficient to protect the city of Chattanooga and the contiguous, surrounding country from floods, not only from the Tennessee River but from the tributaries that make up the Tennessee River.

We may argue here until doomsday about whether it is cheaper to let Chattanooga go or to build the dams; but, after all, Mr. President, while I may be a little bit sentimental or emotional on the subject, I am not able to balance dollars on one side of a scale against human welfare on the other.

I think we all want to balance the Budget. We should like to balance our own budgets if we could. When it comes to balancing the Budget, however, I think the Senate of the United States and the country should remember that, while our public debt has gone up so far as the Treasury of the United States is concerned, our aggregate debt, private and public, municipal, county, corporation, individual, home and land, has gone down; so that our total indebtedness—which is, after all, the true measure of obligation—is no greater now than it was in 1929. But when it comes to the preservation and the development of our natural resources, and the protection of the people from things which they themselves cannot control, I am not willing always to try to balance evenly a pair of scales with money on one side and human welfare on the other.

I have received, and the Senator from New Hampshire [Mr. BRIDGES] put in the RECORD yesterday, some telegrams and letters from my community. He referred to a letter which the mayor of my home city had written to one of the Members of the House of Representatives, and which was used the other day in the debate in that body.

That letter was occasioned because the reservoir above Pickwick Dam had become full, and could not hold back any more water. It was held back as long as possible, and it was beginning to flow over the dam, and some of it was let out. Because for the past 2 years our people there have been flood-minded, somebody became frightened and went to the mayor, and he wrote a letter merely of inquiry, suggesting that the T. V. A. be requested to give about 24 hours' notice when they were going to turn the water loose above Pickwick Dam. He did not intend the letter to be made public. He did not intend it to be used in debate in the other branch of Congress. I have here his telegram, explaining why he

sent the letter, and explaining that he resents the fact that a private letter suggesting an inquiry into a situation was used as an argument against the construction of Gilbertsville Dam.

I happen to have here a telegram which I received yesterday from Paducah:

Information of Mayor Washburn to Congressman MAY does not convey in the remotest the feelings and desires of our people. Quite the contrary to it, these people voted over 6 to 1 for bonds to aid in erection of flood wall, and are just as unanimous for the completion of the Gilbertsville Dam for purposes set out as the reason for its erection. No, sir!

That is set out in the telegram to emphasize it:

No, sir! We feel that the mayor's communication with Congressman MAY at this time is certainly unfortunate and misleading. We are sure that our regular meeting the 20th instant will forward you some communication that will more accurately set out what the people of this city and county desire. We sincerely thank you for the magnificent fight you * * * are putting up for the greatest good to the greatest number—

And so forth. That telegram is signed by Gus E. Hank, Jr., city commissioner; S. B. Pulliam, city commissioner; Robert Stubblefield, city commissioner; and Herbert Melton, city commissioner, of the city of Paducah.

We have a commission form of government there, with four commissioners and a mayor, and the four commissioners signed the telegram which I have just read.

I also have a telegram from the city manager, elected by the city commissioners and the mayor, which was received this morning:

PADUCAH, KY., February 21, 1939.

Senator ALBEN W. BARKLEY:

Resolution passed Monday by board of commissioners fully endorsing program of T. V. A., and particularly endorses completion of the Gilbertsville Dam. This expresses the sentiment of a vast majority of people in this city and this section of the State. Resolution passed to offset impression conveyed to Congressman MAY by Mayor Washburn without authority of board. Copy of resolution to you by mail.

By authority of the board of commissioners.

L. V. BEAN, City Manager.

There was read into the RECORD yesterday by the Senator from New Hampshire a resolution adopted by the Kiwanis Club of the city of Madisonville, Ky., opposing the construction of the Gilbertsville Dam and the entire T. V. A. I happen to have a letter here from Mr. D. W. Gatlin, president of the Farmers National Bank of the city of Madisonville, dated February 17, which reads as follows:

FARMERS NATIONAL BANK,
Madisonville, Ky., February 17, 1939.

Hon. ALBEN W. BARKLEY,
Washington, D. C.

DEAR SENATOR BARKLEY: The resolution of the Madisonville Kiwanis Club adopted today approving the action of the House in refusing to appropriate money for the construction of Gilbertsville Dam project, a copy of which was ordered furnished to each of our Senators, and to the Representatives in the House, and to the subcommittee on Senate appropriations, whose chairman is Senator CARTER GLASS, does not represent the deliberate opinion of this community.

The Madisonville Kiwanis Club is composed of less than 50 members, and in this matter was dominated by attorneys and employees of the West Kentucky Coal Co., a subsidiary of the North American Co., both alien to this community and have no vested interest in its development beyond exploiting its natural resources.

Doubtless you are familiar with the facts, but this information is passed along to you with the hope you will continue your fight to bring to completion this project in the interest of the vast territory it will serve.

Very sincerely yours,

D. W. GATLIN.

Of course, Mr. President, an effort has been made to scare many people in the coal regions of western Kentucky into the belief that the construction and completion of Gilbertsville Dam will create so much power that never will another scuttle full of coal be sold in western Kentucky. Operating under a fear of that sort, it is perfectly natural that coal companies and their employees should follow the suggestion of anyone who takes the initiative in order to get through a luncheon club of that sort a resolution that is represented as intended to preserve an industry in the community where it is located.

I have here another letter, also from Madisonville, in which the writer states that he took it upon himself to make a canvass around the public square on the same day when the resolution was adopted by the Kiwanis Club. The letter is as follows:

MADISONVILLE, KY., February 18, 1939.

HON. ALBEN W. BARKLEY,
Senator from Kentucky, Washington, D. C.

DEAR SENATOR BARKLEY: Allow me to congratulate you upon your efforts at having the Gilbertsville Dam appropriation restored, and let me assure you that at least 80 percent of the people in western Kentucky are heartily in favor of the Gilbertsville project in its entirety.

I am prompted in writing this letter by an article in yesterday's Madisonville Messenger, which stated that a local club, the Kiwanis, I believe, was writing certain Members of the lower House that they approved of the cut in the appropriation. It was indeed cheering to us, the majority, that right alongside the article was another article stating that the Senate group had restored the funds which had been cut by the lower House.

As you perhaps well know, there is a minority here in western Kentucky who are stirring up an awful fuss over the Gilbertsville project. You know, too, I'm sure, that they are the coal interests, who advance the stupid argument that miners will be thrown out of work; the utility interests, who are afraid that we common people may get electric energy at a reasonable price; and a few, a very few, disgruntled Republicans who are always happy to disapprove of anything the administration attempts.

In a private survey of my own yesterday I asked 15 people at random of many walks of life, including 2 coal miners, what they thought about the Gilbertsville project. Thirteen of the 15 were heartily in favor of everything it represented, including one of the miners. One miner, the only one in the group of 15, disapproved for the reason that it would throw miners out of work. There was one in the group who wouldn't express an opinion either way, because, he said, he hadn't thought anything about it.

Very truly yours,

WILLIAM LIGHTFOOT.

Madisonville is some 75 miles from Gilbertsville, but it is the center of the coal industry in four or five counties.

Mr. President, I do not believe that construction of the Gilbertsville Dam, with whatever incidental power may grow out of its construction, will have any material effect upon the coal industry of western Kentucky, or eastern Kentucky, or anywhere else. But the same God who put the coal under the ground put the rivers in their banks, and they are both natural resources. While I do not want to see one natural resource developed to the injury of another, I think all of them ought to be developed, and our natural resources in water for navigation, flood control, and for power, cannot be developed by private industry, because it is not sufficiently strong financially.

When we started upon this program we obligated ourselves to do this thing for the Tennessee Valley. Whether any other valley will ever be under consideration for the same sort of development will depend upon Congress, and it may depend upon the results of this enterprise. All we are considering now is the Tennessee Valley, and according to my interpretation of the law we have committed ourselves to the completion of the development of the Tennessee River. If never a kilowatt-hour of power were produced there the expenditure would be justified, and if never another steamboat plied that river as a result of these dams it would still, in my judgment, be justified, because it would offer protection to the people who have settled upon these rivers and in the adjacent towns and invested their money and their lives in the development of prosperous cities, farms, communities, and homes. The expenditure of any reasonable amount of money we may spend to protect that investment, to protect those homes, to bring security and a sense of safety to hundreds of thousands, even millions, of our people, in my judgment is justified.

I hope, therefore, that the amendment offered by the Senator from Colorado, which affects only Watts bar dam, will be defeated, and that we may go forward to the completion of these projects in this great river, and if, in the providence of God, Congresses in the future desire to expand, then that burden and that responsibility will be upon them. If they do not desire to do so, we will at least have one river, flowing, as it does, through one of the richest sections of our country, which combines, in my judgment, all of the elements which ought to go into a river-improvement project for the

benefit not only of those who live in the valley but for the benefit of the millions of people who live below the river mouth in the Ohio and the Mississippi Valleys.

The Mississippi Valley is the granary of America. The Mississippi River carries waters from more than 30 States, and more than a decade ago Congress declared the Mississippi River as a national problem, and all of its tributaries as contributing to that national problem.

We may never be able to keep a set of double- or single-entry books in the Treasury and determine whether every dollar we put into these investments and these improvements will be returned to the Treasury; but the money will be returned in a multiplied sense in intangible values in this great region of our country, where Americans live, who are trying to develop their country, who are good citizens, who are making in peace and war their contribution to the greatness of American life. Certainly we ought not to discourage them now by stopping in the middle of the process. This is one time when Lincoln's famous statement that we ought not to swap horses in the middle of the stream has a peculiar application. Not only should we not swap horses in the middle of this stream, but we should not get down off the horse we are on and try to wade the rest of the distance.

I hope the amendment will be defeated, and I hope the item as reported by the Committee on Appropriations will be retained in the bill.

Mr. McKELLAR. Mr. President, as we are about to vote, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	King	Schwartz
Andrews	Downey	La Follette	Sheppard
Austin	Ellender	Lee	Shipstead
Bailey	Frazier	Logan	Smathers
Bankhead	George	Lucas	Stewart
Barbour	Gerry	Lundeen	Taft
Barkley	Gibson	McKellar	Thomas, Okla.
Bone	Gillette	McNary	Thomas, Utah
Bridges	Glass	Maloney	Tobey
Brown	Green	Mead	Townsend
Bulow	Guffey	Miller	Truman
Burke	Gurney	Minton	Vandenberg
Byrd	Harrison	Murray	Van Nuys
Byrnes	Hatch	Neely	Wagner
Capper	Hayden	Norris	Walsh
Caraway	Hill	Overton	Wheeler
Chavez	Holman	Pepper	White
Clark, Idaho	Holt	Radcliffe	Wiley
Connally	Hughes	Reed	
Danaher	Johnson, Calif.	Reynolds	
Davis	Johnson, Colo.	Russell	

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

The question is on the amendment of the Senator from Colorado [Mr. ADAMS] to strike from the committee amendment on page 48, in lines 5 and 6, the following:

And for construction of a dam at or near Watts bar.

Mr. McKELLAR and Mr. ADAMS asked for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BARBOUR (when his name was called). I have a pair with the junior Senator from Washington [Mr. SCHWELLENBACH]. Were he present and at liberty to vote, he would vote "nay," and were I at liberty to vote I would vote "yea" on this question.

Mr. MINTON. The senior Senator from Maryland [Mr. TYDINGS] is paired with the senior Senator from Illinois [Mr. LEWIS]. If present, the Senator from Maryland would vote "yea," and the Senator from Illinois would vote "nay."

Mr. AUSTIN. I announce the following pairs:

The Senator from Massachusetts [Mr. LODGE] with the Senator from Mississippi [Mr. BILBO]. If present, the Senator from Massachusetts would vote "yea," and the Senator from Mississippi would vote "nay."

The Senator from Maine [Mr. HALE] with the Senator from Nevada [Mr. McCARRAN]. If present, the Senator from

Maine would vote "yea," and the Senator from Nevada would vote "nay."

I announce that the Senator from Massachusetts [Mr. LODGE] is absent on account of a death in his family.

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Washington [Mr. SCHWELLENBACH] are detained from the Senate because of illness.

The Senator from Illinois [Mr. LEWIS] is unavoidably detained.

The Senator from Arizona [Mr. ASHURST], the Senator from Iowa [Mr. HERRING], the Senator from Nevada [Mr. PITTMAN], and the Senator from Maryland [Mr. TYDINGS] are detained on departmental matters.

The Senator from Mississippi [Mr. BILBO], the Senator from Missouri [Mr. CLARK], the Senator from South Carolina [Mr. SMITH], and the Senator from Nevada [Mr. MCCARRAN] are detained on important public business.

The result was announced—yeas 31, nays 49, as follows:

YEAS—31

Adams	Byrnes	Holt	Tobey
Austin	Danaher	Johnson, Colo.	Townsend
Bailey	Davis	King	Vandenberg
Bridges	Gerry	Maloney	Van Nuys
Brown	Gibson	Miller	Walsh
Bulow	Glass	Radcliffe	White
Burke	Gurney	Reed	Wiley
Byrd	Harrison	Taft	

NAYS—49

Andrews	George	Lucas	Schwartz
Bankhead	Gillette	Lundeen	Sheppard
Barkley	Green	McKellar	Shipstead
Bone	Guffey	McNary	Smathers
Capper	Hatch	Mead	Stewart
Caraway	Hayden	Minton	Thomas, Okla.
Chavez	Hill	Murray	Thomas, Utah
Clark, Idaho	Holman	Neely	Truman
Connally	Hughes	Norris	Wagner
Donahay	Johnson, Calif.	Overton	Wheeler
Downey	La Follette	Pepper	
Ellender	Lee	Reynolds	
Frazier	Logan	Russell	

NOT VOTING—16

Ashurst	Clark, Mo.	Lodge	Pittman
Barbour	Hale	McCarran	Schwollenbach
Bilbo	Herring	Nye	Smith
Borah	Lewis	O'Mahoney	Tydings

So Mr. ADAMS' amendment to the committee amendment was rejected.

The PRESIDING OFFICER. The question recurs upon the committee amendment on page 48, lines 5 to 8, inclusive.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 48, line 20, after the numerals "1940", to strike out "\$21,797,000" and to insert "\$39,003,000."

The amendment was agreed to.

Mr. WHITE obtained the floor.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. BANKHEAD. Mr. President, are individual amendments to the bill now in order?

The PRESIDING OFFICER. Individual amendments are not in order at this time.

Mr. BANKHEAD. Consideration of the committee amendments has not been completed?

The PRESIDING OFFICER. No; not yet.

FEDERAL COMMUNICATIONS COMMISSION

Mr. WHITE. Mr. President, earlier in the day I introduced for appropriate reference a bill to amend the Communications Act of 1934, and for other purposes. At this time I wish to make a very brief statement explanatory of that bill.

The bill deals primarily with the administrative machinery of the Commission, and suggests certain procedural changes from the present practice. My principal purpose is to present to the Congress alternatives to the recommendations made by Mr. McNinch, of the Communications Commission, and embodied in Senate bill 1268, introduced by the chair-

man of the Interstate Commerce Committee of the Senate. I recognize infirmities in the draft I offer; but the substantive provisions, I believe, are sound and should be considered by the committee whenever Senate bill 1268 is set for hearing and for study.

Sections 1 to 6, inclusive, basically change the present administrative set-up and functions of the Commission. Experience to date has proved that these changes, or substantially these modifications, are necessary if the Commission is to function properly as a regulatory body, and is to give to the Communications Act of 1934 the type and quality of administration and regulatory control intended by the Congress when it enacted the 1934 act.

Summarized, the bill proposes in the first 6 sections a Commission composed of 11 members, separated into 2 permanent divisions of 5 members each, not including the Chairman.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. WHITE. I yield to the Senator from Vermont.

Mr. AUSTIN. I am interested in the statement of the Senator from Maine, who has special knowledge on the subject about which he is speaking. I ask him why he chooses the number "11" for his membership, and divides it into 2 divisions of 5 members each.

Mr. WHITE. Mr. President, I do not regard it as imperative that the number of the Commission should be 11. I do not regard it as absolutely necessary that the divisions should be 5 members each. However, I do think there should be a break-down into divisions, either 2 or 3 divisions. There must be a sufficient number of Commissioners so that each division shall have such a number of members that matters may be studied and may have the combined judgment of members rather than the judgment of an individual member. I do think it imperative, whether the number be 7 or 11, or whether the divisions be of 3 or 5, that there should be a statutory break-down, and statutory jurisdiction in the divisions.

Mr. AUSTIN. I thank the Senator.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. LOGAN. Am I to understand that each division will have authority to act upon questions without taking them before the full Commission?

Mr. WHITE. That is generally what I propose. I shall enlarge on that question a little as I go along.

Mr. LOGAN. It would be better, then, to have two divisions, say, of five each, and a chairman, so that each division, if the chairman sat with each, would constitute a majority of the Commission, and if there were a disagreement the question could be taken before the full Commission.

Mr. WHITE. My judgment is that the set-up I am proposing, of 11 members, with divisions of 5, is a sound set-up.

Mr. LOGAN. I think so, too.

Mr. WHITE. That is my belief about it, although I recognize that there might be an argument upon that point.

Under the plan, the full Commission would have power and authority to adopt and promulgate rules and regulations of general application authorized by the act, including procedural rules and regulations for the Commission and each division thereof. It would have plenary authority over amateur services, emergency services, over all matters arising under the Ship Act of 1937, so-called, the qualifications and licensing of operators, the personnel of the Commission and of the divisions, the assignment of the bands of frequencies to the various radio services, and many other subjects over which the full Commission now has authority. The judicial and quasi-judicial functions of the Commission would, however, be vested in the two divisions. These include jurisdiction over the important and controversial subjects now inadequately dealt with by the whole Commission because of well-recognized conditions.

The jurisdiction to hear and determine all cases relating to broadcasting, television, facsimile, and similar communications intended for public reception is proposed to be vested in a Division of Public Communications. Similar jurisdiction with respect to common carriers, both radio and wire,

is vested in a Division of Private Communications. This plan is a recognition of the fundamental differences in the types of communications involved and the nature of the questions presented thereby. It also provides a method for obtaining consideration of these different types of communication by persons who are selected because of their familiarity with the subjects, and who will be able to devote their time and attention to them without interruption or interference occasioned by the demands of basically different problems.

Under the plan proposed, the chairman would be the executive officer and the coordinator of all work of the Commission, participating fully in all matters within the jurisdiction of the Commission, except the determination and the decision of those contested matters made the exclusive responsibility of the divisions. Again, experience has amply demonstrated that a chairman cannot devote the time and attention necessary to a proper handling and disposition of these technical and contested questions and at the same time efficiently discharge the other duties which unavoidably fall upon a chairman and those which are made in part his obligation by the present proposed amendments.

The terms provided originally for the Commissioners are of 2, 3, 4, 5, and 6 years, with the appointments to be made in each case to a particular division. Thereafter, the appointments are to be for terms of 6 years. The original term of the chairman is made 2 years, and thereafter his term likewise is to be 6 years.

I believe such a statutory break-down of the Commission would bring about an essential separation of functions, would contribute to a sounder knowledge on the part of the Commissioners of the communications problems committed to them, would make for orderly procedure and harmony of decision, and would speed up the disposition of cases before the Commission and the divisions thereof.

Sections 7, 8, 9, and 15 of the bill would make the provisions of present law, permitting the merger and consolidation of telephone companies, applicable to all common carriers of communications. The condition of our common-carrier communication companies, and particularly the situation with respect to international communications, make it wise that this authority of law should exist. I have included the provisions because I believe it imperative that this subject should be studied without further delay. Unless some solution of the difficulties of our communication carriers is found—and again I stress the significance of communications in the foreign field—disastrous consequences are likely to result to American services.

Sections 10 and 11 of the bill are designed to eliminate certain obsolete provisions of the present law, and to establish a minimum term of 1 year for all licenses granted by the Commission.

Sections 12, 13, and 14 are designed to remove procedural difficulties which have arisen under the present law.

Sections 16, 17, and 18 deal with broadcasts of a political nature, or those involving the discussion of controversial public questions. Section 315 of the present law has been a subject of controversy. Some would construe it to impose upon broadcasters the duty of accepting and broadcasting slanderous or libelous material when submitted by a candidate for public office, even though the station might thereby become liable in damages or in criminal proceedings under the laws of particular States. I have sought to clarify this situation by deleting some language now appearing in section 315, and by the addition of a new section which provides that although no licensee shall have the power to censor, he shall not be required to broadcast any material submitted by a candidate for public office which is slanderous or libelous, or which may subject the station to an action for damages or to penalty under local, State, or Federal law. The proposed section further provides that the licensee shall have the right to demand and receive a complete and accurate copy of the material to be broadcast, so that it may be examined and made to conform to the requirements of the section.

Section 17 proposes an entirely new section, designed to require the identification of the speaker in the case of broad-

casts dealing with public or political questions. This has been required in the case of any commercial use of a station. The proposed section simply carries this principle of identification further, and makes it applicable to those intending to discuss political or public questions.

The other provisions of the bill are technical, dealing with procedural steps before the Commission and with court procedure.

I emphasize that without giving painstaking care to its draft, I have introduced this bill in the hope that the legislative proposals contained therein may receive consideration by the Interstate Commerce Committee of the Senate when Senate bill 1268 is taken up for study. Other questions of policy ought to be surveyed and the congressional purpose with respect to them declared. Some of them are highly controversial; and it has long seemed to me that investigation and study should precede any attempt to draft legislation.

Heretofore the Senate has been reluctant to authorize that examination of the problems which in all good sense should be the basis of legislative action. I hope a different attitude may now be manifest, and that some of the communication problems which vex us will have the study and thought of the Senate and its appropriate committee.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes.

THE PRESIDING OFFICER. The clerk will state the next amendment reported by the Committee on Appropriations.

The next amendment was, under the heading "Federal Housing Administration", on page 59, line 12, after the word "exceed", to strike out "\$11,500,000" and insert "\$9,000,000", so as to read:

Not to exceed \$9,000,000 of the mutual mortgage insurance fund and \$3,500,000 of the funds advanced by the Reconstruction Finance Corporation or the Federal Housing Administration—

And so forth.

MR. BARKLEY. Mr. President, I hope the Senate will not agree to the amendment which has just been stated. Its effect would be to deny the Federal Housing Administration two and a half million dollars which it is necessary for them to have in order to continue operations after the 1st day of March.

It will be recalled by the Senate that last year the Congress amended the Federal Housing Act by extending its operations under section 2 with regard to loans, and thus the amount of work necessary to be done by the Federal Housing Administration was considerably increased.

The Federal Housing Administration, in my judgment, has done a fine job in stimulating the construction of houses in the United States. It is one of the emergency agencies set up by the Congress which has really received a return upon the amount invested.

When we increased the work of the Federal Housing Administration nearly a year ago we did not increase the amount of money available to pay the expenses of the Housing Administration. After the law was enacted the Federal Housing Administration, through its Administrator, Mr. Stewart McDonald, went to the Budget Director and asked for an estimate for an additional appropriation in order to enable it to carry on the work during the fiscal year. Mr. Bell suggested that the Administration wait until toward the end of the fiscal year or until the appropriation was ready to be considered and then return and resubmit the request in the light of the experience they would have obtained during the time between the last session and the beginning of the present one. The Budget contained an estimate or recommendation of \$5,000,000 in order that the Federal Housing Administration might continue its work during the remainder of the present fiscal year.

I have before me a letter which the general counsel of the Federal Housing Administration addressed to the chairman of the subcommittee on the deficiency bill when it was under consideration, the Senator from Colorado [Mr. ADAMS], which sets out the situation, giving the reasons why I think this amendment ought not to be agreed to. The letter reads:

JANUARY 31, 1939.

HON. ALVA B. ADAMS,
Chairman, Subcommittee in Charge Second Deficiency Bill,
United States Senate, Washington, D. C.

MY DEAR SENATOR ADAMS: When Mr. Zane and myself appeared before your subcommittee yesterday in connection with a deficiency appropriation of \$5,000,000 for the expenses of this Administration for the fiscal year 1939, you requested that I write you and explain why our regular appropriation for the fiscal year 1939 was not apportioned over the entire year and why we found ourselves at this time with only sufficient money to carry us through the month of February.

You will recall that in February 1938 an act was passed amending our act so as to greatly extend and broaden our activities. When it appeared probable to us that the amendments would be passed we undertook to reach some estimate as to the amount of additional expenses that we might be called upon to incur during the remainder of the fiscal year 1939 by reason of our increased operations under the amendments.

The act making the amendments was finally approved by the President on February 3, 1938, and a day or two thereafter we presented to the Bureau of the Budget a supplemental estimate for additional funds in the amount of \$3,000,000. The reaction of the Budget Bureau to this estimate of increase was that we had no facts or experience on which we could make any reasonably accurate estimate of what our additional costs would be, and any estimate that was made at that time would be largely guesswork. It was pointed out that the amendments might not increase our expenses at all so that the \$3,000,000 would not be necessary; and, on the other hand, the amendments may cause such a substantial increase as that it would be necessary to submit to Congress a further supplemental estimate later on. The Budget Bureau then suggested we wait until we had some further experience on which we could base a reasonably accurate estimate and in the meantime that we should furnish monthly estimates of our anticipated expenses which the Bureau would permit us to pay out of our regular appropriations.

In accordance with this understanding the Budget Bureau, under date of January 3, 1939, submitted to the President for his consideration a supplemental estimate of appropriation for this Administration for the fiscal year 1939, amounting to \$5,000,000, of which \$2,750,000 is to be paid out of the moneys of the Administration and \$2,250,000 paid out of funds advanced to the Administration by the Reconstruction Finance Corporation. The justification for this estimate was stated by the Budget Bureau to be due to the amendments, which I have above referred to. The President, under date of January 4, 1939, transmitted the estimate to Congress for its consideration.

As I stated to the committee yesterday, we have at the present time about \$1,150,000 out of our original appropriation, which ordinarily would pay our expenses for the month of February. It is apparent that without the deficiency appropriation this Administration will have to reduce immediately its force to a purely skeleton force and possibly close our State offices.

With kind personal regards, I am,
Sincerely yours,

ABNER H. FERGUSON,
General Counsel.

The appropriation asked for by the Federal Housing Administration was not included in the deficiency bill. I was asked to bring it before the Appropriations Committee but I did not receive this letter from Mr. Ferguson until after the bill had passed the Senate. I do not know at what time the Senator from Colorado received it, but it is obvious from the facts—and I think they are undisputed—that unless the two and a half million dollars, which is carried in the House bill but has been stricken out by the Senate committee amendment, is restored, after the 1st of March the Federal Housing Administration will have no funds with which to continue operations.

I think, as I have said, that the Federal Housing Administration has done a good job. It has assisted in the construction of homes all over the country, and it has been able to do that by the expenditure of a minimum amount of money out of the Treasury. The housing which they stimulate is done with private funds; it is stimulated largely by the insurance and guaranty of the mortgages taken by banks and other lending agencies upon the homes that are constructed or remodeled. It seems to me incredible that Congress should desire that the Federal Housing Administration should practically close up and cease its operations on

the first day of March, which it would have to do if this amendment should be adopted by the Senate and should later be agreed to by the House of Representatives.

For these reasons, I hope that the Senate will not agree to this particular amendment, striking out two and a half million dollars from the appropriation carried for the Federal Housing Administration, the two and a half million dollars, which has been stricken out by the committee, being available for expenditures between now and July 1.

MR. BYRNES. Mr. President, so far as I know the attitude of the committee, it shares the views of the Senator from Kentucky as to the work of the Federal Housing Administration; but in this matter the facts are that the amendments to the original Federal Housing Act passed by Congress were approved in February 1938. The Congress was then in session. No supplemental estimate was submitted to the Congress. The Congress remained in session until almost the first of July, but no request for additional funds was made. Then a request came to the Congress.

MR. BARKLEY. Mr. President, will the Senator yield there?

MR. BYRNES. I yield.

MR. BARKLEY. My attention was diverted for a moment, and I did not catch the full force of the Senator's statement as to no request being made.

MR. BYRNES. The amendments to the act were approved in February 1938, but no supplemental estimates came to the Congress for additional funds although Congress remained in session until June 16. When a request was made of the Congress it developed that the Federal Housing Administration did go to the Budget Bureau. Presumably the executive departments have some regard for the law. When the executive departments need funds by reason of additional legislation they can make the request for a supplemental estimate and it can be sent to the Congress. But we learn from the representative of the Federal Housing Administration appearing before the committee that what happened was that they went to the Budget Bureau and that the Director of the Budget told them they could go ahead and use the money appropriated until it was gone.

The law provides that a department shall apportion its funds over the year. We have enacted an antideficiency act. The Appropriations Committee makes an effort to have that act regarded by the executive departments. The Director of the Budget, according to Mr. Ferguson, representing the Federal Housing Administration, told him he could go ahead and spend the money until it was gone.

The chairman of the Appropriations Committee, at the request of the committee, wrote a letter to the Director of the Budget asking an explanation of the statement I have just read; but to this day the committee has not had an answer from the Director of the Budget. The Appropriations Committee amended the bill by striking out the item. Of course, the bill will go to conference; and we hope that while the bill is in conference the Director of the Budget will give to the Senate an explanation of his direction that an executive department, in violation of the law as to apportionment, may go ahead and use an appropriation as it pleases until it is gone.

MR. LOGAN. Mr. President, will the Senator yield at that point?

MR. BYRNES. Yes.

MR. LOGAN. I desire to ask only one question. Is it true that the failure to make this two and a half million dollar appropriation will result in closing the Housing Administration on the 1st of March, or does the Senator know about that?

MR. BYRNES. That question has been of interest to the Senator from South Carolina. That statement was made as of January 31. I believe their funds will permit them to go somewhat longer, but before that time this question can be determined. The bill will be in conference. While the bill is in conference the committee may ask the Director of the Budget to answer the communication from the chairman of the Senate Appropriations Committee as to whether or not the apportionment law is to be entirely disregarded.

Mr. LOGAN. Am I to understand, then, that the committee had not in mind any idea of closing up the Federal Housing Administration on the 1st of March but simply desired to know just how it had spent its money so quickly?

Mr. BYRNES. The bill will be in conference. The House has provided the funds, and if the proper showing is made in conference we can determine the matter. In addition to that, while there is not any reason for mentioning it, a deficiency bill will be before Congress in 2 weeks. This bill will be in conference; but I think the Congress is entitled to have presented to it the information which it has asked for through the chairman of the Senate committee. If it is not required in this instance, every executive department will think that regardless of the law it can proceed to spend money until it is gone, and then submit a request for additional funds. I think the Senator from Kentucky will agree that that is a practice not to be approved of, and as to which the Senate should have an explanation at this time.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. BYRNES. Yes.

Mr. BARKLEY. I do not think the Director of the Budget has followed the practice of advising the Departments to do that. This situation grew out of a peculiar condition which prompted Congress a year ago to amend the Federal Housing Act and to increase its activities. Following the passage of that law, the Federal Housing Administration went to the Budget Director in order to get an estimate, because they anticipated that the additional activities would make it necessary for them to spend more money.

He suggested that they wait until they had found out what their experience would develop in the expenditure of the regular appropriation, which was based on the curtailed activities prior to the amendment referred to a year ago. I think the Federal Housing Administration have acted in good faith in the matter; and it does not strike me as wise to punish the Federal Housing Administration in order to teach the Director of the Budget a lesson about advising executive departments.

I do not think there is any controversy over the fact that the Federal Housing Administration will be out of money on the first of March, which is only a week off. If the Director of the Budget has not answered a letter sent to him by the committee, that is reprehensible, I should say, unless he has a good reason for his delay; but the F. H. A. ought not to suffer because of that if they need the money.

Mr. BYRNES. As I have said, and as the Senator from Kentucky—who has been in the House and Senate so long—knows, when the bill goes into conference the conferees on the part of the House will present the justification for the amount that is set forth in the bill. The Senate committee has not been able to secure the information it desires; but in conference the House conferees doubtless will make a showing. If they make a proper showing the conferees on the part of the Senate certainly will see that whatever is proper in the premises is done.

Mr. BARKLEY. If the Senator will yield at that point, the amount carried in the bill is only half the amount of the Budget estimate. What they estimated was \$5,000,000. Only two and one-half million dollars of that amount is carried in this bill.

Mr. BYRNES. Yes; but, Mr. President, I desire to recall another statement made by the Senator from Kentucky a few moments ago. Those amendments to the act were passed in February. A deficiency bill was passed by the Congress within the last week of the Congress. There was absolutely no reason why a supplemental estimate should not have been submitted to the Congress at that time. I believe it should have been done.

Mr. BARKLEY. If the Senator will yield, I understood that the F. H. A. went to the Director of the Budget for that purpose, and were advised that up to that time they had no facts upon which to base a request for an additional amount, and to wait until the regular appropriation.

Mr. ADAMS. Mr. President—

Mr. BYRNES. No; the statement was that the F. H. A. went to the Director of the Budget in February, at the time of the passage of the act. March went by, and April went by, and May went by, and June went by, and during those 4 months they had time enough to determine how much money should be appropriated. They could have submitted an estimate, and the Senate is entitled to know and its Appropriations Committee is entitled to know why it was not done, and the reason for the submission now of the request for an increase in this fund. If good reasons are submitted by the House conferees, and the Director of the Budget furnishes some information on the subject, I have no doubt that whatever is proper will be done.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. BYRNES. I yield to the Senator from Colorado.

Mr. ADAMS. The facts are that the Housing Administration are out of money because they did not observe the antideficiency law. Is not that the case?

Mr. BYRNES. Of course, Mr. President, that is true. Their defense is that they were told by the Director of the Budget that they could ignore the law.

Mr. ADAMS. Is there any reason why the Federal Housing Administration should trust the Director of the Budget rather than the statutes for their information?

Mr. BYRNES. No; only that they have become accustomed to do it, and the Director of the Budget has become, in the opinion of the executive departments, the determining factor as to how they shall spend their money. If he is to occupy that position, the Congress of the United States is entitled to have an answer to the request for information as to why he told an executive department to go ahead and use the money.

Mr. ADAMS. So the executive department spent in 8 months money appropriated to cover a 12-month period?

Mr. BYRNES. Yes.

Mr. ADAMS. And the explanation is that they did it because the Director of the Budget said it would be all right for them to do it?

Mr. BYRNES. That is an exact statement of facts.

Mr. BARKLEY. Mr. President, I do not want to continue the argument about the matter. The fact is that the F. H. A. need the money.

Mr. ADAMS. They need it because they did not observe the law.

Mr. BARKLEY. Congress probably did not observe its obligation to the F. H. A. when it increased their work and required them to do that additional work on the same amount of money. In an effort to correct that situation the F. H. A. went to the Budget Bureau; whether it was in February or later, I do not know. They did go in February. They may have gone later. I am not sure.

But they need some money. They are out of money. I do not care whether it is put in the bill in the Senate or put in in conference. What I am anxious about is that the F. H. A. shall not be required to curtail their activities on the 1st of March, which they will have to do unless they get this money.

Mr. ADAMS. We all agree with the Senator that the F. H. A. should not be required to curtail their activities. On the other hand, executive departments ought not to be permitted to determine for themselves whether or not they will observe the law. The Congress provides the money. The Congress has specified how the money shall be expended. If every executive department may decide for itself, or even with the concurrence of the Budget Director, that it is going to spend a year's appropriation in 8 months, it can decide that it will spend it in 6 months, or 3 months, or 1 month; and then we shall be told, "Well, you must give them some more money, because they need it."

Mr. BARKLEY. I agree with the Senator as a matter of principle; but this seems to be an isolated case.

Mr. ADAMS. It is not an isolated case.

Mr. BARKLEY. The conditions which brought about the necessity were imposed by Congress itself. I suppose there was more or less running conversation between the Admin-

istrator and the Budget Director. The F. H. A. realized, as soon as we amended the law, that they would need more money, and they did what any prudent businessman or organization would do; they went to the source in order to get it.

They were advised that they had no facts at that time upon which to base the request, and to observe their experience in the enforcement of the amendments which we had provided. In doing that they may have left the idea that they could go ahead and operate under the law passed by Congress, which would require from month to month more money, and that, if it was required, when the time came they could submit an estimate and it would be sent in.

That happened. They have estimated \$5,000,000. I do not want to encourage violation of the law by the Director of the Budget or any other department; and yet, in a technical situation like this, I do not think we are justified in being meticulous about a situation which it seems to me we all admit ought not to exist. If somebody else has been derelict in his duty, the F. H. A. ought not to be charged with the responsibility for it. The point is here is a great agency that is going on stimulating the building of houses, the giving of employment, and all that.

If we are to deny them the amount of money they need on a technicality in order to teach someone else a lesson, I doubt the wisdom of it, frankly.

Mr. ADAMS. Mr. President, I may say to the Senator that this was not the first instance of the kind. The F. H. A. are supplied with a fine legal staff. It does seem as if, when every department of the executive branch of the Government can hire fine lawyers, they ought to be able to advise the departments that the laws made by the Congress must be observed.

Mr. BYRNES. Mr. President, in addition to what the Senator from Colorado has said, the counsel for F. H. A. knew it was the law that they should apportion their funds. The counsel for F. H. A. should know that the Director of the Budget is not above the law, and if the Director of the Budget tells them that they can disregard the law, they might well appeal, as they now appeal, to Members of the Senate. Had they done so after the passage of the bill at the last session of Congress they would have been properly advised. I know of no justification for the Director of the Budget not complying with their request. Congress had passed a law increasing the business of F. H. A. If it is said that they could not know how much they would need, that could be said of any agency whenever there is an amendment to the law. They could have submitted an estimate; then it would have been the duty of the Congress to determine whether it was wise or not to make the additional appropriation. Such appropriations are made at the end of every session. In the closing days of the last session more than half a dozen legislative acts passed the Congress, which required the making of appropriations to provide for the agencies until Congress met at this session. The necessary action was taken in the case of all these other agencies, and it will be done as to this.

If F. H. A. through its representatives has made a proper showing to the House, the House will present it to the conference, and the matter will be settled properly.

Mr. BARKLEY. Mr. President, I take it for granted, from all the Senator has said, that the blame is not on the F. H. A., but on the Director of the Budget. I understand they did go to him at once, whether with a definite estimate or not I do not recall, but they did ask for more funds, and they were advised not to present the request at that time because they had not had the experience. It is true that if the F. H. A. had apportioned the funds then available over the year, they could not have carried on the additional duties imposed on them by Congress without abandoning some other duties in which they were then engaged. So that it is as broad as it is long; they could not have apportioned without refusing to do the additional things, or abandoning some already in progress.

Mr. BYRNES. If those be the facts, I have no doubt a proper settlement will be made. In the meantime, even if the Director of the Budget advises them that they can ex-

pend money without regarding the law, they had better call it to the attention of the Senator from Kentucky. If they had called this matter to his attention, they would not now be in the fix in which they find themselves.

AMERICA'S FOREIGN POLICY

Mr. REYNOLDS. Mr. President, I am very happy indeed to see so many Senators present at this hour, because they will be provided an opportunity to join in the debate which in all probability my address will start. I intend to speak today briefly about foreign affairs, and I am very desirous at this time of ascertaining from this body its attitude relative to that very great question. I wish to say further that I am of the opinion that the American people themselves are desirous of ascertaining the attitude of the Members of this body in reference to foreign relations.

Mr. President, in view of the fact that I expect primarily to address myself to the remarks which were delivered last evening by my personal friend and by our colleague the distinguished senior Senator from the State of Nevada [Mr. PITTMAN], who presides most ably as the chairman of the Committee on Foreign Relations of the Senate, I am in high hope that during the course of my argument he will be present, because he will probably be desirous of directing some questions to me, and I should like in a most friendly way to be provided the opportunity of directing some inquiries to the chairman of the Committee on Foreign Relations, for I assume from the phraseology of the address so ably delivered last evening by him as a guest of the Evening Star, through the facilities of their radio forum, that he was speaking for the administration, which means that he was speaking for the President of the United States.

I say to the Members of the Senate, and I likewise say now to the American people, that if the chairman of our Committee on Foreign Relations was speaking for the President of the United States when he outlined very definitely in paragraph 3 of his address what was said by him to be the policy of the Roosevelt administration, then the American people need have no fear whatsoever of this Nation becoming involved in any way with any other nation upon the face of the earth.

Paragraphs 1, 2, 3, and 4 of the address of the distinguished Senator were prefaced by the following one-line statement:

There are, in my opinion, only four fundamental foreign policies of governments. These policies may be stated as follows:

(1) A policy based upon conquest of territory and domination of the lives of the nationals of other nations through military force or the threat of the use of military force.

That is fundamental policy of government No. 1, and that policy may be described as the one which has been utilized by Great Britain since the year 1172, because of all the aggressors upon the nations of the earth Great Britain is unquestionably the greatest aggressor. I am confident that no Member of this body who is familiar with the aggressions which have been made by Great Britain since 1172, when she began those aggressions upon the island of Ireland, will deny the accuracy of my statement.

(2) The policy of appeasement.

I assume that there our distinguished colleague had in mind the recent act on the part of Great Britain and France, when the decision by those two so-called democracies was made at Munich which brought about the dismemberment of Czechoslovakia itself.

The next policy of government he states as follows:

(3) The policy of defense. This policy includes the protection of a country's territory, and the rights of its nationals throughout the universe. It holds that such protection shall be accomplished, first, through every established, peaceful instrumentality; second, through every legal resistance to encroachments upon the integrity of a nation's territory and the rights of its nationals; and third and lastly, through the use of physical force, if every other means has failed, to successfully defend its territory and the rights of its nationals.

If policy No. 3 is the policy of the present administration; if policy No. 3 is the policy of our great and beloved President, Franklin D. Roosevelt; if policy No. 3 is the policy of the United States of America, then the 130,000,000 of this country

who are today worried, particularly the mothers, for fear we will be drawn into war, need no longer have any fear whatsoever, because if we stick squarely to policy No. 3 as outlined by the chairman of our Committee on Foreign Relations, we will not become involved in war, nor will we be approached by the danger of war.

In that connection I turn to page 3 of a multigraph copy of the speech to which I have referred, and from which I am reading, and I find that in the next to the last paragraph the senior Senator from Nevada makes the following statement:

And what is our foreign policy in the circumstances? I have attempted to state it in the third policy.

The third policy I have just read to the Members of the Senate. I desire to quote further the same paragraph from which I have just read in the speech of the chairman of the Committee on Foreign Relations:

We will not aid a government whose policy is based upon conquest and military domination.

In other words, we are told by the President of the United States, if our chairman of the Committee on Foreign Relations speaks for the President of the United States, that we will not join with any nation which is engaged in aggression, with any nation which has been guilty of engaging in aggression.

In this connection I desire at this time to repeat that in my opinion and certainly in the opinion of all others who have familiarized themselves with the history of the aggressions committed by the nations of this earth, Great Britain is the greatest aggressor of all aggressors. Let us see. I say "Let us see," because Great Britain at this hour is engaged in endeavoring to draw our interests once again across the sea, and to secure our backing physically if she once again becomes engaged in conflict, in war abroad.

Until the year 1172 other nations had been aggressors against the British Isles, but when that period of aggression terminated, according to the pages of history, immediately thereafter, beginning in the year 1172, Great Britain herself began to be an aggressor. Her very first act of aggression was to bring about the conquest of Ireland, and since the year 1172 almost until this present hour, she kept the Irish people, numbering into the millions, under her domination. Great Britain herself, proclaims to the world that she is one of the great democracies. Yet we know that almost to this hour she has kept the yoke of oppression firmly upon the shoulders of more than 3,000,000 of the Irish people. Only a portion, to the extent of a little over 2,000,000 of the Irish people, have succeeded in attaining for themselves a small portion of the liberty which they seek.

No sooner had Great Britain, the aggressor, who now has the audacity to accuse other nations of the world and to criticize them for doing the same thing that she has done for more than 667 years—no sooner had Great Britain brought about the conquest of Ireland until she turned her face toward Wales and made conquest of Wales.

Then she directed her interest toward Scotland, and brought Scotland under her influence. History teaches us that every single inch of land she possesses in the four corners of the globe, and every single particle of territory she rules over today, aggregating one-fourth of all the land upon the face of the earth, she obtained by conquest.

Let us see. She got Ireland; she got Wales, she got Scotland, and by her aggressions, by her conquests, she got Canada, Newfoundland, Australia, Ascension Island, Cyprus, Northern Rhodesia, Southern Rhodesia, Uganda, her possessions in Northern Africa, India, the Malay Settlements, the Straits Settlements, British Honduras—we have her at our very back door, or side step, I might say—Bermuda, the Bahama Islands, with their capital city of Nassau, Bimini, Jamaica, in the West Indies the Barbados, Trinidad, the capital of which is Port of Spain, and down the coast of South America to British Guiana. In other words all the territory that Great Britain possesses today, which is one-quarter of the surface of the earth, she has obtained by aggression, by unholy and bloody conquests. And Great Britain

has the audacity to censure Mussolini, the Italians, for their conquest of Ethiopia. Great Britain has the colossal nerve to censure and to criticize Hitler and the German people for their aggressions to the east of Germany, when we all know that the greatest aggressor, the bloodiest aggressor the world has ever known, is John Bull himself, and no one can defend John Bull and the bloody aggressions of his people to the satisfaction of the American people.

Men talk about the blood that was spilled in Ethiopia. The British now tell American citizens through their propaganda leaflets that the things that are taking place in Asia are horrible; that what is being done today in Germany and the territory under the influence of Germany has never been equalled in all the world. Anyone who is familiar with history, however, knows that some of the most dastardly crimes, some of the greatest murders that have ever been committed in all the history of the world, were committed by Great Britain upon her own neighbors, upon her own people who were living within a stone's throw of the great metropolis of London itself.

When we hear the British criticizing Mussolini, when we hear the British criticizing Hitler, when we hear the British criticizing the Mikado, when we hear the British criticizing those who are opposed to the British form of government, those who are challenging the power of Great Britain, we never hear the British tell about the year 1795. It was in 1776, on July the 4th, that we made pronouncement of the Declaration of Independence in Philadelphia, and only a few years thereafter, inspired by that same Declaration of Independence at Philadelphia, the Irish, many hundreds of thousands in number, issued a declaration of independence, and brought about a revolution in Ireland. That occurred only a few years after our outspoken Declaration of Independence.

When there was an uprising of the Irish people in 1795, when their neighbors wanted freedom, what did the British, the aggressors who are crawling to us now on their knees asking for aid, do? They murdered 160,000 of them. And in the Irish uprising of 1795 the British lost only 20,000 men.

The years passed, but all through the years we find the British doing what? We find them continuing their aggressions, continuing their conquests, continuing their murders, until we come to the year 1916, when seven patriots of Ireland attached their signatures to a document which occasioned their being murdered. And at that same time in Ireland, in 1916, more than 16 Irishmen, patriots, who merely sought liberty under democracy, were executed.

Then we come to the year 1919, when, as we remember, there occurred the Black and Tan raids in Ireland, and we recall from the pages of the newspapers we read from time to time, that thousands upon thousands of innocent children and defenseless women and aged men were deprived of their homes and were beaten, robbed, assaulted, and attacked.

Yet Great Britain holds herself out to the American public and to the world as being one of the greatest democracies upon the face of the earth.

How different is the democracy of Great Britain from the democracy of the United States of America. When the island of Cuba came into our possession after the war of 1898, what did we do? We provided men and funds, time and energy, to clean up the pest hole and deliver the island itself to the people to whom it belonged. As a result of the same controversy we came into possession of the Philippine Islands, many large ones and more than 3,000 small ones. After the expenditure of millions upon millions of dollars for the construction of roads, the erection of public buildings, and the maintenance of schoolhouses, appreciating what the word "liberty" means, we have agreed to turn over to the 15,000,000 or 16,000,000 constituting the population of the Philippine Commonwealth all the money expended in their behalf, all the structures and all the good that we did for them. What a difference between the democracy of the United States of America and the so-called democracy of Great Britain.

I mention this, Mr. President, in the course of my observations this afternoon for the reason that I now wish to tell the

world that, in my opinion, the American people will not contribute the life of a single son of an American mother to save a so-called democracy like that of Great Britain or France. If anyone is interested in ascertaining whether or not I have today spoken the sentiments of the American people themselves, all he has to do to satisfy himself that I have spoken the sentiments of the American mothers—who, after all is said and done, are the rulers of America—is to go out into the isolated sections of the United States, or into the metropolitan sections of the United States, and find out for himself what the people who live in those respective communities think about our sending soldiers again to foreign shores for the purpose of saving Christianity and democracy.

Mr. President, I wish to read the greater portion of the speech so eloquently delivered last night by my colleague from Nevada as a result of the courtesy extended by the Washington Evening Star, because I desire to avail myself of the opportunity to bring some very pertinent facts and statements to the attention of the American people. In my simple way I desire to be provided the opportunity of airing my views upon these subjects, which views I trust and believe will meet with the approval of the American people, if I am any judge of what the American people want, having ascertained their attitude toward our becoming involved in another war as a result of having made inquiry in many different sections of the United States.

In the course of the address of the senior Senator from the State of Nevada [Mr. PITTMAN], he said:

I shall very briefly discuss, first, this latter policy.

The "latter policy" being policy No. 4 mentioned by him, reading as follows:

The last of the four policies, which some governments have practiced, is the policy of isolation.

That, Mr. President, is partially the policy which the United States Government is today following.

The senior Senator from Nevada continues:

I shall very briefly discuss, first, this latter policy, as unfortunately, in spite of the history of its uniform puerility, it is urged by some of our citizens—even by men and women of prominence.

Mr. President, a policy of that sort may appear to some persons to be childish; but I say to the Members of this body that the American people are desirous of pursuing a policy which will keep the United States of America out of another war.

The Senator from Nevada proceeds:

The people of a country, through their government, can isolate themselves by refraining from taking any part in world affairs. They cannot, however, by this action impose isolation upon any other country—

That unquestionably is true—

nor can they prevent any other country from violating their isolation.

That, I will add, unquestionably is true.

We have so many recent examples of peoples and their governments attempting to protect their territory and their peace and safety through the doctrine of isolation, that the impracticability of the policy is self-evident.

Then certain examples are brought to the attention of the American public in this address. For instance:

Austria, since the World War, adopted and practiced a policy of isolation. Behold Austria.

I say, Mr. President, that in beholding Austria we must fashion in our respective minds the geographical location of Austria and the influences within and surrounding Austria at the time it was taken over by the German people.

Ethiopia practiced the policy of isolation. Note the condition of Ethiopia.

France, one of the great democracies which we are called upon to aid perhaps by sending American boys overseas within the next 2 years, was our ally in the World War. Italy was our ally in the World War. Great Britain also was our ally in the World War. In 1920, almost 20 years ago, the

great democracies of France and Great Britain made an agreement with Italy to encroach upon the territory of Ethiopia, to commit aggression upon the territory of Ethiopia, to bring about the conquest of Ethiopia. What was the agreement between Italy and the great democracies of France and Great Britain?

The agreement was that if and when Ethiopia was conquered, France was to have the railroad leading from Djibouti, the capital of French Somaliland, for 498 miles to Addis Ababa, the capital of Ethiopia, and that Great Britain was to have Lake Tana in Ethiopia, from which flow the blue waters of the Nile. Italy itself was to have the land.

That is an example of the purity of the great democracies of France and Great Britain, which we are being called upon to save. They themselves had agreed to divide up Ethiopia.

A noteworthy fact in that connection is that in 1935, as will be recalled, when Mussolini was engaged in the conquest of Ethiopia, Great Britain called upon the United States of America to aid her and the League of Nations in the enforcement of the oil sanctions. At the very time Anthony Eden, in charge of foreign affairs for the British Government in November 1935, was calling upon us to aid Great Britain and the League of Nations in the enforcement of the oil sanctions against Mussolini lo and behold, Great Britain was engaged in selling oil to Mussolini in order that he might more speedily carry out his conquest. Lo and behold, about the first government to bring about the recognition of the conquest of Ethiopia was none other than the British Government itself. So we cannot properly refer to Ethiopia as being a country which was isolated.

I desire to discuss each and every one of these instances today, without apologizing for the consumption of time, because, as stated by the chairman of the Foreign Relations Committee at the very outset of his speech, and as I now state to the American people, there is no subject of greater importance to the American people today than the subject under discussion. If anyone has reason to doubt that statement, Mr. President, all he has to do is to go into any church or schoolhouse, or to go into any forum or public place anywhere in the United States. What will he find?

He will find that the American people are more deeply interested in keeping the United States out of war than in any other subject. Let us see what further is said.

Czechoslovakia—

And we all know the pathetic history of Czechoslovakia—under the rules of the League of Nations practiced the policy of isolation.

As Senators know, Czechoslovakia was created at Versailles from parts and portions, according to my recollection, of Yugoslavia, Hungary, Poland, and other surrounding nations. The really ancient part known in works on geography of that section of the world was the portion in the immediate neighborhood of the capital thereof, the ancient capital of Prague.

Czechoslovakia, under the rules of the League of Nations, practiced the policy of isolation. Czechoslovakia's territory has been divided up, its government destroyed, and its spirit of democracy annihilated.

Witness China. No people and no government ever practiced more sincerely the doctrine of isolation. They interfered with no other government and no other people. They made no preparation for defense, relying upon their peaceful attitude, the treaty promises of other governments, and their pronounced and practiced policy of isolation.

China experienced safety in her isolation, Senators, until she was invaded by the Communists from the Soviet Union. We all know that prior to and even extending up to the time of the conquest of China by Japan two-thirds of China was ruled by Communists. Likewise, Members of the Senate who, in recent years, have visited Japan know that one of the greatest menaces that Japan had to combat, and, as a matter of fact, is being called upon to guard against and combat today, was the plague of communism. Now China is being conquered by Japan, but witness the fact that the conquest thus far has extended itself principally along the arteries of the

highways in that country, which is said to be about two-thirds of the size of the United States and to possess a population of between 400,000,000 and 500,000,000.

Let us now return to the policy of conquest and domination through military force and the threat of the use of military force. This policy has been adopted and is now being practiced by the Governments of Germany, Italy, and Japan—

Countries to which I have frequently referred, Mr. President, as the "unholy alliance"—

three of the most powerful military governments in the world. These Governments are absolutely controlled by arbitrary and ruthless dictators—Germany by Hitler, Italy by Mussolini, and Japan by a small military clique.

I continue to quote from the address delivered by the Senator from Nevada:

What are the intentions of these military dictators? Do their policies constitute any threat to the safety of the United States? We can only determine these questions by a study of the statements and the actions of these military dictators. Time does not permit me to read the numerous statements of these dictators. They have been published time and again. They have all ridiculed democratic forms of government. They have even pitied our people in the United States because, as they allege, our Government is too weak and too cowardly not only to protect our citizens and our institutions from abroad but even to protect our peaceful citizens from lawlessness at home. They have defied the League of Nations, the Nine-Power Treaty, and every instrumentality that governments have set up to protect the integrity and the rights of small governments against unjust domination and conquest and for the preservation of peace among all nations.

The statement does not require confirmation to those who read. Great Britain and France urged that there should be arbitration with regard to the Sudetenland. Was this agreed to? No. Hitler had 1,000,000 soldiers on the border of Czechoslovakia. He had more airplanes than France and Great Britain combined.

That is true.

He and Mussolini had twice the capacity for production of airplanes of Great Britain and France. Hitler refused to arbitrate the justice of his demands. Why? Because Great Britain and France had discovered that Hitler had a dominating military force in the air and on land.

That statement is unquestionably a statement of fact. Those who were sufficiently interested at the time and immediately thereafter to make inquiry why the concessions were made at Munich know, as the chairman of the Foreign Relations Committee has stated, that Mussolini and Hitler were prepared in arms and armament, and, in addition thereto, Hitler himself, directing the German people, was in possession of more airplanes than the so-called democracies of France and Great Britain combined.

Could there be any more perfect demonstration of rule by force than the determination of the conference at Munich?

I answer, no; there could not have been a more perfect demonstration.

This also clearly exposes the puerility of the power of appeasement. Hitler was not uneasy. The British Government in 1932 abandoned the policy of defense and adopted the policy of appeasement. It has practiced such policy of appeasement ever since, without accomplishing anything for ultimate peace, but, on the contrary, to the encouragement and aid of the ambition of the dictator governments, which ambition, unless obstructed, inevitably will lead to the most disastrous war in all history.

We must admit, Senators, that the appeasement at Munich did continue peace in Europe and in all parts of Europe at the time. Those who are familiar with the conditions, those who have familiarized themselves with the facts will agree to the statement that had not that appeasement been made at that time, then London certainly, and perhaps Paris, would have been razed to the ground by the bombardments of the airmen who were at their stations only a few hours distant from those cities.

When Japan challenged the indictment of the League of Nations and the opinion of the world in 1932—

At that time we were not a member of the League of Nations; we have never been a member of the League of Nations; and, as a matter of fact, we have never been a member of the World Court. In 1934 there was an effort to place the United States of America in the World Court, but we who opposed that effort claimed it was the back door to the League of Nations. Mr. President, I state unhesitatingly

that I, for one, am glad that the United States never became a member of the World Court; I am glad we never joined the League of Nations, because, in my humble opinion, had we done so we would, long before this, as the result of such affiliation, have become involved in some entanglements that would have led us into war. I repeat, the American people are determined to stay out of war, either by isolation or otherwise, because they had their stomachs filled with war during their brief participation in it from April 6, 1917, until November 11, 1918, the date of the armistice, which participation to date has cost the American taxpayers a sum aggregating billions upon billions of dollars—a sum estimated by some to reach the enormous total of \$67,000,000,000—and it is said that before we shall have finished paying for the World War we will have paid out nigh onto \$100,000,000,000.

I resume the quotation from the address delivered by the Senator from Nevada:

When Japan challenged the indictment of the League of Nations and the opinion of the world in 1932, and continued her conquest of Manchuria (a part of China), the policy of appeasement of Great Britain was expressed by Mr. Simon when he yielded to Japan on the promise that Japan would not interfere with the open-door policy in Manchuria and the commerce of Great Britain. Of course, Japan never intended to maintain the open-door policy in Manchuria, and did not maintain such policy. On the contrary, through a fiction of local self-government, Japan has practically excluded the commerce of all countries—except her own—from Manchuria.

Again, when Mussolini undertook his conquest of Ethiopia the British Government, with absolute influence over the League of Nations, composed of over 52 nations, after actuating them to assert the policy of the League of Nations, retreated under the policy of appeasement.

I mentioned only a moment ago that in 1920 Great Britain, France, and Italy had all agreed to enter into and did enter into what might be called a conspiracy to bring about the conquest of Ethiopia, certain portions thereof to be divided amongst them; and I have mentioned the fact that in November 1935, when, as many Senators will remember, Great Britain probably had a greater tonnage of iron and steel in the form of battleships assembled in the Mediterranean at Alexandria, Egypt, than ever in her history, the astute Anthony Eden, who visited us only a few weeks ago, was desirous of the United States joining Great Britain in the enforcement of the oil sanctions.

Ethiopia was conquered. Hitler advanced and fortified the Rhine, and Great Britain, under the policy of appeasement, did nothing. Hitler conquered Austria without battle, and Great Britain yielded under the policy of appeasement. Czechoslovakia, whose territorial and political integrity were guaranteed by Great Britain and France and 52 other nations, was yielded to the military domination of Hitler under the policy of appeasement.

What do we find at Munich? We find at Munich Mr. Chamberlain, the Prime Minister of Great Britain; we find there the representatives of France; and we find there those gentlemen permitting the dismemberment of Czechoslovakia itself. We find, according to my recollection, that France then had and now has a military alliance with Russia itself, and when Russia was called upon, and they made inquiry of her what she could do, she answered not.

That is what happened. That is what took place in the appeasement mentioned in this address.

The policy of appeasement has not only been unsuccessful and ultimately destructive, but has been immoral.

Mr. President, I cannot agree that the policy was immoral. Those who are familiar with the situation, those who studied it at the time, those who were sufficiently interested to provide some sort of information for themselves at that particular time, know that the only thing Chamberlain possibly could have done was just exactly what he did, because Great Britain was not prepared. France was not prepared. Neither of them had been prepared over the course of the years during which Hitler and the German people had been preparing to reclaim that which they claimed was unlawfully, illegally, improperly, and immorally taken away from them. I cannot say that it was immoral for Chamberlain to do that, because when Chamberlain brought about that consent, when he brought about that agreement at Munich, I say to you that he had in mind then and there the lives of the

children and the men and women and the 49,000,000 persons constituting the population of the British Isles themselves.

Continuing:

It is evident that no person can die but once, and the period of life is limited; and that it is far better that he die a few days earlier—

Listen, Mr. President, listen, Members of the Senate—
for Christianity, justice, and liberty than that he live a little longer in cowardice and degeneracy.

Let us pause there, Senators. Let us pause there in the interest of American motherhood. Let us pause there in their interest, because they and they only are the ones who are being called upon to make this sacrifice, if a sacrifice of American sons is to be made. Let us pause there, Senators, because the sons of American mothers are the ones who will be used as cannon fodder; and let us see whether or not it was immoral for Chamberlain to come to the conclusion that he reached. Let us see whether or not it is far better to "die a few days earlier" if you can save Christianity and preserve justice and liberty.

Mr. DAVIS. Mr. President—

Mr. REYNOLDS. I yield to the Senator from Pennsylvania.

Mr. DAVIS. Who made the statement which the Senator has just read?

Mr. REYNOLDS. This is a statement made by the chairman of the Foreign Relations Committee of the Senate, my distinguished colleague from the State of Nevada [Mr. PITTMAN].

Senators, in 1917 the word "Christianity" and the word "democracy" were employed more times than ever before in all the history of the world, because we heard throughout the length and breadth of this land from the lips of the orators that we should send mothers' sons across the turbulent waters of the Atlantic to foreign shores, to do what? To save the world for Christianity, and to spare democracy. Those poor mothers of America then believed that by making the supreme sacrifice, by sacrificing upon the altar of war their own flesh and blood, they could save Christianity and preserve democracy. But the mothers of America now know that they were not able to do that. There are in America today 37,000 American mothers who know the truth of that statement better than any other mothers in America; and why? Because during our brief participation in the World War 37,000 American soldiers were killed; the hearts of 37,000 American mothers were broken; and those 37,000 American mothers today know that the lives of their sons were not sacrificed in order that Christianity and democracy might be spared. Why? Because, in the first place, they know that the democracy of Great Britain is not the democracy of the United States of America. They know that the democracy of Great Britain does not provide liberty for the people of the world, as does the democracy of the United States of America. Those mothers know that they did not sacrifice their flesh and blood upon the altar of war in order that all wars might be ended and Christianity spared, because, Mr. President, within the past 3 years more than 3,000,000 men and women, boys and girls, have been killed in war.

Up to date, since the revolution in Spain began in July of 1936, more than a million persons have been killed. Those who write, better knowing in regard to the Ethiopian situation, tell us that since the conquest of Ethiopia began, up to the present time, a little less than half a million persons have been killed, 497,000 persons. We know that up to date about 1,900,000 persons have been killed, murdered, in China. So the American mothers who are familiar with these facts and with the conditions existing today throughout the hemisphere know that they did not send their sons to Europe for the purpose of saving democracy and ending war, because their action has done no such thing. That is why the American mothers themselves today are up in arms, and the American people are against any war, and the American people today are against any statement by any citizen in public life that will lead to war.

Let us see, Mr. President:

Hitler told Chamberlain that he was only interested in the borders of the Sudetenland. A few weeks later he changed the borders of Czechoslovakia in many other particulars. He declined to permit the borders of Poland and Hungary to be joined.

That is true. Then the Senator from Nevada asks the question:

Why?

Then he states:

Because every student of history knows that he intends to preserve an alley through which he can conquer Ukraine.

That is true.

Does anyone doubt that Hitler has in his program the domination of Ukraine? In fact, does anyone doubt that Hitler has the domination of Siberia in mind?

In regard to that, I want to say that I do not think there is any doubt that Hitler has in mind the conquest of the Ukraine. Let us see about it. The condition is just as the Senator from Nevada stated. Hitler really did refuse, according to my understanding, to permit the borders of Hungary and of Poland to be joined, because Hitler is now constructing broader and better roads the length and breadth of Czechoslovakia, so that he may send his armies from Germany eastward across Czechoslovakia. They will pass to the north of Hungary and to the south of Poland, and then they will pass across Rumania—north of Bucharest, however—to the Black Sea, and find their way out north of Odessa in the Ukraine. It is my opinion that Hitler is going to bring about the conquest of the Ukraine as the result of sending his agents there; and, as a matter of fact, I venture the opinion that he will not experience a great deal of difficulty in bringing about the conquest of that territory, for this reason:

Around 1933 and 1934 the Soviet Government called upon the wheat growers of the Ukraine, which lies east of Rumania and Poland and north of the Black Sea and Odessa, to pay tribute to the central government in the physical form of wheat. When the Ukrainian farmers made refusal of the request of Stalin to deliver up to the central government millions upon millions of barrels of wheat the central government itself deliberately, without any hesitation whatsoever, in order to punish the thirty or forty million people of the Ukraine, seized that wheat and brought about the murder, in the form of starvation, of anywhere from three to seven million people. So today the people of the Ukraine, recognizing, realizing, and remembering that their central government of Bolsheviks and Communists starved 7,000,000 of their fellow citizens, murdered 7,000,000 of their fellow citizens, probably would welcome Hitler and his gang rather than keep Stalin there.

By the way, as I read the address of the Senator from Nevada I observe in virtually every paragraph he very rightly attacked Hitler, Mussolini, and the Mikado, but I am exceedingly regretful to observe that not one single mention was made of the greatest murderer, the most heartless man upon the face of the earth. That murderer is none other than Stalin himself. I regret exceedingly that throughout the length and breadth of the address I see no mention of the Communists themselves. Nor do I see any mention or criticism of Stalin, the most wicked, the most murderous man upon the face of the earth.

Hasn't Hungary joined his alliance?

Yes.

Hasn't Hungary been compelled to discharge Imready?

Yes; and we all know why he was discharged.

Hasn't Hungary been compelled to discharge Imready, its anti-Nazi Premier, and place in his stead a Nazi Premier? Did not the policy of appeasement of Great Britain surrender to the mercy of Hitler not only Czechoslovakia, but Poland, Rumania, Yugoslavia, and Turkey?

Yes and no. Yugoslavia was sacrificed by the democracies. Yugoslavia was sacrificed by Russia, an ally of France, by the democracy of France, and by the democracy of Great Britain.

Poland, not as yet, because Poland is playing hide and seek between Stalin and Hitler.

We all know the story of Rumania. When Hitler proceeds eastward to the Ukraine of Russia he must of necessity pass over the territory of Rumania, and that is where, I am rather inclined to believe, Hitler is going to experience some difficulty, for I do not think Carol is going to yield to the demands of Hitler, because Carol probably has made up his mind that he will make the last stand for the Balkans; but whether or not he is going to have any aid provided by others it is difficult to say.

In Yugoslavia, as we all know, the interests are evenly divided between Hitler and Mussolini.

As for Turkey—poor Turkey. Recently, according to press reports, a hundred million dollars were loaned to Turkey by Hitler.

The next question asked by the Senator from Nevada is:

What is there to stop his domination, if not conquest, of these countries?

I do not know of anything; but regardless of who wants to stop Mussolini, regardless of who wants to stop Hitler, I am against the United States sending any soldiers from American territory to any part or portion of Europe to stop Hitler when Hitler is not headed toward us, when Hitler is headed away from us. I would not give the blood of one American son of one American mother to save any of the nations over there.

It is loose talk to say that we have to stop the encroachments of the dictator nations upon other peoples of Europe. I ask, Mr. President, what business is it of ours? The mothers of America are asking men in public life today, What business is it of ours? I take the privilege of employing the word "mothers" frequently today, because I know, as my colleagues know, that this is no laughing matter. I know, as other Senators know, and as I have said repeatedly, that, after all, the mothers of the country are the ones who are paying the bill, and the ones who are lying awake late at night worrying, the mothers who are afraid of having taken from their arms and their bosoms their sons, whom they worship and adore.

Yes, Hitler is going east, but I say that we are not going to get together an army and send an army over there to stop him, so long as he is going away from us.

What else do we find in this address of the Senator from Nevada?

What is there to stop his domination, if not conquest, of these countries? What can Holland and Denmark do with regard to the demands of Hitler, in view of Hitler's dominating military force and policy, and the policy of appeasement of Great Britain?

What is there to stop him? What can Holland and Denmark do? Let them answer that. Let the people of Holland answer that question. Let the people of Denmark answer that question. We have enough on our hands here at home, and, as I have repeatedly stated, let Uncle Sam keep his nose out of the domestic affairs of other nations. Let us keep Uncle Sam's nose clean for him. I hope we have him here at home. Let us keep him here at home. He has been all around the world trying to serve as chief of police of the world, while we have troubles of our own here. We have to guard our foreign policy. We have to watch it carefully. It is now creating much talk.

We find that we need help here. When I was in my home city in North Carolina a few days ago I picked up the Charlotte Observer on a Sunday morning. One page is devoted to letters written to the newspaper by various subscribers interested in sundry subjects, and I noticed 9 out of every 10 letters contributed to those columns were written by persons who interested themselves in what was going on in Europe, in some "ism," and only 1 out of 10 interested himself in what is going on in this country.

Do we need a chief of police here at home? We certainly do. The former Attorney General of the United States, Mr. Homer Cummings, about a year ago issued a pamphlet in which he ventured the opinion that the criminals of the United States of America cost the taxpayers of this country,

according to his estimate, published in the pamphlet, from fifteen to seventeen billion dollars annually. Someone in the Bureau of Investigation of the Department of Justice, I think it was Mr. Edgar Hoover, stated that today there were classified as criminals in the United States a total of about 4,700,000 men.

Think of it, \$15,000,000,000 annually! Think of it, 300,000 more men designated as criminals in the United States today than we had in uniform and under arms at the close of the war, on November 11, 1918, when our entire armed forces numbered approximately 4,400,000 men.

I say that we should stay at home and attend to our own business, and that very doctrine I have been preaching for months upon months past. There is not a State in the Union in which I have not made a speech on the subject, reiterating that Uncle Sam should keep his nose out of other people's business. If he does that, there will be no trouble. As I have heretofore stated, we ought to wash behind the old gentleman's ears before we tell anybody else to take a bath. We do not want any trouble with any other country in the world. We want to remain at peace.

What I want our country to do first is to cause industry to make utilization of the 12,000,000 people who today are unemployed. In that connection, I cannot resist the temptation of stating that I hope that there will be passed at the present session of Congress a bill I have introduced providing that there shall be no immigration to this country whatsoever for the next 10 years, or until such time as every employable of the 12,000,000 unemployed may be provided with a job.

In addition to that, speaking of war, I hope Congress will pass at this session another bill I have introduced, a bill which the American people want passed and which will bring about mandatory registration of every alien within our borders, so that we may know how many aliens are in the United States, where they are, and what they are doing here.

Pursuing the statement made by the most excellent chairman of the Committee on Foreign Relations, the Senator from Nevada, I find that he says:

For the time being, we will pass Mussolini. He has militarized Italy to the fullest extent. He has a tremendous military force. He is by force of circumstances—and may continue to be—in the Berlin-Rome-Tokyo axis.

Eliminating a portion of the address, statements with which I wholly agree, I desire to read this:

No country can successfully attack our shores. In the second place, our people are not cowardly. While they hate war they are not afraid to die for Christianity, morality, justice, and liberty.

I wish to say in regard to that statement that here in the United States we are willing to die for Christianity; we are willing to die for morality; we are willing to die for justice, and we are willing to die for liberty; but we are not willing to die for anyone else's Christianity; we are not willing to die for anyone else's morality, or for anyone else's justice, or for anyone else's liberty. We had better stay home and do our dying in our own country.

Mr. President, in his concluding paragraph the Senator from Nevada states:

Why further impose upon the credulity and the fear of our citizens? Why join in the policies of appeasement or isolation that have not made for peace but for war throughout the world? Why not wholeheartedly support the honorable, peaceful, and practicable policy of our administration? Every patriotic citizen will.

Mr. President, I wish to say again that the American people will be more than happy, they will be more than delighted to support the administration's foreign policy, if the foreign policy of the administration is what the chairman of the Senate Foreign Relations Committee says it is in the following statement:

(3) The policy of defense. This policy includes the protection of a country's territory and the rights of its nationals throughout the universe. It holds that such protection shall be accomplished first, through every established, peaceful instrumentality; second, through every legal resistance to encroachments upon the integrity of a nation's territory and the rights of its nationals; and third

and lastly, through the use of physical force if every other means has failed, to successfully defend its territory and the rights of its nationals.

I neglected to mention one part and portion of the address of the Senator from Nevada relating to the seizure of the island of Hainan by the Japanese a few days ago. Why should we become excited over the Japanese having seized that island?

Mr. LUNDEEN. Mr. President, will the Senator yield at that point?

Mr. REYNOLDS. I am glad to yield to the Senator from Minnesota.

Mr. LUNDEEN. Perhaps the island is part of our frontier.

Mr. REYNOLDS. I wish to say to the Senator that, insofar as the junior Senator from North Carolina is concerned, the frontier of the United States will never extend across the Atlantic or across the Pacific.

Mr. LUNDEEN. I join with the able Senator in taking that position.

Mr. REYNOLDS. I wish to say that I do not see any need for us to get excited over what is going on over in Europe. I should like to know who is going to attack us. No one is going to attack us. But I believe in keeping our powder dry. I believe in being prepared. I believe that we should provide for ourselves an adequate national defense, but I believe it should be adequate only for the purpose of defense. I believe our national program providing for an adequate defense should include, most certainly, and perhaps first, the airplanes the President of the United States has called for, because we all know that more time is required in the construction of airplanes than in the construction of other kinds of armament, and we likewise know that airplanes quickly become obsolete.

The chairman of our Foreign Relations Committee made mention of the fact that Hitler and Mussolini and the Mikado of the Japanese were making great inroads into the Western Hemisphere, namely, in the 20 republics which lie to the south of us. That is true. But I wish to ask Senators, What are they going to do about it? We are all worried about it. A short time ago—I think it was in November—a Pan American conference was held at Lima, the capital of Peru. That conference was held, as everyone knows, because we are interested in increasing our influence and commercial relations in the South American countries, which contain about 130,000,000 or 140,000,000 people. It is true that when the Pan American conference was held at Lima the planes which darkened the blue skies of far-away Peru were planes from the factories of Italy and were flown by Italian aviators, instructors of the Peruvian Army. It is true that there were hundreds upon hundreds of Nazi flags everywhere there. It is also true that both Germany and Italy have developed a fine business, a fine trade, with Peru, as they have established and developed commerce with many other countries. It is certainly true that they are making tremendous inroads in the South American countries, and we are sore about it. But I ask Senators, What are they going to do about it? That is what I want to know. That is what we all want to know. We want someone to come forward with a constructive suggestion as to what we are going to do about it.

We are provoked at Hitler because he is getting a great deal of our trade in South America away from us. We are provoked at Mussolini because he is getting a great deal of the South American trade away from us. We are provoked with the Mikado and with the Japanese because they are taking away from us a great deal of our trade in South America. But I ask, What are Senators going to do about it?

Some persons have suggested that we continue our dollar diplomacy. That, in many instances, is rather expensive. We have with us at the present time a gentleman from Brazil. We are desirous of continuing friendly relations with Brazil, and continuing to be the leader in trade with that nation. But it has recently been suggested that in connection with their rearmament program, which will cover a period of 5 years, the legislative branch of their government has appropriated \$100,000,000, of which \$70,000,000

will go to Germany, \$20,000,000 will go to Great Britain, and \$3,000,000 of it will come to us, and all that in spite of the fact, as I understand, that about \$300,000,000 worth of Brazilian bonds have gone "flooy" in this country.

Right at our back door is Mexico, with its 16,000,000 or 17,000,000 people. Mexico has seized our oil, the oil of American investors and British investors, and it is said that Mexico has sold \$17,000,000 worth of that oil to Hitler—to Germany. What are we going to do about it? I dare say no one in this body nor any other American will say, "Let us go over there and kill Hitler, and whip the Germans so that we can have all the trade with South America."

After all, Mr. President, I shall say in conclusion that the American people are interested only in keeping the United States out of war. Much has been said about the conquest that is going on in China. Much is being said now about the fortification of the island of Guam, which is a very small island in the Pacific, 30 miles long and 5 miles wide and containing a few thousand inhabitants. We are tied to that island as a result of our controversy with Spain.

We are discussing now the question of investing, perhaps, \$5,000,000 in developing the harbor and improving the island generally. I say that we ought to get out of troubled waters. I say we ought to stay out of that section of the world.

Mr. LUNDEEN. Mr. President, will the Senator yield again?

Mr. REYNOLDS. Gladly.

Mr. LUNDEEN. It seems to me that there can be no harm in establishing an air base there for reconnaissance and scouting purposes, and perhaps deepening the harbor for vessels to enter. I am not in favor of spending \$80,000,000, or \$50,000,000, or \$40,000,000 on that island, for it would merely be a Christmas present for the Japanese, who would be able to capture the island within 48 hours after the beginning of hostilities. However, as I understand, the bill merely proposes to provide some navigation and aviation facilities, which I think are justified, because they would constitute part of the eyes of the fleet, as it were.

Mr. REYNOLDS. The question at the present time is one involving making an expenditure of anywhere from \$50,000,000 to \$80,000,000 in maintaining a permanent establishment.

Mr. LUNDEEN. I do not think such a large expenditure would be wise.

Mr. REYNOLDS. As a matter of fact, in that connection we have the question of Philippine independence. There is some discussion now in regard to postponing the time at which we shall give up the Philippines. That question will bring on considerable argument, for, as the Senator knows, many Americans think we never should have gone into the Philippines and spent the millions we did spend; and now that we have the opportunity to get out, that we should take advantage of that opportunity.

Mr. LUNDEEN. Today is the 21st of February, the day before Washington's birthday. I am wondering if the Senator agrees with the foreign policy of Washington, Jefferson, and Jackson, the great leaders of our country in the past. I am sure he does.

When the present foreign policy conflicts with the wise policy upon which this country was established, and upon which road we traveled to greatness and glory, it seems to me we should not hesitate to break with any present policy which comes in conflict with the views of the great statesmen of the past.

Would it not be wise not merely to read the Farewell Address of George Washington, and the views of Jefferson and Jackson, but to follow that policy a little more closely than we have in the past? Perhaps we should then be a happier, more prosperous, and more contented people.

We have gone about as a sort of prodigal, and thrown our money and men around the world. Soon we shall be glad to come home to the house of the father.

Mr. REYNOLDS. The people of virtually every nation of the world think we are the biggest "sims" upon the face of the earth. We probably are. We saved the hide of Great Britain. We gave the lives of 37,000 men. We spent billions

of dollars, and loaned billions of dollars. The World Almanac says that Great Britain is now indebted to us to the extent of about \$5,437,000,000 in principal and interest.

I should like to show the Members of this body how Great Britain appreciates our generosity. I wish to say again that all Great Britain has ever given to us is the broad "a," and much conversation.

We are talking about maintaining the Western Hemisphere for ourselves. Very well. Every day we are talking about creating the empire of the Western Hemisphere—that is, North America and South America—but we are opposed to the Japanese creating the empire of the Orient. The Senator understands that.

Great Britain has much property in the Western Hemisphere which she could deliver to us if she were honest and wanted to pay her honest debts; but she will not do it. I wish I had had the opportunity of talking to Mr. Anthony Eden when he was in the United States. I should have asked Mr. Eden if he would not use his influence with England to recommend that Great Britain bring about the transfer to us of some property in the Western Hemisphere. In November I talked with the Prime Minister of Great Britain, Mr. Chamberlain, in London. I was introduced to him by our very able representative, Mr. Joseph Kennedy, Ambassador to the Court of St. James. However, I felt that it might be embarrassing to Mr. Kennedy for me to ask the Prime Minister if he would not recommend that Great Britain pay us a little on her debt, so I did not ask him; but if I had had the opportunity of talking to Mr. Eden, I should have asked Mr. Eden if he would not use his influence.

Mr. LUNDEEN. The Senator speaks of the debt being somewhere around \$5,000,000,000.

Mr. REYNOLDS. Five billion four hundred thirty-seven million dollars.

Mr. LUNDEEN. It is really twice that, because some 10 years ago we canceled and refunded half of the debt Britain owed us, on the theory that she would pay the balance. She has never paid the balance, and therefore the original sum is due and owing.

Mr. REYNOLDS. I thank the Senator.

Mr. LUNDEEN. I believe that all the defaulting nations now owe the original amount, and that the refunded amount is out of the picture. That is the law in connection with any private debt or any national debt. Our debtors have failed to fulfill their agreement, and the original amount is due.

Mr. REYNOLDS. I think that is true. As a matter of fact, at the end of the war the total indebtedness of the Allies to the United States was \$22,000,000,000. We cut it in half, and made it \$11,000,000,000.

Mr. LUNDEEN. The Senator will recall that a few days ago I called to his attention the policy of Andrew Jackson, the great Democrat from Tennessee. Referring to the French debt, Andrew Jackson said that if the debt were not paid he would seize the islands in the sea belonging to the French. I was very much interested in the able statement of the Senator on that subject on that occasion.

Mr. REYNOLDS. I thank the Senator.

In reference to our foreign policy, in which so many persons are interested, there is only one question. That question is, "Shall we follow the policies of the Father of his Country, George Washington, or—?" That is the question. Whom shall we follow?

Mr. LUNDEEN. And Jefferson.

Mr. REYNOLDS. Shall we follow the policies of George Washington, the Father of his Country, or—?

We hear much talk about the great democracies which we must save. We must save the French; we must save the British. If Great Britain were a democracy, she would free the Irish. Great Britain talks about being a democracy. If she wants to be fair and provide liberty for the people of the world, let her consider that she has 375,000,000 people enslaved in India. How did Great Britain obtain India? In just the same fashion in which Mussolini obtained Ethiopia. Great Britain talks about aggressors. Great Britain and France cannot receive any pity out of our hearts because of

the way they have treated us. We have enough on our hands to preserve the democracy of the United States of America. Everybody knows that. The so-called democracies of Great Britain and France are not like that of the United States of America. I am interested in preserving the democracy of the United States of America. If we do that, we shall have our hands full.

By the way, in speaking of Washington, let me say that he is the man whom I intend to follow. He is good enough for me. He advised us to keep clear of foreign entanglements.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. According to some of the "smart boys" who now hold the stage, George Washington is old-fashioned and out of the picture. However, I submit that the "smart boys" have not done very well.

Mr. REYNOLDS. Mr. President, in conclusion let me say that I have in my hand a very interesting booklet, evidently prepared by an extremely able man. I have made some comparison of the pages of this booklet with the pages of history, and I find that the statements made herein are thoroughly in accord with the statements of many historians whom I have utilized for purposes of comparison. The booklet which I hold in my hand is entitled "Name the Aggressors." It is written by Mr. Louis B. Ward, M. A., Pd. M., 708 Fisher Building, Detroit, Mich. It was copyrighted in 1939 by Mr. Louis B. Ward.

I turn to page 22. There I find listed the name of every section of the world which has been conquered by the British. No doubt those conquests brought about the slaughter of millions upon millions of persons. I ask that pages 22 and 23, which set out the political subdivisions of the British Empire, be embodied in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

The fruits of aggression

British Empire	Date acquired	How acquired
I. Dominions:		
England.....	55 B. C.—410 A. D.....	Conquest.
Ireland.....	1172-1920.....	Do.
Wales.....	1283.....	Do.
Scotland.....	1603-1707.....	Union.
Canada.....	1627-1763.....	Conquest.
Australia.....	1788-1828.....	Do.
Newfoundland.....	1583.....	Do.
New Zealand.....	1840.....	Do.
Union of South Africa.....	1814-1900.....	Do.
II. Possessions in Europe:		
Gibraltar.....	1713.....	Do.
Malta and Gozo.....	1814.....	Do.
Ascension Island.....	1815.....	Do.
III. Possessions in Africa:		
Kenya.....	1820.....	Do.
Tanganyika.....	1918.....	Do.
Uganda.....	1894.....	Do.
Zanzibar and Pemba.....	1890.....	Do.
Mauritius.....	1810-14.....	Do.
Nyasaland.....	1891.....	Do.
St. Helena.....	1673.....	Do.
Seychelles.....	1814.....	Do.
Somaland.....	1884.....	Do.
Basutoland.....	1884.....	Do.
Bechuanaland.....	1885-95.....	Do.
Northern Rhodesia.....	1889.....	Do.
Southern Rhodesia.....	1889.....	Do.
Swasiland.....	1894.....	Do.
Southwest Africa.....	1920.....	Do.
Gambia.....	1807.....	Do.
Ashanti.....	1672.....	Do.
Nigeria.....	1861-1900.....	Do.
Cameroun.....	1916.....	Do.
Sierra Leone.....	1787.....	Do.
Togoland.....	1914.....	Do.
Anglo Egyptian Sudan.....	1899.....	Do.
IV. Possessions in Asia:		
India and dependencies.....	1612-1857.....	Do.
Aden, Perim, Socotra and Kuria Muria Islands.....	1839-1876.....	Do.
Bahrain Islands.....	1867.....	Do.
Ceylon.....	1796-1815.....	Do.
Cyprus.....	1914.....	Do.
Hong Kong.....	1842.....	Do.
Malay States (Federated).....	1874-1898.....	Do.
Malay States (others).....	1885-1914.....	Do.
Mesopotamia.....	1914-18.....	Do.
North Borneo.....	1881-88.....	Do.

The fruits of aggression—Continued

British Empire	Date acquired	How acquired
IV. Possessions in Asia—Continued.		
Brunei and Sarawak.....	1888.....	Conquest.
Palestine.....	1914-18.....	Do.
Straits Settlements.....	1785-1909.....	Do.
Weihaiwei.....	1898.....	Do.
V. Possessions in Australasia and Oceania:		
Papua.....	1884.....	Do.
New Guinea.....	1920.....	Do.
Western Samoa.....	1919.....	Do.
Fiji.....	1874.....	Do.
Nauru.....	1914.....	Do.
Pacific Islands.....	1893-1915.....	Do.
Tonga.....	1900.....	Do.
Gilbert and Ellice Island.....	1892-1915.....	Do.
Solomon Islands.....	1893.....	Do.
VI. Possessions in the Americas:		
Bermuda.....	1612.....	Do.
British Guiana.....	1803-14.....	Do.
British Honduras.....	1798.....	Do.
Falkland Islands.....	1771.....	Do.
West Indies:		
Bahama Island.....	1629.....	Do.
Barbados.....	1605.....	Do.
Jamaica.....	1655-1670.....	Do.
Turk, Caicos.....	1765.....	Do.
Leeward Islands.....	1623-59.....	Do.
Trinidad.....	1797.....	Do.
Windward Islands.....	1763-83.....	Do.

Mr. REYNOLDS. I ask that there be embodied in the RECORD, as a part of my remarks, the matter on pages 25 to 28 of the booklet to which I have referred, which sets out the aggressions and conquests of the great democracy of France. She owes us many billion dollars. She clothes herself in raiment of white and places herself upon a pedestal of ivory, like John Bull, heralding to the world that she is without fault, without sin, and as pure as the drifted snow. I ask that the pages of the booklet to which I refer be embodied in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

IV. ITALIAN WARS

In 1499 came the French conquest of Milan.
In 1515 France invaded Italy. There followed the wars with Charles the First, the defeat of Francis the First at Pavis, and the consequent struggle for the possession of Italy.

V. WAR CONTINUES

In 1638 came the invasion of Spain. In 1640 Turin was captured by the French.
In 1667 war with Spain was renewed.
In 1672 the French made war on the Netherlands.
By 1680 France had become the most formidable power in Europe.
In 1702 France invaded the Netherlands. In 1733 France went to the war of the Polish succession.
In 1740 she reentered war over the Austrian succession.
In 1744 she fought England and Austria.
In 1747 she commenced war once more on the Netherlands.

VI. NAPOLEONIC PERIOD

In 1792, during the Revolution, France entered upon a war with Germany.
Under Napoleon, in 1796, she declared war on Italy. The next year Napoleon marched into Austria.
In 1798 he was campaigning in Egypt.
In 1799 he waged his Swiss campaign.
In 1802 he was President of the Italian Republic. Then he made war on England.
In 1805 he fought at Austerlitz.
In 1807 he made war on Russia.
In the same year he invaded Portugal.
In 1812 he invaded Russia and Moscow was burned. Then, of course, came defeat to the "aggressor."

VII. THE HOLY ALLIANCE

In 1818 the Holy Alliance was formed.
In 1830 Algiers was conquered by the French.
In 1844 came war in Morocco.
In 1854 France again declared war on Russia.
In 1859 she declared war on Austria.
In 1863 she occupied Mexico.
In 1870 she declared war on Prussia.
In 1907 she occupied Morocco with troops, and by 1912 made it a protectorate.

At the end of the World War, Alsace-Lorraine was returned by Germany.

VIII. THE AGGRESSOR TODAY

Today France understands the lot of the aggressor nations. She holds a mandate over Syria, with its 2,800,000 population.

In French India she has 286,000 colonists.

In French Indo-China she has 21,500,000 under her rule. Her total dependents in Asia alone number nearly 25,000,000 souls. In Africa she holds a protectorate over Morocco, with its 6,000,000. She owns Algeria, with its 7,000,000; Tunisia, with its 2,600,000. She boasts French West Africa, with fourteen and a half million; holds a mandate over Togoland, a mandate over Cameroon, and rules 3,000,000 in the Congo, or French Equatorial Africa. Madagascar, Comoro Islands, and Somaliland complete her African possessions.

Thus, in addition to 24,000,000 in Asia, she rules 38,000,000 in Africa.

In America her possessions are relatively inconsequential. St. Pierre and Miquelon, Guadeloupe, Martinique, and French Guiana number only approximately 525,000.

In Oceania, New Caledonia, and Tahiti number scarcely a hundred thousand.

In all, she has 42,000,000 at home and 60,000,000 in her colonies. It is France who naturally wants Uncle Sam to maintain the status quo among the nations.

Mr. REYNOLDS. Finally, Mr. President, I ask that there be embodied in the RECORD, as the conclusion of my remarks, part VIII of this little booklet, entitled "The Judgment of George Washington."

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

PART VIII. THE JUDGMENT OF GEORGE WASHINGTON

On the subject of foreign nations men do well to review the judgments of the illustrious Washington.

From the Farewell Address is, therefore, quoted the wisdom of him who sacrificed most that we might be a nation:

JUSTICE TOWARD ALL NATIONS

"Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and novel example of a people always guided by an exalted justice and benevolence. Who can doubt that, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it? Can it be that providence has not connected the permanent felicity of a nation with its virtue? the experiment, at least, is recommended by every sentiment which ennobles human nature. Alas, is it rendered impossible by its vices?"

AVOID INVETERATE ANTIPATHIES

"In the execution of such a plan nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded, and that, in place of them, just and amicable feelings toward all should be cultivated. The nation which indulges toward another a habitual hatred or a habitual fondness is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable, when accidental or trifling occasions of dispute occur. Hence, frequent collisions; obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times it makes the animosity of the nation subservient to projects of hostility instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty, of nations has been the victim.

AVOID PASSIONATE ATTACHMENT

"So, likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducement or justification. It leads also to concessions to the favorite nation of privileges denied to others, which is apt doubly to injure the nation making the concessions by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate, in the parties from whom equal privileges are withheld. And it gives to ambitious, corrupted, or deluded citizens (who devote themselves to the favorite nation) facility to betray or sacrifice the interests of their own country without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base of foolish compliances of ambition, corruption, or infatuation.

BEWARE BEING A SATELLITE

"As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction,

to mislead public opinion, to influence or awe the public councils! Such an attachment of a small or weak toward a great and powerful nation dooms the former to be the satellite of the latter.

THE INSIDIOUS WILES OF FOREIGN INFLUENCE

"Against the insidious wiles of foreign influence (I conjure you to believe me, fellow citizens), the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike of another cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

"The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

EUROPE HAS A SET OF PRIMARY INTERESTS

"Europe has a set of primary interests which to us have none, or a very remote, relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics or the ordinary combinations and collisions of her friendships or enmities.

"Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation; when we may choose peace or war, as our interest, guided by justice, shall counsel.

WHY QUIT OUR OWN TO STAND ON FOREIGN GROUND?

"Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

"It is our true policy to steer clear of permanent alliances with any portion of the foreign world—so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than to private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But, in my opinion, it is unnecessary and would be unwise to extend them.

"Taking care always to keep ourselves, by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

THE INGRATITUDE OF NATIONS

"Harmony, liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing, with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied, as experience and circumstances shall dictate; constantly keeping in view that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that, by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

"In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our Nation from running the course which has hitherto marked the destiny of nations. But if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, or warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated."

APPLICATION

The practical political question before this Nation today is whether to follow the wisdom of Washington or not.

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes.

The PRESIDING OFFICER. The question is on the amendment proposing to strike from page 59, line 12, the sum of \$11,500,000, and in lieu thereof to insert the sum of \$9,000,000.

The amendment was agreed to.

The PRESIDING OFFICER. The Clerk will state the next amendment of the committee.

The next amendment of the Committee on Appropriations was, under the heading "Federal Housing Administration", on page 59, line 17, after the words "in all", to strike out "\$15,000,000" and insert "\$12,500,000", and in line 18, after the numerals "1940", to strike out the colon and the words "Provided, That of said sum of \$15,000,000 the sum of \$2,500,000 shall be available for the remainder of the fiscal year 1939", so as to read:

Not to exceed \$9,000,000 of the mutual mortgage insurance fund and \$3,500,000 of the funds advanced by the Reconstruction Finance Corporation to the Federal Housing Administration, created under authority of the National Housing Act of June 27, 1934 (48 Stat. 1246), in all \$12,500,000, shall be available during the fiscal year 1940 for administrative expenses of the Administration, including: Personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821-833), but there may be allowed, in addition to mileage at a rate not to exceed 4 cents per mile for travel by motor vehicle reimbursement for the actual cost of ferry fares and bridge and tunnel tolls, and employees engaged in the inspection of property may be paid an allowance not to exceed 3 cents per mile for all travel performed in their personally owned automobiles within the limits of their official posts of duty when such travel is performed in connection with such inspection; printing and binding; law books, books of reference, and not to exceed \$1,500 for periodicals and newspapers; not to exceed \$1,500 for contract actuarial services; procurement of supplies, equipment, and services; purchase of one and maintenance, repair, and operation of three motor-propelled passenger-carrying vehicles, to be used only for official purposes; payment, when specifically authorized by the Administrator, of actual transportation expenses and not to exceed \$10 per diem in lieu of subsistence and other expenses to persons serving, while away from their homes, without other compensation from the United States, in an advisory capacity to the Administration; not to exceed \$2,000 for expenses of attendance, when specifically authorized by the Administrator, at meetings concerned with the work of the Administration; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; rent in the District of Columbia and elsewhere; and all other necessary administrative expenses.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is still before the Senate open to amendment.

Mr. TRUMAN. Mr. President, I offer four amendments which have to do with the language of the bill, and which are acceptable to the Senator from South Carolina [Mr. BYRNES], and I ask unanimous consent to have placed in the RECORD, as a part of my remarks, an explanation of the amendments.

The PRESIDING OFFICER. Is there objection?

Mr. MCKELLAR. I ask to have the amendments stated.

Mr. LA FOLLETTE. I insist on the amendments being stated.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 7, line 8, after the word "elsewhere", it is proposed to insert:

Including expenses of the Air Safety Board other than those specifically provided for under "Salaries and expenses, Air Safety Board."

The amendment was agreed to.

Mr. BYRNES. Mr. President, I desire to say to the Senate that the purpose of the several amendments offered by the Senator from Missouri is to correct and clarify the appropriation for the Civil Aeronautics Authority.

After the bill had passed the House, the representatives of the organization submitted these amendments to us as being necessary to straighten out certain questions arising as a result of decisions of the Comptroller General. At the time the committee thought it best not to adopt the amendments, but I think they should be sent to conference in order that we may have a chance to find out the justification for them. They deal merely with the question of the jurisdiction of the Air Safety Board and of the Civil Aeronautics Authority, as to the approval of expenditures.

Mr. McKELLAR. Mr. President, are these the amendments in which the Senator from Nevada [Mr. McCARRAN] is interested?

Mr. TRUMAN. Yes, Mr. President; they are.

Mr. McKELLAR. I very much hope the amendments will be adopted.

Mr. BYRNES. Mr. President, I did not expect to have anything to say about the matter, but it appears that there is a controversy between the organizations as to the officials who shall have authority to control the administrative expenses. The House passed the bill with the language as it was submitted by the Director of the Budget. My own opinion is that the organizations should settle their differences, that the Director of the Budget should determine the matter, and that we should not be called upon to pass upon a question of this kind; but I think the only way in which we can do justice to the present situation is to adopt the amendments and let them go to conference, and then determine the right and wrong of the matter.

Mr. TRUMAN. I desire to say to the Senator from South Carolina that this organization has been set up since the adjournment of the last Congress. It is made up of organizations taken from the Department of Commerce, the Post Office Department, and the Interstate Commerce Commission; and they have not as yet had a chance to get shaken down and adjusted to the point where they can function properly. This is merely an effort to help them get that done.

Mr. KING. Mr. President, will the Senator yield?

Mr. TRUMAN. Certainly.

Mr. KING. Under the amendments which have been tendered or may be tendered, is there any chance of the officials, in their quarrels and controversies, increasing the appropriations or expanding the authority which heretofore has been granted?

Mr. TRUMAN. Not at all; that cannot be done.

Mr. KING. If I had been here during the discussion of the act referred to in the amendments—I was ill at the time and had to leave—I should have opposed some of the appropriations carried in the act for this organization. I think they are too large.

Mr. TRUMAN. I shall be glad to go into the matter in detail with the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Missouri.

The amendment was agreed to.

The PRESIDING OFFICER. The remaining amendments offered by the Senator from Missouri will be stated.

The CHIEF CLERK. On page 7, line 8, after the word "services" and the semicolon, it is proposed to insert "fees and mileage of witnesses."

The amendment was agreed to.

The CHIEF CLERK. On page 8, line 18, before the word "operation", it is proposed to insert "fees and mileage of witnesses."

The amendment was agreed to.

The CHIEF CLERK. On page 8, line 15, after the words "provisions of", it is proposed to strike out "Title VII of the Civil Aeronautics Act of 1938", and insert "sections 701 and 702 of the Civil Aeronautics Act of 1938, except clause (5) of subsection 702 (a) thereof."

The amendment was agreed to.

The CHIEF CLERK. On page 8, line 17, after the word "elsewhere", it is proposed to insert "rent and expenses incident to the operation of field offices."

The amendment was agreed to.

Mr. TRUMAN. Mr. President, I submit for the RECORD an explanation of these amendments, and ask to have it printed as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

On page 7, line 8, before the word "contract", we request that the following words be inserted: "including expenses of the Air Safety Board other than those specifically provided for under 'Salaries and expenses, Air Safety Board'."

Reasons: The item "Salaries and expenses, Air Safety Board" (covered at lines 17 to 25, on page 8, and lines 1 to 8, on page 9) is intended to cover only a certain part of the expenses of that part of this agency. It is intended that the remaining part of its expenses, consisting largely of rents, furniture, office equipment and supplies, and communications expenses in Washington shall be paid from the general appropriation to the Authority. It is possible that the existence of a separate provision for a certain part of the expenses of the Air Safety Board might be construed to deprive the Authority of the right to pay these incidental Washington expenses from the general fund. The above insert is suggested in order to clear up that point.

On page 7, line 9, before the phrase "examination of estimates", we request insertion of the following words: "fees and mileage of witnesses."

Reasons: The insertion of these words is deemed essential in order to make it clear that the Authority has the right to pay witnesses' fees and mileage in cases where witnesses are subpoenaed to attend investigations and hearings of various kinds that are required by the provisions of the act.

On page 8, line 15, it is requested that the phrase "Title VII of the Civil Aeronautics Act of 1938" be deleted and that there be substituted therefor the following: "sections 701 and 702 of the Civil Aeronautics Act of 1938, except clause (5) of subsection 702 (a) thereof."

Reasons: The \$380,000 to be appropriated for the salaries and expenses of the Air Safety Board are intended to include primarily the salaries paid to that Board and its employees and the expenses which it incurs in the investigation of accidents and for the operation of aircraft. It is not intended, however, to include any expenses that the Air Safety Board may be obliged to incur because of the provisions of subsection 702 (a) (5), which directs that Board to assist the Authority in ascertaining what will best tend to reduce or eliminate the possibility of accidents and to conduct special studies and investigations at the request or with the approval of the Authority. The change above requested, in conjunction with the change requested in item 2 above, is intended to clarify the purposes to which the \$380,000 is applicable and the fact that the Authority is to pay the rest of the expenses of the Air Safety Board from the general fund.

On page 8, line 17, after the words "Columbia and elsewhere", we request the following insertion "rent and expenses incident to the operation of field offices."

Reasons: Approximately \$60,000 of the \$380,000 appropriated for these expenses was budgeted to cover the expenses of opening field offices for the Air Safety Board. It was felt that these offices would not only make it possible for the representatives of the Air Safety Board to get to the scene of an accident more promptly than if they were obliged to travel from Washington, but that their existence would result in savings in operating expenses. There would seem to be some doubt as to whether any part of the \$380,000 could be expended for rent and other expenses of such field offices unless the suggested language is inserted.

On page 8, line 18, after the phrase "reporting services", we request that the following words be inserted "fees and mileage of witnesses."

Reasons. In its investigations the Air Safety Board will occasionally have to subpoena witnesses. It is deemed essential that the language shall specifically authorize the expenditure of the appropriated funds to pay the necessary fees and mileage of such witnesses.

Mr. BYRNES. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

No part of any appropriation contained in this or any other act for the fiscal year ending June 30, 1940, shall be available for the payment of enlistment allowance to enlisted men for reenlistment within a period of 3 months from date of discharge as to reenlistments made during the fiscal year ending June 30, 1940, notwithstanding the applicable provisions of sections 9 and 10 of the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922 (37 U. S. C., 13, 16).

Mr. LA FOLLETTE. Mr. President, I feel constrained to make the point of order that that amendment is legislation on an appropriation bill.

The PRESIDING OFFICER. The point of order is sustained.

Mr. BYRNES. Mr. President, notice of a motion to suspend the rules is on the desk.

The PRESIDING OFFICER. The notice will be read.

The Chief Clerk read as follows:

Mr. BYRNES submitted the following notice in writing:

"In accordance with the provisions of rule 40 of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes, the following amendment, viz: At the proper place, to insert the following:

"Sec. 6. No part of any appropriation contained in this or any other act for the fiscal year ending June 30, 1940, shall be available for the payment of enlistment allowance to enlisted men for reenlistment within a period of 3 months from date of discharge as to reenlistments made during the fiscal year ending June 30, 1940, notwithstanding the applicable provisions of sections 9 and 10 of the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922 (37 U. S. C. 13, 16)."

The PRESIDING OFFICER. The question is on the motion of the Senator from South Carolina to suspend paragraph 4 of Rule XVI.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, let me inquire if this matter will lead to discussion. It is now after 5 o'clock, and the Senate will have to meet tomorrow.

Mr. LA FOLLETTE. I withdraw the point of no quorum.

Mr. BARKLEY. I think the session might as well go over until tomorrow. We have to meet then, anyway, and it is now after 5 o'clock.

The PRESIDING OFFICER. The point of no quorum is withdrawn.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, reported favorably the nomination of Acting Asst. Surg. John D. Lane, Jr., to be passed assistant surgeon in the United States Public Health Service, to take effect from date of oath.

Mr. HARRISON, also from the Committee on Finance, reported favorably the nominations of the following passed assistant surgeons to be surgeons in the United States Public Health Service, to rank as such from the dates set opposite their names:

Albert T. Morrison, February 1, 1939, and Langdon R. White, March 9, 1939.

Mr. GERRY, from the Committee on Finance, reported favorably the nomination of Joseph J. Cunningham, of North Providence, R. I., to be collector of customs for collection district No. 5, with headquarters at Providence, R. I. (Reappointment.)

Mr. HERRING, from the Committee on Finance, reported favorably the nomination of Mabel Gittinger, of Iowa, to be collector of customs for customs collection district No. 44, with headquarters at Des Moines, Iowa. (Reappointment.)

The PRESIDING OFFICER (Mr. Lucas in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

THE JUDICIARY

The legislative clerk read the nomination of Herschel W. Arant, of Ohio, to be judge for the Sixth Circuit Court of Appeals.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Horace Frierson, Jr., to be United States attorney for the middle district of Tennessee.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Edmund J. Brandon, of Massachusetts, to be United States attorney for the district of Massachusetts.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John T. Cahill, of New York, to be United States attorney for the southern district of New York.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the Executive Calendar.

RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, February 22, 1939, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate on February 21 (legislative day of February 20), 1939

UNITED STATES CIRCUIT COURT OF APPEALS

Herschel W. Arant to be judge of the United States Circuit Court of Appeals for the Sixth Circuit. (Position created by act of May 31, 1938.)

UNITED STATES ATTORNEYS

Horace Frierson, Jr., to be United States attorney for the middle district of Tennessee.

Edmund J. Brandon to be United States attorney for the district of Massachusetts.

John T. Cahill to be United States attorney for the southern district of New York.

POSTMASTERS

ILLINOIS

Jessie E. Robertson, Buffalo.

MASSACHUSETTS

Robert E. Smith, Townsend.

SOUTH CAROLINA

Walter W. Goudelock, Pacelot Mills.

VERMONT

Ernest A. Naylor, Alburg.

Peter E. Kehoe, West Pawlet.

WASHINGTON

Pearl G. M. Johnson, Mercer Island.

Eudocia B. Leech, Steilacoom.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 21, 1939

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

They that trust in the Lord are as Mount Zion, which cannot be moved, but abideth forever. As the mountains are round about Jerusalem, so the Lord is round about His people, from this time forth and for evermore.

Remind us, blessed Father, that the secret of a true life is in Thee. Thou wilt fill the sphere of life with beauty and fruitfulness, with vision and victory. We pray Thee to enable us to bring character to its highest unruffled temper, unrumored patience, charity that thinketh no evil, and cleanness of life as modest as it is unblemished. May we rise and set our affections on things above the earth. We praise Thee that love is written on the sunbeams of every morning. Wilt Thou bless us and prepare us for this day? In the sacred name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had ordered that Mr. TAFT be appointed a member on the part of the Senate of the Gen. Anthony Wayne Memorial Commission, established by Public Resolution 64, approved August 19, 1937, vice Mr. VANDENBERG, resigned.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 303. An act for the relief of The Ocilla Star;

S. 316. An act to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia;

S. 463. An act for the relief of The Fitzgerald Leader;

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.; and

S. 1315. An act for the relief of the Corbitt Co.

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair has been requested to recognize two or three gentlemen to submit unanimous-consent requests. Will the gentleman from Massachusetts withhold his motion for that purpose?

Mr. MARTIN of Massachusetts. Surely.

PERMISSION TO ADDRESS THE HOUSE

Mr. GRISWOLD. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes on next Thursday following the disposition of matters on the Speaker's table and the legislative program for the day.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

Mr. MARTIN of Massachusetts. Mr. Speaker, we came here at 11 o'clock for the purpose of transacting business. I do not know the purpose or the subject of the gentleman's talk. Could the gentleman tell us what he intends to speak about?

Mr. FERGUSON. I have introduced a bill dealing with the Federal Reserve System. I think it is pertinent at this time due to the fact that we are extending the Reconstruction Finance Corporation.

Mr. MARTIN of Massachusetts. The Reconstruction Finance Corporation has already been extended, so the gentleman's speech will be just as timely tomorrow as today.

Mr. FERGUSON. It is the gentleman's privilege to object, of course.

Mr. MARTIN of Massachusetts. We came here at 11 o'clock to do business. Mr. Speaker, I feel constrained to object.

The SPEAKER. Objection is heard.

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, the other day I called attention to the manner in which the W. P. A. was trying to build up its rolls so as to make a record for the \$150,000,000 that they

have tried to hornswoggle Congress out of. I call attention to an article in the Cleveland Plain Dealer of February 17, and read from it the following:

FINDS 51 PERCENT NEGLECT LATEST W. P. A. CALLS

(By John P. Leacacos)

It can be further reliably reported that W. P. A., in addition to setting its house in order by increased stringency of regulations and its current investigation into the eligibility of W. P. A. workers, has also been urging the city speed its certification process so that all in need may be placed on record.

The reason for this, it is said, lies in the fact that only if the cities demonstrate their need of W. P. A., as evidenced in bulging waiting assignment lists, can President Roosevelt sell a hostile Congress on the necessity of another deficiency appropriation to forestall drastic cuts this spring.

In the 2-week survey of assignments, begun when the rolls stood at 68,429, there were 1,705 dismissals and immediate replacements of these and a rise in the rolls to 69,035, a net increase of 606.

TWO THOUSAND FOUR HUNDRED AND TWELVE FAILED TO REPORT

This made 2,311 new jobs that were available and were filled. However, to place this number at work required the issuing of assignment slips to 4,723 persons. Of these, 2,412 simply never showed up.

The reasoning behind the assertion that probably 3,000 of the 10,317 persons on the waiting assignment file will never report for work is this, according to Schwartz:

The file is made of five-thousand-odd men and five-thousand-odd women. Women, finding it much more difficult to obtain private employment, will probably report for work in the majority of cases, if given jobs. It is estimated at least 4,500 will do so.

The number of men who will report, however, is estimated at only 2,500. This follows the percentage figure discovered in the survey of actual assignments, most of whom were men. This makes about 7,000 in all who would probably take W. P. A. jobs, if offered.

It thus appears that Cleveland had a roll of 69,035 paid by W. P. A. They have in 2 days investigated 6,000 cases, or 9 percent. They have found over 1,700 out of the 6,000 who did not belong on the roll, or 28 percent.

Just as the unqualified are dismissed they ask those certified by the city to appear, and 51 percent of those certified failed to appear.

Taken on the same basis through the country, if 28 percent should be dismissed because they do not belong on the roll, that would eliminate at least \$50,000, and now at once reduce the number on the W. P. A. rolls to about 2,200,000, and we would have \$150,000,000 surplus to turn back out of the W. P. A. appropriation on July 1, next, instead of requiring a deficiency of that amount.

The most astounding thing is the great effort the W. P. A. administrators are making to fill up their rolls now before Congress finds out the truth and insists on getting rid of this gigantic W. P. A. fraud and having honest relief.

Mr. TABER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include quotations from the newspapers to which I referred.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address I delivered over the Columbia Broadcasting System last Saturday; and I also ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from a man by the name of Fred Mercer, Glendale, Calif.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to make an announcement.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ANNOUNCEMENT

Mr. BULWINKLE. Mr. Speaker, all war veterans in the House—veterans of the World War, the Spanish-American War, and the Civil War—are asked to meet in the room of the Veterans' Committee Thursday at 10 o'clock.

PERMISSION TO ADDRESS THE HOUSE

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

Mr. RAYBURN. Mr. Speaker, reserving the right to object, the gentleman's request embarrasses me. Everyone knows that during the Seventy-fifth Congress the policy was adopted of allowing Members to proceed for 1 minute only before the legislative business of the day was disposed of. I shall have no objection to the gentleman's addressing the House for 1 minute, but I hope he will not ask for longer time.

Mr. FERGUSON. Mr. Speaker, I amend my request accordingly and ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FERGUSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein copy of a bill (H. R. 4310) to amend section 13 of the Federal Reserve Act, as amended, which I have introduced, together with the existing section of the Federal Reserve law which I seek to amend.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. FERGUSON]?

There was no objection.

Mr. FERGUSON. Mr. Speaker, the reason I address the House at this time is to state that I wanted to ask the chairman of the Banking and Currency Committee yesterday if in his opinion the Federal Reserve System had functioned and made loans to banks just as the R. F. C. made them after they got into a depressed condition, which would have averted the closing of thousands of banks? I did not have this opportunity, but I feel certain the chairman of the Banking and Currency Committee would have answered in the affirmative.

I recently received in my office the Twenty-fifth Annual Report of the Board of Governors of the Federal Reserve System. As a director in a small country bank that went through the depression following the crash of 1929, a bank that became a member of the Federal Deposit Insurance Corporation and has recently become a member of the Federal Reserve System, I read this report with a great deal of care. And after reading the report, feeling the need of changing the Federal Reserve System by making mandatory the use of the discount powers of the Federal Reserve System, I have introduced H. R. 4310, which I feel will accomplish this purpose. I want to place in the RECORD the bill which I have introduced, H. R. 4310, and a copy of section 13 of the Federal Reserve Act, as amended, so that the membership may note the changes in the bill.

[H. R. 4310, 76th Cong., 1st sess.]

Be it enacted, etc., That section 13 of the Federal Reserve Act, as amended (U. S. C., 1934 ed., Supp. IX, title 12, sec. 343), is amended to read as follows:

"SEC. 13. DISCOUNT OF OBLIGATIONS ARISING OUT OF ACTUAL COMMERCIAL TRANSACTIONS.—Upon the endorsement of any of its member banks, which shall be deemed a waiver of demand, notice, and protest by such bank as to its own endorsement exclusively, any Federal Reserve bank shall discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, including notes secured totally or in part by real-estate mortgages of any description. The Board of Governors of the Federal Reserve System shall accept for rediscount at face value any note classified in group I (all notes shall be classified under group I, if ultimate

[U. S. C., 1934 ed., Supp. IX, title 12, sec. 343]

SEC. 343. DISCOUNT OF OBLIGATIONS ARISING OUT OF ACTUAL COMMERCIAL TRANSACTIONS.—Upon the endorsement of any of its member banks, which shall be deemed a waiver of demand, notice and protest by such bank as to its own endorsement exclusively, any Federal Reserve bank may discount notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used, or are to be used, for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount, within the meaning of this chapter. Nothing in this chapter contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple ag-

[H. R. 4310, 76th Cong., 1st sess.]—Continued

repayment seems reasonably assured in view of the sound net worth of the maker or endorser, his earning capacity and character, or the protection of collateral or other security of sound intrinsic value), at the last official examination made by examiners duly appointed by the Comptroller of the Currency with the approval of the Secretary of the Treasury. Nothing in this chapter contained shall be construed to prohibit such notes, drafts, and bills of exchange, secured by staple agricultural products, or other goods, wares, or merchandise from being eligible for such discount, and the notes, drafts, and bills of exchange of factors issued as such making advances exclusively to producers of staple agricultural products in their raw state shall be eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 2 years, exclusive of grace.

"The Board of Governors of the Federal Reserve System, by the affirmative vote of not less than five members, may authorize any Federal Reserve bank, during such periods as the said Board may determine, at rates established in accordance with the provisions of section 357 of this title, to discount for any individual, partnership, or corporation, notes, drafts, and bills of exchange of the kinds and maturities made eligible for discount for member banks under other provisions of this chapter when such notes, drafts, and bills of exchange are endorsed or otherwise secured to the satisfaction of the Federal Reserve bank: *Provided*, That all such discounts for individuals, partnerships, or corporations shall be subject to such limitations, restrictions, and regulations as the Board of Governors of the Federal Reserve System may prescribe."

[U. S. C., 1934 ed., Supp. IX, title 12, sec. 343]—Continued

gricultural products, or other goods, wares, or merchandise from being eligible for such discount, and the notes, drafts, and bills of exchange of factors issued as such making advances exclusively to producers of staple agricultural products in their raw state shall be eligible for such discount; but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States. Notes, drafts, and bills admitted to discount under the terms of this paragraph must have a maturity at the time of discount of not more than 90 days, exclusive of grace.

In unusual and exigent circumstances, the Federal Reserve Board, by the affirmative vote of not less than five members, may authorize any Federal Reserve bank, during such periods as the said Board may determine, at rates established in accordance with the provisions of section 357 of this title, to discount for any individual, partnership, or corporation, notes, drafts, and bills of exchange of the kinds and maturities made eligible for discount for member banks under other provisions of this chapter when such notes, drafts, and bills of exchange are endorsed and otherwise secured to the satisfaction of the Federal Reserve bank: *Provided*, That before discounting any such note, draft, or bill of exchange for an individual or a partnership or corporation the Federal Reserve bank shall obtain evidence that such individual, partnership, or corporation is unable to secure adequate credit accommodations from other banking institutions. All such discounts for individuals, partnerships, or corporations shall be subject to such limitations, restrictions, and regulations as the Federal Reserve Board may prescribe. (Dec. 23, 1913, c. 6, § 13, 38 Stat. 263; Sept. 7, 1916, c. 461, 39 Stat. 752; Mar. 4, 1923, c. 252, title IV, § 402, 42 Stat. 1478; July 21, 1932, c. 520, § 210, 47 Stat. 715.)

Before I go into the legislation I want to read some very interesting quotations from this report. After discussing under the title Sources of Reserves to correct the increase of balances of member banks and the increase of the country's monetary gold stock in dollars, on page 21 we find the following:

As a net result of all these developments and transactions, \$6,000,000,000 was added to member-bank reserves in the 5 years 1934-38. Of this amount, \$3,650,000,000 was absorbed by increases

in required reserves, due both to the increase in the prescribed ratios of reserves to deposits and to the growth in the banks' deposit liabilities. In the early weeks of 1939, excess reserves increased to \$3,600,000,000. A continuation of gold inflow and of silver purchases would further add to excess reserves. The volume of excess reserves now in existence, furthermore, can be greatly increased by actions of the United States Treasury.

The popular impression from such reports is that these excess reserves are caused from one or two reasons: First, that the banks will not loan money; or, second, that business is afraid to borrow money. The latter is the reason commonly given by Republican speakers. The truth is these are only small contributing factors. The small banks have learned their lesson. They remember too well the experience of 1932 and 1933. In order to get money in those years to pay depositors, banks were forced to put up for rediscount notes, the face of which was three times the amount of money advanced by the Federal Reserve System or other rediscounting agencies. It has become a fetish, an obsession, something that bankers are proud of, to keep their institutions constantly liquid. After a small percent of an institution's deposits are loaned the loan policy tightens because of the horrible memories of past experiences with rediscounts. The Federal Reserve System can change this picture overnight. If banks knew the Federal Reserve System would take their paper at face value with up to a 2-year maturity, business would immediately be adequately financed.

The bill I have introduced changes section 13 of the Federal Reserve Act by making it mandatory, changing the wording to read "Any Federal Reserve bank shall discount." It also makes the bill read, "including notes secured totally or in part by real-estate mortgages of any description." It also extends the maturity from 90 days to 2 years. Of what possible good is a rediscount agency accepting notes of 90 days' maturity? I would say in my part of the West that 90 percent of the losses suffered by banks were due to the fact the banks were forced to liquidate, forced to sell out the maker of the note. Time would have made the notes good. This has been proven by the Reconstruction Finance Corporation, which made loans on supposedly questionable paper. Time made the loans good. There would have been no need for an R. F. C. if the Federal Reserve System had functioned, if the Federal Reserve System had accepted for rediscount at face value paper offered by member banks. To further insure the workability of this bill I have written into the existing section 13 the following language:

The Board of Governors of the Federal Reserve System shall accept for rediscount at face value any note classified in group I. (all notes shall be classified under group I if ultimate repayment seems reasonably assured in view of the sound net worth of the maker or endorser, his earning capacity and character, or the protection of collateral or other security of sound intrinsic value) at the last official examination made by examiners duly appointed by the Comptroller of the Currency with the approval of the Secretary of the Treasury.

My legislation will make the Federal Reserve System work. I ask only that they accept for rediscount at face value notes that have been classified under group I at the last official examination. On page 89 of the report, to which I have previously referred, is clearly set out the policy to guide examiners appointed by the Comptroller of the Currency. To show that something must be done to speed the flow of credit I refer to the same report, page 23, in referring to the course of business in 1938:

The banks, therefore, are in a position to contribute to recovery by easily meeting such legitimate demands for funds as may develop. The rate of turn-over of existing deposits, however, continues to be unusually low.

I sincerely believe that the caution instilled in bankers by the crash of 1929-33 will continue to hold loans down, continue to hold back the recovery of this Nation until Congress demands the Federal Reserve System to take at face value all paper classified as collectible by the last Federal examination. That the Federal Reserve System is beginning to take note of the fact that its regulations have discouraged its use I quote from the paragraph dealing with revised examination procedure on page 37:

Under the new designations the principle is clearly recognized that in making loans banks should be encouraged to place emphasis

upon soundness and intrinsic value rather than upon liquidity or quick maturity, and the examiners are expected to follow this principle in their examinations.

If this is truly the policy of the Board of Governors of the Federal Reserve System and this quotation is taken from their report, certainly they should not object to extending the maturity of rediscounted paper from 90 days to 6 months.

To sum up in a few pertinent figures what has happened between 1930 and 1938, the private debt has decreased from \$125,000,000,000 in 1930 to ninety-one billion in 1938, a decrease of thirty-four billion. Private debt indicates money borrowed to carry on business. On the other hand, the Government debt—Federal, State, and local combined—has increased from thirty-five billion in 1930 to sixty-three billion in 1938, an increase of twenty-eight billion. During this time, especially since 1932, there has been a succession of Government agencies, Government loan agencies, to take care of the unfortunate both in business and in private life. The R. F. C., which makes as a prerequisite of a loan the inability to get funds from another source, the agencies of Farm Credit which again require that a man has to be denied credit from other sources, Farm Security that makes loans to the unfortunate farmers, Farm Tenancy which makes loans for tenants to buy farms. I am proposing in this legislation to make credit available to the businessman of every town and city in this Nation, to the farmer, to the housewife who purchases an icebox, to the wage earner who buys an automobile, to the merchant to increase his stock or remodel his store. Not the down-and-out, not the broke merchant, but to the man who can establish his credit with his local banker on his ability to make money and pay it back. No one, no Government agency, no emergency agency, no social worker, no farm planner, no group of experts, can possibly know as much about a man's ability to repay a loan as his local banker. This bill will encourage that local banker to make every loan he thinks will be repaid. At the same time the local banker will know that when the time comes that he needs the money to pay off his depositors there will be a source of credit from which he can get 100 cents on the dollar on the paper until it matures. He will know this, of course, after his paper has been passed on by the regularly constituted bank examiners.

Let us look at the record of how the Federal Reserve System is functioning now. In December 1938 all the member banks of the entire System had rediscounted with the Federal Reserve System the insignificant sum of \$10,472,000. In June 1934, accompanied by a great deal of oratory, a great deal of promise to industry and business, Congress passed an amendment hedged with reservations making loans to industry possible. Since 1934 the Federal Reserve System has made 2,653 loans for a grand total of \$175,011,000. Of these loans, \$24,024,000 are outstanding. Thus we see that the combined loans to industry and the rediscount notes of the member banks come to the grand total of \$34,496,000. This is less than 1 percent of the excess reserves of the Federal Reserve System. We do not have and never have had sufficient deposits in our small banks in this country to finance local business. Industries such as the motorcar industry have been forced, very profitably so, to create their own finance companies. With the great reservoir of credit available to member banks through the Federal Reserve System there is no excuse for any community with a bank that is a member of the Federal Reserve System to be underfinanced. If the local banks know that by congressional action the Federal Reserve System is required to accept their notes for rediscount, good loans will be made. At the present time paper acceptable for rediscount with the Federal Reserve System is charged 1½ percent. With credit furnished with the Federal Reserve System at the rate of interest at 1½ percent, plus extension of time to 2 years on notes, local banks will finance every worthy enterprise in their community. Remember the local bank is absolutely responsible for the collection of the note. This is not a bill to guarantee payment such as we have had to aid housing. This is simply a bill to make the Federal Reserve System work by guaranteeing to the banks of this Nation that the paper in times of need or times of expansion will be acceptable at face value. The passage of

this act will do more to bring back prosperity, to encourage legitimate business, to create reemployment than all the relief agencies of the Government combined.

CALL OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I renew my point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and sixteen Members are present, not a quorum.

Mr. RAYBURN. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 14]

Allen, La.	Dies	Lesinski	Reece, Tenn.
Anderson, Mo.	Dingell	McArdle	Risk
Austin	Disney	McDowell	Rockefeller
Barden	Doughton	McGranery	Sasser
Beam	Elliott	McKeough	Schafer, Wis.
Brooks	Elston	McLeod	Schuetz
Bryson	Evans	McReynolds	Secombe
Buck	Fay	Maclejewski	Seger
Buckley, N. Y.	Fernandez	Magnuson	Smith, Ill.
Burdick	Flannery	Maloney	Smith, Maine
Byron	Goldsborough	Mansfield	Smith, Va.
Casey, Mass.	Harrington	Mason	Somers, N. Y.
Chandler	Hartley	Miller	Sullivan
Cluett	Havener	Mitchell	Sumners, Tex.
Coffee, Wash.	Hawks	Mouton	Sweeney
Corbett	Houston	Nichols	Thomas, N. J.
Creal	Jenks, N. H.	Norton	Wadsworth
Culkin	Kelly	O'Brien	Wallgren
Curley	Kennedy, Md.	O'Leary	White, Idaho
D'Alesandro	Kennedy, Michael	Osmer	Winter
Daly	Knutson	Patton	Wolfenden, Pa.
Darden	Kociakowski	Pfeifer	Woodruff, Mich.
Dickstein	Lea	Rabaut	

The SPEAKER. Three hundred and forty-two Members have answered to their names. A quorum is present.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

PERMISSION TO ADDRESS THE HOUSE

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico [Mr. DEMPSEY]?

There was no objection.

Mr. DEMPSEY. Mr. Speaker, at this time when there are being made many suggestions for a change in the administrative set-up of the various emergency agencies intended to stimulate and expedite economic recovery and stability, I deem it fitting and proper to bring to the attention of the Members of this House and you, Mr. Speaker, certain observations that I have made and some suggestions that might be profitably brought to the consideration of the people of this Nation, as well as to that of the governmental agencies concerned.

We have heard much, particularly in recent months, concerning the Works Progress Administration; often of its failures and occasionally of its accomplishments. Frankly, we who created the W. P. A. should assume full responsibility in connection with the failures it has made, because of our own failure to legislate more intelligently.

When this agency was created and began to administer work relief for the benefit of the unemployed, we so legislated that it paid what was termed a security wage—a wage lower in every instance and in every locality than the prevailing rate of pay for all lines of work in private employment in those localities. The agency rapidly branched into every field of labor with a personnel, I regret to say, that was not properly trained or experienced and therefore was not, nor could it be expected to be, competent to carry on the work to which it was assigned. I point specifically in that regard to construction projects and wish to say, without any qualification whatever, that the W. P. A. never has been properly equipped and never has obtained the proper personnel, under work-relief regulations imposed, to carry on those construction projects efficiently.

As the construction work program was broadened by the W. P. A., labor realized that if the agency continued the se-

curity wage requirement, it would soon break down the established union wage scales that had been built up over a period of many years, and only after a bitter struggle each step of the way on the part of labor to obtain that to which the workers of the Nation believed they were entitled.

We know, without recital here, of the powerful opposition from those who felt that wage scales should be kept at the lowest level possible. That opposition, it cannot be successfully denied, was prompted by a motive of greater profits to employers without due regard for welfare of the workers and those dependent upon them.

What really has occurred in connection with the many construction projects which have been carried on under the W. P. A.? The significant thing to me is that while there was a continuous and insistent demand for the workers to be paid the prevailing wage—a just demand, in support of which I joined wholeheartedly—I have yet to hear anything said with reference to a requirement that the workers employed by the W. P. A. must do a prevailing day's work for that prevailing wage. Most certainly there has been no such provision in any of the legislation we have passed. Yet in private employment the worker must give such a return to the employer or that employment ceases.

Why is it that when Government money is being expended on these projects only about 30 percent of the actual value of the money expended is being received in labor return, when we compare the actual work done with that which is accomplished for the same expenditure in private industry or in contract work?

Compare, if you will, the accomplishments of the W. P. A. and the cost of the various construction projects it has administered with the work performed by the Public Works Administration, work that has been handled with an efficiency equal to that attained by private industry in similar construction. The records reveal there has been a return to the people of this Nation of full value for every dollar expended on construction projects administered by this governmental agency. That is the reason today for the urgent demand on the part of the people for continuation of the Public Works Administration, and equally the reason why the public generally is frowning upon the projects that have been constructed by the Works Progress Administration, frowning because the costs have been excessive and because, in many instances, the work done has not been up to the standards that good construction practices require and produce.

We have heard much criticism of an expensive, top-heavy bureaucracy being built up by Washington, yet we find in the P. W. A. an agency whose administrative expense is lower than any other save one in the whole Government, totaling less than one-half of 1 percent of the total cost, releasing 99½ percent for the work it was created to do. And the major portion of that fraction of expense is spent mainly in the field where the building operations are being carried on.

Every demand made upon this agency by the Congress has been met. Impossible deadlines set up for construction to begin and to be carried on in the dead of winter by the contractors have been met almost unnoticed because of the regularity with which they have been attained. Appropriations allotted to this agency have been spent in the manner which the Congress intended, and we never have been faced with the report that P. W. A. guessed wrong and the money was all gone in half the time it was supposed to last.

During its life P. W. A. has been known to have a personnel of some of the most distinguished engineers in the country. Presidents of the engineers' professional societies have been proud to serve in the ranks of its expert staff. Outside of wartime perhaps no more able and skilled staff has ever volunteered for Government service. Proof of this is found in fact during the five and a half years of emergency operation; the P. W. A. sign has come to be a hallmark of quality and honesty in construction.

Therefore it is my opinion that a junior P. W. A. within the present P. W. A. set-up would be the logical and most satisfactory way to handle these construction projects of the type which now are under W. P. A. jurisdiction.

I feel that the W. P. A. which primarily was intended to administer emergency relief work for those immediately facing privation and want should be relieved of responsibility for the efficient construction of these major and intermediate projects. I believe, further, that construction projects, in order to obtain the maximum in efficiency at a minimum of cost and to assure the return of full value for every public dollar expended should be let by contract. These contracts should set up the number of man-hours a contractor would be required to use for each project. Through this method we would be certain that the prevailing day's work would be done by every employee for the prevailing day's wage. Most certainly that is not an unreasonable requirement. It is merely good business practice.

And labor, particularly organized labor, which should assume as much responsibility for seeing to it that a proper day's work is done as to demand that a proper wage scale be maintained, would have no further reason for being remiss in performance of that obligation. There would be no wage-differential factor involved, so labor would have the same relationship with the employer as exists in any private employment.

Under this junior P. W. A. plan the sponsor's contribution, of course, would be less than prevails today in the regular P. W. A. set-up. It is my belief a formula should be worked out varying the sponsor's contribution in accordance with the amount of materials to be used on the project.

Where materials are high and labor cost is comparatively low the sponsor's contribution should be high. On the other hand, where the labor cost is comparatively high with regard to the cost of materials, the Government's contribution should be correspondingly higher and the sponsor's lower, a condition justified, of course, by the fact that work for the unemployed is one justification for the project.

If the suggestion I am making here is carried out, it would result in any State or other political subdivision obtaining from two to three times the number of projects it now obtains for the same amount of money expended. Further, it most certainly would bring about that much-desired elimination of politics from these projects, for the reason that the contractor who is the successful bidder would employ superintendents and other administrative employees purely on the basis of efficiency and ability, and without any regard whatever to political expediency.

I have repeatedly pointed out in my State that, unless those who are receiving Government checks perform a service comparable to that rendered by an employee in private industry who is receiving the same amount of compensation, there eventually would be brought about an end to this public employment due to the resentment created in the public mind, a resentment based—and justly so—on what would appear to be wanton waste of the people's money.

There have been several plans suggested to the Congress recently that seek to terminate the undesirable conditions which I have set forth. One of these is the Byrnes plan, which contemplates consolidation of the P. W. A., the W. P. A., the C. C. C., the Bureau of Public Roads, and the N. Y. A. Most certainly this would be a very remarkable conglomeration in one department, one which, I fear, would result in administrative failure, due to a lack of a common factor in purpose among those varied agencies.

On the other hand, we have before us the Woodrum bill, accompanied by a very clear explanation of its purposes and intent by the Representative from Virginia. I believe that measure has much merit, if certain changes, such as I have indicated here, could be incorporated in the bill.

The question of turning Federal work-relief moneys over to the various States for unsupervised administration has been suggested by several Members of the Congress. This, I feel, most certainly should be given careful thought. It has not been my experience from observation of situations where State officials have sole control of the relief agencies that politics have been eliminated. As a matter of fact, it is my personal knowledge that the more vicious type of political practices and injustices follow where administration is left entirely to State agencies. In many instances

adoption of that plan has resulted in a condition where it was not the person or persons most in need who were the beneficiaries, but those who controlled the most votes.

I believe that the Congress itself must place the administrative control of this emergency work relief in hands where it is a foregone conclusion that politics will be eliminated, and that conclusion can only be reached by taking into consideration the record of the various governmental agencies in the past. It is for that reason that I offer the suggestion of a junior P. W. A.

During its existence the P. W. A. has supervised programs involving the expenditure of nearly \$6,000,000,000. In all of that time there has not been the slightest hint of irregularities, of inefficiency, of political manipulation, or of failure in accomplishment. Therefore, I wish to pay my respects to the Public Works Administration for the able and efficient manner in which it has discharged the obligations placed on it by the Congress; for the clean and thoroughly honest manner in which that great organization has been conducted. It has, indeed, been a credit to our Government, and in whatever State or town a public Works Administration project has been undertaken, we may well point with pride, without exception, to the accomplishment.

I not only desire to see this agency made a permanent part of the Government structure, but most certainly wish to see it remain where it is, under the efficient and intelligent management of the Secretary of the Interior, the Honorable Harold L. Ickes. In my opinion, it is an excellent commentary upon the value of this organization, when we find throughout our entire Nation hundreds of cities and other political subdivisions which are willing and anxious to expend 55 percent of the amount required for a construction project under P. W. A. supervision, and who refuse to consider the same project under any other form of work relief administration even though the proportionate cost to the sponsor will be but 20 percent or less of the total cost. To my mind that is clearly indicative of the fact that the public has learned from experience that P. W. A. supervision of a construction project means the return of full value for every dollar of Government money expended.

As further confirmation of the faith which the people of this Nation repose in the P. W. A., I point to the recent report from that governmental agency, which shows that, in addition to the number of projects being constructed under the last appropriation made by this Congress, there are now pending from all parts of the United States 5,807 additional projects awaiting further appropriation. Those projects contemplate a total cost of \$1,775,500,000, of which the Government would provide, in the form of grants, \$778,160,000. In other words, the people of the United States are willing to expend approximately a billion dollars of local money as compared with three-quarters of a billion dollars of Government funds because they feel that they are obtaining value received for that expenditure.

In conclusion let me say that when we in the Congress place all of the construction projects of this character in the hands of an agency which has the full confidence of the public, such as has been demonstrated with regard to the P. W. A., we will have overcome the principal objection that is now being made to this phase of increased Government expenditure and will have solved, once and for all, the problem of politics in work relief.

Contractors, as private employers, would absorb those on the present relief rolls capable of doing the work. Those who, due to infirmities of age or other physical handicap, could not meet the requirements of the employer could be given nonconstruction project employment and assistance through Federal Government cooperation with and supervision of proper State agencies. Women and the white-collar workers would continue to be employed in the type of projects already set up by the W. P. A. None in need would be denied assistance, but those able to deliver it would once again be required to give full value in labor for the dollars paid them.

There is no need for further experimentation in this regard. Past experience has provided the public and the

Congress with a yardstick which we need now only to apply to reach a properly measured conclusion.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes tomorrow at the conclusion of the special orders heretofore made for that day.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. MARTIN]?

There was no objection.

EXTENSION OF REMARKS

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein Resolution No. 13 of the Board of Harbor Commissioners of the City of Los Angeles.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

EXTENSION OF EXPORT-IMPORT BANK AND COMMODITY CREDIT CORPORATION

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, with Mr. CELLER in the chair.

The Clerk read the title of the bill.

Mr. WILLIAMS of Missouri. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Missouri: Page 1, line 6, after the word "thereof", strike out "January 15, 1941" and insert "June 30, 1941."

The amendment was agreed to.

Mr. WILLIAMS of Missouri. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Missouri: Page 2, line 1, strike out "January 15, 1941" and insert "January 30, 1941."

Mr. WOLCOTT. Mr. Chairman, I offer a perfecting amendment.

The CHAIRMAN. Is the gentleman's amendment an amendment to the amendment just offered by the gentleman from Missouri [Mr. WILLIAMS], striking out "January 15, 1941"?

Mr. WOLCOTT. I assume it is because it strikes out the whole section.

The CHAIRMAN. This is a separate amendment.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. Mr. Chairman, the amendment which I have just sent to the Clerk's desk seeks to strike out subsection (b) which is sought to be amended by the amendment offered by the gentleman from Missouri [Mr. WILLIAMS]. Is not an amendment to strike out the whole section a perfecting amendment?

The CHAIRMAN. The Chair believes that should come later, that it is not a perfecting amendment to the pending amendment. It will be in order for the gentleman to present his amendment subsequently to the adoption or rejection of the pending amendment.

The amendment of Mr. WILLIAMS of Missouri was agreed to.

Mr. WILLIAMS of Missouri. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Missouri: Page 2, line 12, after "1938" and the parenthesis, strike out "58" and insert "52."

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I now offer the amendment which I have sent to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 1, line 6, after the semicolon, strike out the remainder of line 6 and all of lines 7, 8, and 9 on page 1, and "January 15, 1941" in line 1, page 2, the same being subsection (b) of said bill.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the amendment I have sent to the Clerk's desk be amended by striking out the words and figures "January 15, 1941," and inserting the words and figures of the amended section, "June 30, 1941."

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Chairman, this amendment if adopted would require the liquidation of the Export-Import Bank of Washington, the date of expiration of which is June 30, 1939. We should give serious consideration to whether it is necessary or advisable to continue the functions of the Export-Import Bank of Washington. This bank was set up by an Executive order on February 2, 1934. I assume the act of Congress on January 31, 1935, which is known as Public, No. 1, of the Seventy-fourth Congress, ratified the action of the President in setting up the bank.

This bank was set up primarily to supplement loans made by private banks to aid in exporting agricultural and industrial products. For a year and a half after the bank was set up not a loan was made and not a commitment was made. I make this observation to show that for a year and a half after it was found advisable or necessary to set up this bank not a commitment was made. The Reconstruction Finance Corporation, through its officers and employees, does all the administrative work. This bank is set up primarily to give the Reconstruction Finance Corporation an outlet to make foreign loans if it so desires.

Is it advisable to continue the functions of the Export-Import Bank? Let us look at its report for 1938. We find that as against the hundreds of millions of dollars of exports from this country this so-called important adjunct to the credit structure of the United States disbursed actually \$18,602,974. This was during the year 1938.

At the close of business on December 31, 1938, the active commitments—and it is conceded this agency has been much more active during the last 6 months than it ever was before—of this bank were only \$46,165,508, of which \$25,000,000 was authorized to facilitate the exportation of American industrial and agricultural products to China. Twenty-five million dollars of a total of \$46,000,000 of commitments, or more than 50 percent of the activity of the Export-Import Bank of Washington, as shown by the report of condition at the close of business on December 31, 1938, was in the nature of this very highly controversial Chinese loan.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. REED of New York. Does the gentleman have the figures as to the cost of administering this organization?

Mr. WOLCOTT. The cost of administering the bank for 1938 was \$49,469.

When we consider continuing the activities of this bank we must take into consideration that there is no limitation on its activities. It can loan to any belligerent. It can loan to loyalist Spain or to insurgent Spain. It can loan to China or the nationals of China, as it has done. It can loan to Japan, it can loan to Germany, or it can loan to Italy or the nationals thereof. It can loan into any situation which might involve us in a European or Asiatic conflict and almost force the Congress of the United States to back it up. This is an agency of the Federal Government and as such its acts and omissions are chargeable to the United States. It is a dangerous thing to have this bank making loans without restraint in situations which might involve us in European or Asiatic conflict. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is highly difficult to follow the argument of the gentleman from Michigan. Part of the time he devotes himself to the contention that the Export-Import Bank is useless because it is doing no business, and then in the next breath the gentleman seems to be alarmed and distressed for fear that the bank might do too much business. I might agree with the gentleman in the first instance, but I dissent from the view voiced in his second contention.

As I view the situation and I believe it is likewise the sentiment of this House and of the country, nothing is more important and essential to the restoration of prosperity and normal economic conditions in the United States than a revival of our foreign trade. [Applause.] This is all that is undertaken by the Export-Import Bank. A large part of the credits of this type commercial banks do not desire because it does not coincide with their training and habits of thought to make loans of the kind desired in connection with export trade. We are not depriving the banks of business by continuing the life of the Export-Import Bank. The Export-Import Bank is cooperating with the commercial banks of the country. Loans this bank makes often are divided, part being carried by commercial banks and part by the Export-Import Bank. Not a loan has been made to cover the purchase of war materials. Not a loan has been made in violation of our neutrality law or any treaty or any other law of the United States Government.

As a matter of fact, no loan has been made and no funds have been paid out in connection with the commitment to the Universal Trading Co., and no loans are contemplated that in any way violate any of the laws of the land or are in contravention of the views of the State Department.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield for a question?

Mr. STEAGALL. May I say one word before I yield to the gentleman?

The bill before us limits the loans that may be outstanding by the Export-Import Bank to \$100,000,000, and a large portion of this sum is outstanding now. Any thought that out of that sum there can be any serious interference with quarrels or controversies among other nations by the exportation of war materials is absolutely far-fetched and unworthy of serious consideration.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Texas.

Mr. RAYBURN. Does it not seem at least passing strange that the same gentlemen on the other side of the aisle who are always complaining that the program put forward by this side of the aisle and by the administration is hampering business, when a measure comes up to extend the life of a part of the Government that has for its sole purpose helping American industry it meets with opposition from the same men who are making the statement that we are endeavoring to destroy business?

Mr. STEAGALL. Of course, we would hardly expect such a contention from the source, from which it comes. Our country is at a disadvantage in the matter of foreign trade. Other governments subsidize such trade. Other governments resort to every known method in the regulation of exchange, in granting subsidies and in every possible way to secure such trade. Unless we speed up our efforts and improve our machinery for handling this trade, we are going to lose the opportunity of extending our trade in the republics to the south of us.

Mr. SPENCE and Mr. MAY rose.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute that I may yield to the gentleman from Kentucky [Mr. SPENCE].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SPENCE. I just want to say to the Chairman that I have a letter from Mr. Jesse Jones, Chairman of the

Board of the Reconstruction Finance Corporation, in which he states that no part of the recent \$25,000,000 authorization has been disbursed and no part of it is to be used for the purchase of war material, and yet the gentleman from New York [Mr. FISH], yesterday said that a thousand trucks are to be purchased out of this fund. Mr. Jones further states that loans are not authorized by the Board until after the State and Treasury Departments have been consulted to ascertain if there is any reason, in the opinion of those Departments, why the loans should not be made. This bank is more careful about involving us in any foreign entanglements than any other bank in America would be, because it is strictly under the jurisdiction and control of the National Government and amenable to all the Departments of the National Government.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute that I may yield to the gentleman from Kentucky [Mr. MAY].

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MAY. Mr. Chairman, I would like to say to the gentleman that in the consideration this morning of a bill before the Military Affairs Committee of the House, where the Secretary of State's office is asking assistance in sending representatives from the departments of this Government to the South American republics to advise and counsel with them with respect to trade, it appeared that two or three foreign nations are offering to furnish the same service without charge, while these South American countries are willing to pay us for the advice that they are offered free by other countries. This measure fits right into that picture and enables us to lend to those nations, if they need loans.

Mr. STEAGALL. It is a legitimate and constructive undertaking. It undertakes to extend our trade and commerce by methods that ought to be gratifying to every citizen in the Nation. [Applause.]

[Cries of "Vote!" "Vote!"]

Mr. GIFFORD. Mr. Chairman, I can well understand that the majority party would like to vote for this and get it out of the way.

It is strange that you would say it is beyond the imagination of anyone to argue that this Export Bank is a dangerous tool. Evidently the majority side of the House does not read the newspapers very carefully. During the last few days it has been very clearly shown to the public at large by editorial opinion that this is one of the most dangerous tools in the field of economics that could be given to an administration which is so anxious about foreign trade, but has so little concern about our domestic conditions and would sacrifice our domestic industries to increase foreign trade.

It is shown that this bank has done very little business. I can well imagine that the Honorable Jesse Jones would be greatly importuned by those now receiving a salary to carry on these activities lest they lose their jobs. I do not envy his position if he should try to do away with any of these activities. One hundred million dollars is a lot of money when you consider that practically all commitments of the bank are only participating loans, and this sum might be the means of taking care of several hundred millions of these somewhat doubtful loans.

This is needed by our exporters who wish to sell goods to a foreign country lacking foreign exchange, or to foreign buyers who demand long credits. It is probably a rather risky business. Private banks would loan legitimate exporters on a safe and sound loan, unless there was some particular risk involved.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. No; I will not yield, because I want no red herrings just for a moment. If you read the hearings you can form only one conclusion, and that is that this Export Bank might encourage exports by participating, or taking a 25-percent or 50-percent part, whatever it may be,

of the loan and the risk involved. If you read the newspapers, or recall the statements made to you twice yesterday, you will note that the Brazilian envoy, representing a nation in default in the matter of a \$370,000,000 loan expects the Export-Import Bank to come to their aid. Shall we finance sending our wheat there and arouse the Argentine to make reprisals? You state that we will not finance exports of war materials. You will not need to do so to accomplish indirectly giving such aid. You need not provide money for guns but apply it for different purposes and release other funds to buy the guns. It would be difficult to draw the line of assistance to belligerent nations, in a way that would not be interpreted as direct aid in the purchase of war materials; it would be a strong gesture and would make very plain that our neutrality law had ceased to function. No matter how small may be the suggested operations, the administration demands this unusual economic instrument with all its potential dangers.

In fact, it does not want to give up any activity whatsoever indulged in in the last 6 years that would involve the loss of a single job. That may not be so applicable to this particular case, but it does apply to all cases. Again, I repeat, you do not have to loan belligerents money to buy guns. You can loan them money to buy trucks. Let us not become involved by such operations. We are wondering what may have been the real reasons for the recent resignation of Mr. Taylor from the Treasury. It is suggested by the newspapers that he left because he was out of harmony with the present policy of the administration of the stabilization fund. What would be his opinion of this Export-Import Bank? It is apparent that they simply cannot keep an Assistant Treasurer for long, because he cannot agree with the policies of the administration in monetary matters. I should think that the majority party might be somewhat worried over the implications of these resignations. And now I suppose some Democrat will rise and say, as one did on yesterday, "I will not attempt to answer one of the usual tirades of the gentleman from Massachusetts."

Mr. THOMAS F. FORD. Mr. Chairman, the gentleman from Massachusetts just said that there were no legitimate concerns attempting to secure the aid of the Export-Import Bank for the purpose of exporting legitimate merchandise. He certainly has read the statement in the hearings before the Banking and Currency Committee, of which he is a member, in which Mr. Jones lists a number of legitimate American concerns. He certainly would not say that the American Locomotive Co. is not a legitimate business enterprise, nor would he contend that the National Foreign Trades Council, representing numerous American exporters, is not a legitimate American enterprise.

Mr. GIFFORD. Oh, I simply say that a locomotive sold could be used to carry soldiers.

Mr. THOMAS F. FORD. In South America?

Mr. GIFFORD. Yes. It is simply that it is a matter of furnishing indirectly means of carrying on a war.

Mr. THOMAS F. FORD. In other words, the gentleman is accusing the Export-Import Bank of utilizing the backhand tactics that he and his party are using at the present time to discourage a legitimate facility of the United States Government in its efforts to develop legitimate and profitable foreign trade.

Mr. GIFFORD. Might use it—not using it.

Mr. THOMAS F. FORD. The Export-Import Bank is merely an implement to facilitate the conduct of a small portion of our foreign trade.

Advances and commitments are made for the most part to business concerns that are unable to secure the necessary credit through the ordinary commercial banking channels.

On page 91 of the hearings before the Banking and Currency Committee will be found a list of typical transactions that illustrate the nature of the business handled by the Export-Import Bank.

These transactions range all the way from peso coinage for the Republic of Cuba to the export of locomotives and foundry pens to South America.

There are no items in this list that suggest any sinister attempts to violate neutrality or to promote other than friendly and profitable commercial relations.

Now, the so-called Chinese loan has been made much of. Mr. Jones flatly stated that this loan was not to the Chinese Government but to a Chinese-owned American trading company. The loan, amounting to \$25,000,000, will be paid to the R. F. C. by the Chinese-owned American Trading Co. The only manner in which the Chinese Government could be dragged into the transaction is that the loan, like all big loans, is guaranteed by the Bank of China, one of the world's great and powerful banking institutions, an institution which is, by the way, owned in equal parts by private individuals and the Chinese Government.

The supervision and direction exercised by the Chinese Government is, I am told, of a very mild character. It is probably about the same as that exercised by the R. F. C. over American banks in which it holds either preferred stock or debentures.

In any event, the loan is not a Chinese Government loan; it is merely an ordinary commercial loan transaction between the Export-Import Bank and a Chinese-owned American trading company; and any attempt to invest this loan with international political significance is an unfair and unwarranted piece of partisan skulduggery in keeping with the Pecksniffian antics of a completely befuddled minority.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 114, noes 152.

So the amendment was rejected.

Mr. FISH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 2, line 14, after the figures "\$900,000,000", insert "Provided, That not more than \$500,000,000 of this sum may be loaned annually to finance the sale and export of commodities to any nation, person, or persons, outside of the Western Hemisphere, without the consent of Congress."

Mr. FISH. Mr. Chairman, I am inclined to believe that the vote just taken, and the practically unanimous vote on the Republican side against the continuance of the Export-Import Bank and its operations, was largely due to the fear that the Export-Import Bank may be used to finance arms, ammunition, and implements of war and war materials to belligerent nations throughout the world. If that is so, naturally I have sympathy with them. On the other hand, this Export-Import Bank, which has not served any very good purpose up to date, has made a commitment of \$25,000,000 to furnish supplies to China; and I say to the gentlemen of the Committee that a commitment has been made for 1,000 trucks, and this information was given to me by Mr. Pearson, the president of the bank, only yesterday. It was made for two lots of 500 trucks each. Those trucks, of course, will be used to carry war materials and supplies to the Chinese Army from Burma up to wherever the Chinese Army is.

I do not think it was a proper commitment to make. It is 50 percent of all the commitments they have made. I believe we are facing a very serious situation. We have been asleep to the economic invasion of South America by Germany and Japan. We have lost 50 percent of our trade there since 1929. Latin America is still our largest market. We still do more trade in South and Central America than Great Britain, Germany, Japan, and Italy combined, but we have been losing it very, very rapidly in the last year in Argentina, Brazil, Chile, and Mexico.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. KELLER. Is it not true that we did lose a great deal and then we gained back largely our trade with South America?

Mr. FISH. The fact is we have lost a great deal in the last 6 months or year. We have lost 50 percent of our trade alone with Mexico, and we have lost that to the Germans. I do not have time in 5 minutes to go into all those details.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. TABER. Would the gentleman be able to tell us whether or not any of this money has been used to finance the shipment of cotton gins to Brazil?

Mr. FISH. I am not sure, but I will say this in favor of the bill: That it has financed the shipment of cotton to Poland and to Italy to the amount of two or three million dollars to each.

I have submitted my amendment to the president of the bank, and he had no particular objection to it, because it would not interfere with the operations of the bank, except the Chinese loan. It would not interfere with the sale or financing of cotton to Italy and Poland to the amount of two or three million dollars—and only restricts loans to under \$5,000,000.

I believe we face a very serious situation. I believe that unless this Congress does something of this kind immediately, right now, we will lose another 50 percent of our trade with South America, our single biggest market in the world, because we cannot compete with these subsidized governments like Japan and Germany. This, in effect, is a subsidy. It is a loan by the Government to finance and encourage trade, primarily with South America. I would like to limit it entirely to South America, but to make it a little broader I propose to limit it to Latin America except for loans up to \$5,000,000. I think that should be accepted by the chairman of the committee. The president of the bank has no particular objection to it. I am fearful that if we increase this amount of money to \$100,000,000 President Roosevelt might use his influence to loan \$50,000,000, or commit it, to China for war purposes, to finance the war, whether it is to buy trucks or other munitions. I want this money to go to South America to finance trade with South America, and limit foreign nations to \$5,000,000 each.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. THOMAS F. FORD. Did Mr. Pierson tell you that these thousand trucks were to be used for war purposes?

Mr. FISH. He did not, but every Member of Congress knows there is a war going on in China, and we know why the Chinese Government wants those trucks. They do not need them for commerce. They do not need them for trade. They have practically no commerce and they have no trade.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. REED of New York. While it may not be true that this bank is financing the purchase of war materials, the fact remains that we have furnished 51 percent of the essential war materials to Japan.

Mr. FISH. Yes; that is true. That is due to the President of the United States refusing to put into effect the neutrality law which said it should go into effect when a state of war existed. A state of war exists in China, and everybody knows it.

Mr. REED of New York. The President does not know it.

Mr. FISH. The Congress is not to blame for that. It is the President of the United States.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. SHANLEY. The gentleman talks about meeting the Germans. Does the gentleman know that the Export Bank blocked off a German deal in Haiti by means of discounting a \$5,000,000 loan? We were able to block it off for that reason.

Mr. FISH. That is why I am in favor of this proposition.

Mr. SHANLEY. The gentleman said we had not done anything.

Mr. FISH. Well, we have not done practically anything. Five million dollars is not very much.

Mr. SHANLEY. That is a pretty good deal.

Mr. FISH. Not when we are trying to save trade to the amount of half a billion dollars. We are very apt to lose it. I want the Export-Import Bank to continue, but I want it confined largely to South America, and not be used for war purposes, for purchasing trucks in China. I think the gentleman agrees with that.

Mr. SHANLEY. If we have given \$5,000,000 to Haiti, we can do it with Brazil and the Argentine.

Mr. FISH. The gentleman does not understand. I am advocating exactly what the gentleman advocates. I want to confine this largely to South America, but any other nation outside of the American Hemisphere cannot be loaned or a commitment made beyond \$5,000,000.

Mr. SHANLEY. The gentleman misunderstood me. I objected to the gentleman saying we have not already done it.

Mr. FISH. Oh, we made that one little loan to Haiti.

Mr. SHANLEY. Not one little loan. It is a significant loan.

Mr. FISH. I am not objecting to that loan to Haiti. I favor it, but actually it is chicken feed in view of what should be done. I want to make greater loans and increase our trade in the Western Hemisphere. If you do not pass this bill and encourage our trade with South America by sound loans, or even subsidies, we are deliberately kissing our trade with South America good-bye. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. STEAGALL. Mr. Chairman, the amendment offered by the gentleman from New York would alter the provision of the bill which deals with the resources of the Commodity Credit Corporation. It does not relate in any way to the Export-Import Bank, its fund, or its operations. If you will read the bill, you will see that the concluding subdivision reads as follows:

(d) Section 4 of the act approved March 8, 1938 (58 Stat. 108), is hereby amended by striking from the first sentence thereof "\$500,000,000" and inserting in lieu thereof "\$900,000,000."

This sum is the \$900,000,000 mentioned in the amendment. It is the amount fixed by the amendment in this bill increasing the resources of the Commodity Credit Corporation from \$100,000,000 capital, plus its borrowing power of \$500,000,000, to make its borrowing power \$900,000,000, making its resources \$1,000,000,000 instead of \$600,000,000.

Mr. FISH. Mr. Chairman, I think the gentleman is correct, and I ask unanimous consent to modify my amendment by striking out those words.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RAYBURN. If the gentleman from Alabama will yield, Mr. Chairman, I do not think that cures the evil.

Mr. FISH. I ask unanimous consent further to modify my amendment by inserting, after the word "lent", the words "by the Export-Import Bank."

Mr. RAYBURN. Mr. Chairman, reserving the right to object, pretty soon we are going to want to know what we are to be called to vote on.

The CHAIRMAN. Will the gentleman from New York restate his modification?

Mr. FISH. After the figure "\$5,000,000" strike out the words "of that sum", and after the word "lent" insert the words "by the Export-Import Bank."

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that the Clerk may read the amendment as modified.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 2, line 14, after the figures "\$900,000,000", insert "Provided, That not more than \$5,000,000 may be lent by the Export-Import Bank annually to finance the sale and export of commodities to any nation, person, or persons outside of the Western Hemisphere without the consent of Congress."

The CHAIRMAN. Is there objection to the modification of the amendment as requested by the gentleman from New York?

There was no objection.

Mr. RAYBURN. Mr. Chairman, will the gentleman from Alabama yield?

Mr. STEAGALL. I yield.

Mr. RAYBURN. The amendment now is what the gentleman from New York thought it was, and it is just as objectionable in its present form as far as this fund is concerned that we are supposed to draw from as it was in the beginning. In other words, the gentleman would give the Export-Import Bank a certain power in one paragraph and then withdraw that power in the next paragraph. This would be the effect of the amendment offered by the gentleman from New York.

Mr. FISH. If the gentleman from Alabama will yield, does it not just restore power to Congress? I am sure the gentleman has no objection to that.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. THOMAS F. FORD. Does not the gentleman from New York mean without the consent of the minority of Congress?

Mr. FISH. Well, it will not be 2 years from now.

Mr. STEAGALL. Mr. Chairman, it is, of course, impractical to have Congress pass on every loan that might be considered by the Export-Import Bank in excess of the sum of \$5,000,000. The amendment might just as well provide that no loan shall be made outside of the Western Hemisphere. This would be the effect of it. If this is what the gentleman desires I respectfully submit that the amendment should have been drawn that way in order that the House may be fully informed as to what is under consideration.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. FISH. I would have no objection to restricting this to Latin America or the Western Hemisphere; but in order to include small loans that have been made and that will be made to countries like Poland, Italy, and others for cotton and other products, I put in the \$5,000,000 limitation; and the president of the bank himself had no objection to it.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. RAYBURN. The president of the Export-Import Bank is not passing on the policy of Congress, nor is he a Member of Congress.

Mr. FISH. I did not say he favored it; I said he had no objection to it. Furthermore, it does not interfere with any loan except the big loan to China for trucks.

Mr. STEAGALL. An embarrassing situation would confront the Nation under the operation of the amendment proposed by the gentleman from New York. Should we desire to make a loan of \$6,000,000 for the exportation of farm products to some part of the world outside of the Western Hemisphere at a time when Congress was not in session, the President would have to call an extraordinary session of Congress to pass on the application, rather than having the law administered by officials of the Export-Import Bank. That is the situation that would confront us. This amendment would put us in an unfortunate position before the world.

My good friend the gentleman from New York talks often about foreign affairs and of our interference and on expression of views respecting the merits of controversies among the nations of the outside world. If I understand the gentleman, he wants us to pursue a policy of strict neutrality in all our international relationships, yet would have us say to the world that we will not trade with nations outside of the Western Hemisphere.

Nothing is more essential to good will and understanding among nations and the cause of peace than the extension of trade and commerce.

Mr. Chairman, the service contemplated in this legislation would contribute at least in some measure to these desirable results in extending our contacts and commercial relations

with other nations. What we are trying to do today is to improve business, and to enlarge the output of our factories, and increase employment of labor of the United States. If we wish to further this policy, a more legitimate method cannot be used than that provided in the pending bill.

Mr. Chairman, I ask that the amendment be rejected.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I rise in favor of the amendment offered by the gentleman from New York [Mr. FISH].

Mr. Chairman, I do not see any particular reason why we should not restrict these loans to \$5,000,000. I do not see any good reason why the Congress of the United States should not pass on loans made by the Export-Import Bank in excess of \$5,000,000. After all, an extra session of the Congress of the United States might be ever so much cheaper than allowing the Export-Import Bank or anyone else to precipitate this Nation in a world war by doing something foolish with respect to credit.

If all that the gentleman from Alabama [Mr. STEAGALL] has said is true with respect to the advisability of using this bank to create credits for the purpose of financing exports, then why has not this bank been functioning during the 4 years of its existence? It has been practically nonexistent until the last year and in the last 12 months our international relations have been such that we have had to proceed more cautiously than ever before in the history of this Nation.

Mr. Chairman, all we ask is that we may check every act to be performed by the executive branch with respect to our international relations so that if this country is about to get into a war we will know just where we are headed. Much has been said about this Chinese loan.

Why was the Chinese loan made? It was made purely and simply because we have a fallacious silver policy which compelled the Republic of China to go off the silver standard and tie its currency to the British pound sterling.

Whatever war we fight will be an economic war wherever we fight it, whether it be in Asia or in Europe. It will be an economic war and we should not lose sight of that. We cannot afford to be drawn into an economic war by allowing an individual or a group of individuals in the executive department to believe that the horrors of a war can be completely offset by exporting a few million dollars of our goods. We spent billions of dollars, twenty-four or twenty-five billion dollars, in the prosecution of a war in 1917 and 1918 which we recognize now was an economic war and it did not preserve world democracies.

We cannot afford, with the present condition of the finances of the United States Government, to enter into another war which is going to cost us billions of dollars. The people of the United States through its agents, the Congress of the United States, have a right to assume that any of these unfriendly acts by the executive department are entering wedges which might bring us into these conflicts.

I have said, and I made the charge, that the reason for this Chinese loan was because we had so affected the credit of China by our fallacious silver policy as to make this necessary. I say that after careful study of our silver policy and its effect upon China. China mines no silver. It was on the silver standard and it could deal with the United States. China is a pioneer country. It has a new nationalism and the people of that country want occidental goods. We are in position to furnish these goods to them. We forced them off the silver standard and now we cannot deal with them. They have no redeemable currency. They have had to tie up with the British pound sterling and all of the commerce between the United States and China henceforth, until a different monetary standard is provided, will have to be through the back door of London, England.

This is a question much more far-reaching than whether this particular bank shall be continued. It has to do not only with the question of our foreign policy which might precipitate us in a world war, but goes to the very foundation of the credit policy of this country with respect to credit furnished other countries in order to build up our trade.

This Export-Import Bank has not functioned, and you cannot tell me that a matter of \$21,000,000, exclusive of the Chinese loan, is a drop in the bucket compared with our total exports. What is the purpose of continuing the bank? It is to make loans to foreign countries without regard to the wishes of the Congress of the United States and to circumvent congressional declarations of neutrality to which all our people subscribe. If the Congress countenances that it makes possible violations of our neutral policy, it menaces our peaceful relations with many foreign countries, to the prejudice of the taxpayers and the peace of this Nation. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. FISH].

The question was taken; and on a division (demanded by Mr. FISH) there were—ayes 113, noes 156.

So the amendment was rejected.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROGERS of Massachusetts: Page 2, line 11, after the word "stock", insert the following: "Provided further, That the Export-Import Bank of Washington shall not make loans the proceeds of which are to be used for or in any aid of the purchase for export of arms and munitions, including airplanes, now in the possession of or to be acquired by the United States Army, Navy, or Marine Corps, except with the consent of Congress."

Mrs. ROGERS of Massachusetts. Mr. Chairman, this amendment is a very plain one. It provides that no money shall be loaned by the Export-Import Bank of Washington for the sale for export of our Navy, Army, or Marine Corps arms or munitions, including airplanes.

If I needed a defense for this amendment the President's own message on January 12 to the Congress regarding his preparedness program would be enough, I believe, to convince the Members that this amendment to the bill should be adopted. I refer the House also to the testimony of the War Department regarding the sale of military airplanes to France.

I should like to remind the Congress also that history has proved that every nation which has had a weak army has been a weak nation. We hear of foes without and we are hearing of foes within. But are we giving attention to keeping prepared against the foes at home? How many of the Members have been thinking of preparedness in terms of rifles, for instance? We do not have too many rifles in our country today. Lately we have all been speaking of the sale of our Army secret airplanes to France. If my amendment is not in the bill at the moment under consideration, certainly airplanes, rifles, guns, and every sort of arms and munitions might go on their way to France, England, or even South America and thus weaken our own defense. While we all want to develop our trade with South America, with whom we have the most friendly relations, I do not believe we wish to ship our Army, Navy, or Marine Corps planes or arms or munitions to those countries. I strongly believe in the development of trade with the South American countries but I do not believe in selling them our Army planes for instance.

If my amendment is adopted and later we should wish to change our policy and ship our Army or Navy planes to other countries, Congress will be in session for many months and we can do that.

Let me quote from the President's message. In speaking of his preparedness program he stated as follows:

All of the above constitutes a well-rounded program, considered by me as Commander in Chief of the Army and Navy and by my advisers to be a minimum program for the necessities of defense. Every American is aware of the peaceful intentions of the Government and of the people. Every American knows that we have no thought of aggression, no desire for further territory.

Nevertheless, as the executive head of the Government, I am compelled to look facts in the face. We have a splendid asset in the quality of our manhood. But without modern weapons, and without adequate training, the men, however splendid the type, would be hopelessly handicapped if we were attacked.

The young men of this Nation should not be compelled to take the field with antiquated weapons. It would be economically unsound to provide in time of peace for all the modern equipment needed in a war emergency. But it would be nationally unsound not to provide the critical items of equipment which might be needed for immediate use and not to provide for facilities for mass production in the event of war.

Devoid of all hysteria, this program is but the minimum of requirements.

I trust, therefore, that the Congress will quickly act on this emergency program for the strengthening of the defense of the United States.

Does anyone in this House want our young men to take the field at home or abroad with antiquated methods, antiquated weapons, or antiquated aircraft? The testimony before the Senate Committee on Military Affairs by the War Department officials proves conclusively that it takes 2 years at least to train a pilot satisfactorily, and it takes a longer time also to train a pilot in the proper handling of fast airplanes. I do not believe the Members of the House would willingly weaken our defense program.

I repeat the President's own words:

Devoid of all hysteria, this program is but the minimum of requirements.

My amendment would simply defend the President's own program, the program that was endorsed on January 12. [Applause.]

[Here the gavel fell.]

Mr. IZAC. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this question of airplanes as it is being handled by the House of Representatives is entirely wrong. We cannot ship out any planes of the Army and Navy, nor can we permit any commercial firm to do so, until at least 6 months have expired from the time the second plane of that particular type is delivered to the War Department or the Navy Department. There is going to be no shipment of Navy planes or Army planes, built as such, to any foreign country, but I know you will all agree with me that we would like to keep our factories going.

We need the development of aircraft in this country. There is no gainsaying that, and a year ago, when the British sent over a group of officials to go into our facilities here for building planes, there was no squawk on the part of us here. Everybody was tickled to death that we could keep our factories going and supply the British with 300 planes. I knew they were here and you knew they were here. The other day when the French sent their officials over here I knew they were here. I knew they went out to the factory in my town and I knew they went all over this country trying to see if they could not get the best type planes to offset the advantage of the Germans in Europe.

Those people are under an entirely different set-up there than we are. They are not protected by 3,000 miles of ocean on each side. No; they have a thousand planes at their back door ready at an instant to drop bombs on defenseless people.

I shall not go into the question of the Rhine being our frontier or anything of that kind, but let me say we must have development of aircraft in this country, and if we can bring it about by having somebody else pay the bill I cannot see where the difference comes.

Another thing, we say it is all right to send cotton out there, and the gentleman from New York said that two or five million dollars' worth of cotton is a fine thing for Italy or some other country, but do you not know that cotton is the most important ingredient in munitions? Why, take your planes, take your trucks, but give me cotton, because with nitrocellulose and TNT I can blow your trucks out of the way. You have got to have cotton, and still when we talk about sending scrap iron and other materials and munitions of war, nobody ever says anything about cotton. Do not forget that if there is a world war we will have to have an absolute embargo to keep out of it. That is what we will have to have, and when you gentlemen are ready and willing to embargo cotton and the other things that we have to have in modern warfare, then I will go along with you to keep from

sending trucks and planes and any other kind of munitions out of this country.

I believe the amendment of the gentlewoman from Massachusetts should be defeated.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Of course, the amendment would not interfere with the sale of commercial airplanes or planes built as the other countries wanted to have them built. My amendment simply provides that our Army, Navy, and Marine Corps shall not be crippled with respect to munitions of war, and especially airplanes. I think it is a very protective measure and is certainly in line with the President's message to us. We have claims upon us to be prepared at home as well as against foreign invasion.

Mr. IZAC. Does not the gentlewoman realize, however, that a commercial plane is so readily changed into a war plane that the difference is not worth considering?

Mrs. ROGERS of Massachusetts. The amendment would apply to only the arms, munitions, and airplanes of our Army and Navy and not to the commercial planes. It is only a protective measure.

Mr. IZAC. The modern bombing plane today is a cargo-carrying plane. You simply take out the medicines and the other things you are shipping and put in bombs. That is the only difference.

Mrs. ROGERS of Massachusetts. Why weaken our own Army planes or take away from our own defense? That is what we all fear.

Mr. IZAC. We are not doing that. We did not appropriate enough money to keep the factory in my town going. The San Diego factory needed orders and I was glad to see the British come over here and try to get their planes from us. [Applause.]

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I doubt that any Member of this House hates war or militarism more than I do. But world problems cover a wide range, and our international relationships are not matters for consideration at this time. I do not hesitate to say that I am not willing to throttle the trade of the people of the United States with the people of other nations simply because of the fear of armed conflict not already existing and which we have good reason to hope will be averted. As a matter of fact, I cannot bring myself to share the alarm that seems to be so widespread over the possibility that the world will soon be plunged into war—certainly not the peace-loving people of this country. After all, it seems to me that if no nation were to permit the sale of war equipment, the result would be that many nations would have to speed up preparations for war with enormous increase of the vast armaments that now burden the people of the earth and threaten the peace of mankind.

As for the amendment before the Committee, I hardly see what practical good anyone could hope to accomplish by its adoption. The Army and the Navy of the United States do not engage in the sale of airplanes or any other war equipment. As a matter of fact our advices seem to be to the effect that both arms of our Military Establishment are anxious to find an opportunity to acquire more airplanes. Certainly they are not engaged in selling airplanes and certainly they would not engage in such sales, and the same is true of the Export-Import Bank. The bank has no such authority and has not undertaken and would not for a moment undertake to finance such sales. The bank would not finance any sale contrary to the law of the country; not in any case without the consent and approval of the State Department. Only \$100,000,000 of resources are available to the Export-Import Bank. A large portion of that sum is already employed in commitments made hitherto, which in no way involve the sale of airplanes or armaments to outside nations. The practical situation is such that nothing could be done to finance sales of armaments to outside nations on a scale that would play any important part in financing a war.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STEAGALL. Yes.

Mrs. ROGERS of Massachusetts. I am very glad to hear the gentleman state that he feels that airplanes now in the possession of the War Department could not be sold, and neither could munitions, if I so understood his statement, and that those in possession of or about to be in possession of the War Department or the Navy or the Marine Corps could not be sold to foreign countries.

Mr. STEAGALL. Of course when it comes to those "about to be acquired by the Army and Navy" as expressed in the language of the gentlewoman's amendment, that is a matter about which nobody here is informed.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I ask unanimous consent to proceed for one minute.

The CHAIRMAN. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Chairman, as a result of the gentleman's statement, I cannot see why he is unwilling to accept my amendment. It is simply a protection of our Army, Navy, and Marine Corps, and is in line with the President's own statement that it is but the minimum of requirements of our defense. My amendment has nothing to do with the purchase of commercial planes.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Massachusetts.

The question was taken; and on a division (demanded by Mrs. ROGERS of Massachusetts) there were—ayes 77, noes 150.

So the amendment was rejected.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: Page 2, after the period at the end of line 14, insert "Provided further, That no loans shall be made to any foreign government or political subdivision thereof or their citizens and corporations while such government or political subdivision is in default of its obligations or any part thereof to the Government of the United States."

Mr. SCHAFER of Wisconsin. Mr. Chairman, on April 13, 1934, Congress enacted the so-called Johnson Act, which prohibits the sale in the United States of the obligations of foreign governments or of their political subdivisions when such governments or their subdivisions are in default to the Government of the United States. Foreign governments now owe the Government of the United States more than \$12,000,000,000. The Johnson Act is still the law of the land, and unless we adopt this amendment which I have offered, the Congress will place the Government of the United States in a rather peculiar position.

Defaulting foreign governments will be prohibited from borrowing funds from private American investors but will be able to raid the American taxpayers' Treasury through the Export-Import Bank. My amendment carries out the intent of the Congress, as expressed by the almost unanimous vote when the Johnson Act became law on April 13, 1934, in order to protect the interests of our American taxpayers.

Adopt this amendment and prevent foreign nations who are now in default to America and who now owe our country more than \$12,000,000,000 from getting more hand-outs from our American taxpayers who are now staggering under almost unbearable tax burdens. I ask the majority leaders in charge of the bill to accept this amendment. Do not send word out to the country that although our foreign-debt-defaulting nations are not permitted to borrow from private investors, they can come to our Federal Treasury and get their hand-outs with the help of the Export-Import Bank. I sincerely hope you will accept the amendment. This is a good, sound, constructive American proposition. We should rise above party and all join together and support it. Let us place the welfare of our country above the welfare of our party and the welfare of foreign debt defaulters.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

Mr. FERGUSON. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. FERGUSON: On page 2, line 11, after the semicolon, strike out the remainder of the section.

Mr. FERGUSON. Mr. Chairman, I am not really sincere in offering this amendment which would keep the limit of the Commodity Credit Corporation at \$500,000,000, its present maximum. I do this to call the attention of the House to the fact that if the Federal Reserve System was actually functioning as it can and should there would be no necessity for the Commodity Credit Corporation.

I will read from the last act of the Federal Reserve System:

Nothing in this chapter contained shall be construed to prohibit such notes, drafts, and bills of exchange secured by staple agricultural products.

And it goes on to say:

Make advances exclusively to producers of staple agricultural products in their raw state shall be eligible for discount.

Under our present Federal Reserve System any local bank could make a loan to a producer of an agricultural product. In case he had to make loans in excess of his deposit limitations he is perfectly eligible to rediscount that paper with the Federal Reserve System.

It seems strange to me that we should continue emergency organizations as loaning agencies when we have a system that could loan all the money necessary to operate our businesses so that they would not have to go through the Reconstruction Finance Corporation when in distress. In fact, that same thing is taken care of in the last act passed amending the Federal Reserve Act in 1934, which provides for direct loans to industries.

But with all these powers that Congress has given the Federal Reserve System, today there is rediscounted with the Federal Reserve System only \$10,000,000 of notes from member banks, and only \$25,000,000 in loans under the industry clause. Thirty-five million dollars is all that is loaned through the Federal Reserve System to finance business and agriculture, when they have excess reserves, held by their member banks, that amount to a hundred times that \$35,000,000.

I would like to see the Federal Reserve function, and with that in view today I inserted in the Record a bill which instructs the Federal Reserve bank to accept for rediscount any note offered by a member bank that has been classified in group 1, that is, a collectible note, at the last examination by the Federal Reserve examiners—their own examiners. Thus a bank would know that it would have a ready market for its paper when the time came that it was in need, and not be forced to put up \$3 worth of paper for every dollar it received when it was in dire distress and needed a place to rediscount its funds.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. FERGUSON. I yield.

Mr. CRAWFORD. With \$3,500,000,000 which the member banks hold as excess reserves, there is no reason at all why banks should go to the Federal Reserve bank for the purpose of discounting paper.

Mr. FERGUSON. Of course not. The member banks can loan that money in excess reserve, but they have had the terrible experience that they went through in 1931, 1932, and 1933, when deposits went down and loans went up, and they are not going to take a chance until they know where they can get the money in another emergency situation such as we had at that time.

Mr. CRAWFORD. In other words, the bill which the gentleman has introduced, I understand, further authorizes the Federal Reserve banks to discount paper which they cannot discount now?

Mr. FERGUSON. No. It does not change the security requirements at all, but it directs the Federal Reserve bank to accept at face value any note classified in group 1, as they now call it, at the last examination, and it extends the time from 90 days to 2 years, so that they can take any pay-

ment paper, like on automobiles or electric refrigerators. We would need no Electric Home and Farm Authority if they could rediscount that paper, and the banks knew that any time they needed to they could rediscount the paper.

Mr. CRAWFORD. In other words, your proposal is entirely in line with the recommendations and suggestions recently made to the banks by Chairman Jesse Jones of the Reconstruction Finance Corporation, wherein he pleads with them to finance that type of paper?

Mr. FERGUSON. Yes.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FERGUSON. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 2, line 3, following the word "inserting", strike all out down to the semicolon in line 11, and insert in lieu thereof the following:

"Sec. 9. Notwithstanding any other provision of law, the Export-Import Bank of Washington, District of Columbia, a banking corporation organized under the laws of the District of Columbia as an agency of the United States, pursuant to Executive orders of the President, shall continue until June 30, 1941, or such earlier date as may be fixed by the President by Executive order, to be an agency of the United States and in addition to existing charter powers and without limitation as to the total amount of obligations thereto of any borrower, endorser, acceptor, obligor, or guarantor at any time outstanding, said banking corporation is hereby authorized and empowered to discount notes, drafts, bills of exchange, and other evidences of debt for the purpose of aiding in the financing and facilitating exports and imports and the exchange of commodities between the United States and any of its Territories and insular possessions and any foreign country or the agencies or nationals thereof, and, with the approval of the Secretary of the Treasury, to borrow money and rediscount notes, drafts, bills of exchange, and other evidences of debt for the purposes aforesaid. During the continuance of such agency the Secretary of State and the Secretary of Commerce are authorized and directed to continue, for the use and benefit of the United States, the present investment in the capital stock of said banking corporation, and it is hereby authorized to use all of its assets, including capital and net earnings therefrom, except such earnings as may be required from time to time to pay dividends upon its preferred capital stock, and to use all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its function as such an agency: *Provided further*, Notwithstanding any existing charter powers of the Export-Import Bank of Washington, the said Export-Import Bank of Washington shall not have outstanding at any one time loans in excess of \$100,000,000, the capital for which the Reconstruction Finance Corporation, when requested by the Secretary of the Treasury with the approval of the President, may continue to supply from time to time through loans or by subscription to preferred stock."

Mr. SMITH of Ohio. Mr. Chairman, yesterday I pointed out to the House a gross inconsistency in the text of this statute. The law as it reads at the present time provides for two banks, notwithstanding any other provision of law: The Export-Import Bank of Washington and the Second Export-Import Bank of Washington. This is the law we are now amending.

The amendment to this law as provided in the bill now under consideration provides that the Export-Import Bank of Washington—the Export-Import Bank of Washington—not the Second Export-Import Bank of Washington, merely the Export-Import Bank of Washington—"shall not have outstanding at any one time loans in excess of \$100,000,000." The provision which limits the amount of money outstanding here certainly does not apply to the Second Export-Import Bank of Washington; it applies to only the one.

It is true that by Executive order both these banks were created. By Executive order also the Second Export-Import Bank of Washington was dissolved, but there is nothing in this text, there is nothing in the law, which indicates that this Second Export-Import Bank may not be reestablished by Executive order. There is no question about that.

All this amendment does is to clarify this particular point. It was necessary to rewrite the whole text, because there are 11 places where the plural is used, and it was necessary to

change it to the singular. This amendment, as I state, simply clarifies this law. It merely states that this amount outstanding shall be limited to this one bank alone.

Let me call attention to another feature of this bill. As it stands at the present time I contend that there is no limitation to the amount of funds that may be outstanding at any one time, because the power still exists under this law to re-create by Executive order this Second Export-Import Bank of Washington.

Only one other change is made by my amendment. The charter of the first Export-Import Bank of Washington provides that the Corporation reserves the right to amend, alter, or change any provision contained in the certificate of incorporation in any manner prescribed by statute, and the act as now written provides: "In addition to existing charter powers"—in addition to existing charter powers—"certain grants are herein provided." The point is simply that there is a question as to whether this bank, the Export-Import Bank of Washington, may not have the power to amend its own charter over and above the law itself, because the law specifically provides: "And in addition to the existing charter powers." In order, therefore, to clarify that point and make certain that there can be no misinterpretation of the law, I have simply provided in this amendment as follows:

Notwithstanding any existing charter powers of the Export-Import Bank of Washington, the said Export-Import Bank of Washington shall—

And so forth. It is to be seen, therefore, that the amendment I now offer is merely a clarification of the law. It is an amendment that is just and fair. It simply says in plain English what I believe every Member of Congress means this law to say; and I am asking, therefore, that this amendment do pass.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, we discussed somewhat this same proposition on yesterday. The gentleman's own admission shows that it is not necessary to have this amendment. Originally, of course, there were two export-import banks. Under Executive order of the President the Second Export-Import Bank was discontinued, it was dissolved. It has been completely liquidated, and there were no losses in connection with it at all. The assets were taken over by the present Export-Import Bank.

Existing law covers every feature in connection with the operation of the Export-Import Bank. I ask, therefore, that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 61, noes 103.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CELLER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, pursuant to House Resolution 96, he reported the same back to the House with sundry amendments.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the amended bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit, which I send to the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am.

The Clerk read as follows:

Mr. WOLCOTT moves to recommit the bill to the Committee on Banking and Currency, with instructions to report the same back to the House forthwith, with the following amendment: On page 2, after line 14, add a new section and the following: "Provided, That not more than \$5,000,000 may be loaned by the Export-Import Bank annually to finance the sale and export of commodities to any nation, person, or persons outside of the Western Hemisphere without the consent of Congress: *Provided further*, That the Export-Import Bank of Washington shall not make loans the proceeds of which are to be used for, or in any aid of, the purchase for export of arms and munitions, including airplanes, now in the possession of or to be acquired by the United States Army, Navy, or Marine Corps, except with the consent of Congress.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 107, noes 169.

Mr. WOLCOTT. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 149, nays 202, not voting 82, as follows:

[Roll No. 15]

YEAS—149

Alexander	Eaton, Calif.	Johnson, Ind.	Rich
Allen, Ill.	Eaton, N. J.	Jones, Ohio	Risk
Andersen, H. Carl	Engel	Kean	Robison, Ky.
Anderson, Calif.	Englebright	Keefe	Rodgers, Pa.
Andresen, A. H.	Fenton	Kinzer	Rogers, Mass.
Andrews	Flah	Kunkel	Routzohn
Angell	Ford, Leland M.	Lambertson	Rutherford
Arends	Gamble	Landis	Sandager
Ball	Gartner	LeCompte	Schafer, Wis.
Barton	Gearhart	Lemke	Shafer, Mich.
Bates, Mass.	Gehrmann	Lewis, Ohio	Simpson
Bender	Gerlach	Lord	Smith, Maine
Blackney	Gifford	Luce	Smith, Ohio
Bolles	Gilchrist	Ludlow	Springer
Bolton	Gillie	McDowell	Stearns, N. H.
Bradley, Mich.	Graham	McLean	Stefan
Brewster	Grant, Ind.	McLeod	Sumner, Ill.
Brown, Ohio	Griswold	Maas	Taber
Burdick	Gross	Mapes	Talle
Carlson	Guyer, Kans.	Marshall	Taylor, Tenn.
Carter	Gwynne	Martin, Iowa	Thill
Case, S. Dak.	Hall	Martin, Mass.	Thorkelson
Chapfield	Halleck	Michener	Tibbott
Church	Hancock	Miller	Tinkham
Clason	Harness	Monkiewicz	Treadway
Clevenger	Harter, N. Y.	Mott	Van Zandt
Cole, N. Y.	Hawks	Mundt	Vorvys, Ohio
Crawford	Heinke	Murray	Vreeland
Crowther	Hess	Oliver	Welch
Culkin	Hinshaw	Osmer	Wheat
Curtis	Hoffman	Pierce, N. Y.	White, Ohio
Darrow	Holmes	Pittenger	Wigglesworth
Dirksen	Hope	Plumley	Williams, Del.
Ditter	Hull	Powers	Wolcott
Dondero	Jeffries	Reece, Tenn.	Youngdahl
Douglas	Jenkins, Ohio	Reed, Ill.	
Dowell	Johns	Reed, N. Y.	
Dworshak	Johnson, Ill.	Rees, Kans.	

NAYS—202

Allen, La.	Coffee, Wash.	Ford, Thomas F.	Keogh
Allen, Pa.	Cole, Md.	Fries	Kerr
Arnold	Colmer	Fulmer	Kilday
Ashbrook	Connery	Garrett	Kirwan
Barnes	Cooley	Gathings	Kitchens
Barry	Cooper	Geyer, Calif.	Kleberg
Bates, Ky.	Costello	Gibbs	Kramer
Beckworth	Cox	Gore	Lanham
Bell	Crosser	Gossett	Larrabee
Bland	Crowe	Grant, Ala.	Lea
Boehne	Cullen	Green	Lewis, Colo.
Boland	D'Alesandro	Gregory	McAndrews
Boren	Delaney	Griffith	McCormack
Bradley, Pa.	Dempsey	Hare	McGehee
Brooks	DeRouen	Hart	McGranery
Brown, Ga.	Doxey	Healey	McLaughlin
Buckler, Minn.	Drewry	Hendricks	McMillan, John L.
Bulwinkle	Duncan	Hill	Magnuson
Burch	Dunn	Hobbs	Mahon
Burgin	Durham	Hook	Mansfield
Byrns, Tenn.	Eberharter	Hunter	Marcantonio
Byron	Edmiston	Izac	Martin, Colo.
Caldwell	Elliot	Jacobsen	Martin, Ill.
Cannon, Fla.	Ellis	Jarman	Massingale
Cannon, Mo.	Evans	Johnson, Luther A.	May
Cartwright	Faddis	Johnson, Lyndon	Merritt
Celler	Ferguson	Johnson, Okla.	Mills, Ark.
Chapman	Fitzpatrick	Johnson, W. Va.	Mills, La.
Clark	Flaherty	Jones, Tex.	Monroney
Claypool	Flannagan	Kee	Moser
Cochran	Folger	Keller	Mouton
Coffee, Nebr.	Ford, Miss.	Kennedy, Martin	Murdock, Ariz.

Murdock, Utah	Ramspeck	Shannon	Thomason
Myers	Randolph	Sheppard	Toian
Nelson	Rankin	Sirovich	Turner
Norrell	Rayburn	Smith, Conn.	Vincent, Ky.
O'Connor	Richards	Smith, Ill.	Vinson, Ga.
O'Day	Robertson	Smith, Va.	Voorhis, Calif.
O'Neal	Robinson, Utah	Smith, Wash.	Wallgren
O'Toole	Rogers, Okla.	Smith, W. Va.	Walter
Owen	Romjue	Snyder	Warren
Pace	Ryan	South	Weaver
Parsons	Sabath	Sparkman	West
Patman	Sacks	Spence	Whelchel
Patrick	Satterfield	Starnes, Ala.	Whittington
Pearson	Schaefer, Ill.	Stegall	Williams, Mo.
Peterson, Fla.	Schulte	Sutphin	Wood
Peterson, Ga.	Schwert	Tarver	Woodrum, Va.
Pierce, Oreg.	Scrugham	Tenerowicz	Zimmerman
Poage	Secrest	Terry	
Polk	Shanley	Thomas, Tex.	

NOT VOTING—82

Anderson, Mo.	Dies	Kennedy, Md.	Rockefeller
Austin	Dingell	Kennedy, Michael	Sasser
Barden	Disney	Knutson	Schiffler
Beam	Doughton	Kocalkowski	Schuetz
Bloom	Elston	Leavy	Secombe
Boykin	Fay	Lesinski	Seger
Bryson	Fernandez	McArdle	Short
Buck	Flannery	McKeough	Somers, N. Y.
Buckley, N. Y.	Gavagan	McMillan, Thos. S.	Sullivan
Byrne, N. Y.	Goldsborough	McReynolds	Sumners, Tex.
Casey, Mass.	Harrington	Maciejewski	Sweeney
Chandler	Harter, Ohio	Maloney	Taylor, Colo.
Cluett	Hartley	Mason	Thomas, N. J.
Collins	Havener	Mitchell	Thomson, N. J.
Corbett	Hennings	Nichols	White, Idaho
Creal	Horton	Norton	Winter
Cummings	Houston	O'Brien	Wolfenden, Pa.
Curley	Jarrett	O'Leary	Wolverton, N. J.
Daly	Jenks, N. H.	Patton	Woodruff, Mich.
Darden	Jensen	Pfeifer	
Dickstein	Kelly	Rabaut	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Winter (for) with Mr. Bloom (against).
 Mr. Short (for) with Mr. Kelly (against).
 Mr. Wolfenden of Pennsylvania (for) with Mr. Sullivan (against).
 Mr. Thomas of New Jersey (for) with Mr. Maloney (against).
 Mr. O'Brien (for) with Mr. Kocalkowski (against).
 Mr. Mason (for) with Mr. Fernandez (against).
 Mr. Secombe (for) with Mr. Maciejewski (against).
 Mr. Elston (for) with Mr. O'Leary (against).
 Mr. Woodruff of Michigan (for) with Mr. Anderson of Missouri (against).
 Mr. Jensen (for) with Mr. Pfeifer (against).
 Mr. Jenks of New Hampshire (for) with Mr. Lesinski (against).
 Mr. Hartley (for) with Mr. Gavagan (against).

Until further notice:

Mr. Beam with Mr. Wadsworth.
 Mr. Dies with Mr. Austin.
 Mr. Doughton with Mr. Wolverton of New Jersey.
 Mr. McReynolds with Mr. Cluett.
 Mr. Sumners of Texas with Mr. Knutson.
 Mr. Schuetz with Mr. Seger.
 Mr. Boykin with Mr. Jarrett.
 Mr. Collins with Mr. Corbett.
 Mr. Rabaut with Mr. Horton.
 Mr. Taylor of Colorado with Mr. Rockefeller.
 Mr. Dingell with Mr. Schiffler.
 Mr. Creal with Mr. Winter.
 Mr. Curley with Mr. Mitchell.
 Mr. McArdle with Mr. Sweeney.
 Mr. Disney with Mr. White of Idaho.
 Mr. Somers of New York with Mr. Bryson.
 Mr. Harrington with Mr. Fay.
 Mr. Nichols with Mr. Buckley of New York.
 Mr. Hennings with Mr. Darden.
 Mr. Casey of Massachusetts with Mr. Flannery.
 Mr. McKeough with Mr. Harter of Ohio.
 Mr. Barden with Mr. Leavy.
 Mr. Byrne of New York with Mr. Thomas S. McMillan.
 Mr. Patton with Mr. Daly.
 Mr. Michael J. Kennedy with Mr. Havener.
 Mr. Chandler with Mrs. Norton.
 Mr. Dickstein with Mr. Buck.
 Mr. Houston with Mr. Sassa.
 Mr. Cummings with Mr. Kennedy of Maryland.

Mr. BOLAND. Mr. Speaker, my colleague the gentleman from Pennsylvania, Mr. FLANNERY, is unavoidably detained. If he had been present, he would have voted "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. STEAGALL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 280, nays 77, not voting 76, as follows:

[Roll No. 16]

YEAS—280

Alexander	Dunn	Keller	Powers
Allen, Ill.	Durham	Kennedy, Martin	Ramspeck
Allen, La.	Dworshak	Keogh	Randolph
Allen, Pa.	Eaton, Calif.	Kerr	Rankin
Anderson, Calif.	Eberhart	Kilday	Rayburn
Andresen, A. H.	Edmiston	Kirwan	Reece, Tenn.
Arends	Elliott	Kitchens	Reed, Ill.
Arnold	Ellis	Kleberg	Rees, Kans.
Ashbrook	Engel	Kramer	Richards
Barnes	Englebright	Kunkel	Robertson
Barry	Evans	Landis	Robinson, Utah
Barton	Faddis	Lanham	Rogers, Okla.
Bates, Ky.	Ferguson	Larrabee	Romjue
Beckworth	Fish	Lea	Routzohn
Bell	Fitzpatrick	Leavy	Ryan
Blackney	Flaherty	LeCompte	Sabath
Bland	Flannagan	Lenke	Sacks
Bloom	Folger	Lewis, Colo.	Satterfield
Boehne	Ford, Miss.	Lewis, Ohio	Schaefer, Ill.
Boland	Ford, Thomas F.	Ludlow	Schiffler
Boren	Fries	McAndrews	Schulte
Boykin	Fulmer	McCormack	Schwert
Bradley, Pa.	Garrett	McGehee	Scrugham
Brewster	Gathings	McGanery	Secrest
Brooks	Gavagan	McLaughlin	Shanley
Brown, Ga.	Gearhart	McMillan, John L.	Shannon
Brown, Ohio	Gehrmann	McMillan, Thos. S.	Sheppard
Buckler, Minn.	Geyer, Calif.	Maas	Sirovich
Bulwinkle	Gibbs	Magnuson	Smith, Conn.
Burch	Gilchrist	Mahon	Smith, Ill.
Burdick	Gillie	Mansfield	Smith, Va.
Burgin	Gore	Mapes	Smith, Wash.
Byrne, N. Y.	Gossett	Marcantonio	Smith, W. Va.
Byrns, Tenn.	Grant, Ala.	Martin, Colo.	Snyder
Byron	Grant, Ind.	Martin, Ill.	South
Caldwell	Green	Martin, Iowa	Sparkman
Cannon, Fla.	Gregory	Massingale	Spence
Cannon, Mo.	Griffith	May	Springer
Carlson	Guyer, Kans.	Merritt	Starnes, Ala.
Cartwright	Gwynne	Michener	Stegall
Celler	Halleck	Mills, Ark.	Stefan
Chapman	Hare	Mills, La.	Sumner, Ill.
Chipherfield	Harness	Monroney	Sutphin
Church	Harrington	Moser	Talle
Clark	Hart	Mott	Tarver
Claypool	Healey	Mouton	Taylor, Colo.
Cochran	Hendricks	Mundt	Tenerowicz
Coffee, Nebr.	Hennings	Murdock, Ariz.	Terry
Coffee, Wash.	Hill	Murdock, Utah	Thomas, Tex.
Cole, Md.	Hinshaw	Myers	Thomason
Colmer	Hobbs	Nelson	Thorkelson
Connery	Hook	Nichols	Tibbott
Cooley	Hope	Norrell	Tolan
Cooper	Horton	O'Connor	Turner
Costello	Hull	O'Day	Vincent, Ky.
Cox	Hunter	O'Neal	Vinson, Ga.
Crawford	Izac	O'Toole	Voorhis, Calif.
Crosser	Jacobsen	Owen	Wallgren
Crowe	Jarman	Pace	Walter
Cullen	Jenkins, Ohio	Parsons	Warren
Curtis	Jensen	Patman	Weaver
D'Alesandro	Johnson, Ill.	Patrick	Welch
Delaney	Johnson, Ind.	Pearson	West
Dempsey	Johnson, Luther A.	Peterson, Fla.	Wheat
DeRouen	Johnson, Lyndon	Peterson, Ga.	Whelchel
Dirksen	Johnson, Okla.	Pfeifer	White, Ohio
Dowell	Johnson, W. Va.	Pierce, Oreg.	Whittington
Doxey	Jones, Ohio	Pittenger	Williams, Mo.
Drewry	Jones, Tex.	Poage	Wood
Duncan	Kee	Polk	Woodrum, Va.

NAYS—77

Andersen, H. Carl	Gamble	Lord	Shafer, Mich.
Andrews	Gartner	Luce	Simpson
Angell	Gerlach	McLean	Smith, Maine
Ball	Gifford	Marshall	Smith, Ohio
Bates, Mass.	Graham	Martin, Mass.	Starnes, N. H.
Bender	Griswold	Miller	Taber
Bolles	Gross	Monkiewicz	Taylor, Tenn.
Bolton	Hall	Murray	Thill
Bradley, Mich.	Hancock	Oliver	Tinkham
Clason	Harter, N. Y.	Osmer	Treadway
Clevenger	Hawks	Pierce, N. Y.	Van Zandt
Cole, N. Y.	Heinke	Plumley	Vorys, Ohio
Crowther	Hess	Reed, N. Y.	Vreeland
Culkin	Hoffman	Risk	Wigglesworth
Darrow	Holmes	Robison, Ky.	Williams, Del.
Ditter	Jarrett	Rodgers, Pa.	Wolcott
Dondero	Johns	Rogers, Mass.	Youngdahl
Douglas	Kean	Rutherford	
Eaton, N. J.	Keefe	Sandager	
Fenton	Kinzer	Schafer, Wis.	

NOT VOTING—76

Anderson, Mo.	Bryson	Case, S. Dak.	Collins
Austin	Buck	Casey, Mass.	Corbett
Barden	Buckley, N. Y.	Chandler	Creal
Beam	Carter	Cluett	Cummings

Curley	Hartley	McLeod	Secombe
Daly	Havener	McReynolds	Seger
Darden	Houston	Maclejewski	Short
Dickstein	Jeffries	Maloney	Somers, N. Y.
Dies	Jenks, N. H.	Mason	Sullivan
Dingell	Kelly	Mitchell	Sumners, Tex.
Disney	Kennedy, Md.	Norton	Sweeney
Doughton	Kennedy, Michael	O'Brien	Thomas, N. J.
Elston	Knutson	O'Leary	Wadsworth
Fay	Kocalkowski	Patton	White, Idaho
Fernandez	Lambertson	Rabaut	Winter
Flannery	Lesinski	Rich	Wolfenden, Pa.
Ford, Leland M.	McArdle	Rockefeller	Wolverton, N. J.
Goldsborough	McDowell	Sasscer	Woodruff, Mich.
Harter, Ohio	McKeough	Schuetz	Zimmerman

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Winter (for) with Mr. Woodruff of Michigan (against).
Mr. Sullivan (for) with Mr. Wolfenden of Pennsylvania (against).

General pairs:

Mr. Kelly with Mr. Short.
Mr. Maloney with Mr. Thomas of New Jersey.
Mr. Kocalkowski with Mr. O'Brien.
Mr. Fernandez with Mr. Mason.
Mr. Maciejewski with Mr. Secombe.
Mr. O'Leary with Mr. Elston.
Mr. Lesinski with Mr. Jenks of New Hampshire.
Mr. Beam with Mr. Wadsworth.
Mr. Dies with Mr. Austin.
Mr. Doughton with Mr. Wolverton of New Jersey.
Mr. McReynolds with Mr. Cluett.
Mr. Somers of New York with Mr. Knutson.
Mr. Schuetz with Mr. Seger.
Mr. Collins with Mr. Corbett.
Mr. Rabaut with Mr. Hartley.
Mr. Dingell with Mr. Rockefeller.
Mr. Zimmerman with Mr. Carter.
Mr. Anderson of Missouri with Mr. McLeod.
Mr. Creal with Mr. Jefferies.
Mr. Disney with Mr. Lambertson.
Mr. Darden with Mr. Rich.
Mrs. Norton with Mr. McDowell.
Mr. Patton with Mr. Case of South Dakota.
Mr. Harter of Ohio with Mr. Leland M. Ford.
Mr. Houston with Mr. Buck.
Mr. McKeough with Mr. Flannery.
Mr. Casey of Massachusetts with Mr. White of Idaho.
Mr. Fay with Mr. Mitchell.
Mr. Sweeney with Mr. Barden.
Mr. Kennedy of Maryland with Mr. Curley.
Mr. Bryson with Mr. Michael J. Kennedy.
Mr. Dickstein with Mr. Sasscer.
Mr. Chandler with Mr. Havener.
Mr. Buckley of New York with Mr. Cummings.
Mr. Daly with Mr. Goldsborough.

Mr. CHIPERFIELD and Mr. GILLIE changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUSE OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a. m. tomorrow.

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, as I understand, the program is to complete general debate on the Navy bill tomorrow and also read the bill for amendment as far as we can, with the possible exception of the consideration of the provision relating to Guam, which will go over to Thursday.

Mr. RAYBURN. The gentlemen on this side are willing, if they can complete general debate tomorrow and read the bill for amendment, to allow the vote on Guam to go over to Thursday morning.

Mr. MARTIN of Massachusetts. That is not quite clear. Will the debate on Guam be tomorrow?

Mr. RAYBURN. That is the hope. The gentleman understands this is a short bill.

Mr. MARTIN of Massachusetts. I wonder if it would not be well to meet Thursday morning at 11 o'clock and allow the Members a half hour then for discussion of the provision regarding the development at Guam.

Mr. RAYBURN. I believe we can easily agree on allowing half an hour for its discussion after meeting Thursday.

Mr. MARTIN of Massachusetts. I do not want to be too insistent on it, but I believe putting the vote over to Thursday will really accommodate most of the Members.

Mr. RAYBURN. The general debate and practically all the debate on the bill will be concluded tomorrow, but I do not believe there would be objection to allowing, say, 30 minutes for debate on Thursday morning.

Mr. MARTIN of Massachusetts. Let us have this understanding, then, that tomorrow we shall complete the consideration of the bill, with the possible exception of the Guam provision, and the vote in the Committee on that question will be on Thursday.

Mr. RAYBURN. The vote in the Committee on the Guam provision will be on Thursday.

Mr. VINSON of Georgia. The vote will be on Thursday morning.

Mr. MARTIN of Massachusetts. And that we shall be allowed 30 minutes for discussing that question on Thursday morning.

Mr. MAPES. Reserving the right to object, Mr. Speaker, there will be no vote tomorrow even in Committee on the Guam question?

Mr. RAYBURN. The gentleman is correct, and we are perfectly willing to agree to 30 minutes' debate on that question on Thursday morning.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENSION OF REMARKS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from Jesse H. Jones, Chairman of the Reconstruction Finance Corporation, on the activities of the Export-Import Bank, and a summary of the R. F. C. activities since its organization on February 2, 1932.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

LEAVE OF ABSENCE

Mr. BOREN. Mr. Speaker, I should like to announce the unavoidable absence of my colleague the gentleman from Oklahoma, Mr. DISNEY, due to illness, and I ask unanimous consent that he may be granted an indefinite leave of absence pending his complete recovery.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including an address delivered by the gentleman from Wisconsin [Mr. JOHNS] at Johnson City, Tenn.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SHANLEY asked and was given permission to extend his own remarks in the RECORD.

NAVAL AVIATION FACILITIES

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 98 and ask for its immediate consideration.

The Clerk read the resolution as follows:

House Resolution 98

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 4278, a bill to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 6 hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend.

Mr. COX. Mr. Speaker, of the time allowed for the consideration of the resolution I yield 30 minutes to the gentleman from New York [Mr. FISH] to be in turn yielded by him as he sees fit. I yield myself 5 minutes.

Mr. Speaker, the pending resolution makes provision for the consideration of H. R. 4278, a bill reported by the Committee on Naval Affairs, which provides for 12 aviation developments, the cost of which will not exceed \$52,000,000.

This proposition is not new. In the measure approved May 17 of last year, a bill to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes, authorization for the setting up of a board was contained. Under this authority a board was appointed and in accordance with the instructions of the measure did make investigation and did report on the need for additional naval bases to protect the coast of the United States, its Territories, and its possessions.

The bill now proposed—H. R. 4278—is to authorize the Navy Department to carry out certain recommendations of the board. The Navy Department in its report states that it considers the immediate provision of these bases to be sound and conservative for peacetime operations and as measures of preparedness upon which to base wartime expenditures.

Mr. Speaker, it seems the only part of the bill which is controversial is that which provides for certain developments at Guam. I wish to state that I had entertained some apprehensions with regard to the proposal to improve Guam, but, after my examination of the hearings before the Committee on Naval Affairs, those fears were altogether dissipated.

Admiral Leahy, when he appeared before the committee considering this bill, gave the following evidence:

The authorization in the bill now before this committee does not provide for the development of a base at Guam. It requests only authority to make improvements in the facilities for handling airplanes. As an expression of my own personal opinion in regard to the value of a base at Guam, I may say that it is my understanding that the United States has at no time in its history entertained offensive designs against any nation, and that the permanent military policy of the United States is defensive.

The establishment of a base for submarines and aircraft on the island of Guam would be extremely valuable in augmenting the defensive power of the American Fleet because no foreign power would like to project an advance in force across the Pacific without first reducing such a base—

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield myself 5 additional minutes. Continuing, the admiral said:

If the United States is to continue the maintenance of an Asiatic squadron, it is necessary that a base for repairs be available in the Western Pacific Hemisphere somewhere.

If the United States is to withdraw entirely from the western Pacific, and to also leave the defense of the Philippine Islands to the natives thereof without any assistance, the whole value of an airplane and submarine base at Guam would be its deterrent effect on anybody contemplating a hostile move from the general area toward the Hawaiian Islands.

Continuing the admiral said:

If the United States expects to afford any assistance in the event of the Philippines being attacked by a foreign power, a base at Guam would be invaluable.

A strong, fully equipped base at Guam capable of protecting itself against an attack, together with the fleet available if the present international naval ratios are maintained, would practically prohibit an invasion of the Philippine Islands, and would add greatly to the difficulty of attacking from the Pacific Ocean any American territory.

The necessity for a fully equipped base at Guam seems to depend entirely on the national policy, for which the Navy has no responsibility.

So, Mr. Speaker, it appears that there is nothing in the proposed expenditure at Guam that should disturb anyone and I urge my colleagues to carefully examine the hearings before the committee, for I am sure that such examination will satisfy the most of you and your opposition to the measure, if not withdrawn, will at least be less determined. [Applause.]

Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. COLMER].

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Mr. COLMER. Mr. Speaker, this is a naval preparedness bill that we are to consider here, and I may say at the outset of these few remarks that I believe in this country being prepared for defensive warfare. I think the country should be prepared and I think it should be prepared in time of peace and not wait until war is actually upon us.

As my distinguished colleague [Mr. Cox] has just said, the only controversial feature of this bill is the question of Guam. I believe the people of the United States as a whole believe that we ought to prepare in time of peace. I think we are agreed upon that, and I would just like to say in passing that one of the most admirable spectacles I have witnessed since I have been in this House was the lack of partisanship that was shown in the consideration of the military bill that we discussed here last week. I hope this bill may be approached from that same unbiased and unpartisan angle, because if there is one thing that Republicans and Democrats alike should agree upon, it is upon the question of patriotism and especially upon those questions affecting the security of our common country in time of war.

I approached this question of Guam with an open mind. I listened to the learned chairman of the Naval Affairs Committee, Mr. VINSON of Georgia, when he was before the Rules Committee, and I tried to reason this thing out from a logical standpoint and from a patriotic standpoint, and, frankly, I am afraid of this Guam proposition. I know there is a division of opinion on it, and I know there is a division of opinion among the military and the naval experts, and I know this House is going to try to arrive at the proper conclusion. In the next place, let me say that if it were just a matter of how Guam is affected by this particular bill I would have no apprehension about it, because this bill, of itself, is absolutely inoffensive from any point of view to any other country or to stirring up of international strife. The bill merely authorizes the deepening of the harbor at Guam, but then the question arises, if that is all there is in this bill, why was this provision reported out by the Naval Affairs Committee? Why did it not come through the regular channels with respect to all river and harbor development and be reported out by the Rivers and Harbors Committee? When we undertake to develop other rivers and harbors in the country or in the insular possessions, we let them come through the regular course just as all other river and harbor legislation.

Mr. MAGNUSON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. Yes.

Mr. MAGNUSON. I think we ought to clear up, before we start, the matter of Guam coming under the jurisdiction of the Committee on Rivers and Harbors. The House should know that Guam is under the jurisdiction of the Naval Committee, put there during the time of President McKinley, after the Spanish-American War, and therefore the Committee on Rivers and Harbors does not have jurisdiction over this matter, and if the harbor at Guam is to be deepened, it must be done by the Navy Department.

Mr. COLMER. Mr. Speaker, I am just wondering if the gentleman is fully and correctly advised about that proposition. I made some investigation of the matter myself, and it is my opinion, after this investigation, and I was so advised by those in a position to speak authoritatively, that both committees possibly would have current jurisdiction of the matter.

The SPEAKER pro tempore (Mr. MURDOCK of Utah). The time of the gentleman from Mississippi has expired.

Mr. COX. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. COLMER. So it seems at best they would have concurrent jurisdiction. What do we find? We find a war-torn and alarmed world. We are sitting on the edge, and all nations are nervous and irritable, and we have this country protesting all of the time its good-neighbor policy—protesting any desire toward aggression. We should follow that out in deed as well as in words. So I think we should approach this matter rather carefully.

I do not think I would be opposed to this under other circumstances. I do not know the necessity from an economic point of view for the development of this harbor for our commercial or even naval purposes, but I doubt that it should be approached in this manner. Here is an island 5,428 miles from the Pacific coast, over there close to another country with which they say we are not on such friendly terms. If we do not desire aggression, why should we attempt to do anything at this particular time that would prove offensive or would add to the nervous tension of the world?

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. COLMER. Yes.

Mr. COX. The gentleman will recall, I am sure, that on the application for a rule before the Committee on Rules evidence was presented in the form of a telegram which represented the attitude of the Japanese with respect to this proposal to improve the harbor of Guam.

Mr. COLMER. I say to my friend that I heard that telegram read by one of the minority Members. I am not sure just what the full portent of that was, but I must get back to the proposition, and I am sure that my friend, who has a level head on all occasions, would rather that this question would not come up at this time. As I said at this time, there is nothing partisan about that. We have to go out there over 3,000 miles beyond Hawaii, under this bill, to fortify an island. It will be like hoisting a red flag over there, to add to the jittery condition of a world torn with dissension. It was also brought out that it is not proposed to fortify this island. Let us reason about that.

If you are not going to fortify the island, then why do anything about it? In other words, why go in there and deepen the harbor that would be useful to Japan or some other country, because we would not be able to protect it if we did not have any fortifications?

Mr. COX. If the island is not to be used at some time for strengthening our national defense, then what purpose could there be?

Mr. COLMER. As far as I am concerned, rather than go over there and have a war about a corral reef, I would be willing to let them have it. I am not a naval or a military expert, and I don't know just what advantage it would be, but I do know that it is now proposed to do something more than to dredge that harbor, because I hold in my hand a bill recently introduced, on January 19, by the distinguished chairman of the Committee on Naval Affairs, to build some barracks over there at a cost of some \$75,000. What I am apprehensive of, let me say to my good friend from Georgia and others who are interested, is that I am afraid that this might be an entering wedge to build up a fortified island nearly 5,000 miles from our coast line, that later would serve to get us into trouble, and I think it is a matter that ought to be most carefully considered by this House.

Of course, Mr. Speaker, you and I know that it is the purpose eventually of the naval authorities to fortify this island. In fact, the Hepburn report discloses that that committee recommended such a course. Moreover, it has been estimated, I believe, by the naval authorities that it would cost \$88,000,000 for the fortification and something like seventy million for a naval and air base. That means that, if we were to follow the Hepburn recommendation, we would expend a total of approximately \$150,000,000 for the defense of a little island 6 miles wide and 30 miles long situated 5,428 miles from our coast and approximately 1,400 miles from Japan. That they do intend to fortify it is shown on page 22 of the printed hearings. Admiral Leahy was asked if it was not possible that the Navy Department at a later date would make further recommendations "to guarantee national defense" for Guam and other localities. Admiral Leahy replied, "It is reasonable to assume that the Department will make such recommendations at a later date."

Now, as I said in the premises, I believe in national defense. I do not believe in aggression or anything that smacks of it. Every utterance that I have made on this floor or elsewhere reflects that position. But I am compelled to view with some alarm the policy of fortifying an island that far from

home by a nation that has ever protested any desire for conquest.

If the island is not to be fortified eventually, then we are wasting \$5,000,000, and, more than that, we might be building for Japan or some other aggressive nation who would take it away from us and use it against us. On the other hand, I am unalterably opposed to expending such a huge sum as \$150,000,000 to fortify it. Viewed from either point of view it is a bad investment. [Applause.]

Mr. FISH. Mr. Speaker, I yield myself 15 minutes. I know of no more dangerous and provocative proposal that could come before the House in these days of war hysteria and fear and dread of war than this matter of Guam. Appeals have been made to emotionalism and fear throughout the length and breadth of this land that have created war hysteria to such an extent that only a short time ago the people of the great State of New Jersey, listening into the radio, even thought they were being invaded by warriors from Mars. There is no denying the fact that the American people have been alarmed by all of this talk and thought of war, and if the women really believed one-half they read in the newspapers, and one-half they heard over the radio, they would look under their beds every night to see if there was not some Jap or German or Italian there ready to pounce on poor little defenseless America and gobble up both North and South America at one bite.

As Al Smith used to say, "Let's look at the record." What does the record disclose? The record discloses that instead of being a poor, weak, defenseless nation, like China or Abyssinia, we have the greatest Navy we have ever had in the history of our country; a Navy three times as large as the German Navy, twice as large as the Italian Navy and 50 percent larger than the Japanese Navy. Then why is it necessary to change our entire foreign policy, which has been one of national defense and defense of our own shores and upholding the Monroe Doctrine, to go 6,000 miles away from our Pacific Coast to set up an airplane base? Is that for defense—6,000 miles away? This little island of Guam is farther from Hawaii and Honolulu than we are from the Rhine. Yet we propose to go out there and spend \$5,000,000 to dredge that little harbor of Guam, in order to provide an airplane base. Against whom?

Before I go any further, I challenge the President of the United States, I challenge the chairman of the Committee on Naval Affairs and the subcommittee on naval appropriations to state to this House what nation or nations is even dreaming of attacking the United States, or what nation or nations has the faintest capacity to attack the United States of America? Then why depart from our traditional foreign policies of nonintervention, of neutrality, of peace, and of national defense and go looking for trouble? I say to you if we were ever looking for trouble and war, this is the way to find it.

Human nature has not changed. When I was a boy at school and I wanted to get into a fight I would put a chip on my shoulder and go out looking for one, and I would always be accommodated. Today we are putting a chip on our shoulder by going out of our way to dredge and prepare Guam as an airplane base. Oh, you will hear all about this being a mere harbor dredging operation. A harbor for what? For airplanes, not civilian, but naval airplanes. For aggression, as an airplane base it would be, a dagger at the throat of Japan and an arrow aimed at the heart of Japan and its communications and its trade. Guam is only 1,300 miles from Japan. Only 1,400 miles from Tokio and the great industrial cities of Japan. It could be used as an air base to bomb its commerce and destroy its cities. I say to you I think this is one of the most important factors to consider when you are considering the entire program of national defense how would we like a Japanese base within 1,300 miles of the Pacific coast? We are Americans regardless of partisanship. After all, war is above partisanship. What is sauce for the goose is sauce for the gander. What would we say if Japan started to build a harbor for airplanes 1,300 miles from the Panama Canal; 1,300 miles from San Francisco;

1,300 miles from Los Angeles? It must be self-evident to every Member of the House that that would create overnight a serious war hysteria, a direct fear and dread of war, and would lead directly to war if Japan did the same thing we propose to do if we enact this bill.

Mr. THORKE. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes; I yield.

Mr. THORKE. May I ask the gentleman, does he believe that China is carrying a chip on her shoulder, or Ethiopia, or Africa, or India, and the other places?

Mr. FISH. I will say to the gentleman that I do not think the United States of America, with the greatest Navy we have ever had, is in the same situation as China or Abyssinia or Spain or India. We propose to have and have the utmost national defense that is necessary to protect our own shores, to protect our trade, and to uphold the Monroe Doctrine; but we do not have to go looking for wars in foreign lands.

Now, I am glad this issue has been brought up today before Washington's Birthday and will be considered on Washington's Birthday and will be voted on the day after Washington's Birthday. What is it that Washington said in his Farewell Address as advice to the American people? There never was an American statesman who had the vision of George Washington. He said this:

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

I repeat and I emphasize: "Why forego the advantages of so peculiar a situation?" That is the issue. Nothing has changed since those days, since the day that Washington proclaimed that doctrine and left it as advice and a warning to the American people not to depart from it. There is no airplane that has ever been invented that can fly from Germany or Italy or Japan and bomb a single American city and get back to its base. I challenge the President or anyone in this House upholding this bill to specify that a single airplane can fly from either Germany, Japan, or Italy and bomb any city in the United States and get back to their base.

Mr. MAGNUSON. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. MAGNUSON. This is to get the record straight, also. This bill also provides certain air bases for Alaska. I wonder if the gentleman is familiar with the fact that Japan has fortified its airplane base which is closer to Alaska than Japan is to Guam, and I wonder if the gentleman has the same objection with regard to the air bases in Alaska.

Mr. FISH. No; because in the last Congress we agreed that our first line of naval defense should be from Alaska to Hawaii, down to Samoa, and then to the Panama Canal. That was recommended by our admirals and Navy Department, and was adopted by Congress as a proper and adequate first line of defense, with Hawaii as our outpost. Now we propose to move 4,000 miles farther, farther than it is from Washington to Berlin. We now propose to move from Hawaii to Guam, that little outpost in the Pacific, in order to establish an airplane base as a threat against Japan and her commerce, and to extend our naval operations from the eastern Pacific to the western Pacific.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. COX. Do I understand that the gentleman's objection to Guam constitutes his full objection to the bill?

Mr. FISH. Yes; I am willing to accept the appropriations for Wake and Midway Islands. I do not know that it is necessary or that I want to quarrel about whether we should fortify Wake and Midway. I will accept that plan of defense as going a little farther west than Hawaii but not 4,000 miles beyond Hawaii to set up an air base at Guam.

Mr. MAGNUSON. And Alaska.

Mr. FISH. And Alaska; but I do object to going 4,000 miles away looking for trouble in the Western Pacific in the vicinity of Japan.

Mr. COX. The gentleman, of course, is not objecting to the adoption of the pending rule.

Mr. FISH. Not at all. Now, let us consider for a moment this alleged menace from enemy airplanes. Actually, if one believed all one read in the press one would believe that we were about to be invaded by some foreign power, that foreign airplanes were about to bomb Washington, New York, or San Francisco.

What are the facts? The facts are in regard to the three totalitarian States of Italy, Germany, and Japan, that Italy has no airplane carriers, Germany has two airplane carriers and Japan has only six. This makes a total of eight airplane carriers. Each of those carriers has a maximum capacity of 50 planes. So if we sunk our Navy, the greatest Navy we have ever had and almost the equal of Great Britain's today, if we sunk our Navy these totalitarian nations could only bring over against us on airplane carriers 400 planes; and today we have 4,000 airplanes between the Army and the Navy. If 4,000 modern American airplanes with the best pilots in the world cannot defeat 400 European or Asiatic planes, then we better give up anyhow and not talk any more about defense. However, facts seem to count for little owing to the fury of the war hysteria and propaganda.

Why should we adopt this aggressive program and disregard the advice of George Washington? Why forego the advantages of so peculiar a situation and go looking for trouble? We will find all the trouble we are looking for. The President a little while ago said that we have a rendezvous with destiny. It is beginning to look as if we would have a rendezvous with death at Guam. If we begin arming and fortifying Guam as a base for airplanes naturally we will follow it up for submarines and then for larger ships, and in a little while we shall create enough suspicion, and hatred, and enmity with Japan that war will be inevitable. All history proves it.

Go back to the days of Athens and Sparta, Carthage and Rome, all the way up to the days of Great Britain and Germany. Naval competition has always created hatred and enmity, and eventuated in war. That is what is happening now. We are launched on a great naval race with Japan, a mad and costly rivalry and this is a logical step in that naval race, to arm as far out as we can get for offense. We will have changed our entire foreign policy from one of defense to one of offense if this bill goes through. I suspected it last year when we discussed appropriations for a super navy—not for defense, but for offense. This proves that we are going out into the western Pacific for aggressive purposes, to quarantine the world, to act as policemen for the entire world, with American blood and treasure.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. AUGUST H. ANDRESEN. Will the gentleman give us some idea of what the President had in his mind last week just before he left on his fishing trip when he said that complications might arise which would force him to shorten his trip and come home?

Mr. FISH. All I can say to the gentleman after listening to the President's speeches in favor of concerted action against aggressor nations, demanding powers from Congress to determine the aggressor nation, talking of economic sanctions and acts short of war, and about policing and quarantining the world—all I can say to the gentleman from Minnesota and my fellow Republicans is that the more the President goes on fishing trips and stays away from Washington the safer the country will be. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. STEFAN. The gentleman is opposed to the fortification of Guam, is he not?

Mr. FISH. Yes.

Mr. STEFAN. Does the gentleman believe that the \$5,000,000 authorized in this bill is the beginning of the fortifying of that island?

Mr. FISH. I am sure it is.

Mr. STEFAN. Then does not the gentleman think that the American public and American industry in the Philippine Islands should know today that we are taking a definite step in abandoning forever the Philippine Islands?

Mr. FISH. Answering the gentleman, and I can express only my own views, I voted to give up the Philippines. I voted to give them up voluntarily because I would not give them up under threat of war, but I am willing to give them up in time of peace. I remember the words of Theodore Roosevelt when, as President of the United States, he wrote to his Secretary of War, Mr. Taft:

We must do everything we can to give up the Philippines in time of peace when no threat is being made against them, because they constitute the Achilles' heel of the United States.

This statement was made 30 years ago by a great American President and a courageous man. I am in favor of giving them up. I think it is preposterous that, having voted to give up the Philippine Islands, we should now attempt to fortify the island of Guam, 4,000 miles from Hawaii, or to establish an air base there against Japan.

Mr. STEFAN. We have had an idle Army in the Philippines for 30 years. We are abandoning various fortifications; we are abandoning Cavite, Olongapo, and Corregidor. Why now fortify this little island in that same region?

Mr. FISH. That is what I cannot understand, and that is the question I ask. It is preposterous, unreasonable, and unsound, because we could not defend it if we wanted to; and it is a provocative act that promotes unfriendly relations with a proud, sensitive, and warlike people.

Mr. STEFAN. It is my opinion that the Army and Navy want something out there as an excuse to go there.

Mr. FISH. It is a big adventure in aggression and offense, and will result inevitably in war.

Mr. CRAWFORD. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. CRAWFORD. At the time the Philippine Act was up for consideration, was there debate of any consequence as to whether or not the people of this country or the Congress of the United States had any right to take away from the Philippines the protection of the United States; in other words, discharge that Territory and forever remove it as a part of this country? Has Congress the right to discharge the State of Michigan from the protection of the United States? Was that matter debated at all?

Mr. FISH. I believe it was. We had a very extensive debate on that proposition. I believe it was unanimously felt we had this right.

Mr. CRAWFORD. It is a constitutional right that has never been settled?

Mr. FISH. If we have not got it, we ought to amend the Constitution, because, after all, we cannot go to war perpetually over the Philippines.

Mr. CRAWFORD. But the question has not been decided?

Mr. FISH. Not definitely by the Supreme Court, but I doubt if the Congress felt it was necessary.

Mr. CRAWFORD. That is what I mean.

Mr. HOFFMAN. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Michigan.

Mr. HOFFMAN. In view of the fact that in a special message of March 2, 1934, the President recommended abandonment of all military establishments in the Philippines, can this policy be reconciled with that recommendation?

Mr. FISH. It cannot be. You cannot reconcile any of the President's statements. He is the one who has been advocating Guam as an air base from the beginning and that is why it is before the House today. We are supposed to goose-step in support of the proposal because the President wants Guam fortified as a part of his program to quarantine the world. Do not make any mistake about that.

Mr. COX. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Georgia.

Mr. COX. The gentleman has been talking about the attitude of the Congress with regard to the Philippines. The gentleman, of course, is aware of the fact that the Philippines were taken under a Republican administration with the promise that they would soon be free. Does the gentleman not recall it was the Republican Party that kept the Philippine Islands for many years?

Mr. FISH. I am not denying that. I am not denying the fact the Philippines were conquered during a Republican administration, that we paid \$20,000,000 for the islands to Spain, but many of us Republicans are willing and glad to give them up. The Democrats also wanted to give them up. Now, why go out and fortify Guam? That is the question for you to answer?

Mr. COX. The Philippines were given their conditional freedom under a Democratic administration.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 1 additional minute.

Mr. Speaker, I want to appeal to my fellow Republicans and emphasize that there is no country in the world thinking of attacking us. There is no country that has the ability or the capacity to attack us if they wanted to do so. Every one of our admirals stated that the Japanese Navy must be three times as large as ours in order to even attempt to attack us. All of this talk about an attack or invasion from a foreign nation or nations is part of the war hysteria and fear being created in America by the New Deal administration and among others who are doing this are the Communists who want us to go to war with Japan and Germany for the benefit of Soviet Russia. I insist all this talk that we will be invaded and attacked by foreign foes is merely political bunk and eyewash to cover up the change in our foreign policies from neutrality, nonintervention, peace, and no entangling alliances to collective security, economic sanctions, aggression, and war. [Applause.]

Mr. COX. Mr. Speaker, does the gentleman from New York desire to use more time?

Mr. FISH. Yes. I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Speaker, in thinking of this question of Guam, my mind, of course, goes to the Philippine Islands situation. Personally, I do not consider that the Philippines have yet been granted independence and I do not hesitate in saying that so far as I am personally concerned, I do not think the Members sitting on the floor of this House today will live to see the time that the Philippines will gain their "political and economic independence." I think the forces of the world are shaping themselves in such manner that before July 4, 1946, the Philippine people will deny themselves independence, as defined in the independence act. I think the forces are shaping themselves in such manner that the people of this country will feel it will be a greater curse to our people and invite more danger by turning over the Philippine Islands to Japan than building fortifications at Guam or any other step we can possibly take in connection with the far islands of the Pacific.

Anyone who desires to analyze in detail the resources of the Philippine Islands, which we have never attempted to develop or exploit, will find that there is stored there war material which Japan is seeking and which Japan is now taking, not after 1946 but right now, in an amazing manner, with our full consent. As surely as the 1946 Independence Act is consummated, if we ever have trouble with Japan these war materials will be converted into war munitions and war supplies to be used against the women and children of the United States of America as well as those located in the Philippine Islands, if the Filipinos resist Japanese domination.

Mr. Speaker, there is no need kidding ourselves. We have shadow-boxed and bamboozled ourselves for 40 years with reference to the Philippines. I seriously question the right of this Congress to pass such an act in the first place.

Certainly I am not a constitutional lawyer. It is a political proposition which has been whipped up by a few leaders

in the Philippines led by the present President of the Commonwealth. I do not think Japan will pay any more attention to this harbor development of Guam than we would pay to the transfer of another thousand Japanese from Tokio to the port of Davao in the Philippine Islands. This is a lot of bushwa we are talking about now as far as Japan jumping on us because we build this fortification is concerned. Japan will just quietly proceed to take the Philippines and will let us go ahead and play with Guam in our own way. She knows we are not going to "fortify" Guam. Are we to maintain air service—passenger and freight—from this country to the Far East? If so, we will have to have harbor development to accommodate the planes. If we do not want the planes to run over there that is a different proposition. If you do not want to maintain your world power in the Far East, that is a different proposition. If you desire to surrender all there is in the Philippines to Japan, that is one thing, and that is what we are doing now. The Japanese are conquering the Philippines much more rapidly than we are moving out. All you have to do is to look up the facts to determine that. If you will look up the figures of private industry, you will appreciate that Japan is rapidly conquering the Philippines, by acquiring control of mining, banking, shipping, agriculture, retailing, importing Japanese goods into the islands through houses established, located, and operating in the islands. You will also find that although we purchase an overwhelming proportion of the total goods shipped out by the Philippines, Japan is selling to the Filipinos an increasing amount of goods which are paid for with the dollars we give to the islanders for the goods they ship to us. Furthermore, you will find, if you care to search the records, that leading Philippine Islanders are now taking the position, and openly, that they should move from here on ally themselves with the great Japanese Empire so that they may hover under the protecting wing of the Japanese Navy and Army and international power. Take note of the flirtations of President Quezon with the high-ranking Japanese officials. Heed the growing attention being paid by Japan to all of the developments in the islands in the way of education, communication, religious, and other activities falling outside the realms of business and agriculture. I repeat, and let me emphasize my statement "the Filipinos will not accept 'independence' and you can rest assured they will capitulate to the aggressiveness of Japan before independence, as set forth in the 1934 Independence Act, has been attained." The Filipinos will do this very thing unless the people of the United States intervene. The progress which Japan is now making in inducing the Filipinos to move in the direction of Japan is nothing short of startling in the light of the representations for years made by the present President of the Commonwealth.

Mr. Speaker, to an amazing degree the inherent and decent rights of Americans now residing in the islands are being run over and ignored by Filipino officials. We will hear and see more of this in the future as Japan applies the pressure here and there on the islanders. This is a very natural development. As this goes on, the Filipinos will assume they are outsmarting us. They will take the position they are a superior class because of our receding attitude. I am here referring to the "politicos" of the islands, not the Philippine people as a whole. Orientalism and Americanism are two dissimilar breeds. They will never mix insofar as permanency is concerned. As time comes and goes we will more fully comprehend this fact.

Mr. Speaker, if we are to agree with the program of letting Japan acquire control of the Philippines, then let us get out of all the western Pacific islands west of Hawaii and let Japan run that part of the world and pull ourselves back to the Western Hemisphere and take care of our own situation.

Mr. KITCHENS. Mr. Speaker, will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Arkansas.

Mr. KITCHENS. What the gentleman said is true. The Philippines today is in a pincers between fortifications by Japan on the east and on the west at the island of Hainan.

This practically places the Philippine Islands under the jurisdiction of Japan today.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, my purpose in speaking briefly on this measure is to share with you the contents of a letter I have received from one of my constituents. I trust it may be interesting. I quote:

I lived more than 3 years on the island of Guam.

Guam, Manila, and Yokohama are set in a triangle about 1,500 miles apart. Guam is 5,500 miles from San Francisco. The Azores are about 1,800 miles from Boston. Considering these distances, it would seem more sensible to fortify an island in this group rather than Guam, the southernmost island of the Ladrone group.

However, to return to Guam. About 5 miles from Agaña is the harbor at Piti. Most islands in tropical Pacific waters are surrounded by an outer coral reef; closer inshore are other coral reefs. This harbor is formed by "Goat" island and an outer coral reef. This reef is completely under water at high tide. Inside, the harbor is full of sunken reefs that could rip the bottom out of a vessel.

In 1900 the U. S. S. *Yosemite* was lying at anchor in this harbor. A typhoon came up so suddenly that she could not get steam up soon enough to clear the harbor and get to sea. She was blown over the coral reef, out to sea, where she foundered about 24 hours later. Three years later the cable ship *Scotia* ran up upon the reef at the entrance of the harbor. At low water she looked as if she was setting up upon the top of a table.

This all leads up to what I want to say. Guam has no harbor and as it has no harbor it would seem a wicked waste of public funds to fortify the island. Guam is the home of typhoons and earthquakes are frequent, as many as 10 a month. In 1903 I went through an earthquake that didn't leave a house standing on the island that was built of stone.

This picture in contemplation of spending a lot of money on this island, even for civil improvements, is not an enticing one. We are all extremely interested in the diplomatic side of this proposal. The President has expressed his approval, and as I recall it, he also suggested that if any particular protest were made he might withdraw the request even for the minor improvements. This gives us the right to assume it to be a diplomatic move to make Japan a little more sympathetic with our eastern interests, according to comments I have been reading. These moves appeal to me as being something of which Japan might approve. If we were to have a base within 1,500 miles of Japan and were obligated to defend it, contemplate the advantage to Japan to entice our fleet into their nearby waters, far from our own bases. Is not that looking at it from a sensible point of view?

Several have made suggestions about the President's present trip to witness naval maneuvers. I do not regret his taking a vacation for he must surely need one. I wish at the moment he were not going to watch those maneuvers, however, for it may be that he will return so imbued with our naval power and strength and warlike preparedness that he may carry a chip on his shoulder. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I do not wish at this time to make any observations with reference to the fortification of Guam. It seems to me this is a matter that probably had better be discussed when the bill itself is before us rather than while the rule is under consideration.

I am impressed with the fact that we face a danger which has not been touched upon, one probably greater than any danger that threatens us from foreign shores. I refer to the danger presently existing in connection with the hazardous financial condition of the country. It seems to me we should pay some attention today to the fact we have about reached the limit of our national debt, and that if the emergencies exist which the present administration would have us believe exist we should be mindful first of all of putting our financial house in order so that we may be able to meet the demands which would come upon us in the event of an emergency.

It seems to me we should be setting up a national-defense program which would include financial stability as well as armament stability.

During the past 6 years we have followed a course and pursued a program which lead to a jeopardy and a hazard far greater than any jeopardy or hazard presented by any foreign foe. I pose this question to you today, what would we do in the event of an emergency which would require the same degree of financial support as the World War required? The World War required the outlay of great sums of money. Billions of dollars were needed in order that we might provide the men, the munitions, and the materials to carry on that war. But the present administration, assuming the dangers which it would have us believe do lurk in the offing, has pursued a policy of profligacy and of dissipation of our wealth and our resources which places us today in an extremely hazardous position.

Let us think a little bit about strengthening the financial stability of the Nation, while we are talking about the fortifications of these island possessions of ours. Let the Treasury Department be called upon to bring forward its estimates of the financial needs of the country in the matter of the defense of the Nation. Instead of calling on the War Department and instead of calling on the Navy Department to dissipate our funds and spend our wealth, let us ask the Treasury Department to come here and tell us what the plans of the Treasury would be in the event of this emergency which they tell us probably may arise at any moment. Let the Treasury Department come here and give us their plans of national defense. It seems to me this would stimulate in the Nation a confidence which would give us a degree of stability which the other nations of the world would recognize so they would know that if an emergency came we would be prepared.

Mr. STEFAN. Mr. Speaker, will the gentleman yield?

Mr. DITTER. I yield to the gentleman from Nebraska.

Mr. STEFAN. I believe that question has been answered. The gentleman forgets there is a new philosophy. When we get to that \$80,000,000,000 income through the present program of spending a certain amount, everything is going to be all right. I believe the gentleman's question has been answered.

Mr. DITTER. I hesitate to intrude any political observations in this discussion. [Laughter.]

I mean that. I do hope you take it that this is a sincere observation. This is a matter of serious concern to our people. It is vital. National defense is above partisanship. I repeat, our weakness today is not in men or munitions, but in the hazardous financial condition in which we find ourselves as a result of the past 6 years of shameful profligacy. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4278, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VINSON of Georgia. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, by the Constitution the Congress shall have power to provide for the common defense and to provide and maintain a Navy. That not only gives us the power to provide a Navy but to provide the necessary naval bases and

shore establishments required which together with the fleet will make this country secure from attack.

The primary object and purpose of this bill is to authorize the construction of certain of the aviation facilities recommended by a board of officers appointed in accordance with a provision of the Naval Expansion Act, approved May 17, 1938; the other provisions in the bill are supplemental to the main provision and are included to permit the accomplishment of the main purpose of the bill in the most expeditious and economical manner.

The Naval Expansion Act of 1938, authorized an increase of 20 percent in combatant vessels and at least 50 percent in naval aircraft.

Fully realizing that the expansion so authorized would, when completed, require additional bases and facilities for efficient maintenance and operation, Congress directed the Secretary of the Navy to appoint a board to "investigate and report upon the need for the purposes of national defense for the establishment of additional submarine, destroyer, mine, and naval air bases on the continental coasts of the United States, its Territories and possessions."

The board so authorized was duly appointed, made an exhaustive study of the question of additional needs for bases for the Navy and has submitted its report which was transmitted to the Speaker of the House and which may be found in House Document No. 65 of this Congress. The report recommends the creation of some new bases and facilities as well as improvements in or expansion of some of those already in existence.

A careful study of the contents of the report of this board, now known as the Hepburn Board, reveals that the Navy is far short of the bases and facilities considered essential for the efficient operation of the fleet in the training necessary for it to reach the maximum state of readiness for the defense of our shores and possessions. Not only are these bases and facilities necessary for peacetime training but they would be invaluable for defense in time of a national emergency.

The President in his national defense message to the Congress has recommended that certain funds be appropriated "for the creation or strengthening of Navy bases in both oceans in general agreement with this report."

Therefore, your committee presents this bill to you after a thorough investigation into the needs for these bases and with only minor changes from the recommendations of the board, the Navy Department, and the President.

The defense of continental United States necessitates appropriate development of continental and outlying naval bases and a strong Navy free to move from one ocean to the other. Panama and Hawaii are vital points involved in securing this freedom of movement.

So long as Hawaii and Panama are secure and backed up by a superior fleet, so long will continental United States be free from attack from the sea or from the air.

The security of these two places can be threatened by hostile navies in the Atlantic, in the Pacific, or in both oceans. The safeguarding of these vital points, Hawaii and Panama, can be vastly improved by the development and use of outlying bases in the Caribbean, in the mid-Pacific, and in Alaska. Unless we can feel certain that potentially hostile navies will not now, nor in the decade to come, pursue courses that will increase the threat and danger to Hawaii and Panama, we dare not now neglect the development of these outlying air facilities included in this bill that augment them.

This bill authorizes the Navy Department to develop or increase the naval aviation facilities at Kaneohe Bay, Pearl Harbor, Midway Island, Wake Island, Guam, Johnson Island, and Palmyra Island in the mid-Pacific area; Kodiak and Sitka in the Alaskan area; San Juan, Puerto Rico, in the Caribbean area; and Norfolk, Va., Tongue Point, and Pensacola in the continental United States.

Our Navy will be called upon to defend the interests, rights, possessions, and vital security of the United States wherever they are threatened. The effectiveness with which

it can accomplish this task will be definitely improved when this proposed program has been achieved.

The one item of this bill that has received the most publicity and the one that has been subject to the most criticism is the provision to expend \$5,000,000 to improve the harbor facilities for seaplane operation at the island of Guam in the mid-Pacific.

Opposition to this item has been based on the assumption that Guam is to be fortified and made into a strongly defended naval base for airplanes and submarines.

In view of this opposition the committee has gone into this matter at great length, and I can assure you that there is no intention on the part of the Navy Department to fortify Guam or to do anything further than what is included in this bill.

The island of Guam had minor fortifications and a small aviation force prior to the Washington Treaty of 1922. By that treaty the United States agreed that the status quo with regard to fortifications would be maintained at Guam. Conforming strictly with that treaty, no increases in fortifications were made at Guam during the life of the treaty but, rather, in 1932 all defensive weapons were removed from the island, including the planes. The Washington Treaty expired on December 31, 1936, so that it is now possible for the United States, so far as international obligations are concerned, to fortify Guam and to construct a naval base there if the country so desires.

Guam is in the midst of the Marshall, Caroline, and Marianas Islands. These islands were mandated to Japan by the Treaty of Versailles. The terms of the mandate stipulate, and Japan agreed, that no military or naval bases should be established or fortifications erected in the mandated islands. No definite information has been obtained that any of the mandated islands have been fortified; however, foreigners are not allowed to visit these islands.

Adverse comment by foreign press and foreign spokesmen to any development of Guam is noted, but the improvements the Navy Department recommends for accomplishment are not an indication of aggression; to take cognizance of such inspired adverse comment would be an indication of weakness.

Admiral Leahy, ranking naval officer, in his testimony said:

The authorization bill * * * does not provide for the development of a base at Guam.

Mr. Charles Edison, civilian Assistant Secretary of the Navy, when before the committee, said:

Facilities for the operation of airplanes from Guam will add materially to the defensive power of the fleet.

It is impossible to look into the future and see whether or not there will be need for further development of Guam as an airplane base, but we may hope that the future international situation will make it unnecessary to use Guam except as a commercial airport.

It is the present policy of the Navy Department to limit development to the extent stated in the bill before this committee.

If unforeseen changes in the international situation should indicate a necessity for further development of an airplane base, then the Congress will be so informed.

We hope that there will be no necessity for further development—none is contemplated at the present time.

He went on further to say:

In some quarters there seems to be the impression that the Navy is desirous of working along a program based on offensive rather than defensive plans.

Before I came here 2 years ago I shared this misconception. I can state as an absolute truth that during the 2 years I have been here as Assistant Secretary of the Navy, I have never heard discussed, officially or unofficially, any plan for naval expansion that was based on a desire for offensive action. The whole and sincere desire of the personnel of the Navy is to do a first-class job of preparing this country to defend itself. Never, within the Department, in the field, or at social gatherings, or in personal conversations do I get any other impression. The idea that the Navy seeks defense on the surface and offense in the back room is simply imaginary and untenable.

If the Navy or the Army, the State Department, or the administration were looking for trouble, there have been many incidents of sufficient gravity in the past 3 or 4 years that could have been easily used as a basis for belligerent action on the part of the United States. The exact reverse has been true. We winked at many things that in other days would not have been tolerated and which would have led us directly to war.

The armed forces, the State Department, and the administration most earnestly desire to live at peace with our neighbors and will continue to strive constantly for this objective.

This is proof enough to me that the Navy Department has no intention of fortifying Guam.

It is the considered opinion of the committee that the recommendation of the Navy Department for limited improvements at Guam should be carried out at this time. Whether further expenditures will be authorized at a later date for the establishment of a base is for the Congress to determine at a later date.

If world conditions at some future time make it advisable in the interests of our national defense to establish a protected naval air and submarine base or if events compel the development of Guam into a fortified fleet base, I would be in favor of that undertaking.

For Guam is vitally important to the United States from the standpoint of naval as well as commercial aviation.

It is an essential link in any overseas movement of naval patrol planes to the Philippines as well as an important stepping stone in the commercial air route across the Pacific.

It is of great importance as a possible air and submarine base from which to protect our overseas commerce from the Dutch East Indies, where essential strategic materials necessary to maintain our industries are obtained. It is of value as the site of a possible naval station to support the Asiatic Fleet when the United States withdraws from the Philippines in 1946.

Its strategic position in the western Pacific makes it of inestimable value to the United States as a possible defense base which would act as a strong deterrent to any Asiatic power contemplating a hostile move toward the Hawaiian Islands or the American Continent.

It is an unquestioned important strategic position and some day its security may be indispensable to the success of United States defensive operations.

I repeat again, nothing in this bill authorizes fortifications at Guam. We hope the necessity will never arise; but if it does, Congress can be depended upon to do whatever is necessary at any cost to defend America.

I say to you that our fleet must not be hampered in its movements when it is called upon to defend America, and any implication that we should not go beyond the one hundred and eightieth meridian, even when our own territory lies beyond, is wrong, and the people of this country will not agree to any such restriction placed upon our fleet.

We should never be partisan where national defense is concerned, and with a united Congress determined on an adequate defense America need have no fear for its future.

We must make America impregnable from any direction, and with the outlying aircraft facilities included in this bill our fleet will be so strengthened that any aggressor nation will be defeated long before he reaches our shores.

We must be prepared to stand alone. National defense is of utmost importance to America and to the Western Hemisphere.

Let no one think that with the world being overrun by the dictator powers—Germany and Italy in Europe and Japan in the Far East—that it is not of the utmost importance that we be forever vigilant in looking to our defenses.

It is not only necessary that we look to our own defenses but it is to our advantage to allow our airplane manufacturers to furnish planes to those other two great democracies—France and England—in order that they may not be destroyed by the dictator powers.

Every right-thinking American approves the administration's decision in this case, for if England and France are unprepared they will surely be destroyed and the last stand of the democracies will be in this hemisphere, with the United States carrying the load.

America now finds it necessary to answer the dictators in their own language. The world might just as well know that America is not going to submit to being destroyed with other unprepared democracies.

There are even those who believe that the ills of this mad world could be cured by conferences and covenants between the democracies and the dictatorships.

There is not a man within the sound of my voice who would not welcome such a conference if it meant a return to world sanity, a resurgence to the good old-fashioned principles of national honor, national ethics, and national respect of obligations—if one iota of good could come out of it.

Every meeting so far with the dictators has meant unequivocal surrender. Peace on the terms of the dictators is a Carthaginian peace.

At the moment the slogan of the aggressors is "might makes right." This is not a new slogan. It has been used before. Attila the Hun used it 1,500 years ago. He was termed "The Fear of the World" and "The Scourge of God"—high-sounding phrases which no doubt flattered his colossal vanity.

Mr. Chairman, last October a general European war was narrowly averted. During those trying times the State Department, under the guidance of our great Secretary of State, Cordell Hull, handled our foreign affairs in a masterly manner, which will resound to his undying fame when the history of these days is written.

In the hope of making political capital and of embarrassing the President some have quoted him as saying that "America's new defense frontier was on the Rhine River in Germany."

He has branded that statement as a "deliberate lie" and to silence his critics stated only a few days ago his foreign policy as follows:

The (American) foreign policy has not changed and is not going to change.

We are against any entangling alliances, obviously.

We are in favor of the maintenance of world trade for everybody—all nations—including ourselves.

He further stated:

We are in complete sympathy with any and every effort made to reduce or limit armaments.

As a nation—as American people—we are sympathetic with the peaceful maintenance of political, economic, and social independence of all nations in the world.

This policy voices the sentiment of the rank and file of the American people.

The statements by the President show that the policy of the Nation is neither imperialistic nor aggressive but on the contrary is purely a policy of defense and self-reliance.

There is nothing in this bill which is not in thorough accord with this policy. No other nation can logically object to any nation improving the purely defensive facilities of its own land unless that other nation should have aggressive designs on the territory thus defended.

We do not seek war with anyone. We do not intend to get entangled in any alien quarrels. As a democratic people we are a peaceful people.

We respect the rights of other nations; we expect other nations to respect our rights.

We do not covet one foot of soil of any other nation. The purpose of this program is to insure that no covetous nation shall secure a foot of ours. [Applause.]

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. COLE of New York. The gentleman has stated, and correctly so, that this measure does not contain all of the recommendations that were contained in the Hepburn report so far as Guam is concerned, but I invite the gentleman's attention to the testimony given to the committee by Admiral Hepburn himself, the chairman of the board, that if we are to do anything at all at Guam we should go the full limit. His words were, "Do it right or not at all."

Mr. VINSON of Georgia. In reply to that statement, Congress writes the naval policy. Admiral Hepburn makes suggestions, but we are to determine what the policy shall be, and, representing the House, we have brought in a bill not carrying out Admiral Hepburn's recommendation.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Wisconsin.

Mr. HAWKS. The gentleman made the statement that the only item in controversy in the entire bill is with respect to the island of Guam.

Mr. VINSON of Georgia. As far as the committee is concerned.

Mr. HAWKS. Is that the opinion of the entire committee; and if so, where did the committee get the information that the country as a whole had no objection to any other part of this bill?

Mr. VINSON of Georgia. Unfortunately the members of the minority on the committee had not consulted the distinguished gentleman from Wisconsin—

Mr. HAWKS. I am not speaking for the minority; I am simply speaking for myself and asking for the information.

Mr. VINSON of Georgia. So far as the committee is concerned, my statement is correct.

Mr. CRAWFORD. Philippine independence will occur on July 4, 1946, as set forth in the present act.

Mr. VINSON of Georgia. Yes.

Mr. CRAWFORD. Would the gentleman care to comment upon the attitude of this country, or the position that we would be in, if, during the next 7 years Japan aggressively steps into the Philippines and moves with force? What would the United States have to do?

Mr. VINSON of Georgia. I trust if it is going to be 7 years, that the gentleman will be here during that time and that we may then cross the bridge when we come to it.

Mr. CRAWFORD. Let me submit this, then. Would this present proposal to improve the harbor at Guam, insofar as this bill goes, assist in that situation, or would we miss this particular improvement?

Mr. VINSON of Georgia. This improvement to Guam is of such character that it adds defensive value to the fleet if the fleet is in that vicinity. The House was very much impressed with the statement the gentleman just made with reference to the Philippines, and he will excuse me if I do not embark on that perilous line of thought that is going through the mind of the gentleman.

Mr. CRAWFORD. I am seeking information. Let us assume, for instance, that there is trouble in the world today, and, indeed, there is trouble in the Far East, and keep in mind that independence is 7½ years yet away: If there is so much trouble in the world that we should take all these steps from the standpoint of defense, is it not likely that something may arise in the Far East, insofar as the Philippine Islands are concerned, before July 4, 1946, and should we not give that most serious consideration in dealing with this bill?

Mr. VINSON of Georgia. All those questions are questions that are receiving proper consideration.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. MICHENER. The gentleman is undoubtedly one of the outstanding authorities in the House if not, indeed, the outstanding authority on matters affecting the Navy.

Mr. VINSON of Georgia. I thank the gentleman.

Mr. MICHENER. I have listened to him down through the years. Am I correct in stating that at times it has been the position of the gentleman in these matters that we should get out of the Philippines, because if this country ever had trouble with Japan, the first thing Japan would do, and could easily do, would be to take the Philippines? Is that the gentleman's position?

Mr. VINSON of Georgia. I present my views by my vote, and when the question was up I voted to get rid of the Philippines.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Georgia. Yes.

Mr. BATES of Massachusetts. In view of the question asked by my colleague on this side as to what the country would do in case of attack on the Philippines, what does the chairman of the Committee on Naval Affairs think we would

do in view of what Admiral Leahy stated, that with an increase in the Navy three times that he asked for last year, he then would be unable to carry on a successful campaign against Japan in the Pacific?

Mr. VINSON of Georgia. I am not going to get involved in these hypothetical questions. I reserve the remainder of my time.

Mr. CHURCH. Mr. Chairman, in the absence of the gentleman from Minnesota [Mr. MAAS] I yield myself 20 minutes and ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CHURCH. Mr. Chairman, this bill, H. R. 4278, authorizes an expenditure of \$53,800,000 in increasing the naval armament strength of the United States. As indicated in the bill and the report of the chairman of the Committee on Naval Affairs, the naval facilities it authorizes the Secretary of the Navy to establish, develop, and increase are based on the recommendations of a special naval board appointed by the Secretary of the Navy. With the single exception of the project for Tongue Point, Oreg., all the items embodied in the bill are based on this naval board's recommendations.

In order to understand, therefore, exactly what the measure under consideration proposes to accomplish, it is necessary to examine the report of the naval board itself, consisting of six naval officers. It is popularly known as the Hepburn report, taking its name from Rear Admiral Arthur J. Hepburn, the senior member of the board. The report bears the official approval of the Secretary of the Navy and has been printed as House Document No. 65, Seventy-sixth Congress, first session. I hope that every Member will procure at once from the House document room this important House Document No. 65, Seventy-fifth Congress, first session, known as the Hepburn report.

Before turning to a discussion of the bill itself and the Hepburn report on which it is based, let me say that the American people can find real satisfaction in the fact that, however political minded Congress may ordinarily tend to be, on questions of national defense, involving the national security and safety of our people, their Representatives in Congress do not allow political or partisan considerations to influence their judgment. This was clearly evidenced by the overwhelming vote by which we passed the military defense bill last Wednesday, and particularly by the high patriotic plane on which the entire debate was conducted.

To be sure, during the course of that debate objections were raised to certain features of the military defense bill and amendments were offered. But they were conscientious objections and the amendments were proposed in a sincere desire to improve the bill. There was a rather pronounced disagreement as to what our policy should be in the matter of rate of airplane production. But that disagreement arose simply as an honest difference of opinion as to what would be the best procedure for creating and maintaining a strong air force.

And no doubt during the course of this debate on the naval defense bill there will be differences of opinion with respect to the wisdom of certain projects it authorizes to be undertaken by the Navy Department. That is indeed a healthy condition. It may be that certain amendments will be offered by individual Members that will greatly improve the measure. That is our legislative process at its best and much to be desired.

Let me say for myself—and I am sure I speak the sentiment of the entire membership of the House—that whatever differences of opinion or disagreements we may have with the able chairman of the Committee on Naval Affairs on this particular bill, whatever amendments we may propose, have their origin in conscientious, honest, sincere convictions and are not in any way influenced by any political considerations. We agree with them that we must at all times maintain an adequate national defense.

We cannot sit smugly and complacently and close our eyes to the unsettled international situation and the world arma-

ment race inaugurated by the dictators of Europe. We cannot entirely ignore their militaristic philosophy and their disregard for treaty obligations. The volcanic state of affairs in Europe and Asia, created solely by these dictators with whom force is a fanaticism, should be a dual warning to the United States. It is this: Look to our defenses at home and stay out of imbroglios of Europe and Asia.

Recalling our bitter experiences prior to our entrance into the World War and the power politics of that fateful period in which we slowly became entangled, the explosive situation abroad today should be a warning to those in charge of the affairs of this Government that the security and safety of the American people lies solely in the Western Hemisphere. We can obtain that safety and security only by maintaining adequate defenses for this hemisphere and by refraining from any meddling into the power politics now being played in Europe and Asia.

Today we are considering a bill which proposes to increase our naval armaments. Insofar as the naval projects it authorizes are in keeping with necessary facilities for the adequate defense of this hemisphere, they have my wholehearted support. But there is one item in this bill against which I must voice a vigorous objection.

It represents a radical departure from our long-established naval-defense policy in the Pacific. It is the initial step for extending our line of defense deep into foreign waters. I refer specifically to the authorization of an expenditure of \$5,000,000 for the island of Guam. This item may be the very step that serves to involve us in the power politics of Asia and Europe which our people so earnestly desire to avoid.

In our chairman's report I notice that he has endeavored to make it appear that the improvements to be undertaken at Guam are simply ordinary harbor improvements. Our able chairman would have us believe, if he could, that the improvements have little or no relationship to our armament program.

But, on the contrary, Mr. Chairman, the proposed improvements at Guam are not the ordinary harbor improvements "done year after year by this country." They have a very definite relationship to our armament program and are intended to constitute the first step toward the complete fortification of the island. It can be definitely said that the proposed \$5,000,000 harbor improvements at Guam have no other purpose than to make that island a naval outpost in Asiatic waters.

By no stretch of the imagination is it possible to divorce the harbor improvements for Guam from their military character. If they are supposed to represent "ordinary harbor improvements," purely civil in character and purpose, then the item has no place in a naval armament bill. Rather the authorization should come from the Committee on Rivers and Harbors and the work should be undertaken by the Board of Army Engineers.

Year after year the Committee on Rivers and Harbors reports legislation for the improvement of the various harbors of the United States. Year after year the Board of Army Engineers conducts surveys and makes reports to the Committee on Rivers and Harbors as to the commercial need for and costs of civil improvements.

In fact, the harbor-improvement work which is now being done at Midway Island was authorized by the Committee on Rivers and Harbors as a civil improvement. Like Guam, Midway Island is under the jurisdiction of the Navy Department. But it is indeed significant, to which no little importance is to be attached, that the authorization for the harbor improvements of Midway Island came from the Rivers and Harbors Committee, whereas the authorization for Guam comes to the House from the Committee on Naval Affairs as an item in an armament bill.

Under the authorization of the Committee on Rivers and Harbors for Midway Island we have appropriated \$1,041,000 for the Welles Harbor improvement. A survey was authorized by the committee, the Board of Army Engineers made its report, the civil as well as naval value of the harbor

improvements was shown by that report, and the Committee on Rivers and Harbors authorized the improvements.

And, Mr. Chairman, exactly the same procedure was followed in connection with harbor improvements at Wake Island, also under the jurisdiction of the Navy Department. A survey was authorized by the Rivers and Harbors Act of 1935. A report was made by the Board of Army Engineers to be found in House Document No. 84, Seventy-fifth Congress, first session. And in the Rivers and Harbors Act of 1937 the improvements for the harbor were authorized. To date no appropriations have been made for the Wake Island Harbor. But the significant point is that if and when the appropriation is made, it will be made by virtue of a Rivers and Harbors Act authorization and not by virtue of a Navy committee authorization as is proposed here today in connection with Guam.

The reason for this difference in procedure is not difficult to understand. The one may be said to be civil in character and the other naval. A real commercial value, as well as naval, can be found to exist in the harbor at Midway Island. A commercial necessity was shown to exist for the authorized improvements. But, on the other hand, practically no testimony was presented at the hearings before our Committee on Naval Affairs to show any real commercial necessity for the \$5,000,000 harbor development proposed at Guam.

During the course of the hearing it was mentioned as an incidental fact that the Pan American Airlines stop at Guam. But not a single witness stated that it was essential to improve the harbor for commercial purposes. Rather every witness emphasized the value of an improved harbor for naval operations.

Let me refer you to the committee testimony in order to better point out to you that the harbor improvement for Guam is anything but the ordinary improvements made "year after year by this country," as stated by the report of our chairman. On page 25, part 1, of the hearings, Admiral William D. Leahy, Chief of Naval Operations, made this significant statement:

I see no reason why the Navy should spend money from the naval appropriation solely for the advantage of any commercial industry. The purpose of the Navy is to use some money from the national-defense fund to improve the facilities at Guam in order that we can use the harbor. * * *

Then on page 40 of the hearings will be found this statement by Rear Admiral A. J. Hepburn:

With the \$5,000,000, as I understand it, you could improve the harbor so that it would be practicable for the operations of sea-planes and possibly give submarines a little more facility there.

Clearly and definitely the authorization for Guam has a purely naval purpose. It is the first step toward establishing a naval outpost, fully fortified and fully garrisoned, 5,400 miles from our shores.

As I stated at the outset of my remarks, in order to understand exactly what is proposed and really intended by this bill, it is necessary to examine the Hepburn report. The chairman has emphasized in the very first paragraph of this report that the—

Object and purposes of this bill are (1) to authorize the Secretary of the Navy to proceed with the construction of certain of the aviation facilities in line with the recommendations of the board of officers. * * *

Thus to these "recommendations of the board of officers" we must turn with a view to determining the true nature of the Guam proposal.

I cannot, of course, take the time to read all that is embodied in the Hepburn report with regard to the island of Guam. But, for our mutual understanding, I cannot escape the necessity of directing your attention to at least certain pertinent parts of the naval board's recommendations.

First of all, permit me to call attention to paragraph 112 (e) to be found on page 27 of the report:

So long as Guam existed as a strong air and submarine base, hostile operations against the Philippines would be a precarious undertaking. To an even greater extent Guam would greatly impede, if not actually deny, extensive naval operations to the southward, thus greatly simplifying our naval problem should the fleet ever be called upon for operations in the Far East.

Let me read a few more paragraphs from the Hepburn report on which this particular bill is based. It goes on to say in paragraphs 113 and 114 on page 27:

The foregoing considerations are of sufficient weight to warrant the recommendation that Guam should be developed as a major air and submarine base, with a garrison sufficient in strength to make its reduction or occupation a major effort on the part of any probable enemy. There are, however, other considerations and possibilities of far greater significance which it is pertinent to take account of in this connection. Although these considerations may be regarded as beyond the precept of this board, they are of such far-reaching importance that the board feels impelled to include them in its report.

Guam is adapted naturally to development as a major advanced fleet base. Detailed studies to this end have been made in the past, and plans adequate to the situation are in hand. * * *

On the following page (28) in paragraph 116 this same naval board report goes on to state:

The establishment of a fully equipped fleet base at Guam, capable of maintaining at least the major part of the fleet in all types, would in itself practically assure the impregnability of the island. * * *

In other words, Mr. Chairman, the report of the Hepburn board of naval officers looks to the establishment at the island of Guam of a "major air and submarine base." It is very true that the \$5,000,000 development authorized in this particular bill does not of itself establish such a "major base." But we cannot escape the fact that, as the report of the chairman of our committee states, the \$5,000,000 improvement we are today asked to authorize is in line with the naval board's recommendations. We cannot escape the logical conclusion that the harbor improvement, coming as it does as an item in the Navy bill and not a rivers and harbors bill, represents the first and essential step toward the ultimate establishment of a fully fortified American naval base 5,400 miles from San Francisco, 3,337 miles west of Hawaii, 1,309 miles west of Wake Island, and within 1,500 miles of Yokohama, Japan.

The most casual glance at the maps will depict the real dangers in this undertaking. It will be noted that Guam is not only 5,400 miles from our shores, but it stands in the midst of Japanese mandated islands. The Japanese mandated island of Saipan is only 120 miles from Guam, and I understand there is another such island under the jurisdiction of Japan only 30 miles distant.

A knowledge of distances is the key to an understanding of our naval problem in the Pacific. A glance at the two maps of the Pacific that I have had brought here to show you will make the problem of Guam clear.

Guam is in the very midst of Japan's 98 mandated islands—15 in the Marianna group, 33 in the Marshall group, and 50 in the Carolines.

Guam distances

1 nautical mile=1.1515 statute miles—1 statute mile=0.8684 nautical mile

Guam is 5,428 nautical miles, 6,250 statute miles, from San Francisco via Honolulu.

Guam is 5,053 nautical miles, 5,818 statute miles, from San Francisco direct.

Guam is 8,022 nautical miles, 9,237 statute miles, from the Panama Canal via Honolulu.

Guam is 3,337 nautical miles, 3,842 statute miles, from Honolulu in a direct line.

Guam is 3,651 nautical miles, 4,204 statute miles, from Honolulu via Midway and Wake Islands.

Guam is 3,080 nautical miles, 3,546 statute miles, from Samoa in a direct line.

Guam is 2,502 nautical miles, 2,881 statute miles, from Midway Island via Wake Island.

Guam is 1,309 nautical miles, 1,533 statute miles, from Wake Island.

Guam is 1,353 nautical miles, 1,557 statute miles, from Yokohama direct.

Guam is 1,501 nautical miles, 1,728 statute miles, from Manila direct.

Guam is 122 nautical miles, 140 statute miles, from Saipan direct.

Guam is 52 nautical miles, 60 statute miles, from Rota direct.

Guam is 458 nautical miles, 527 statute miles, from Yap direct.

Guam is 1,440 nautical miles, 1,658 statute miles, from Nagasaki direct (Japanese naval base).

Guam is 2,585 nautical miles, 2,976 statute miles, from Singapore direct.

Guam is 3,054 nautical miles, 3,516 statute miles, from Sydney, Australia.

Guam is 1,822 nautical miles, 2,098 statute miles, from Hong Kong.

Guam is 1,687 nautical miles, 1,942 statute miles, from Shanghai.

No one will deny that we have a perfect right to fortify Guam. The Washington and London Naval Treaties expired on December 31, 1936, and we are legally free to fortify Guam. But there is more involved here in this initial step than that which we have a legal right to do. It is a question of pursuing a policy which will provide our country with an adequate national defense and at the same time keep us from becoming involved in the tense situation which exists in the Far East and in Europe today.

When Admiral Hepburn appeared before our committee, he was asked by my colleague Colonel MAAS whether he and his board took into consideration the possible international repercussions of the Guam recommendation. The admiral very frankly stated that while they "recognized there might be unfavorable reactions," the "Board could not take that into consideration." As to the possible diplomatic difficulties, the admiral made it clear that they did not consider them at all but felt, to use his own words, "that was for the political powers to decide."

Into a very delicate international situation we are injecting a new factor. In 1932 we withdrew the very, very small force we had at Guam and today, in 1939, when the whole world atmosphere is tense, we propose to start fortifications off the coast of Japan, in line with the recommendations of the board. This move will naturally be interpreted by Japan, as well as by Germany and Italy, who appear to be allied with her, as a step in line with a policy of military and naval intervention by the United States. It may lead to countermeasures by the other powers; and, almost before we realize it, we are deeply involved in the power politics of the Far East and Europe.

There is hardly any question but this initial step for the fortification of the island of Guam, practically next door to Japan, will at least be regarded with suspicion by the Japanese Government. Whatever our motives, they will no doubt look upon it as a threat, just as we would be indignant and view it as a threat for any foreign power to make naval harbor improvements for an air base in the Caribbean Sea.

As Members of Congress, responsible for the policy of this Government, and responsible to 130,000,000 people who desire to live in peace, we cannot entirely ignore these potential international repercussions from the Guam proposal. Rather than lending our moral influence toward international understanding and peace, by taking this step we are adding to the tenseness of the situation and promoting ill will. We are inviting dangers and creating risks. We are taking risks, totally unnecessary, that may readily involve our people in another war.

It certainly cannot be denied that there are hazards and risks in this proposed undertaking in Asiatic waters. And yet we are proposing to take the risk, nonetheless, when the naval board itself, through Admiral Hepburn, made it clear to the Committee on Naval Affairs that neither the harbor improvement at Guam nor the complete fortification of the island was necessary for our national defense.

I call your attention to the testimony to be found on page 41 of the hearings, where our chairman asked Admiral Hepburn this question:

It is your testimony that you consider Guam a necessary link in the defensive system of the country?

That question, it seems to me, is one of the most important questions asked during the entire hearings. It is a question

in the mind of every Member of Congress and every citizen. Is Guam necessary for an adequate national defense?

And mark you Admiral Hepburn's reply:

Not essential. I say that I think it would greatly simplify it and the effort we would have to make.

A little later in the committee hearing practically the same question, as to whether the improvements at Guam were necessary for our national defense, was asked of Admiral Hepburn by my able colleague, Congressman JENKS. I will quote from this brief but extremely important testimony itself, to be found on page 54, in order that you may get the true import of the answer:

Mr. JENKS. Yesterday I asked Admiral Leahy whether the proposed improvements at Guam were for commercial purposes or for defense proper, and he said for defense. The chairman asked you this morning if you felt the improvements recommended there were necessary for defense, and I understood you to say that they were not necessary. Did I get you correctly on that?

Admiral HEPBURN. I believe I might have said they were not necessary for defense but they were contributory to defense.

Mr. JENKS. But not necessary.

Admiral HEPBURN. In my opinion, no; they would not be necessary.

And there, Mr. Chairman, is the opinion of the senior member of the naval board itself on the question as to whether these proposed improvements for Guam are necessary for the maintenance of an adequate national defense. At one time he stated, without hesitation, "not essential," and at another time he definitely stated "not necessary."

Are we to hazard international repercussions and to run all the risks of having a naval base in foreign waters when it is admitted by our own naval officers that the item in this bill for Guam is neither essential nor necessary for our national security and safety? I think we might advisedly ask what new, but apparently undisclosed, foreign policy motivates this particular proposal which is admitted to be not necessary for our national defense. I think we might advisedly ask those in charge of the affairs of this Government in the field of foreign relations what policy prompts this particular recommendation for the island of Guam which causes the Navy Department to move our naval defense westward by almost 1,500 miles to the very door of Japan?

Last year when we had the naval expansion bill under consideration, Admiral William D. Leahy, Chief of Naval Operations, appeared before the committee and on January 31, 1938, testified as to the defensive line of the Navy. On page 1948 of the House Naval Affairs Committee hearings on H. R. 9218, of the Seventy-fifth Congress, you find this testimony explaining our naval defensive line in the Pacific Ocean, as well as the Atlantic:

The CHAIRMAN. The defense is based not any farther than the Hawaiian Islands?

Admiral LEAHY. The defensive line of the American Navy at the present time reaches from the Aleutian Islands to the Hawaiian Islands, to Samoa, and to the Canal. There is also in the Atlantic a defensive line that runs from the Canal to the Virgin Islands, and the coast of Maine * * *.

Thirteen months ago our defensive line went no farther west than Wake Island, in the immediate proximity of the Hawaiian Islands. Today, by virtue of this proposal for Guam, it is suggested that we extend this line to Guam, about 1,500 miles westward. There is not one shred of evidence as to why, within the short space of 1 year, it should suddenly become necessary to depart from the long-established naval-defense line. There is not one particle of evidence to show why these naval harbor improvements for Guam, admitted not to be necessary for our national defense, should suddenly become so important as to call for an expenditure of \$5,000,000.

There seems to me to be but one logical explanation, and that is that there is slowly being evolved, bit by bit, an altogether new foreign policy for the United States. This proposal for the island of Guam, admitted by the naval officers to be unessential and unnecessary as far as the defense of this hemisphere is concerned, seems to me to indicate that the United States is slowly being led away from its traditional doctrine of nonintervention in the affairs of other nations.

In its place the doctrine of "collective security," in cooperation with Great Britain and France, is being substituted. And it should not be overlooked that in the Far East both Great Britain and France have rather extensive interests.

It is quite impossible to disassociate any scheme of national defense from principles of foreign policy. The one is a corollary to the other. As to what really constitutes our foreign policy today, I am not at all certain. I sincerely want to believe that those at the head of our Government, who are by the Constitution entrusted with the conduct of foreign relations, do not contemplate any radical departures from our traditional policy of no entangling alliances and nonintervention. But, frankly, I am not sure, so much has been said and done in the last 2 years that is inconsistent with our traditional principles. I confess to experiencing the same confusion and uncertainty, the same misgivings and fears as to what appears to be the foreign policy we are pursuing as are being experienced by the great majority of the American people.

On January 4, the day following the opening of this session of Congress, the President delivered his address on the state of the Union. In the course of his remarks he stated:

They—

Referring to the United States and the other democracies of the world—

cannot forever let pass without effective protest acts of aggression against sister nations.

With that I am indeed in agreement. It is in keeping with the traditional foreign policy of the people of the United States to register their protests through diplomatic channels against acts of aggression and against violations of treaty obligations. America has always respected the sanctity of treaties and America has always lent its moral support to preserving that sanctity.

But in his address on January 4 the President said more than that. He went on to indicate in what form our protests should be made. He said:

Words may be futile. * * * There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people.

What those "methods short of war" are that the President has in mind to employ as "protests" against aggressor nations I do not know. It may be that he spoke of "methods short of war" in his message to Congress with the same thought in mind when, at Chicago on October 5, 1937, he spoke of the democratic nations joining in a "quarantine" of disturbers of the peace. I do not know. At any rate, I think we might well ask ourselves whether or not there is any relationship between "quarantine," "methods short of war," as a statement of foreign policy, and this proposed authorization for the \$5,000,000 development of naval facilities on the island of Guam, off the strategic flank of Japan.

If it is intended that there be this radical departure from the traditional foreign policy of the United States, the American people are entitled to know it, in order that they may pass judgment upon it. This is a constitutional democracy. This is the people's Government. And surely we are cognizant of the uncertainties and fears that exist in the minds of our people as to the course their Government is pursuing in foreign relations, lest we should become involved in foreign conflicts through ill-advised meddlings.

To have national safety and security we need a positive reaffirmation, not only in words but also in our acts, of the established principles of American foreign policy as it has evolved over the last 150 years. First, that there will be no entangling alliances, no tacit understandings with any nation, and no interference, by aggression or otherwise, in the affairs of other nations. It is a happy coincidence that tomorrow we commemorate the birthday of George Washington by a reading of his Farewell Address. It was in that address that he uttered a solemn warning to the American people against foreign entanglements.

The second basic principle of our traditional foreign policy which should be reaffirmed in our every act is that our

security lies solely in the Western Hemisphere, and we will enforce the Monroe Doctrine against any foreign aggression. The proposal for Guam departs from this principle and moves our defense out of the Western Hemisphere into Japanese waters. Mr. Chairman, we can no better reaffirm our traditional policy of "America for Americans" and safety and security by impregnable defenses solely in the Western Hemisphere than by rejecting this proposal for a naval outpost at Guam.

And, Mr. Chairman, there is a third basic principle in the traditional American foreign policy to which we might well give thought. Until of late it has always been the policy of this peace-loving Nation to make untiring efforts for the promotion of world peace and understandings. Not only do the American people desire to live in peace at home, to be safe and secure, but our people beseech us to do everything humanly possible to keep the European nations from going to war. Not only do they ask us to do nothing that may provoke war: they ask us to exert all our energies to lead the world to a peaceful settlement of differences.

War is not inevitable. There are alternatives for war. There are ways and means to make peaceful settlements of differences. However dark the world situation may appear, there surely can be found a basis for new understandings and agreements. Yet there appears to be no real effort being made to establish a new order of peace.

In fact, the leaders of our own Government have tended to add distrust, hatred, and pettiness in our international relations by reckless and ill-advised remarks. Rather than pursuing a policy of restraint, rather than a policy tending toward the elimination of distrust, rather than seeking to exert our great moral influence for new understandings, we have actually witnessed the leaders of our own Government participate in a campaign of hate and virulence.

Mr. Chairman, it is my sincere conviction that this proposed \$5,000,000 authorization in this naval bill for the island of Guam serves only to add to the tenseness of the delicate international situation today. It will add to the growing distrust, suspicion, and hatred. It will be construed by Japan and the world generally, rightly or wrongly, that the United States is preparing to pursue a policy of foreign intervention. It will have international repercussions of far-reaching importance. It is likely to result in counter moves in the Pacific. It is hazardous. It is dangerous.

I intend to support this bill, but I cannot support the \$5,000,000 authorization for Guam, which looks to the establishment of an American naval outpost in Asiatic waters. It is not in keeping with our traditional foreign policy, and it has been definitely admitted by the naval officers themselves to be unnecessary for the enforcement of the Monroe Doctrine.

I am prepared to vote millions for defense but not one cent for foreign intervention. The \$5,000,000 authorization for Guam, 5,400 miles from our shores, is just such an item which I must oppose in the interest of the security and safety of our people. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. DREWRY].

Mr. DREWRY. Mr. Chairman, I am going to approach the consideration of this bill in a somewhat different manner from the way in which it has been already discussed. It is not my intention to speak of the condition of the United States Treasury or to go into international affairs or to talk of the prospects of war between this country and any other, but I wish to speak directly to the bill itself and not to go outside of it.

There is much more confusion and misunderstanding with reference to this bill than is warranted by the expressed purposes of the bill. This confusion, I believe, arose from two disturbing factors: First, general world conditions today are such that no man knows what tomorrow may bring forth. Notwithstanding the desire of the peoples of the world for peace, yet the controlling influences in some of the nations apparently seem determined upon warlike demonstrations. At such a time every move is noted with apprehension. Statements of the leaders of all the nations of the world are

analyzed studiously and all legislation is carefully studied. It is possible also that in our two-party form of government any party move by one or the other is interpreted as indicating opposition to legislation proposed by the party in power. According to the newspapers, the formation of a committee of the Republican Party of the House to make a special study of the military policies of the country has, in the minds of many, indicated opposition to all legislation by the Military and Naval Affairs Committees. This, of course, is not necessarily the fact, but it has caused confusion with reference to the purposes of this bill.

This legislation was not only supported by the administration but it has the approval of the Naval Affairs Committee, which has considered it for several weeks. I have been a member of the Naval Affairs Committee for many years and have served on that committee when Republican administrations were in power, as well as under Democratic administrations. In all that time I have never known any partisan strife within the committee on the question of the development of our Navy or the naval defenses. I would like to stop for a moment in passing to pay a tribute to that grand old man of the Republican Party, Mr. Butler, who was for many years chairman of the committee. I do not believe he ever let partisan thought affect his decisions with reference to the needs of the Navy or in studying the defense of his country. He was able and patriotic and had a splendid grasp of the Navy's affairs, and I found myself generally in accord with his views. I also served under Mr. Britton, who was as patriotic as Mr. Butler, and who actively and energetically did much toward building up the United States Navy. The eight Republicans on the committee at the present time are a fine body of men and they have patiently sat through the hearings and have worked with but one thought in mind, namely, the building of a navy that will be adequate for the defense of the country. Keeping these things in mind, it will be noted that this bill was reported favorably by a large majority of the members of the committee, including Democrats and Republicans. I bring this up to show the House that there is no partisanship in the Naval Affairs Committee of the House, and no partisanship has been brought into this question. The committee has sat as a body of Americans, all earnestly and patriotically striving to do what is best for the Navy and the country. There have been differences of opinion, of course, but those differences of opinion have been, I feel confident, conscientiously advanced by those who dissented from the views of the majority of the committee.

Making allowance for the confusion that has existed by reason of the factors above noted, I would like to analyze briefly the bill itself.

The purposes of the bill are set forth in the bill. It does not say anything about fortifying anywhere, any place. There is nothing about fortification in the bill. It reads:

That the Secretary of the Navy is hereby authorized to establish, develop, or increase naval aviation facilities.

That is the purpose of the bill.

Now, it seems to me if we can show to you, the Naval Affairs Committee, that we are following the purposes of this bill, then the bill will meet with your approval, regardless of what may be in the minds of some that are fearful or apprehensive of something that may happen in the future.

It carries an appropriation of \$53,800,000, and is directed solely to the construction of buildings and accessories in certain localities within the United States and its outlying possessions. I wish you particularly to note two things: First, that there is nothing warlike and nothing that could be construed as a warlike demonstration in any phase of the bill before you. It is simply to augment existing facilities in order to support the fleet, and this proposed development constitutes the minimum required for such support, according to the naval experts. Secondly, I feel that there should be particularly stressed the fact that we are developing our own bases on our own land for purposes of increasing our own naval facilities, and that there is no reason why we should feel called upon to consider any expressed interference on the part of any other nation in such development.

There is no need for us to ask permission of any other nation and no reason why we should get the consent of any other nation to develop our own naval facilities any more than that other nations should ask our consent in developing their naval facilities.

The United States is not a predatory Nation. We have never waged a war of aggression and I hope never will. We do not want any territory belonging to any other nation, and that has been the announced policy of this country for 150 years. Every war we have ever been engaged in has been in the defense of our people and their right of freedom throughout the world. In furtherance of this policy, we are developing our own property to ensure that freedom if any other nation should attempt to take it from us. The expenditure of the money involved in this development is to insure to the people of the country that it is adequately prepared to defend them against any aggressive forces.

This development becomes necessary at this time because our fleet has been increased, and it is essential that bases be created in order that the fleet may have adequate facilities for its operation in peacetime or in war. It would be a foolish policy to increase the fleet and then not give it facilities for its upkeep and maintenance. Some of the bases mentioned in this bill should have been developed years ago, but our policy has been to hold down the expense to a minimum, and most of the development up to this time has been in the enlarging of the fleet itself. Turn back the pages of our naval history and note that wonderful gesture of the United States at the Washington conference, when we gave up our naval superiority at that time in the hope that other nations would do the same and would join us in cutting down the tremendous cost of armaments throughout the world. At that time, by treaty, we agreed to a 5-5-3 ratio of battle-ships and aircraft carriers with Great Britain and Japan, and at the London Conference in later years, continued to make treaties for further limitation. Hoping that the other nations would follow our example, we neglected the building up of our fleet even to the strength permitted by the treaties. The other nations, however, did not follow our example, and we found ourselves upon the expiration of the treaties in a serious position. Then we began increasing our naval strength and we are still doing it, and I hope we will continue to do it until we feel that we are fully prepared to defend our people and our country. Even now, although the treaties have expired, we are only attempting to bring our fleet up to the strength which was agreed upon in the treaties, as if the treaties were still in existence. Surely no one, in the face of these facts, can point to the United States as being a disturbing factor in the peace of the world, and the inspired propaganda emanating from some countries against us should not blind our people to our own needs and the necessity for our own military preparedness.

There are 15 locations mentioned in this bill, of which, first, 5 are in the continental limits of the United States.

(1) Philadelphia, to provide for an aeronautical laboratory.

(2) Hampton Roads, to provide more land for the expansion of the present base on the Atlantic coast.

(3) Tongue Point, for the further development of that base on the Pacific coast.

(4) Pensacola, Fla., for the further development of aviation training facilities.

(5) Corpus Christi on the Gulf of Mexico, for which no money is provided, as the land has been given by that community.

Second, there are five localities where there are already some existing facilities in the outlying possessions—two in the Hawaiian Islands—two in Alaska, and one in Puerto Rico.

Third, there are five island possessions—small islands west and south of the Panama Canal and Honolulu, for the better development of the defense of the Canal and Hawaii, or, in other words, for the better defense of the United States. These include small islands where dredging and building construction will be the main work. Again let me repeat that all of these bases are necessary because the expansion

of the fleet has necessitated an increase in training-station facilities, industrial facilities at navy yards, and in all other branches of naval shore establishments. "The rapid expansion of shore facilities is a condition precedent to expansion of the forces afloat." I am quoting Admiral Leahy, Chief of Naval Operations, in his letter to the House of Representatives transmitting the draft of this proposed bill.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 5 additional minutes to the gentleman from Virginia.

Mr. DREWRY. Mr. Chairman, the last one of these five islands is Guam, which, strange to say, seems to be the only location that has aroused antagonism to any extent. The amount involved is only \$5,000,000 out of a \$53,000,000 authorization. The work to be done consists merely in the dredging of the harbor in order that some of the obstructions in the harbor may be removed, thereby lessening the danger to ships and to airplanes that might alight thereon. There is not one word in this bill—it may be in the minds of some people, but there is not one word in this bill—that in any way deals with fortification of the island of Guam.

The use to which this \$5,000,000 is to be put has been broken down and the cost of each thing has been given. I shall read it to you from the hearings, because it is very enlightening:

Breakwater.....	\$2,200,000
Dredging outer harbor mooring area.....	800,000
Dredging inner lagoon and connecting channel.....	1,070,000
Dike.....	120,000
Pier.....	120,000
Grading filled area.....	70,000
Seaplane ramps.....	120,000
Seaplane parking area.....	120,000
Sea wall.....	90,000
Gasoline storage.....	160,000
Power service.....	30,000
Water supply.....	50,000
Roads and walks.....	20,000
Small boat pier and boathouse.....	15,000
Equipment and storage shed.....	15,000
Total.....	5,000,000

I confess, Mr. Chairman, that I cannot get very much excited about this bill. It has been repeatedly stated that there is no intention at the present time of fortifying this island. There is nothing in the bill itself to show any intention of fortification. The President of the United States has been put on record as having stated there was no intention in his mind to ask for the fortification of it. The leading experts of the Navy and those in charge of naval operations have also stated there is no intention in their minds of fortifying the island.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield at that point?

Mr. DREWRY. I cannot yield.

Mr. BATES of Massachusetts. I just want to correct an error.

The CHAIRMAN. The gentleman declines to yield.

Mr. DREWRY. Certainly all of that would indicate that no fortification could be done, especially with such a small sum of money. There is nothing to indicate it. The confusion has been created by those who say that this expenditure of \$5,000,000 for the development of this harbor means eventually a large amount of money to be spent for fortification.

The only thing before this House is the question of whether we shall spend this \$5,000,000 for the purpose outlined in the bill. You cannot go forward into the future maybe 50 years and say that 50 years from now there may not be some kind of fortification. I do not know whether it will ever be fortified, but I feel that the President of the United States when he says there is no intention of fortifying the island means what he says; and I hope the time will never come when I do not believe any President of this country who makes a statement affecting the country's welfare.

So I cannot get very much excited about this cry of fortification.

It looks like a vain and futile thing to tilt against such a windmill. My view of it may not be worth very much to the House, but I think that as long as the island is a possession of the United States that we have the right to develop it as we see fit; that it is nobody's business but ours; that we are now developing it in a way to make the harbor safe for our airplanes and ships that enter therein, and that if in the future we desire to make other use of it Members of this House at that time will be fully apprised of what is intended to be done and they in their wisdom can then make a decision as to its fortification. At the present time the only decision necessary for you to make with reference to Guam is whether you wish to remove obstructions from the harbor for the better safety of our ships and airplanes.

There is no reason that I can see why there should be any objection on the part of Congress to the development of our naval facilities for the care and maintenance of our fleet as proposed in this bill. There is nothing in this bill that is provocative of war nor a warlike gesture. If anything, it is a gesture to peace, not war; for even the craziest aggressor would hesitate to attack us if he knew we were fully prepared to defend ourselves. [Applause.]

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I am in favor of this bill to increase our naval aviation strength, our first line of defense, excepting that item which provides additional naval defense facilities for the island of Guam.

I concede that in a normal world the road where great armaments pass is not the ideal way to peace. However, we do not find a normal world around us. Nor in some quarters do we find a peace-loving world. We must acknowledge here that some of the great nations of the earth today know no other language but one of force, acknowledge no instrumentality but force in furthering national aspirations, accept and listen to no reasoning from others unless it be backed by power and force. Convinced of this world condition, I would vote, generally speaking, for a bill increasing our Navy defense facilities to a far greater extent than the bill here provides for. I believe in a broad and elastic interpretation of the term "national defense." I have never subscribed to the doctrine that we should circumscribe the activities of our Army, our Navy, or our air forces by outlining a zone beyond which these branches of our Government could not go if their commanders deemed it wise, in time of war or threat of war, to defend our country on far-flung lines. The Navy is our first line of defense and air strength is the right arm of the Navy.

Should war ever again come to us or should it ever be necessary for us to protect the shores of the United States by armed force or to protect the interest of the United States and its possessions anywhere, a sound national defense policy would require our naval forces to strike the enemy wherever strategically wise. It is an old and true axiom of war that "offense is often the best defense." If this country were in danger of invasion by a foreign power, the best defense would be to destroy the instrument of invasion wherever it can be reached, and that could only be done by our Navy. This line of action has been followed by our naval forces in every defensive war we have ever waged. John Paul Jones followed it; Decatur followed it; and Dewey followed it. It is folly to contend, as some have, that in time of defensive war we should endanger our national existence by dividing our defense forces over thousands and thousands of seacoast miles with a preponderance of strength nowhere—waiting for the enemy to strike.

I have ventured my conception of true national defense because I would not have it thought here that my objection to the fortification of Guam is based on the premise that we have no right to spend millions of dollars to build defense lines even that far from home, should it be for the best interest of our country to do so.

It is true that gentlemen of the Naval Affairs Committee contend that the Guam provision is only a harmless, nonmili-

tary item to improve normal harbor facilities for handling commercial aviation at one of our possessions. I shall not take the time to argue at length to the contrary. The fact that the item comes to us as part of a naval defense measure rather than through usual channels, and that expert testimony before the committee practically acknowledges this to be the first step in a plan to fortify Guam, disposes of that camouflage.

In a bill calling for so many millions of dollars for naval defense the five millions involved in the Guam naval aviation facilities proposal matters little, so far as the money is concerned. It, however, matters much should we realize that this authorization is only the entering wedge and the forerunner of millions and millions of other dollars to be asked of us in the years to come; and for what? To fortify a tiny island, 3,337 miles from our nearest naval base, making it impossible to defend it against an enemy in the East—to aggravate Japan—to satisfy Great Britain.

Now, let us look at the situation of Guam in relation to the United States. The Hawaiian Islands are 2,081 miles west of the United States. Guam is 3,337 miles beyond Hawaii, making Guam 5,428 miles from the United States. Let us consider this tiny island from the standpoint of military value to the United States in case of war with an eastern power. No high naval officer in the United States has contended that this island can be defended, even should we spend a hundred million dollars to strengthen it, should we get into a war with Japan, for instance. It is too far from any other American supply base.

Its defense in the name of national pride would call for sacrifices far out of line with the value of the island to us either in war or peacetime. The naval experts admit that the island could be defended only for a short time at best. Rear Admiral Arthur B. Cook, Chief, Bureau of Aeronautics, is reported to have testified to the committee that the proposed \$5,000,000 harbor development at Guam "will give the Navy an advanced scouting base to give the United States Fleet warning of an attack from Asia." Attacks from whom? Certainly not Great Britain and her possessions in that part of the world. There is no danger of Great Britain waging war against us. There is danger that she will drag us in as her ally should she have to fight. Is it Japan, the admiral fears? If so, he should know that Japan proper lies far to the north of Guam and any line of attack on the United States from that nation would probably be on a line 2,000 miles to the north of Guam and not through the many small Japanese-controlled islands to the south of Guam. There is no danger of attack from an Asiatic power by way of Guam.

Rear Admiral Moreell, Chief Civil Engineer of the Navy, is reported to have testified at the hearings that legislation was not actually necessary for the harbor improvements at Guam as the work could be carried on under general law. He declared that specific authority was asked as the "Navy decided to lay its cards on the table as to Guam." Now, why is this specific authority requested of Congress? Since when did high officials of the Navy Department begin the policy of requesting the advice of Congress on a matter of practical naval strategy when they already have authority by law to decide the question? Is it that Admiral Moreell has grave doubts himself as to the wisdom of the proposed improvements at Guam and that he realizes that the fortification of Guam will bring about a distinct change in the defense policies of the United States Navy, as well as probable changes in the foreign policy of this country.

The admiral as an engineer evidently knows that it is a fundamental of sound defense in wartime not to attempt to defend a vulnerable salient of defense lines when that salient is of no value tactically or otherwise. Guam forms such a salient among our possessions in the Pacific. When the Philippines are given their independence within a few years Guam will be our furthestmost outpost there. The only justification offered for spending this money on Guam, by the evidence, is that a dozen or two planes could be kept there for scouting purposes for a few days after declaration of war and possibly prevent the loss of a few cruisers.

Now, let us consider the plight of the Philippines in this Guam defense scheme. These islands lie 1,501 miles west of Guam. Under the act of 1934 independence will be granted to the Philippines in 1944. We had two reasons for guaranteeing independence to these people of these islands. First, we were morally obligated to do so. Second, we knew the islands could not be defended successfully by us in case of war with a strong power in the Far East. Fortification of Guam as a naval or air base can mean only one thing as to the Philippines, and that is repeal, sooner or later, of the Philippine independence law. Guam cannot stand alone as an American possession in that part of the Pacific. Doubt as to our ability to defend the Philippines against Japan, with the natural defense advantages of these islands, should convince that we could not defend Guam. It is conceivable that we might lose hundreds of millions of dollars in defense equipment and thousands of lives in the name of national pride and honor should we embark on a course leading toward fortification of this island. Guam is of value to us only as an air station in time of peace. In time of war with a great power in the east, that value would cease to exist.

Ladies and gentlemen, it behooves us before voting for the first step leading toward the fortification of Guam to look around us for the source of the movement. As for myself, I can see the fine hand of Great Britain behind the scene. Britain knows there is no danger of war between that great kingdom and the United States—we have too much in common. Britain knows that we want none of her great possessions to the south of Guam. Britain realizes that on account of Japanese encroachment in southern China, and her resulting strained relations with that country, it would be to Britain's advantage for the United States to build a screen of fortifications between Japan and Australia, New Zealand, Singapore, and her other island possessions to the south.

But, mark you, should warlike activities on our part in that sphere of the world bring on trouble with Japan, Britain would run out on us, as she did when a previous administration here sought her hand in protesting against the rape of northern China by Japan—unless it were for the selfish interest of Britain to act otherwise. The whole history of Great Britain teaches us that Britain always acts, in war and in peace, for Britain first and the welfare of the world afterward. The British are great at persuading us to pull chestnuts out of the fire for them. I admire their astuteness along this line. If we fall for their subtle influence in this Guam proposal they are not to be condemned—but we are certainly not to be praised.

Let me say here, lest I be misunderstood, I admire the British people, I admire their democratic institutions, I admire their contributions to civilization, I admire their tenacity of purpose—I do not hesitate even to go so far as to say that, second to this great country, I would rather live under British laws and in the British atmosphere than elsewhere. I admit that should we be ever again drawn into another world war, and God forbid, we would inevitably be lined up with the democracies, of which England is one. But I protest against the fatalistic un-American doctrine now being built up by British influence and through British inspired propaganda, particularly among our high naval officials, that America must fight on Britain's side in any war in which that empire may become involved. We already hear more agitation in this country for the defense of Great Britain than is heard in British dominions. It is incumbent on Britain and British possessions to make that empire their first line of defense. They have the wealth, the resources, and the manpower to defend themselves.

It behooves the British Empire, which owns or controls one-fourth of the land upon the face of the earth and 40 percent of the basic raw materials of the earth, whose flag flies over 500,000,000 people, to defend her own.

Mr. Chairman, this bill is supposed to be a United States defense measure, not a defensive alliance with Great Britain or any other foreign power. This bill pretends to be in accord with the philosophy of the Monroe Doctrine in the Western Hemisphere, but with the Guam provision in it,

it advertises to the world that we wish to become a military power in the East. It proposes to prepare our Navy only for defense but, with the Guam provision in it, it suggests imperialistic designs on our part. It proposes to improve facilities at Guam as a defense measure, but at the same time establishes a salient in our defense line that cannot be defended, when considered from purely American defense standpoint.

The proposal should be stricken from the bill and at the proper time I hope to have the privilege of presenting an amendment to that effect. [Applause.]

Mr. CHURCH. Mr. Chairman, I yield to the gentleman from Michigan [Mr. SHAFER] such time as he may desire.

Mr. SHAFER of Michigan. Mr. Chairman, in dealing with this proposed \$5,000,000 expenditure on the island of Guam, we are dealing with a fundamental question of our friendly relations with the Japanese nation. In the present state of world affairs, events and incidents assume exaggerated and distorted proportions.

Mr. Chairman, the world is jittery. The fear of war is everywhere. Suspicions between nations are rampant. Rivalries are intense. Under such conditions as these an action, an event, or even an incident which at another time might be of small consequence or importance may at this time be sufficient to frighten some nation into an overt move that may lead to another world war.

The state of international affairs today is much like the state of mind of a group of children on Hallowe'en when the talk is all of ghosts and goblins. At a certain point of psychological strain, under such conditions, it merely requires that someone cry "ghost" to produce panic. This state of mind, even in the United States, was proved by a recent radio broadcast by a youthful actor which threw the whole eastern seaboard into a welter of fear and panic, simply because the purely fictional broadcast was so realistic that hundreds of thousands of people were frightened half out of their wits by the reported attack by men from Mars.

It is in that category of alarming and dangerous developments that this project for the island of Guam falls. In considering this proposition I think we would do well to glance briefly at the historical background and see, if we can, what impression such a move would produce on Japan.

Europe is already highly nervous over our policy of selling our most modern airplanes to England and France. The latest statement by the President that he may have to curtail his pleasure jaunt in the Caribbean because of the seriousness of advices he has received from Europe concerning the possibility of new aggressions, or a war, has produced tremors throughout the length and breadth of Europe. We, in this country, are without any knowledge of the reasons prompting this alarming statement by Mr. Roosevelt. Reports from Europe since the President made his statement indicate that they, too, are in the dark as to what could have prompted such a startling declaration on the part of our Chief Executive.

I cite this incident to show the danger of unwise talk or unwise acts at a time like this.

It seems to me that we can learn much by a brief review of the relations between this country and Japan over the past several years.

For some 15 years prior to the Washington conference of 1921-22 the relations between this country and Japan were undergoing, from time to time, periodic strains. There was a good deal of anti-Japanese agitation in California. The immigration question irritated Japan. Commercial rivalry between America and Japan in Manchuria was another source of irritation to both nations. Japanese threats against the open-door policy in China provided a vast amount of material for friction, which occasionally broke out into serious controversies. Writing on this subject in his *Navies and Nations*, 1927, page 152, Hector C. Bywater, the British naval expert, quoted Franklin D. Roosevelt as saying:

Outside the executive departments at Washington it has never been known in this country that during 10 nervous days in the early summer of 1908 the United States hovered on the edge of an ultimatum from Japan.

Before and after the World War there was much saber rattling, jingoistic threatening, and alarmist talk of war with Japan. The Magdalena Bay incident of 1911-12 created widespread fears in this country of an intended Japanese penetration into Lower California. The presence of Japanese warships in Turtle Bay, in the same region, at the time of Japan's presentation of the 21 demands upon China in 1915, was viewed as a highly suspicious circumstance in this country. After the World War Japanese-American relations were kept at high tension by controversies over Shantung and other Pacific questions.

Our distrust of Japan was marked in 1919 by the organization of a Pacific fleet made up of the strongest squadrons of the United States Navy, and by preparations to develop a great naval fortress at Hawaii. Japan reacted to these moves by adopting in 1920 a naval building program designed to give her a fleet equal or superior in strength to that of the United States. Bywater, whom I quoted a moment ago, regarded war between this country and Japan as "more imminent in 1921 than was generally realized."

This writer outlined many serious differences which existed between the United States and Japan on various questions, including the treatment of Japanese nationals in the United States, the status of certain former German-owned islands in the Pacific, the open door in China, and, most importantly, the proposed development of naval bases in the western area of the Pacific Ocean. Japan all this time was trying desperately to keep pace with our naval expansion and was struggling grimly under the heavy financial burden which this policy involved. Reserves of coal and oil fuel were being accumulated at naval ports. Shipyards and munition plants were being expanded by aid of Government subsidies. The Japanese, as Bywater pointed out, were going to modernize their coast defense system and fortify new bases at outlying islands.

The only conclusion we can reach, Mr. Chairman, from these extensive preparations is that Japan anticipated war with us in the then near future. This British naval authority expresses his belief that Japan would have made the beginning of work on new American bases at Manila and Guam a cause for war. Many other observers who were in the Far East at that time believed the same thing.

It was while this state of mutual suspicion, affecting Great Britain as well as the United States and Japan, existed that the Washington Conference assembled in November 1921.

At that conference a singular and significant situation developed. The plan for drastic reduction and limitation of naval strength proposed to the conference by Secretary of State Charles Evans Hughes embraced only ships. The Japanese delegation instantly brought up the question of naval bases. They argued that bases were as necessary to naval power as ships and insisted that bases should also be restricted. The late Baron Kato, principal Japanese delegate, took the attitude that unless such restrictions of bases were applied in the Pacific, Japan could not accept any proposed reduction of her naval forces. It is now known that when Japan raised the question of bases, her delegates had specifically in mind the projected American bases at Guam and Manila. It has since been said, unofficially, that the Japanese demand for neutralization of these and other Pacific Fleet harbors met with such resistance from the American naval experts that a deadlock almost resulted. Rather than have the conference fail, the United States yielded on the question of Pacific bases. Japan then consented to limit her strength in capital ships to 60 percent of that of the United States and Great Britain.

The clause covering naval bases was made a part of the treaty for limitation of naval armaments signed on February 26, 1922. Under article XIX of the agreement, the United States, the British Empire, and Japan agreed to maintain the status quo at the time of the signing of the treaty, so far as fortifications and naval bases in certain areas were concerned. This status quo was defined as meaning that no new fortifications or naval bases would be established in certain territories and possessions specified in the agreement; that no efforts would be made to increase the existing naval

facilities for repair and maintenance of naval forces; and that no increase would be made in the coast defenses of those territories and possessions.

I will not take the time now to go into a description of those areas, but suffice it to say the United States retained freedom of action at Hawaii but abandoned the right to build up defenses in the Philippines, Guam, and the Aleutian Islands. Singapore, where Britain later developed a great naval base, was just west of the barred zone. The Bonin Islands, 800 miles north of Guam, did lie within the areas embraced in the treaty, but Japan had already completed certain fortifications there before the Washington Conference convened.

No reference was made in article XIX to the former German islands in the Pacific which were assigned to Japan under a League of Nations mandate in 1920.

Elimination of the naval rivalry, together with the settlement of far eastern political questions through the signing of the Washington Armament Limitation Treaty and the Nine Power Treaty, brought an end to the Japanese war scare in the United States. Except for an incident concerning immigration in 1924, the relations between our Nation and Japan were on a friendly basis until Japan began her offensive on the mainland of Asia in 1931. Her action was in disregard of the Nine Power Treaty and upset the balance in Pacific affairs that had been obtained. The failure subsequently to renew the naval treaty restored the old situation existing before the Washington Conference. Our relations with Japan became seriously disturbed as Japan moved to establish control over China. There the situation stands today.

Mr. Chairman, we must not forget that Great Britain has a very keen interest in this whole question, and any fortification of the island of Guam may mean as much to the British as it does to us. It will be recalled that after attempts to bring about a new naval limitation treaty failed because of Japan's determination to have parity with the United States and Great Britain the British Government showed clearly its interest in restricting the southward extension of Japan's naval power. The British sounded out both Washington and Tokyo on a proposal to retain the fortification agreement regardless of the expiration of the other provisions of the Washington Treaty. Neither the United States nor Japan would agree to this. It is clear from certain expressions by leading Japanese that the Japanese Government was not at that time disturbed by any prospects of new foreign bases in the western Pacific. Admiral Nomura, a member of the Japanese delegation at the Washington Conference, is said to have written, in January 1935, that—

World conditions being what they are, I personally cannot consider it very probable that any power would proceed today to build up a huge base in the Orient.

Nomura observed at that time that the United States, since her adoption of the Monroe Doctrine, had made known plainly to all the world that she objects to the establishment of new military or naval bases by foreign powers in her proximity and desires that those already in existence should be limited or reduced.

It was clear that Nomura did not consider it within the bounds of reason that the United States would attempt to contest the balance of power with Japan in her own back yard by constructing huge military establishments, even though she had the right to do so.

Now, Mr. Chairman, with this background, it is not difficult for us today to see that Japan would regard as an unfriendly move the establishment of a great American naval base at Guam. The island of Guam lies almost in the center of the Japanese mandate area. If we do begin to fortify Guam and set up a great base there, we must expect that the Japanese will meet what they would consider a threat by the construction of Japanese defenses in the mandated islands, notwithstanding any treaty commitments to the contrary.

Japan has made it clear that she has no intention of relinquishing these mandated islands, although she resigned from the League of Nations in 1935 and refused to attend the last meeting of the Mandates Commission in November 1938.

Should this situation develop in the way I have outlined, we would at once find ourselves in a nerve-straining race for naval rivalry practically at Japan's back door. Out of such situations grow war.

During the time since the Washington conference we have built up a great naval base at San Diego. It has become the principal operating base for the Navy on the west coast. We have improved the older bases in San Francisco Bay and Puget Sound. Great developments have been carried out at Pearl Harbor in Hawaii, where we have expended approximately \$130,000,000 since 1920. We now have several major air bases on the Pacific coast.

The program recommended by Admiral Hepburn provides for 25 naval air bases, 15 of which would be in the Pacific area.

The creation of the proposed air bases, as I understand it, under the Hepburn plan, would establish an American defense line in the Pacific extending in a wide arc from the Aleutian Islands, 2,000 miles north of Hawaii, through Wake Island, 2,000 miles west of Hawaii, to Palmyra Island, 1,000 miles south of Hawaii.

If a base were set up on the Samoa Island, the line would be carried another 1,000 miles south of Hawaii.

The naval experts say that the Wake Island project would make possible defense operations 2,000 miles west of Hawaii. Now, Mr. Chairman, the island of Guam lies still 1,000 miles farther west and is only 1,500 miles from Manila, 1,400 miles from Yokohama, and 800 miles from the Bonin Islands.

The Hepburn Board, in describing the strategic possibilities of Guam, said:

The island is well adapted to the maintenance of an air force equal or superior to any similar hostile force that could be assembled in a radius of twelve hundred miles.

Its natural facilities for development of a submarine base are excellent.

Even without command of the sea extending westward of Midway, the air and submarine strength of the island could be reinforced.

The island could only be reduced or occupied by an enemy through landing operations supported by naval surface operations on a large scale. Hostile air attack alone could produce no decisive effect, and against defenses of the character mentioned (antiaircraft and coast defenses) would be likely to incur heavy and unrequited losses.

So long as Guam existed as a strong air and submarine base, hostile operations against the Philippines would be a precarious undertaking.

The sum of \$5,000,000, which we are asked to authorize for the work at Guam, would be expended, we are told, over the next 3 years for harbor dredging, construction of a breakwater, building of hangars, shops, and barracks.

Admiral Leahy, Chief of Naval Operations, has testified that the construction of the air and submarine base recommended by the Hepburn Board would cost \$80,000,000. Admiral Hepburn has said the conversion of Guam into an advance fleet base would cost \$150,000,000.

Now, Mr. Chairman, let us look this situation squarely in the face. The establishment of any great naval base on the island of Guam would constitute a direct and continuous threat to Japan. If the \$5,000,000 we are asked to expend on the island of Guam will not accomplish anything in the way of its fortification, is it worth the danger we would incur of arousing new hatreds and suspicions in Japan which might impel her to begin the construction of fortifications in the mandated islands, which would, in turn, compel us to begin immediately the construction of a \$150,000,000 fortification on the island of Guam, together with other expensive fortifications and bases in the Philippine Islands?

We might just as well have some plain talk about this matter now. This whole question hinges on whether or not we intend to keep the Philippine Islands as a Territorial possession or a protectorate, and whether or not we intend to try to put ourselves in a position of defending those islands against an attack by the Japanese if war between the United States and Japan should ensue.

We are approaching this whole question along dangerous lines. We are going about this whole thing in a way to bring about grave misunderstandings and to give Japan a justified suspicion of our future intentions toward her.

Japan has argued, and not without logic, that our Monroe Doctrine is the very basis for her desire to hold any foreign powers away from her shores. Certainly we cannot argue that the zone of the Monroe Doctrine extends to the islands of Guam and the Philippines.

I have no more sympathy with the Japanese invasion of China than anybody else in this House. But so far as that question is concerned, Japan has made clear her intentions of controlling China; and if we object to that, if we do not want the open door slammed in our face, then, Mr. Chairman, we can prepare to go to war, because that is what we will have to do. If, on the other hand, the American people do not want to go to war over the Japanese invasion of China and if, as I believe they do, our people want to stay at home and mind their own business as long as possible, then we must consider well what it will mean if we embark on a policy of spending money on the island of Guam or in the Philippines, no matter whether we use the excuse of civil aviation or not.

Now, what are we going to do with the Philippine Islands? Are we going to retain them as a Territorial possession and undo the autonomy that has already been granted them? Or are we going to exercise a protectorate over those islands far into the future? If we are going to exercise such a protectorate, do we intend to prepare to defend them against any assault by Japan? If we do, we can prepare to spend plenty of money in fortifications and naval bases, provided Japan is not frightened into striking before we can establish such fortifications and bases.

We should decide all of these questions before we spend \$5,000,000 to begin what actually will be improvements on the island of Guam that would have some military significance.

If we are ready to arouse these suspicions in Japan, if we are ready perhaps to frighten Japan into a race in naval bases in the area of the mandated islands, if we are ready to undertake the protection of the Philippine Islands—which some of our military and naval authorities believe we could not protect for a month without enormous expense and far-flung naval operations—then go ahead and spend this money on the island of Guam. If we are not ready to incur those risks, then, whether Great Britain desires it or does not desire it, we ought not to spend this money on the island of Guam.

As a military improvement, or a naval advantage, the spending of \$5,000,000 at Guam is meaningless. As a gesture, looking at it from the Japanese viewpoint, it is highly dangerous.

I, for one, am not ready to take the risks, and I think this proposal should be defeated. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DISNEY (at the request of Mr. BOREN), indefinitely, on account of illness.

To Mr. MOUTON (at the request of Mr. DEROUEN), for 10 days, on account of illness in family.

To Mr. WOODRUFF of Michigan (at the request of Mr. MAPES), for 1 day, on account of illness.

To Mr. DIES (at the request of Mr. LUTHER A. JOHNSON), indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by printing one of my

own speeches delivered on the floor of the House in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SIROVICH]?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill now pending before the House.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. CRAWFORD]?

There was no objection.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 303. An act for the relief of the Ocilla Star; to the Committee on Claims.

S. 316. An act to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia; to the Committee on the District of Columbia.

S. 463. An act for the relief of the Fitzgerald Leader; to the Committee on Claims.

S. 745. An act for the relief of the Pacific Telephone & Telegraph Co.; to the Committee on Claims.

S. 1315. An act for the relief of the Corbitt Co.; to the Committee on Claims.

ADJOURNMENT

Mr. VINSON of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 2 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, February 22, 1939, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Wednesday morning, February 22, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, February 22, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m., Wednesday, February 22, 1939.

COMMITTEE ON LABOR

The Committee on Labor will hold a hearing in room 429, House Office Building, at 10:30 a. m., Thursday, February 23, 1939, on H. R. 2990, a bill to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Wednesday, March 1, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., at 10 a. m. Wednesday, February 22, 1939, on the bill (H. R. 3576) to make effective the provisions of the Officers' Competency Certificates Convention, 1936.

It is contemplated that the hearing on Wednesday, February 22, 1939, on H. R. 3576 will deal particularly with legisla-

tion necessary to make effective the provisions of the treaty and problems arising in connection with the provisions of the treaty.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

457. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated January 23, 1939, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of the Miami and Erie Canal, Ohio, including a branch canal connecting the Miami and Erie Canal with Lake Michigan, and such other routes between Lake Erie and the Ohio River as may be considered practicable by the Chief of Engineers, with a view to securing a channel 12 feet in depth with suitable widths, or such other dimensions as may be considered practicable, including any recommendation for cooperation on the part of local interests, and waterway from a point at or near Erie Harbor, Pa., by way of French Creek and the Allegheny River, to the Ohio River, authorized by the River and Harbor Acts approved March 2, 1919, and September 22, 1922 (H. Doc. No. 178); to the Committee on Rivers and Harbors and ordered to be printed, with 60 illustrations.

458. A letter from the Secretary of Agriculture, recommending the enactment of legislation to authorize the delegation of certain authority within the Department; to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MAY: Committee on Military Affairs. H. R. 3134. A bill to amend the act entitled "An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes," approved May 25, 1933; without amendment (Rept. No. 80). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. S. 494. An act to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King," John Philip Sousa, composer of the Stars and Stripes Forever; without amendment (Rept. No. 81). Referred to the House Calendar.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 649) granting a pension to Charles E. King; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 650) granting a pension to John Powell; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 672) granting a pension to Jesse F. Crawford; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURDICK:

H. R. 4361. A bill to prevent the use of the words "U. S.," "United States," or either of them, in trade names or private business; to the Committee on the Judiciary.

By Mr. CANNON of Florida:

H. R. 4362. A bill providing for an examination and survey of channel and harbor at Everglades, Collier County, Fla.; to the Committee on Rivers and Harbors.

By Mr. COX:

H. R. 4363. A bill to amend section 13 of the Fair Labor Standards Act of 1938, approved June 25, 1938; to the Committee on Labor.

By Mr. DARDEN:

H. R. 4364. A bill to extend the time for filing claims for refunds of amounts collected under the Agricultural Adjustment Act; to the Committee on Ways and Means.

H. R. 4365. A bill for adjustment of compensation of civilian apprentices employed in navy yards and naval stations of the United States and its possessions from July 1, 1932, to June 30, 1934; to the Committee on Naval Affairs.

By Mr. THOMAS F. FORD:

H. R. 4366. A bill to authorize the payment of additional compensation to special assistants to the Attorney General in the case of the United States against Doheny executors; to the Committee on the Judiciary.

By Mr. HEALEY:

H. R. 4367. A bill to protect American and Philippine labor and to preserve an essential industry, and for other purposes; to the Committee on Ways and Means.

By Mr. LUTHER A. JOHNSON:

H. R. 4368. A bill to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, for the purpose of requiring the use of a domestic product, and for other purposes; to the Committee on Agriculture.

By Mr. LESINSKI:

H. R. 4369. A bill for the admission to citizenship of aliens who came into this country prior to February 5, 1917; to the Committee on Immigration and Naturalization.

By Mr. KELLER:

H. R. 4370. A bill authorizing the city of Chester, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Chester, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTT:

H. R. 4371. A bill relating to the surtax on undistributed profits with respect to certain cooperative associations for the taxable years 1936, 1937, and 1938; to the Committee on Ways and Means.

By Mr. MURDOCK of Utah:

H. R. 4372. A bill to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. PACE:

H. R. 4373. A bill to provide for the national defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the military forces and the civilian population in time of a national emergency, and for other purposes; to the Committee on Military Affairs.

By Mr. WHELCHER:

H. R. 4374. A bill to reimburse the National Guard of the State of Georgia for the loss of certain land formerly used

as a rifle range and camp, and for other purposes; to the Committee on Military Affairs.

By Mr. GEARHART:

H. R. 4375. A bill to amend section 116 of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. ALLEN of Illinois:

H. R. 4376. A bill to amend the National Labor Relations Act by defining the term "agricultural laborer"; to the Committee on Labor.

By Mr. SHAFER of Michigan:

H. R. 4377. A bill to provide that the Government shall supply uniforms to all employees who are required to wear them while performing their official duties; to the Committee on Expenditures in the Executive Departments.

By Mr. PACE:

H. R. 4378. A bill to amend title I, title II, and title IV of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937, relating to the promotion of more secure occupancy of farms and farm homes, the correction of the economic instability resulting from some present forms of farm tenancy, and for other purposes; to the Committee on Agriculture.

By Mr. SHAFER of Michigan:

H. R. 4379. A bill for the relief of the Augusta Public School District, Augusta, Mich.; to the Committee on Claims.

By Mr. GEHRMANN:

H. Res. 101. Resolution to make H. R. 70, a bill to provide for liquidating and refinancing of agricultural indebtedness, a special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 7 with reference to the Lewis and Clark highway; to the Committee on Roads.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 4380. A bill for the relief of Ernest Clinton and Frederick P. Deragisch; to the Committee on Claims.

By Mr. BATES of Massachusetts:

H. R. 4381. A bill for the relief of the estate of William W. Dutcher; to the Committee on War Claims.

By Mr. CELLER:

H. R. 4382. A bill for the relief of Bluma Sakin Silberstein; to the Committee on Immigration and Naturalization.

H. R. 4383. A bill for the relief of Dora Zlotnick; to the Committee on Immigration and Naturalization.

By Mr. CURLEY:

H. R. 4384. A bill for the relief of Wilhelm August Schlittenhardt; to the Committee on Immigration and Naturalization.

By Mr. DARDEN:

H. R. 4385. A bill for the relief of John Philip Knecht, Sr.; to the Committee on Naval Affairs.

H. R. 4386. A bill for the relief of George T. Easton; to the Committee on Claims.

H. R. 4387. A bill granting a pension to Constance Eager; to the Committee on Pensions.

By Mr. HARE:

H. R. 4388. A bill for the relief of James Henry Rigdon; to the Committee on Claims.

By Mr. HART:

H. R. 4389. A bill for the relief of James Havey; to the Committee on Claims.

By Mr. KITCHENS:

H. R. 4390. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of Herbert M. Gregory; to the Committee on Claims.

By Mr. THOMAS S. McMILLAN:

H. R. 4391. A bill for the relief of H. W. Hamlin; to the Committee on Claims.

H. R. 4392. A bill for the relief of Spring Street Methodist Episcopal Church South, of Charleston, S. C.; to the Committee on War Claims.

By Mr. SECREST:

H. R. 4393. A bill granting a pension to Thomas J. McWilliams; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee:

H. R. 4394. A bill granting a pension to James G. Bailey; to the Committee on Invalid Pensions.

H. R. 4395. A bill granting an increase of pension to Charles Payne; to the Committee on Invalid Pensions.

H. R. 4396. A bill granting a pension to Charles Farris; to the Committee on Pensions.

By Mr. WOODRUM of Virginia:

H. R. 4397. A bill for the relief of Bertha E. Richardson; to the Committee on Claims.

H. R. 4398. A bill for the relief of Johnny R. Cole; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1244. By Mr. HANCOCK: Resolution adopted by the Onondaga County Pomona Grange, North Syracuse, N. Y., favoring a fact-finding commission to study monetary policies; to the Committee on Banking and Currency.

1245. By Mr. HARNES: Petition of the Order of Railway Conductors of America, Atlantic Division, No. 120, Huntington, Ind., protesting against any Federal legislation designed to regulate the miles or hours of men in train and engine service on the railroads of the United States; to the Committee on Interstate and Foreign Commerce.

1246. Also, petition of the railway trainmen of Frankfort, Ind., who are members of various branches of the brotherhoods, asking for passage of House bills 2298 and 2313, providing for voluntary retirement of railway employees at the age of 60; and mandatory retirement at the age of 65, with certain exceptions; to the Committee on Ways and Means.

1247. By Mr. HARTER of New York: Petition of the Women's International League for Peace and Freedom, Buffalo division; to the Committee on Appropriations.

1248. By Mr. MARTIN J. KENNEDY: Telegram from the chairman of the New York County executive committee of the American Labor Party, urging the appropriation of \$150,000,000 asked for by the President for Works Progress Administration in view dire need of millions unemployed American citizens; to the Committee on Appropriations.

1249. Also, resolution passed by the Railway Mail Association, New York City Branch, second division, requesting that hereafter substitutes in the Postal Service shall be rated as employees and be given the same rights and benefits that accrue to regular employees in proportion to the time actually employed; to the Committee on Appropriations.

1250. By Mr. KEOGH: Petition of the Eastern Arts Association, New York City, concerning the McGranery bill (H. R. 2319) for the establishment of a Division of the Arts in the Office of Education, Department of the Interior; to the Committee on Appropriations.

1251. By Mr. KRAMER: Resolution of the Los Angeles County Committee of Young Democratic Clubs, relative to the impeachment proceedings against the Secretary of Labor, etc.; to the Committee on the Judiciary.

1252. Also, resolution of the Los Angeles County Committee of Young Democratic Clubs, relative to proposed changes in the Wagner Labor Act; to the Committee on Labor.

1253. Also, resolution of the Board of Harbor Commissioners of the City of Los Angeles, relative to the opposition of Senate Joint Resolution No. 24; to the Committee on the Public Lands.

1254. By Mr. LESINSKI: Resolution of Melvindale (Mich.) Works Progress Administration Auxiliary, urging the additional appropriation of \$150,000,000 to maintain the Works

Progress Administration after April 1; to the Committee on Appropriations.

1255. By Mr. PFEIFER: Petition of the New York State Waterways Association, Albany, N. Y., concerning the Lea bill (H. R. 2531); to the Committee on Interstate and Foreign Commerce.

1256. By Mr. REES of Kansas: Petition of the Chamber of Commerce of Lehigh, Kans., together with other citizens; to the Committee on Labor.

1257. By Mr. RICH: Petition of citizens of McKean County, Pa., proposing that Frances Perkins, Secretary of Labor, be replaced by a man with suitable qualifications to properly fulfill the duties of Secretary of Labor, because the petitioners feel that labor should have representation in the Cabinet second to none; to the Committee on Labor.

1258. By Mr. SCHAEFER of Illinois: Petition of N. L. Phillips of East St. Louis, Ill., and others, suggesting Federal regulation of mileage as a method of returning thousands of railroad employees to their jobs; to the Committee on Interstate and Foreign Commerce.

1259. Also, petition of the Washington County Trades and Labor Assembly, Langley E. Wade, secretary, Nashville, Ill., requesting Congress to adopt amendments to the National Labor Relations Act as proposed by the American Federation of Labor; to the Committee on Labor.

1260. By the SPEAKER: Petition of the Methodist Church of Elkhart, Ill., petitioning consideration of their resolution with reference to eliminate color and racial tests from the immigration and naturalization laws of the United States; to the Committee on Immigration and Naturalization.

SENATE

WEDNESDAY, FEBRUARY 22, 1939

(Legislative day of Monday, February 20, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Albert Joseph McCartney, D. D., minister of the Covenant First Presbyterian Church, Washington, D. C., offered the following prayer:

Seek ye the Lord while He may be found; call ye upon Him while He is near. Let the wicked forsake his way and the unrighteous man his thoughts, and let him return unto the Lord, for He will have mercy upon him, and to our God, for He will abundantly pardon.

Let us pray.

O merciful Father, who in compassion for Thy sinful children didst send Thy Son, Jesus Christ, to take away the sin of the world, we join with our fellow believers everywhere on this Ash Wednesday in humbling ourselves before Thee. Grant us grace to acknowledge and lament our share in the evil that besets this unhappy world today. Help us by self-denial, prayer, and meditation to prepare our hearts for a deeper penitence and a better life.

And now upon this day, dedicated to the first President, we remember in gratitude those who with him fashioned our Government and established for our state the foundations of civil and religious liberty. We bless Thee for the glorious heritage of faith and freedom. Help us to be true to the great ideals for which they stood, and may our country ever be the home of justice, liberty, and true brotherhood, and may the President of the United States and these Thy servants, and all our citizenry, hear in the memory of the one whose name we honor today the strongest summons to be good and true.

This we ask in Jesus' name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, February 21, 1939, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Caloway, one of its reading clerks, announced that the House

had passed a bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Russell
Andrews	Donahey	King	Schwartz
Ashurst	Downey	La Follette	Sheppard
Austin	Ellender	Lee	Shipstead
Bailey	Frazier	Logan	Smathers
Bankhead	George	Lucas	Stewart
Barbour	Gibson	Lundeen	Taft
Barkley	Gillette	McKellar	Thomas, Okla.
Bone	Glass	McNary	Thomas, Utah
Borah	Green	Mead	Tobey
Bridges	Guffey	Miller	Truman
Brown	Gurney	Minton	Tydings
Bulow	Harrison	Murray	Vandenberg
Burke	Hatch	Neely	Van Nuys
Byrd	Hayden	Norris	Wagner
Byrnes	Herring	Overton	Walsh
Capper	Hill	Pepper	Wheeler
Chavez	Holman	Pittman	White
Clark, Idaho	Holt	Radcliffe	Wiley
Connally	Hughes	Reed	
Danaher	Johnson, Calif.	Reynolds	

Mr. MINTON. I announce that the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Washington [Mr. SCHWELLENBACH] are detained from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], the Senator from Connecticut [Mr. MALONEY], the Senator from Nevada [Mr. McCARRAN], and the Senator from South Carolina [Mr. SMITH] are detained on important public business.

The Senator from Illinois [Mr. LEWIS] is unavoidably detained.

Mr. WALSH. I announce that my colleague the junior Senator from Massachusetts [Mr. LODGE] is absent because of a death in his family.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

READING OF WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. Under an order made by the Senate in 1901, the Chair has designated the Senator from Ohio [Mr. TAFT] to read George Washington's Farewell Address on this day. If the Senator from Ohio will approach the desk and perform that duty, the Senate will be obliged to him.

Mr. TAFT advanced to the desk and read the Farewell Address, as follows:

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and

to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end, but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it,

your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home: your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts com-

bined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalry alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter. Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by geographical discriminations,—*northern and southern—Atlantic and western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in

the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presuppose the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authorities, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however spacious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles the animosity of one part against another; foment occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchical cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation *desert* the oaths which are the instruments of investigation in courts

of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it,

therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand; neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me, a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that

degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,
19th September, 1796.

Mr. KING. Mr. President after listening to the patriotic and immortal address of the Father of his Country it seems to me appropriate that we supplement it by having read into the Record his prayer for the United States of America. I ask unanimous consent to have the clerk read the prayer of General Washington.

The VICE PRESIDENT. Without objection the prayer will be read.

The Chief Clerk read as follows:

WASHINGTON'S PRAYER FOR THE UNITED STATES OF AMERICA

(The concluding paragraph of the circular letter addressed by General Washington to the Governors of all the States on disbanding the Army. Issued at headquarters, Newburgh, June 8, 1783)

I now make it my earnest prayer that God would have you, and the State over which you preside, in His holy protection; that He would incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government; to entertain a brotherly affection and love for one another, for their fellow citizens of the United States at large, and particularly for their brethren who have served in the field; and, finally, that He would most graciously be pleased to dispose us all to do justice, to love mercy, and to demean ourselves with that charity, humility, and pacific temper of mind, which were the characteristics of the Divine Author of our blessed religion, and without an humble imitation of whose example in these things, we can never hope to be a happy nation.

CONTINUANCE OF FUNCTIONS OF THE R. F. C.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1102) to continue the functions of the Reconstruction Finance Corporation, and for other purposes, which was to strike out all after the enacting clause and insert:

That (a) section 1 of the act approved January 26, 1937 (50 Stat. 5), is hereby amended by striking therefrom "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (b) section 1 of the act approved March 31, 1936 (49 Stat. 1186), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (c) section 9 of the Reconstruction Finance Corporation Act (47 Stat. 9), as amended, is hereby further amended by inserting after the second sentence thereof the following sentence: "Such obligations may mature subsequent to the period of succession of the Corporation as provided by section 4 hereof."; and (d) the act approved February 11, 1937 (50 Stat. 19), as amended, is amended by striking from the first sentence "\$20,000,000" and inserting in lieu thereof "\$40,000,000"; and by striking from the second paragraph "or 1938" and inserting in lieu thereof "1938, 1939, or 1940."

Mr. LA FOLLETTE. May we have an explanation of the amendment?

Mr. GLASS. The amendment simply increases the amount of the capital stock of the Disaster Loan Corporation from \$20,000,000 to \$40,000,000, and extends the authority for loans

because of floods or other catastrophes through the year 1940.

I move that the Senate concur in the amendment of the House.

The motion was agreed to.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Kanawha County Industrial Union Council, Charleston, W. Va., protesting against the enactment of the so-called Walsh-Green bill, being Senate bill 1,000, to amend the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a petition of sundry citizens of Puerto Rico, praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law to include civil as well as international conflicts, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by the Washington (D. C.) Alumni Chapter of Kappa Alpha Psi, praying for the taking of measures to increase Negro personnel in the Regular Army and integrate it into all branches of the Military Establishment, which was referred to the Committee on Military Affairs.

Mr. GIBSON presented a petition of several citizens of Poultney, Bridgewater, and Proctorsville, in the State of Vermont, praying for the enactment of House bill 11, a general-welfare bill providing old-age assistance, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of the State of Vermont, praying that necessary action be taken to prevent the resources of the Government and American citizens from being used directly or indirectly to aid Japan in her operations in China, which was referred to the Committee on Foreign Relations.

Mr. MEAD presented a memorial of sundry citizens of New York City and vicinity, remonstrating against amendment or repeal of the neutrality law, which was referred to the Committee on Foreign Relations.

He also presented memorials, numerous signed, of sundry citizens of the State of New York, remonstrating against the imposition and collection of a processing tax on wheat, which were referred to the Committee on Agriculture and Forestry.

He also presented a paper in the nature of a petition from Major Sebastian Baumann Unit, No. 998, of the Steuben Society of America, Huntington Station, N. Y., praying for the adoption of the so-called Ludlow war-referendum resolution, which was referred to the Committee on Foreign Relations.

He also presented memorials, numerous signed, of sundry citizens of the State of New York, remonstrating against the enactment of House bill 1, the so-called Patman bill, imposing taxes upon chain stores, which were referred to the Committee on Interstate Commerce.

Mr. MINTON presented a petition of sundry citizens of Muncie and vicinity, Indiana, praying for the enactment of House bill 11, a general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

He also presented petitions, numerous signed, of sundry citizens of the State of Indiana, praying for the enactment of legislation to regulate the advertising of intoxicating beverages by press and radio, which were referred to the Committee on Interstate Commerce.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MILLER:

S. 1541. A bill to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes"; to the Committee on the Judiciary.

By Mr. GUFFEY:

S. 1542. A bill to authorize the Director of the Geological Survey, under the general supervision of the Secretary of the

Interior, to acquire certain collections for the United States; to the Committee on Mines and Mining.

By Mr. MEAD:

S. 1543. A bill for the relief of the Wilson Co., a New Mexico corporation; to the Committee on Claims.

S. 1544. A bill to require an 8-hour day for seamen on merchant vessels of less than 100 tons gross; to the Committee on Commerce.

By Mr. MURRAY and Mr. McCARRAN:

S. J. Res. 76. Joint resolution to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days; to the Committee on Post Offices and Post Roads.

REPORT OF COMMITTEE ON FINANCE

Mr. BROWN, from the Committee on Finance, to which was referred the resolution (S. Res. 86) extending the time for filing of a report pursuant to Senate Resolution 303, Seventy-fifth Congress, a resolution establishing a Special Committee on the Taxation of Governmental Securities and Salaries, reported it without amendment.

ADDRESS BY SENATOR PEPPER BEFORE NATIONAL CANNERS' ASSOCIATION

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD excerpts from an address delivered by Senator PEPPER before the National Canners' Association at Chicago, Ill., January 24, 1939, which appear in the Appendix.]

BITUMINOUS-COAL INDUSTRY—ARTICLE FROM BLUEFIELD DAILY TELEGRAPH

[Mr. HOLT asked and obtained leave to have printed in the RECORD an article with reference to the bituminous-coal industry, published in the Bluefield (W. Va.) Daily Telegraph of February 21, 1939, which appears in the Appendix.]

ADMISSION OF GERMAN REFUGEE CHILDREN

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an editorial entitled "Let Them Come In," from the February 25, 1939, issue of Pathfinder, which appears in the Appendix.]

INDEPENDENT OFFICES APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes.

The VICE PRESIDENT. The question before the Senate is on the motion of the Senator from South Carolina [Mr. BYRNES] to suspend paragraph 4 of rule XVI, so that the amendment offered by him yesterday may be in order.

Mr. LA FOLLETTE. Mr. President, yesterday I made a point of order against the amendment offered by the Senator from South Carolina, upon information which at the time I believed to be accurate and reliable. Upon further investigation I find that in some important respects that information was erroneous. Therefore, I ask unanimous consent to withdraw the point of order.

The VICE PRESIDENT. Without objection, the point of order is withdrawn.

Mr. BYRNES. Then I withdraw my motion to suspend the rules.

The VICE PRESIDENT. Without objection, the motion is withdrawn. The question is on the amendment offered by the Senator from South Carolina [Mr. BYRNES], which will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

No part of any appropriation contained in this or any other act for the fiscal year ending June 30, 1940, shall be available for the payment of enlistment allowance to enlisted men for reenlistment within a period of 3 months from date of discharge as to reenlistments made during the fiscal year ending June 30, 1940, notwithstanding the applicable provisions of sections 9 and 10 of the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922 (37 U. S. C., 13, 16).

The amendment was agreed to.

Mr. BYRNES. On behalf of the committee, I send to the desk an amendment providing a title for the last portion of the bill. I ask to have the amendment stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 56, after line 12, it is proposed to insert the caption "Emergency agencies."

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

Mr. GLASS. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House of Representatives thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer (Mr. KING in the chair) appointed Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. ADAMS, Mr. McCARRAN, Mr. HALE, and Mr. TOWNSEND conferees on the part of the Senate.

SOIL-CONSERVATION PROJECTS—AMENDMENT

Mr. LEE. Mr. President, I ask unanimous consent to submit at this time a proposed amendment to a House bill.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. LEE. Mr. President, this amendment is intended to be proposed to the Emergency Relief appropriation bill. I ask unanimous consent to have the amendment printed in the usual form, printed also at this point in the RECORD as part of my remarks, and that it be referred to the Committee on Appropriations.

There being no objection, the amendment intended to be proposed by Mr. LEE was referred to the Committee on Appropriations, ordered to be printed, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. LEE (for himself and Mr. MILLER) to the bill (H. R. —), the Emergency Relief appropriation bill. At the proper place insert the following:

"Sec. —. Not to exceed \$— of the sum appropriated to the Works Progress Administration by section — of this act, may be expended for the prosecution of projects sponsored by soil conservation districts established under State laws and involving the carrying out upon any lands included within such districts of practices designed to conserve the soil and water resources of such lands. In the case of projects under this section the Soil Conservation Service or other appropriate agency in the Department of Agriculture shall be responsible for supplying technical guidance and supervision in planning and performing the work to be done and for making recommendations to the W. P. A. upon proposed projects. In the prosecution of any such project, the Works Progress Administration shall not enter, or perform labor, upon any privately owned land without the consent of the owner of such land."

Mr. LEE. Mr. President, in brief, the amendment provides that W. P. A. labor may be used, under the supervision of the Soil Conservation Service, within legally established soil-conservation districts to conserve the soil and water resources on any land within such districts. In other words, under the proposed amendment W. P. A. labor could be used to build terraces and small reservoirs on farms within such conservation districts.

During the early stages of the Soil Conservation Service, when demonstrational areas were established in the various States for the purpose of putting into practice the comprehensive soil-conservation and water-control program of the Department of Agriculture, the Works Progress Administration officials approved a Federal project which gave the Soil Conservation Service the benefit of W. P. A. labor to be used within the confines of these demonstrational areas.

Since the expiration of this Federal project the Works Progress Administration has not felt that it had authority to approve projects initiated by local soil-conservation districts. The amendment which I propose gives the W. P. A. such authority.

In 26 States of the Union, State legislatures have enacted legislation providing for the establishment of soil-conservation districts. One hundred and nineteen districts have been established in the 26 States as of January 1, 1939, and approximately 30 more are now being organized. In my own State of Oklahoma 25 districts have been established. These 25 districts are located in all sections of the State. The

object of establishing the district is that by cooperative effort the land owners within the confines of the district may, under the supervision and the assistance of the Soil Conservation Service, carry out sound land- and water-conservation practices.

If this amendment is enacted by the Congress, it will then be possible for a soil-conservation district to initiate and sponsor a W. P. A. project in the same manner in which the county commissioners, school boards, and so forth, have been sponsoring projects since the inception of the W. P. A. The technical supervision will be furnished by the Soil Conservation Service and the labor will be supplied from the regular work rolls of the W. P. A.

I have long advocated spending Government funds for soil-conservation purposes as a sound investment. For every dollar spent, an equal amount of wealth is returned in the improved fertility of the soil.

While we are spending huge sums for the construction of giant flood-control projects, which I have consistently favored, we should give equal consideration to projects that tend to keep the water on the land where it falls, and save the rich topsoil from eroding and washing.

Such a program would be encouraged by the proposed amendment. It would give the farmer the help he wants. It would speed up the program of conserving the soil of the Nation. It would give W. P. A. officials sound constructive projects on which to furnish W. P. A. labor. It would give employment to the unemployed on projects that will merit public approval.

Therefore, I hope the Congress will give serious consideration to this amendment when the emergency relief appropriation bill is considered.

CONSIDERATION OF THE CALENDAR

Mr. BARKLEY. Mr. President, I ask unanimous consent that the clerk call the calendar for the consideration of unobjectioned-to bills. I adopt that procedure at this time for the reason that the Committee on Finance this morning ordered a report on the bill recently passed by the House of Representatives taxing certain State salaries and other income affected by the sixteenth amendment. Also, I am informed that the Committee on Military Affairs may today report the national-defense bill. In view of that fact, we probably shall have some business for the next few days; and I think we might clean up the brief calendar at this time.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection, the Senate will now proceed to the consideration of unobjectioned-to bills on the calendar, and the clerk will state in order the bills on the calendar.

BILLS AND RESOLUTIONS PASSED OVER

The bill (S. 326) for the payment of awards and appraisals heretofore made in favor of citizens of the United States in claims presented under the General Claims Convention of September 8, 1923, United States and Mexico, was announced as first in order.

Mr. VANDENBERG. Let that bill go over.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

The bill (S. 1093) for the relief of Mike Chetkovich was announced as next in order.

Mr. VANDENBERG. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 58) providing that a calendar day's notice shall suffice in connection with suspension of a rule, was announced as next in order.

Mr. GEORGE. I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

The resolution (S. Res. 74) providing for a Committee on Civil Aviation, was announced as next in order.

Mr. VANDENBERG. Let the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 884) for the relief of disbursing officers and other officers and employees of the United States for disallow-

ance and charges on account of airplane travel was announced as next in order.

The PRESIDING OFFICER. The present occupant of the chair will ask that the bill be passed over.

The bill (S. 1367) to extend the time for making loans by the Disaster Loan Corporation and increasing its capital stock was announced as next in order.

Mr. VANDENBERG. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

LT. MALCOLM A. HUFTY, UNITED STATES NAVY

The bill (S. 1115) for the relief of Lt. Malcolm A. Hufty, United States Navy, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of Lt. Malcolm A. Hufty, United States Navy, for refund of \$285.52, in full satisfaction against the United States for the cost of commercial transportation furnished this officer on a foreign registered vessel, in accordance with orders issued by the commander in chief, United States Asiatic Fleet, and subsequently deducted by the General Accounting Office in settlement of the amount awarded this officer pursuant to judgment on another claim.

BILLS PASSED OVER

The bill (S. 828) to permit the President to acquire and convert as well as to construct certain auxiliary vessels for the Navy was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 829) to authorize alterations and repairs to certain naval vessels, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The Senator from Massachusetts [Mr. WALSH] not being in the Chamber, the present occupant of the chair takes the liberty, as if he were on the floor, to ask that the bill go over.

The bill (S. 1045) to give effect to the International Agreement for the Regulation of Whaling, signed at London, June 8, 1937, and for other purposes, was announced as next in order.

Mr. VANDENBERG. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

PREVENTION OF STREAM POLLUTION

The bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The present occupant of the chair will ask that the bill go over.

Mr. BARKLEY. Mr. President, I wish, if possible, to dissuade my friend from Utah, who is now in the chair, from objecting to the present consideration of this bill. It is similar to a bill passed in the last Congress, practically unanimously, by both Houses but which was vetoed by the President because the provisions of the bill did not require the appropriation authorized to go through the Budget. For that reason alone the President vetoed the bill. The bill has been reintroduced in terms which were agreed to by the conference committee after long deliberation between the two Houses at the last session of the Congress.

The question of stream pollution and the purification of water to be consumed by the people on our navigable streams has become very acute in many sections of the country. I do not wish to designate any particular locality, but there are some localities whose sanitary officers and public-health agencies have practically condemned the use of the water taken from large navigable streams. In those localities both the municipalities and the private streams that have contributed and are now contributing to the pollution of the streams do not have the facilities at hand with which to inaugurate purification plans or to install purification devices.

There is nothing compulsory about this bill. It authorizes two or more States to enter into compacts providing for the mutual purification of their streams. It authorizes the appropriation of \$300,000 for the administration of the act. It authorizes setting up in the Public Health Service a Division

of Water Pollution Control. It authorizes a study of the question. It authorizes cooperation between the Public Health Service, through the Division to be created, and public-health agencies in counties, cities, and States.

It further authorizes loans and grants to cities and to private industries up to one-third of the cost of the installation of devices designed to bring about purification of water. There is a total appropriation of \$700,000 a year for that purpose, making a million dollars in all.

This bill was agreed to, I may add, in the last Congress after long study by the Committee on Rivers and Harbors of the House and the Committee on Commerce of the Senate. The then Senator from Connecticut [Mr. Loneragan] was greatly interested and had been for years interested in legislation of this character. The real outstanding difference between the advocates of the bill was the degree of compulsion which should be included so far as the Federal Government is concerned. We finally eliminated that controversy by providing that there should be no compulsion; and there is no compulsion under the bill, either by criminal process or by injunction, against any city or any industry. It is a purely cooperative measure, making a modest step in the direction of trying to purify our streams, which are the source of the drinking water in many cities and communities throughout the country.

I do not see how there can be any objection to the bill. I am anxious to have it passed so that it may go to the other House and be considered there by the Committee on Rivers and Harbors, in order that the proposed legislation may be enacted. It would now be a law if we had not made what the President thought was a mistake in not providing that the appropriation authorized should go through the Bureau of the Budget instead of going around the Budget Bureau. We have accepted the President's conclusions about that and have modified the bill accordingly.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Virginia?

Mr. BARKLEY. I yield.

Mr. GLASS. I should like to know how the bill would affect a situation in Virginia. There has been intense complaint against the pollution of the waters of Hampton Roads, the claim being made that it has largely impaired, and in some respects destroyed, the oyster industry. I should like to know how this bill would affect that situation.

Mr. BARKLEY. The bill by its terms provides that it shall not only apply to purification of water for human consumption but shall have regard also to the effect upon the aquatic life within the waters themselves. For instance, under the bill, the local sanitary or health officer would cooperate with the Bureau of Public Health through the Division of Water Pollution Control. If, in Hampton Roads or any of the cities along the shores of Virginia or in Maryland, it is desired to install facilities for the purification of the water, they could cooperate one with another to bring about a plan by which it would be done through the Division of Water Pollution Control in the Public Health Service, subject, of course, to the regulation of the Army engineers with respect to navigation, for that is always to be considered. They could install such devices or such plants if they were able financially to do so, or the municipalities involved or the corporations involved in the pollution of a stream, if not wholly able themselves to bear the expense, could apply to the Division of Water Pollution Control for loans and grants up to one-third of the cost, and proceed to install them.

Mr. GLASS. But if there is no compulsion, as the Senator says, of what worth would it be?

Mr. BARKLEY. That is a legitimate question, but, frankly, we could not secure the enactment of legislation that carried compulsory provisions. We have got to make a beginning; and it is hoped that the experience of this modest beginning in voluntary cooperation among the States and the Federal Government may bring about the gathering of experience that may enable us to take a further step later on when we

find, from the experience gained and from the administration of the proposed law, that it is necessary. However, the compulsory feature had to be eliminated in order that we might make a start in cleaning up the rivers by voluntary cooperation.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER (Mr. Hatch in the chair). Does the Senator from Kentucky yield to the Senator from Colorado?

Mr. BARKLEY. I yield.

Mr. ADAMS. I note on page 5 of the bill a provision authorizing the making of grants and loans in aid of the construction of necessary treatment works by private individuals. It is my understanding that no individual and no corporation has a right to pollute a stream. I know that is the case in my section of the country, where stream pollution has been stopped by injunctive process.

Mr. BARKLEY. That is, of course, probably under the laws of the State; but, as a matter of fact, without intending to do it, for I do not think that anybody would deliberately and with premeditation pollute the waters of a stream which is the source of water consumed by people generally, in many States the character of manufacturing being carried on and the disposition of waste which finally finds its way into the streams result in pollution. Some of the streams are wholly within one State, while others are boundaries between States, and the latter, of course, are subject to the control of the Federal Government. If in such cases, without intending it by design, private industry is operating in such a manner as to pollute a stream, the object of the provision of the bill referred to is to help private industries install such devices as will enable the stream to be purified without requiring them to put up the entire amount of money in cash at the time of the installation.

Mr. KING. Mr. President, I regret exceedingly to differ from my distinguished leader, whom I am always anxious to follow, but this is a very important bill; I have one or two amendments as a result of some suggestions which I have received which I should like to have considered, and I ask my friend not to press the consideration of the bill at this time. I will be perfectly willing at the next meeting of the Senate to have the bill taken up for consideration. So I now object.

The PRESIDING OFFICER. Objection is heard.

Mr. BARKLEY. Very well; let the bill go over, under the circumstances.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 439) to confer the Distinguished Service Medal on Col. Richard C. Patterson was announced as next in order.

Mr. VANDENBERG. I ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1084) to continue the function of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, was announced as next in order.

Mr. VANDENBERG. I also ask that that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

CLAIMS OF TURTLE MOUNTAIN BANDS OF INDIANS, NORTH DAKOTA

The Senate proceeded to consider the bill (S. 88) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for finding of fact and recommendations to the Congress, which was read, as follows:

Be it enacted, etc., That the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota, including the band of Chief or Thomas Little Shell and other isolated bands of Chippewa Indians of North Dakota and Montana, of whatsoever nature, not heretofore determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States, arising under or as the result of violation of any treaty, act of Congress, agreement, Executive order, or treaty with any other tribes or nations of Indians, or relating to, affecting, or otherwise violating the land occupancy or other rights, as recognized by the officials of the United States, of said band or bands of Indians are hereby referred to the Court of Claims; and jurisdiction is hereby conferred upon said Court of Claims to proceed, according to the principles of law and equity, to find the facts with reference to any claim or claims presented hereunder and report

the same to the Congress, together with recommendations hereinafter referred to. The said court shall consider all such claims *de novo*, without regard to any decision, findings, or settlement heretofore had in respect of any of such claims.

SEC. 2. That any and all claims against the United States under this act shall be forever barred unless the said Turtle Mountain Band or Bands of Indians shall within 3 years from the date of the approval of this act file a petition or petitions in said court setting forth said claims. The claim or claims of the band or bands aforementioned may be presented separately or jointly by petition or petitions, subject, however, to amendment in the discretion of the court at any time prior to final hearing in the matter. The petition or petitions shall be verified by the respective attorney or attorneys employed to prosecute such claim or claims under contract with the Turtle Mountain Band or Bands of Chippewa Indians, approved by the Commissioner of Indian Affairs and the Secretary of the Interior, as provided by law. Official letters, papers, documents, reports, and records, or certified copies thereof, may be used in evidence; and the departments of the Government shall give access to the attorney or attorneys of said Turtle Mountain Band or Bands to such treaties, agreements, papers, reports, correspondence, or records as may be needed by the attorney or attorneys of said band or bands of Indians.

SEC. 3. That said court shall determine the facts as to all claims submitted hereunder, and shall make findings of fact and recommendations to the Congress thereon, notwithstanding lapse of time or statutes of limitation; any payment which may have been made by the United States upon any claim so submitted shall not be pleaded as an estoppel, but may be pleaded as a set-off; and the United States shall be allowed credit for any sum or sums proved to have been heretofore paid or expended directly for said band or bands of Indians, subsequent to the date of any law, treaty, agreement, or Executive order under which the claims arise.

SEC. 4. That said court is hereby authorized and empowered to make findings of fact and to report the same to the Congress of the United States, together with recommendations, (1) relative to any loss sustained by said Indians by reason of the delay in ratification of the agreement of 1892 (33 Stat. 189); (2) as to the acceptance of the amendments made by Congress to said agreement of 1892, whether the acceptance of said amendments by the Indians was voluntary or whether made under compulsion or duress, and as to the loss or damage sustained by said Indians by reason of any action on the part of the United States in securing said acceptance; (3) whether said agreement of 1892 was consented to and ratified by the band of Chief or Thomas Little Shell and the amount of any loss to said band resulting from actions taken under said agreement without the consent of said band; (4) whether said lands to which the band of Chief or Thomas Little Shell had title by occupancy were taken from it without the consent of said band and the value thereof; (5) as to any losses, as near in amount as can be determined, sustained by said Indians by reason of the appropriation of lands ceded by said agreement of 1892 prior to its ratification, and the failure of the United States to reserve sufficient lands to enable the said Indians, including the band of Chief or Thomas Little Shell, to obtain suitable and adequate allotments as provided in said agreement; (6) the costs incurred by said Indians in acquiring allotments on the public domain as a result of any violation of said agreement; (7) as to whether, under said agreement of 1892, the said band or bands of Indians by mistake or otherwise ceded lands which were intended to be retained as a reservation, in particular an area lying about 30 miles west of Red River, being 15 miles in width, for a distance of 65 miles along the Canadian border, and the value of said tract at the time of said cession; (8) as to whether the United States, by Executive order, set aside approximately 1,000,000 acres of the territory occupied by said Indians as a reservation for any other Indian tribe or tribes, without compensating said Indians for the land so taken; (9) whether said Indians had legal or equitable title to said lands so set aside for any other tribe or tribes of Indians, and the reasonable value of said lands at the time of the issuance of the said Executive order; (10) as to the negotiation and execution of said agreement of 1892, and whether the United States obtained cessions of land thereunder from said band or bands of Indians in violation of or contrary to the terms of said agreement authorizing said cession of lands; (11) whether the United States obtained lands from said Indians under mistake of fact; (12) whether the consideration paid by the United States under said agreement of 1892 was adequate and whether any lands were taken from said band or bands of Indians without paying any consideration therefor. Said court shall make its findings with respect to all claims presented hereunder, including any and all other claims which may be presented to the court by said band or bands of Indians not specifically hereinabove set forth, and shall report said findings to the Congress, and shall determine the value of said lands under said claims at the time they were ceded to or taken from said Indians by the United States, and shall recommend to the Congress such amount as may appeal to the conscience of said court under the principles of equity and justice as proper to be paid to said band or bands of Indians in payment for the lands so taken, and damages suffered, including interest thereon from the date of such taking, and in full satisfaction of all claims determined pursuant to this act.

SEC. 5. Upon the final determination of such suit or suits the Court of Claims shall have jurisdiction to recommend a reasonable

fee, not to exceed 10 percent of the recovery in each instance, together with all necessary and proper expenses incurred in preparation and prosecution of the suit or suits, to be paid to the respective attorneys employed by the said band or bands of Indians under contracts approved by the Commissioner of Indian Affairs and the Secretary of the Interior as provided by law, and the same shall be included in the findings of said court and shall be paid out of any sum or sums appropriated by the Congress pursuant to this act. The court shall have jurisdiction and is hereby further authorized to determine and recommend to the Congress what amounts, if any, shall be awarded to the respective bands who bring suit or suits hereunder.

SEC. 6. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit or suits any other tribe or band of Indians deemed by it necessary or proper to the final determination of the matters in controversy. A copy of the petition or petitions shall, in such case, be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and represent the interests of the United States in such case.

SEC. 7. The proceeds of all amounts, if any, found to be due said Indians and duly appropriated by the Congress, less fees and expenses, shall, upon said appropriation, be deposited in the Treasury of the United States to the credit of the said band or bands of Indians as found by said court to be entitled thereto.

Mr. KING. I should like to have an explanation of the bill.

Mr. FRAZIER. Mr. President, this bill refers to the Court of Claims the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota. A similar bill passed the Senate at the last session of Congress, but, owing to the lateness of the session, did not get through the other House. The bill is approved by the Department. It merely allows the Indians to go into the Court of Claims to establish their claims against the Government.

Mr. KING. Mr. President, doubtless the Senator has heard the statement repeatedly made—and it is authentic—that we have passed so many Indian claims bills that the amount of money involved, if liability were established, would aggregate several billion dollars. I have felt—and I am in part responsible for some of the bills—that we have been rather too inconsiderate of the Public Treasury and have not devoted sufficient consideration to the merits of the claims which are considered. I do not think we ought to devolve upon the courts long suits and protracted litigation when there is no warrant for such action.

Mr. FRAZIER. In this particular case, Mr. President, a treaty was made with the Indians, and it was agreed that they would be given sufficient land to provide for homes for all of them. The treaty was held up by the Congress for several years. I do not remember all the circumstances; but, in the meantime, the white settlers have come in and homesteaded the lands, and now there are 4,000 Indians on two townships of land. The treaty never has been carried out. They have not sufficient land, nor have they an adequate number of schools to educate their children.

Mr. KING. Then, as I understand the Senator, it is contended that the Government has violated a treaty with the Indians, has taken their land, and has made no compensation for it.

Mr. FRAZIER. That is an absolutely correct statement.

Mr. KING. Is this bill only for the purpose of determining the damages, if I may use that expression, to which the Indians would be entitled by reason of having been deprived of their property in contravention of the terms of the treaty?

Mr. FRAZIER. The bill is to establish the facts in the matter; to show what the Indians are entitled to, if anything.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INDIANS OF FORT BERTHOLD RESERVATION, N. DAK.

The Senate proceeded to consider the bill (S. 414) for the relief of the Indians of the Fort Berthold Reservation in North Dakota, which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$400,000 in full and final settlement of all claims and demands of the Indians of the Fort Berthold Indian Reservation in North Dakota, composed of the Arickarees, Gros

Ventres, and Mandans, which claims are based upon stipulations of an unratified treaty dated July 27, 1866 (Kappler's Laws and Treaties, vol. 2, p. 1052): *Provided*, That the amount when appropriated shall be deposited in the Treasury of the United States to the credit of the Indians of the Fort Berthold Reservation and shall draw interest in accordance with existing laws: *Provided further*, That not to exceed 10 percent of the amount herein authorized may be used by the Secretary of the Interior for payment of fees and expenses of attorneys employed under contract approved in accordance with existing law.

Mr. KING. Mr. President, is this bill in the same category as the former one?

Mr. FRAZIER. No, Mr. President. The bill is similar to one which was passed at the last session, but the situation is a little different.

The Government agreed to pay these Indians, for the use of their lands, \$20,000 a year for 20 years. It has never been paid. Another claim was paid to the Indians, but this amount was not considered at the time. The Department feels that they are entitled to it. A similar bill was passed by the Senate last year, and was reported by the Indian Affairs Committee of the other House and placed on their calendar, but did not pass the House.

Mr. McKELLAR. Mr. President, may I ask the Senator how much is involved in this claim?

Mr. FRAZIER. In this bill, \$400,000.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CROW TRIBE OF INDIANS

The joint resolution (S. J. Res. 45) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes" (44 Stat. L. 807), was announced as next in order.

Mr. McKELLAR. Mr. President, may I ask the Senator from North Dakota how much is involved in this joint resolution?

Mr. FRAZIER. This is a Montana case. I have forgotten the particular facts involved.

Mr. KING. My recollection is that a number of measures dealing with the Crow Indians have been before the Senate.

Mr. FRAZIER. This measure also is similar to one which was passed last year.

Mr. KING. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

That completes the calendar.

DISASTER LOAN CORPORATION

Mr. WAGNER. Mr. President, unfortunately I was detained before coming to the Senate Chamber. I understand that during my absence Senate bill 1367 was reached on the calendar, and an objection was made to its consideration. Is the Senator present who made the objection?

The PRESIDING OFFICER. The Senator who made the objection is not present.

Mr. McNARY. Mr. President, does the record indicate who objected?

The PRESIDING OFFICER. The Senator from Michigan [Mr. VANDENBERG] objected.

Mr. McNARY. He is absent; so, of course, we would not want to take action during his absence.

Mr. WAGNER. Mr. President, as the Senator will remember, last year and the year before we passed bills similar to this by unanimous vote of both Houses. The bill deals with the Disaster Loan Corporation. I suppose, in the absence of the Senator who objected, we cannot do anything about the matter; but the difficulty, if I may explain it, is that there is no authority to make loans for any of the disasters as a result of floods since January 1, and there have been some recently. Applications are pouring in to the R. F. C. in very distressed cases.

Mr. McNARY. Mr. President, I supported the original legislation.

Mr. WAGNER. I know the Senator did.

Mr. McNARY. I am in favor of its continuance. I have sent a messenger for the Senator from Michigan [Mr. VANDENBERG], and he will return to the Chamber in a moment.

Mr. KING. Mr. President, may I ask the Senator from New York a question?

Mr. WAGNER. Yes.

Mr. KING. My recollection is that either the Senator from New York, or the report of the committee, or some Member upon the floor of the Senate, stated that the funds heretofore appropriated had not been exhausted; and I was wondering whether there is any necessity of augmenting the fund by \$20,000,000 when the \$20,000,000 heretofore appropriated has not been exhausted?

Mr. BARKLEY. Mr. President, the other day, when this matter was brought up, I stated that the original \$20,000,000 which became the capital of the Disaster Loan Corporation had not all been exhausted; but this increase is made necessary because of the desirability and necessity of making loans in New England to take care of timber which was destroyed or blown down by the recent hurricane. The amount of money necessary to do that is about \$15,000,000, so that makes up the large item of increase made necessary. Of course, in some cases involving floods, loans ought to be continued, which would absorb the balance of the amount. It seems to me to be a very worthy thing, and the Disaster Loan Corporation has served a good purpose in that regard. The bill only provides for the capital stock which was originally contemplated when the Disaster Loan Corporation was created.

Mr. WAGNER. Mr. President, supplementing what has been said, permit me to add that it is estimated that more than \$15,000,000 in the way of loans will be required to take care of the down timber in the New England States. About 3,000,000 feet of timber is down as a result of the hurricane. Twenty million dollars is not sufficient to take care of loans already made and those which it is contemplated to make to the timber owners, particularly of the New England States. If the timber is to be salvaged at all, it must be done at once, so that it will reach the water by the summertime.

I know that all the States, and particularly the New England States, are very much concerned in this proposed legislation. Furthermore, there have been some floods since January 1, and a hurricane occurred just the other day. I am informed that there are some very distressed cases as the result of those particular disasters.

The PRESIDING OFFICER. If the Senator from New York will permit the Chair briefly to explain the parliamentary situation, which has arisen probably without the knowledge of the Senator, the Chair's attention has been called by the clerk to the fact that the text of this identical bill has been added by the House to a Senate bill as an amendment, and the Senate today concurred in the amendment.

Mr. WAGNER. Very well, then.

The PRESIDING OFFICER. That action was taken earlier in the day. That amendment being identical with the measure about which the Senator is now speaking, has been concurred in by the Senate. This bill, therefore, probably should be indefinitely postponed.

Mr. WAGNER. Has the Senate bill, with the House amendment, been considered and passed?

The PRESIDING OFFICER. It has been.

Mr. WAGNER. Then, if that be so, I suppose a motion would be in order to postpone indefinitely the consideration of Senate bill 1367. I make that motion.

Mr. BARKLEY. The amendment was reported to the Senate earlier in the day. It was not generally known what its terms were, or that it applied to this situation. The bill is a Senate bill which was amended in the House, and the Senate concurred in the House amendment, so that it is now a part of the bill.

Mr. WAGNER. Very well. I may say that portions of the House amendment are identical with a bill which the Senate has already passed extending the power of the R. F. C., so, in concurring in the amendment, we were not considering entirely new legislation.

The PRESIDING OFFICER. Without objection, the motion of the Senator from New York [Mr. WAGNER] to postpone indefinitely action on Senate bill 1367 is agreed to.

COMMODITY CREDIT CORPORATION—EXPORT-IMPORT BANK

Mr. BARKLEY. Mr. President, earlier in the day a message was received from the House of Representatives announcing the passage of a bill extending the time for the operation of the Commodity Credit Corporation and the Export-Import Bank. The Committee on Banking and Currency has favorably reported a similar measure. I suggest that it is not necessary to refer the House bill to the committee, but that it may go to the calendar, in view of the action already taken on the Senate bill of similar import.

Mr. WAGNER. I suggest that the House bill, which is identical with the bill reported yesterday by the Committee on Banking and Currency, be placed upon the calendar, so that when we consider the subject matter we may consider the House bill instead of the Senate bill.

Mr. BARKLEY. Yes; that is the suggestion I have just made.

Mr. McNARY. Mr. President, that is extraordinary unless the bills are identical in language. It is always customary to refer House bills to the committee having jurisdiction. The action proposed could be taken if the bills are identical, and I should have no objection if I knew positively that there is no difference at all.

Mr. WAGNER. I give the Senator my assurance that the bills are absolutely identical.

Mr. McNARY. Has the Senate bill been favorably reported?

Mr. WAGNER. The Senate bill has been favorably reported and is upon the calendar.

Mr. McNARY. And it is identical with the House bill?

Mr. WAGNER. It is absolutely identical with the House bill.

Mr. McNARY. The Senator now desires to substitute the House bill for the Senate bill?

Mr. WAGNER. For the present, let us leave both upon the calendar.

Mr. McNARY. Very well.

Mr. WAGNER. Then when we come to consider the subject matter we will consider the House bill. Would not that be the better procedure?

Mr. BARKLEY. That was the suggestion I made.

Mr. McNARY. The procedure would be in this fashion: We have placed both of the bills on the calendar, without objection; and when we come to consider the subject matter we will substitute the House bill for the Senate bill, if that is the Senator's desire.

Mr. WAGNER. That is what I propose to do when we take up the subject matter for consideration.

Mr. McNARY. I have no objection to that procedure.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, was read twice by its title and ordered to be placed on the Calendar.

AUTHORIZATION FOR COMMITTEE ON MILITARY AFFAIRS TO REPORT BILL

Mr. BARKLEY. Mr. President, I am informed that the Committee on Military Affairs probably will very soon vote out the bill recently passed by the House, authorizing certain national-defense expenditures. I ask unanimous consent that during the adjournment or recess of the Senate the committee may be authorized to report the bill.

Mr. McNARY. Mr. President, I have no objection to the request if it is coupled with an understanding that if any Senator desires, the bill shall go over for the usual time, 1 day, before its consideration. I make this statement for the reason that I think the senior Senator from North Dakota [Mr. Nye] would like to be present when the bill is considered, and I am informed he is out of the city today. If he is present tomorrow and is prepared to go forward, I will have no objection to the request.

Mr. BARKLEY. I have no desire to press consideration of the bill tomorrow unless it is agreeable to all Senators.

Mr. McNARY. Very well. If that is the mutual agreement and understanding, I have no objection to the committee reporting.

The PRESIDING OFFICER. Without objection, the request of the Senator from Kentucky is agreed to.

ORDER OF BUSINESS

Mr. WAGNER. Mr. President, I should like to make an inquiry of the Senator from Kentucky. As the Senator knows, there is on the calendar a bill to continue the function of the Commodity Credit Corporation and the Export-Import Bank of Washington. I take it that there will be some controversy over the proposed legislation, and I wondered whether the Senator from Kentucky had determined when we should consider it.

Mr. BARKLEY. The bill was objected to when it was called on the calendar today. It may be possible to take it up tomorrow, if we have a session tomorrow.

Mr. WAGNER. A number of Senators are absent today. Would it be possible to have the bill set down for a definite time; say, Monday?

Mr. BARKLEY. The difficulty about that is that if the Committee on Military Affairs reports today or tomorrow on the national-defense bill, we will probably want to take it up not later than Monday. In addition to that, the Committee on Finance has today ordered a report on a bill recently passed by the House of Representatives providing for the taxation of State salaries and other income of that sort involved in the sixteenth amendment. That bill will be on the calendar tomorrow, and it may be desirable to consider it. I am anxious to get the bank bill through, and we may be able to consider it tomorrow, if it is agreeable.

Mr. WAGNER. It is agreeable to me. I was wondering whether the Senator knew how many Senators would be absent. It is a controversial matter.

Mr. BARKLEY. Tomorrow will be Thursday, the middle of the week. I do not know that there will be an unusual number of Senators absent.

Mr. BROWN. Mr. President, I do not think it will be possible to take up the tax bill tomorrow, because the hearings will not be printed until at least day after tomorrow, and it is going to take a little time to prepare the report, as the subject is more than usually complicated. I do not think the bill could be considered tomorrow.

Mr. BARKLEY. I may say to the Senator from New York that probably we can take up the Export-Import Bank bill tomorrow, and I do not think there will be so many Senators absent as to affect the situation. I think we can take it up and dispose of it, either on a call of the calendar or the Senator may move to take it up.

Mr. KING. Mr. President, if that bill is taken up, if any hearings have been had, either in the House committee or in the Senate committee, I submit that Senators ought to be advised of that fact and have an opportunity to examine the report of the hearings.

Mr. BARKLEY. I know there were hearings in the Senate committee. Mr. Jones made an exhaustive statement about it, as I think he did before the House committee.

Mr. WAGNER. We had hearings on two different days. We concluded hearings yesterday. We had a hearing a week ago, a very complete hearing, with a full attendance of the committee, the subject matter was thoroughly discussed, and the bill was reported without a dissenting vote, so far as I recall.

Mr. KING. Of course, we have a great deal of respect for Senate committees, and give to them due consideration, but it seems to me that in matters of great importance, if testimony has been taken to fortify the bills themselves, we ought to have an opportunity to read the testimony. If hearings have been had, I respectfully submit to the Senator that he make a report of them available at the earliest possible moment, so that some of us who may not have the knowledge he and his committee have concerning this important measure may have the benefit of the hearings.

Mr. WAGNER. If it is to be necessary to furnish printed transcripts of the hearings, I am afraid that cannot be done by tomorrow.

Mr. BARKLEY. A report of the hearings which were had yesterday might not be ready by tomorrow, but I am sure a report of the hearings before the House committee is available.

Mr. WAGNER. That may be.

ADDITIONAL REPORT OF A COMMITTEE

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, reported it with amendments and submitted a report (No. 80) thereon.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nominations of sundry persons for appointment as Foreign Service officers, unclassified, vice consuls of career, and secretaries in the Diplomatic Service.

The PRESIDING OFFICER (Mr. HATCH in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

COLLECTORS OF CUSTOMS

The legislative clerk read the nomination of Mabel Gittinger to be collector of customs for the collection district of Des Moines, Iowa.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Joseph J. Cunningham to be collector of customs for the collection district of Providence, R. I.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

UNITED STATES PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. BARKLEY. I ask unanimous consent that the nominations in the Public Health Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Public Health Service are confirmed en bloc.

ADJOURNMENT

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate adjourn.

The motion was agreed to; and (at 1 o'clock and 23 minutes p. m.) the Senate adjourned until tomorrow, Thursday, February 23, 1939, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 22 (legislative day of February 20), 1939

COLLECTORS OF CUSTOMS

Mabel Gittinger to be collector of customs for customs collection district No. 44, with headquarters at Des Moines, Iowa.

Joseph J. Cunningham to be collector of customs for customs collection district No. 5, with headquarters at Providence, R. I.

UNITED STATES PUBLIC HEALTH SERVICE

Albert T. Morrison to be surgeon.

Langdon R. White to be surgeon.

John D. Lane, Jr., to be passed assistant surgeon.

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HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 22, 1939

The House met at 11 o'clock a. m.

The Reverend Joseph M. M. Gray, D. D., Litt. D., chancellor of American University, Washington, D. C., offered the following prayer:

Our Father, we give Thee thanks for all those great spirits who in the past determined the national ideals by which we have been led, for all those adventurous minds who across the years have given our accomplishments distinction. Today particularly we remember that tall figure standing at the beginning of our national history, a light of shelter and of hope. On this his natal day we pray Thee refresh our recollections with new impulses of Thy spirit that something of the dignity which he conferred on public service may be regained in our less reverent and sober day, that something of his far sight may be vouchsafed to these who lead us within the American fashion of our modern world that our national path may be more clearly seen, and that something of his wisdom may preserve our legislators, our executives, and our courts from the confusions born of strife of tongue.

Renew, we pray Thee, to those who govern us the graces of devotion and to us who are governed the patriotism of fortitude and patience. Teach us to incarnate in a bickering generation the truth that no man is alien who is at one with Thy purposes. Inspire our citizenship with tolerance and reinforce our institutions with human sympathy. Keep us aloof from the avarice of banded forces, national and individual. Let us associate with all motions for righteousness throughout a world to which no peoples can be immune. In reverence and in courage sustain us on the path of our noblest aspirations.

We ask in the name of our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

SELECT COMMITTEE ON GOVERNMENT ORGANIZATION

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 95

Resolved, That the expenses of conducting the business authorized by House Resolution 60 incurred by the Select Committee on Government Organization, acting as a whole or by subcommittee, not to exceed \$5,000, including expenditures for the employment of experts and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman thereof and approved by the Committee on Accounts.

SEC. 2. That the official committee reporters may be used at all hearings held in the District of Columbia if not otherwise officially engaged.

SEC. 3. The head of each executive department is hereby requested to detail to said select committee such number of legal and expert assistants as said committee may from time to time deem necessary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MALADMINISTRATION OF W. P. A.

Mr. TABER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I have been calling attention to the abuses of spending W. P. A. funds from time to time. Today I wish to move from Cleveland, which I discussed yesterday, to Racine, Wis.

I hold in my hand a list showing the names of 138 aliens who are employed at this city by the W. P. A., with their certificate numbers, and the numbers of the projects on which they are employed. I understand that there are 65 veterans who are eligible for employment in that immediate territory.

Of course, we understand that aliens have been given preference for employment with the W. P. A. in many places in this country. It is a most ridiculous situation, and now that the law prohibits it—but it is still being done—the aliens on the rolls should be taken off and we should clean up that situation. It will readily be seen that if we get rid of the alien cases who have no place on the roll and clean up the W. P. A. rolls, there will be plenty of room and money to take care of needy citizens and let us save \$150,000,000 out of the \$725,000,000 which was appropriated instead of asking for more money.

If Mr. Roosevelt wants specific examples of how relief money has been wasted, here it is. Let him come forward with clean hands when we attempt to tackle a permanent relief policy later on in the session. Otherwise, his recommendations will be entitled to no consideration from anyone. [Applause.]

EXTENSION OF REMARKS

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and include therein some short statements concerning bills of interest to the people of Puerto Rico now under consideration by committees.

The SPEAKER. Is there objection to the request of the Commissioner from Puerto Rico?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the press of recent days has been carrying considerable self-praise dished out by Attorney General Murphy, the one-time Governor of Michigan; the gentleman who, after 2 years' silence, brought to light a letter which he said he had written but never sent to Homer Martin and John L. Lewis, advising them that the law, which their sit-down strikers had defied for 40 days, must be obeyed—the letter former Governor Murphy, now Attorney General Murphy, said he read to Lewis, although he never has announced that he read or delivered it to Martin, a day or two before the plants at Flint were evacuated by Lewis' sit-down strikers.

The ex-Governor also ignored the fact that, at the time, reserve officers were being sworn in at Flint, with the avowed purpose of ejecting the sit-down strikers by force and that his course of maintaining the sit-down strikers in possession of Flint factories, with the aid of State police and 3,700 National Guardsmen, was about to be challenged and his bluff at law-enforcement called.

Not so long ago the Governor let it be known that he had breakfast with Judge Manton and that, following that breakfast, the judge had retired. Again the failure of the Attorney General to announce all the news was most significant. He neglected to say that a district attorney in New York had previously made an investigation of Manton's conduct and had called the attention of Federal agencies to the judge's misconduct. He let it be inferred that the judge resigned, not because of District Attorney Dewey's investigations, but because he, Murphy, after breakfast, had advised the judge that such a course would be advisable.

On another recent occasion we learned through the papers that Attorney General Murphy was about to create a separate bureau in the Department of Justice to protect the civil liberties of American citizens.

Probably no one in Michigan knows more about the violation of civil liberties, with the protection of the law-enforcing agencies, of which Governor Murphy was the head at the time, than Governor Murphy. If ever any man in high official position winked at the violation of, and connived with those who were depriving citizens of, their civil liberties, that man is Attorney General Murphy.

The press of this morning carries the further notice that Attorney General Murphy, now in Florida—and he seems

to be one of those who makes a practice of serving the Government at some place other than the seat of government—has generously announced that J. Edgar Hoover, Director of the Federal Bureau of Investigation, will not be fired, but will be permitted to retain his office. Now, is not that generous of Murphy?

Some others would doubtless be pleased with the firing of Edgar, notably Al Capone. But the firing of Hoover is one job Murphy had better forget; and talking about retaining him, when even Murphy would not dare fire him, is a cheap way of assuming a pious attitude.

He might, however, suggest to Hoover that he or some of his agents investigate and determine just how much of the salary which Murphy drew as High Commissioner of the Philippine Islands while he was electioneering as a candidate for Governor in Michigan should be returned to the Federal Treasury.

Murphy poses—and it is a pose—as a friend of civil service. In that connection, let me here quote what was said in the Times-Herald this morning by George D. Riley on the spoils system. He writes:

MURPHY IGNORES STAFF FOR "MAN BACK HOME"

There are two forms of spoils system. One political. One personal. They are identical in the broad aspect, for each gravitates around a personal acquaintance or attachment basis. Neither system is a merit system, for we are told merit means advancement and recognition of one within the service who rises on the basis of true worth.

Thus, when the Attorney General sees fit to reach outside, back home, to bring into Justice a personnel director, he pursues an ancient type spoils system—personal patronage. He knew William G. Brownrigg, his State employment-service commissioner. He now takes aboard for duty here the same man he knew "back home."

The Rockefeller Fueled Civil Service Assembly would never open sessions unless Brownrigg were present. He is a dynamo in this subsidized group, another of the organization darlings of the Brownlow get-up.

We do not question Brownrigg's plentiful abilities and energies. But we do question the propriety of ignoring every man and woman in the Federal service and practicing just what the Rockefeller crowd refer to as local patriotism, which is just what Mr. Murphy does when he appoints one he "knew when."

Scratch some progressives and you find deep-dyed conservatives. The Rockefeller program means inculcation of the so-called British civil-service system, a caste system which permits only the elite to rise within the service. Mr. Murphy has made a great start toward keeping his personnel "heads down" by going back home to the man he "knew when." It all becomes the more sanctified when we know that it is Michigan, the Attorney General's own home State, which ranks tops in this open competitive examination.

These are the physical aspects. The Attorney General may care to explain what really happened. We fail to see how Mr. Murphy can make his selection endure past his own regime.

If Mr. Riley was as well acquainted with Murphy's "sayings" and "doings" as are the people of Michigan, he would realize that, when Murphy talks, an avalanche of pious platitudes flows forth; but when he acts, citizens lose their civil liberties if Murphy's political fortunes demand that course.

Murphy thought he could make the people of Michigan believe he was Little Red Riding Hood's grandmother, but they learned what he really was long before election day and, on that day, they gave notice to the Nation that Michigan wanted him no longer.

In Roosevelt's official family, he is in congenial company and he and his chief are now in a position to carry on the activities of their mutual admiration society without running up a \$2,000 telephone bill for Michigan taxpayers to liquidate.

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the Record and include therein a short article from this morning's edition of a Washington paper with regard to the spoils system.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, in order that all Members may have an opportunity to hear the gentleman from Texas [Mr. LANHAM] read Washington's Farewell Address, I make the point of order a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House. A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 17]

Allen, Ill.	Dickstein	Kennedy, Michael	Rutherford
Andrews	Dies	Knutson	Sabath
Austin	Dingell	Kocialkowski	Sacks
Beam	Disney	Lambertson	Sasser
Bender	Ditter	Lemke	Satterfield
Bolton	Doughton	Lesinski	Schafer, Wis.
Bradley, Mich.	Edmiston	McArdle	Schuetz
Brooks	Elliott	McDowell	Seger
Bryson	Evans	McGranery	Shafer, Mich.
Buck	Fay	McKeough	Smith, Conn.
Buckley, N. Y.	Ferguson	McReynolds	Smith, Ill.
Bulwinkle	Fish	Maciejewski	Smith, Maine
Cartwright	Flaherty	Maloney	Smith, Va.
Case, S. Dak.	Fulmer	Mansfield	Somers, N. Y.
Casey, Mass.	Gehrman	Marcantonio	Sullivan
Chandler	Goldsborough	Mason	Summers, Tex.
Chapman	Grant, Ind.	Mitchell	Sweeney
Coffee, Nebr.	Guyer, Kans.	Mouton	Thill
Cooley	Hartley	Mundt	Thomas, N. J.
Corbett	Havenner	Murdock, Ariz.	Vreeland
Crawford	Houston	O'Brien	Wadsworth
Creal	Jarrett	O'Connor	Wolfenden, Pa.
Culkin	Jenks, N. H.	O'Leary	Wolverton, N. J.
Daly	Jenkins, Ohio	Osmer	Wood
Darden	Johnson, Okla.	O'Toole	Woodrum, Va.
Delaney	Johnson, W. Va.	Parsons	
DeRouen	Kelly	Patrick	
		Rockefeller	

The SPEAKER. Three hundred and twenty-four Members have answered to their names—a quorum.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Under a previous order of the House, and by designation of the Speaker, the Farewell Address of President George Washington to the American people will now be read by the Representative from Texas [Mr. LANHAM].

Mr. LANHAM read Washington's Farewell Address, as follows:

To the people of the United States.

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and

am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself; and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently, want of success has countenanced the spirit of criticism,—the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the auspices of liberty, may be made complete by so careful a preservation, and so prudent a use of this blessing, as will acquire to them the glory of recommending it to the applause, the affection and adoption of every nation which is yet a stranger to it.

Here, perhaps, I ought to stop. But a solicitude for your welfare, which cannot end but with my life, and the apprehension of danger, natural to that solicitude, urge me, on an occasion like the present, to offer to your solemn contemplation, and to recommend to your frequent review, some sentiments which are the result of much reflection, of no inconsiderable observation, and which appear to me all important to the permanency of your felicity as a people. These will be offered to you with the more freedom, as you can only see in them the disinterested warnings of a parting friend, who can possibly have no personal motive to bias his counsel. Nor can I forget, as an encouragement to it, your indulgent reception of my sentiments on a former and not dissimilar occasion.

Interwoven as is the love of liberty with every ligament of your hearts, no recommendation of mine is necessary to fortify or confirm the attachment.

The unity of government which constitutes you one people, is also now dear to you. It is justly so; for it is a main pillar in the edifice of your real independence; the support of your tranquility at home; your peace abroad; of your safety; of your prosperity; of that very liberty which you so highly prize. But, as it is easy to foresee that, from different causes and from different quarters much pains will be taken, many artifices employed, to weaken in your minds the conviction of this truth; as this is the point in your

political fortress against which the batteries of internal and external enemies will be most constantly and actively (though often covertly and insidiously) directed; it is of infinite moment, that you should properly estimate the immense value of your national union to your collective and individual happiness; that you should cherish a cordial, habitual, and immovable attachment to it; accustoming yourselves to think and speak of it as of the palladium of your political safety and prosperity; watching for its preservation with jealous anxiety; discountenancing whatever may suggest even a suspicion that it can, in any event, be abandoned; and indignantly frowning upon the first dawning of every attempt to alienate any portion of our country from the rest, or to enfeeble the sacred ties which now link together the various parts.

For this you have every inducement of sympathy and interest. Citizens by birth, or choice, of a common country, that country has a right to concentrate your affections. The name of American, which belongs to you in your national capacity, must always exalt the just pride of patriotism, more than any appellation derived from local discriminations. With slight shades of difference, you have the same religion, manners, habits, and political principles. You have, in a common cause, fought and triumphed together; the independence and liberty you possess, are the work of joint counsels, and joint efforts, of common dangers, sufferings and successes.

But these considerations, however powerfully they address themselves to your sensibility, are greatly outweighed by those which apply more immediately to your interest.—Here, every portion of our country finds the most commanding motives for carefully guarding and preserving the union of the whole.

The *north*, in an unrestrained intercourse with the *south*, protected by the equal laws of a common government, finds in the productions of the latter, great additional resources of maritime and commercial enterprise, and precious materials of manufacturing industry.—The *south*, in the same intercourse, benefiting by the same agency of the *north*, sees its agriculture grow and its commerce expand. Turning partly into its own channels the seamen of the *north*, it finds its particular navigation invigorated; and while it contributes, in different ways, to nourish and increase the general mass of the national navigation, it looks forward to the protection of a maritime strength, to which itself is unequally adapted. The *east*, in a like intercourse with the *west*, already finds, and in the progressive improvement of interior communications by land and water, will more and more find a valuable vent for the commodities which it brings from abroad, or manufactures at home. The *west* derives from the *east* supplies requisite to its growth and comfort—and what is perhaps of still greater consequence, it must of necessity owe the secure enjoyment of indispensable outlets for its own productions, to the weight, influence, and the future maritime strength of the Atlantic side of the Union, directed by an indissoluble community of interest as *one nation*. Any other tenure by which the *west* can hold this essential advantage, whether derived from its own separate strength; or from an apostate and unnatural connection with any foreign power, must be intrinsically precarious.

While then every part of our country thus feels an immediate and particular interest in union, all the parts combined cannot fail to find in the united mass of means and efforts, greater strength, greater resource, proportionably greater security from external danger, a less frequent interruption of their peace by foreign nations; and, what is of inestimable value, they must derive from union, an exemption from those broils and wars between themselves, which so frequently afflict neighboring countries not tied together by the same government; which their own rivalry alone would be sufficient to produce, but which opposite foreign alliances, attachments, and intrigues, would stimulate and embitter.—Hence likewise, they will avoid the necessity of those overgrown military establishments, which under any form of government are inauspicious to liberty, and which are to be regarded as particularly hostile to republican liberty. In this sense it is, that your union ought to be considered as a main prop of your

liberty, and that the love of the one ought to endear to you the preservation of the other.

These considerations speak a persuasive language to every reflecting and virtuous mind and exhibit the continuance of the union as a primary object of patriotic desire. Is there a doubt whether a common government can embrace so large a sphere? let experience solve it. To listen to mere speculation in such a case were criminal. We are authorized to hope that a proper organization of the whole, with the auxiliary agency of governments for the respective subdivisions, will afford a happy issue to the experiment. It is well worth a fair and full experiment. With such powerful and obvious motives to union, affecting all parts of our country, while experience shall not have demonstrated its impracticability, there will always be reason to distrust the patriotism of those who, in any quarter, may endeavor to weaken its hands.

In contemplating the causes which may disturb our Union, it occurs as matter of serious concern, that any ground should have been furnished for characterizing parties by *geographical* discriminations,—*northern* and *southern*—*Atlantic* and *western*; whence designing men may endeavor to excite a belief that there is a real difference of local interests and views. One of the expedients of party to acquire influence within particular districts, is to misrepresent the opinions and aims of other districts. You cannot shield yourselves too much against the jealousies and heart burnings which spring from these misrepresentations; they tend to render alien to each other those who ought to be bound together by fraternal affection. The inhabitants of our western country have lately had a useful lesson on this head: they have seen, in the negotiation by the executive, and in the unanimous ratification by the senate of the treaty with Spain, and in the universal satisfaction at the event throughout the United States, a decisive proof how unfounded were the suspicions propagated among them of a policy in the general government and in the Atlantic states, unfriendly to their interests in regard to the Mississippi. They have been witnesses to the formation of two treaties, that with Great Britain and that with Spain, which secure to them everything they could desire, in respect to our foreign relations, towards confirming their prosperity. Will it not be their wisdom to rely for the preservation of these advantages on the union by which they were procured? will they not henceforth be deaf to those advisers, if such they are, who would sever them from their brethren and connect them with aliens?

To the efficacy and permanency of your Union, a government for the whole is indispensable. No alliances, however strict, between the parts can be an adequate substitute; they must inevitably experience the infractions and interruptions which all alliances, in all times, have experienced. Sensible of this momentous truth, you have improved upon your first essay, by the adoption of a constitution of government, better calculated than your former, for an intimate union, and for the efficacious management of your common concerns. This government, the offspring of our own choice, uninfluenced and unawed, adopted upon full investigation and mature deliberation, completely free in its principles, in the distribution of its powers, uniting security with energy, and maintaining within itself a provision for its own amendment, has a just claim to your confidence and your support. Respect for its authority, compliance with its laws, acquiescence in its measures, are duties enjoined by the fundamental maxims of true liberty. The basis of our political systems is the right of the people to make and to alter their constitutions of government.—But the constitution which at any time exists, until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. The very idea of the power, and the right of the people to establish government, presupposes the duty of every individual to obey the established government.

All obstructions to the execution of the laws, all combinations and associations under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberations and action of the constituted authori-

ties, are destructive of this fundamental principle, and of fatal tendency.—They serve to organize faction, to give it an artificial and extraordinary force, to put in the place of the delegated will of the nation the will of party, often a small but artful and enterprising minority of the community; and, according to the alternate triumphs of different parties, to make the public administration the mirror of the ill concerted and incongruous projects of faction, rather than the organ of consistent and wholesome plans digested by common councils, and modified by mutual interests.

However combinations or associations of the above description may now and then answer popular ends, they are likely, in the course of time and things, to become potent engines, by which cunning, ambitious, and unprincipled men, will be enabled to subvert the power of the people, and to usurp for themselves the reins of government; destroying afterwards the very engines which have lifted them to unjust dominion.

Towards the preservation of your government and the permanency of your present happy state, it is requisite, not only that you steadily discountenance irregular opposition to its acknowledged authority, but also that you resist with care the spirit of innovation upon its principles, however specious the pretext. One method of assault may be to effect, in the forms of the constitution, alterations which will impair the energy of the system; and thus to undermine what cannot be directly overthrown. In all the changes to which you may be invited, remember that time and habit are at least as necessary to fix the true character of governments, as of other human institutions:—that experience is the surest standard by which to test the real tendency of the existing constitution of a country:—that facility in changes, upon the credit of mere hypothesis and opinion, exposes to perpetual change from the endless variety of hypothesis and opinion: and remember, especially, that for the efficient management of your common interests in a country so extensive as ours, a government of as much vigor as is consistent with the perfect security of liberty is indispensable. Liberty itself will find in such a government, with powers properly distributed and adjusted, its surest guardian. It is, indeed, little else than a name, where the government is too feeble to withstand the enterprises of faction, to confine each member of the society within the limits prescribed by the laws, and to maintain all in the secure and tranquil enjoyment of the rights of person and property.

I have already intimated to you the danger of parties in the state, with particular references to the founding them on geographical discrimination. Let me now take a more comprehensive view, and warn you in the most solemn manner against the baneful effects of the spirit of party generally.

This spirit, unfortunately, is inseparable from our nature, having its root in the strongest passions of the human mind.—It exists under different shapes in all governments, more or less stifled, controlled, or repressed; but in those of the popular form it is seen in its greatest rankness, and is truly their worst enemy.

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism.—But this leads at length to a more formal and permanent despotism. The disorders and miseries which result, gradually incline the minds of men to seek security and repose in the absolute power of an individual; and, sooner or later, the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind, (which nevertheless ought not to be entirely out of sight) the common and continual mischiefs of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

It serves always to distract the public councils, and enfeeble the public administration. It agitates the community with ill founded jealousies and false alarms; kindles

the animosity of one part against another; foment occasional riot and insurrection. It opens the door to foreign influence and corruption, which finds a facilitated access to the government itself through the channels of party passions. Thus the policy and the will of one country are subjected to the policy and will of another.

There is an opinion that parties in free countries are useful checks upon the administration of the government, and serve to keep alive the spirit of liberty. This within certain limits is probably true; and in governments of a monarchical cast, patriotism may look with indulgence, if not with favor, upon the spirit of party. But in those of the popular character, in governments purely elective, it is a spirit not to be encouraged. From their natural tendency, it is certain there will always be enough of that spirit for every salutary purpose. And there being constant danger of excess, the effort ought to be, by force of public opinion, to mitigate and assuage it. A fire not to be quenched, it demands a uniform vigilance to prevent it bursting into a flame, lest instead of warming, it should consume.

It is important likewise, that the habits of thinking in a free country should inspire caution in those intrusted with its administration, to confine themselves within their respective constitutional spheres, avoiding in the exercise of the powers of one department, to encroach upon another. The spirit of encroachment tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism. A just estimate of that love of power and proneness to abuse it which predominate in the human heart, is sufficient to satisfy us of the truth of this position. The necessity of reciprocal checks in the exercise of political power, by dividing and distributing it into different depositories, and constituting each the guardian of the public weal against invasions of the others, has been evinced by experiments ancient and modern; some of them in our country and under our own eyes.—To preserve them must be as necessary as to institute them. If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil any partial or transient benefit which the use can at any time yield.

Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports. In vain would that man claim the tribute of patriotism, who should labor to subvert these great pillars of human happiness, these firmest props of the duties of men and citizens. The mere politician, equally with the pious man, ought to respect and to cherish them. A volume could not trace all their connections with private and public felicity. Let it simply be asked, where is the security for property, for reputation, for life, if the sense of religious obligation desert the oaths which are the instruments of investigation in courts of justice? and let us with caution indulge the supposition that morality can be maintained without religion. Whatever may be conceded to the influence of refined education on minds of peculiar structure, reason and experience both forbid us to expect, that national morality can prevail in exclusion of religious principle.

It is substantially true, that virtue or morality is a necessary spring of popular government. The rule, indeed extends with more or less force to every species of free government. Who that is a sincere friend to it can look with indifference upon attempts to shake the foundation of the fabric?

Promote, then, as an object of primary importance, institutions for the general diffusion of knowledge. In proportion as the structure of a government gives force to public opinion, it should be enlightened.

As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding occasions of expense by

cultivating peace, but remembering, also, that timely disbursements, to prepare for danger, frequently prevent much greater disbursements to repel it; avoiding likewise the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions, in time of peace, to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear. The execution of these maxims belongs to your representatives, but it is necessary that public opinion should co-operate. To facilitate to them the performance of their duty, it is essential that you should practically bear in mind, that towards the payment of debts there must be revenue; that to have revenue there must be taxes, that no taxes can be devised which are not more or less inconvenient and unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper object (which is always a choice of difficulties,) ought to be a decisive motive for a candid construction of the conduct of the government in making it, and for a spirit of acquiescence in the measures for obtaining revenue, which the public exigencies may at any time dictate.

Observe good faith and justice towards all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things, the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings towards all should be cultivated. The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity; gilding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or

a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils!—Such an attachment of a small or weak, towards a great and powerful nation, dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens,) the jealousy of a free people ought to be *constantly* awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little *political* connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith:—Here let us stop.

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course. If we remain one people, under an efficient government, the period is not far off when we may defy material injury from external annoyance; when we may take such an attitude as will cause the neutrality we may at any time resolve upon, to be scrupulously respected; when belligerent nations, under the impossibility of making acquisitions upon us, will not lightly hazard the giving us provocation, when we may choose peace or war, as our interest, guided by justice, shall counsel.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But in my opinion, it is unnecessary, and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

Harmony, and a liberal intercourse with all nations, are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand: neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, but forcing nothing; establishing with powers so disposed, in order to give trade a stable course, to define the rights of our merchants, and to enable the government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary, and liable to be from time to time abandoned or varied as

experience and circumstances shall dictate; constantly keeping in view, that it is folly in one nation to look for disinterested favors from another; that it must pay with a portion of its independence for whatever it may accept under that character; that by such acceptance, it may place itself in the condition of having given equivalents for nominal favors, and yet of being reproached with ingratitude for not giving more. There can be no greater error than to expect, or calculate upon real favors from nation to nation. It is an illusion which experience must cure, which a just pride ought to discard.

In offering to you, my countrymen, these counsels of an old and affectionate friend, I dare not hope they will make the strong and lasting impression I could wish; that they will control the usual current of the passions, or prevent our nation from running the course which has hitherto marked the destiny of nations, but if I may even flatter myself that they may be productive of some partial benefit, some occasional good; that they may now and then recur to moderate the fury of party spirit, to warn against the mischiefs of foreign intrigue, to guard against the impostures of pretended patriotism; this hope will be a full recompense for the solicitude for your welfare by which they have been dictated.

How far, in the discharge of my official duties, I have been guided by the principles which have been delineated, the public records and other evidences of my conduct must witness to you and to the world. To myself, the assurance of my own conscience is, that I have, at least, believed myself to be guided by them.

In relation to the still subsisting war in Europe; my proclamation of the 22d of April, 1793, is the index to my plan. Sanctioned by your approving voice, and by that of your representatives in both houses of congress, the spirit of that measure has continually governed me, uninfluenced by any attempts to deter or divert me from it.

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position. Having taken it, I determined, as far as should depend upon me, to maintain it with moderation, perseverance and firmness.

The considerations which respect the right to hold this conduct, it is not necessary on this occasion to detail. I will only observe that, according to my understanding of the matter, that right, so far from being denied by any of the belligerent powers, has been virtually admitted by all.

The duty of holding a neutral conduct may be inferred, without any thing more, from the obligation which justice and humanity impose on every nation, in cases in which it is free to act, to maintain inviolate the relations of peace and amity towards other nations.

The inducements of interest for observing that conduct will best be referred to your own reflections and experience. With me a predominant motive has been to endeavor to gain time to our country to settle and mature its yet recent institutions, and to progress, without interruption, to that degree of strength, and consistency which is necessary to give it, humanly speaking, the command of its own fortunes.

Though in reviewing the incidents of my administration, I am unconscious of intentional error, I am nevertheless too sensible of my defects not to think it probable that I may have committed many errors. Whatever they may be, I fervently beseech the Almighty to avert or mitigate the evils to which they may tend. I shall also carry with me the hope that my country will never cease to view them with indulgence; and that, after forty-five years of my life dedicated to its service, with an upright zeal, the faults of incompetent abilities will be consigned to oblivion, as myself must soon be to the mansions of rest.

Relying on its kindness in this as in other things, and actuated by that fervent love towards it, which is so natural to a man who views in it the native soil of himself and his progenitors for several generations; I anticipate with pleasing expectation that retreat in which I promise myself to

realize, without alloy, the sweet enjoyment of partaking, in the midst of my fellow citizens, the benign influence of good laws under a free government—the ever favorite object of my heart, and the happy reward, as I trust, of our mutual cares, labors and dangers.

GEO. WASHINGTON.

UNITED STATES,

19th September, 1796.

PERMISSION TO ADDRESS THE HOUSE

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

BIRTHDAY CAKE OF MAINE POTATOES

Mr. BREWSTER. Mr. Speaker, I cannot, in the spirit of this nonpartisan occasion, offer the House a birthday cake today, but perhaps something better. It is a great pleasure for me on this anniversary to commend the wisdom of the present administration in selecting 1,000,000 pounds of Maine potatoes to feed our fighting men down in the Caribbean. These potatoes may now perhaps be properly known as "the fighting Irish." Since we are not able to be with them and their distinguished Commander in Chief today on the high seas, the State of Maine has been most happy to enable you to share their fare by providing an ample supply of Maine "bakers" for the House restaurant today. [Applause.]

Mr. NICHOLS. Mr. Speaker, I ask unanimous consent that on Monday next, at the conclusion of business on the Speaker's table and the legislative program of the day, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. PETERSON of Georgia. Mr. Speaker, I ask unanimous consent that on next Wednesday, after disposition of matters on the Speaker's desk and the legislative program of the day, I may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTENSION OF REMARKS

Mr. ANDERSON of Missouri asked and was given permission to extend his own remarks in the RECORD.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address I delivered last Sunday on national defense.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech by the Honorable Harry Woodring, Secretary of War.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3743. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. ADAMS, Mr. McCARRAN, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1102. An act to continue the functions of the Reconstruction Finance Corporation, and for other purposes.

NAVAL AVIATION FACILITIES

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4278, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

Mr. VINSON of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to proceed, out of order, on a nonpartisan, patriotic subject.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, the birthday of George Washington is a proper time to observe that only two nights ago in the city of New York, where George Washington took the oath of office as the first President of the United States, there occurred a mass demonstration of aliens, many of them wearing the military uniform of a foreign dictator, the greatest enemy in the world of everything that George Washington stood for and of everything that America typifies. Men of the blood and fealty of the hired Hessians of the Revolution. Men of the blood and fealty of the German Embassy at Washington prior to the World War, plotting to incite the sister Republic of Mexico to make war on this country and sabotaging American industry, until they were officially driven from our shores.

Every man in that mass meeting who was in sympathy with it is a traitor to American democracy and government, whether he is still an unnaturalized alien or was born on American soil. In the World War their fealty was to the Kaiser. Now it is to Hitler.

Among other delusions growing out of the World War was the delusion that it had rid us of the hyphenated American, only to find that we have in his place the 100-percent hun, on whose lips the words "my fellow Christian Americans" is nothing less than a barefaced mockery. "My fellow Christian Americans" are the words taken by the press from the lips of the fuhrer in America of a pagan dictatorship which has denied God, suppressed the Bible, persecuted Christianity, and reviled the founder of the Christian religion as "a dirty Jew pig."

They have no more conception of democracy than if no such political philosophy existed in the minds of men, and it is their sworn mission to destroy that Americanism and to destroy that democracy. They are the blood-bound, oath-sworn enemies of everything sacred to America. Article I of the Nazi creed is that "once a German, always a German"; that there are no national boundaries, only racial; and they are carrying on in this country a system of pressure proselyting to effect the unity of their blood for nazi-ism and against America. "The time will come," the American agent of Hitler is quoted as saying at the meeting, "the time will come when no one will stand in our way."

The American fuhrer would do well to recall the famous rejoinder of Ambassador Gerard to the threat of the Kaiser, that 500,000 loyal Germans in America were ready to spring to the defense of their fatherland. "Yes," said Gerard, "and there are 500,000 lampposts in America."

Said Theodore Roosevelt in 1917:

We can have no 50-50 allegiance in this country. Either a man is an American and nothing else, or is not an American at all.

Says Foreign Nazi-ism (KNSAP) in 1939:

Today we know that the German is a German everywhere. Not countries or continents, not climate or environment, but blood and race determine the German mentality. We only know the concept of the complete German who as a citizen of his country is always and everywhere a German.

When I saw the pictures of these uniformed and swaggering minions of an alien dictator on the pages of the morning papers, and read what they said, I felt that if I had the power not one of them would be breathing the free air of America in 24 hours. A man would have to pinch himself to see if he was awake and in the United States. They cheered the names of misguided Americans who are lending aid and comfort to nazi-ism and they jeered and booed the President of the United States and every spokesman of democracy who has incurred the wrath of Berlin. I had rather my name remained forever unknown than to have it acclaimed by such a gathering. If these misguided men who are giving aid and comfort to the enemy were in Berlin and pursued the same attitude toward nazi-ism that they do toward their own Government they would be in concentration camps, or decorating stone walls.

Shades of Washington, must such things be tolerated in the name of liberty on the free soil of America? God save America from Nazi Christian Americanism!

Mr. MAAS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I want to talk about the problem that we have before us from perhaps a different standpoint from that that has been presented here today. For my own part, I have had 10 years' experience upon the Naval Appropriations Subcommittee, 4 years upon the Military Appropriations Subcommittee, and 6 years' experience upon the Deficiency Appropriations Subcommittee. I have been in close touch with the operations of the Army and the Navy. I have been in close touch with the situation that was presented here immediately after the World War. I have seen how, in connection with that World War, our defense strength was wasted and spent upon projects that could not possibly be of any use to us in that undertaking. In 1917 and 1918 we spent millions upon millions of dollars building ships that could not possibly be of use to us in the war, that could not possibly be finished in time to be of use to us in the war. We spent millions upon millions of dollars building warships that could not possibly be of use. They were poorly constructed, they were poorly designed, they were not effective. What is the situation that is presented to us by the committee that has come in with this bill? If we are facing an emergency, then we are facing an emergency that is not 2 years hence, but that is current. What should we be doing if this bill is to prepare America for defense against such an emergency? We should be confining our efforts to those things that can be and absolutely must be done if we are to meet a trouble of that kind. We should not be embarking upon a program which cannot be of service to America for defense purposes until 2 or 3 or 4 years hence. For my own part, I think it is time to take stock of our situation and devote our energies to those things that can be useful. Take this Guam situation.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. Yes; for a question.

Mr. SIROVICH. The distinguished gentleman from New York calls attention to the millions of dollars that we spent in building a merchant marine during the last World War. Am I correct in that?

Mr. TABER. Yes.

Mr. SIROVICH. If we had not been so niggardly in our attitude toward the merchant marine for 30 years before that time—

Mr. TABER. Oh, the gentleman's question is not pertinent to this bill and I decline to yield further. The gentleman entirely misses the point of this bill, he entirely fails to grasp that this is a bill to spend a lot of money on such a proposition as this Guam harbor matter, where it cannot possibly be of use for current defense purposes, and cannot

possibly be got into shape where it could be useful for 3 or 4 or 5 or 6 years. Referring to a policy with reference to building up the merchant marine for years back in the 1900's does not possibly have any bearing on this situation.

Mr. SIROVICH rose.

Mr. TABER. I decline to yield further. Let me say to the gentleman that this idea of spending \$5,000,000 on developing the harbor of Guam at this time is embarking on a program that will take at least 2 years to fix up the harbor. You cannot spend that amount of money in that kind of place and get anywhere in less time. You are just tying yourself into something that if we are facing an emergency is a waste of funds and of energy. When it comes to these stations on the mainland, in Hawaii, and out in the Pacific not so far, you are in a little different position, but when you come to go along and embark on a proposition that cannot be ready to use in an emergency, then you are wasting your money and spending your energy upon something that is absolutely useless and is a waste. I hope when we approach the problem of voting on this bill, and the items in it, that we will consider the question of national defense, that we will consider the question of coordinating our efforts and confining them to those things that can be prepared and fixed up so that they would help us to meet such an emergency.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. VINSON of Georgia. Will the gentleman explain to the House how he sponsored the other day the staggering of the production of airplanes for 3 years?

Mr. TABER. Because I know and the gentleman knows that we cannot go ahead and build 5,500 airplanes in less than 3 years and have them good and have them efficient. I did that in the interest of national defense. The gentleman supported the position he did in pursuance of that 1917-18 policy of waste and scattering our resources so that our defense could not be as effective as it would if we had a better quality of planes.

That is the situation, and I hope that the gentleman will coordinate the efforts that he makes in his committee to get things in shape so that the defense can be effective and not scattered all over the lot. You cannot go ahead and build a lot of planes right off the bat and step up your production and get the kind of planes that we ought to have in the Army and the Navy. We cannot scatter our efforts all over the lot and do a lot of things that cannot be done in time to meet an emergency, and at the same time do the things that need to be done and that can be effective for defense. I hope the gentleman in the future will follow that kind of policy instead of a policy of driving ahead and spending money regardless of whether it is effective or not.

Mr. VINSON of Georgia. The gentleman is arguing now that we should not do this work at Guam because it will take 3 years. The gentleman is by no means consistent with his vote in staggering the building of airplanes.

Mr. TABER. I am entirely consistent, because a staggered production would provide all of the production that we can get out efficiently. The proposition in Guam is something that has nothing whatever to do with defense, and we should not go into that sort of thing.

We should coordinate our resources and get them in shape where we can make defense effective and not wasteful and extravagant, and destroy the effectiveness of it.

I hope the Committee, when it comes to vote, will have some of these things in mind. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman has consumed 9 minutes.

Mr. MAAS. Mr. Chairman, I yield 15 minutes to the gentleman from Montana [Mr. THORKELOSON].

Mr. THORKELOSON. Mr. Chairman, yesterday a few of my Republican and Democratic colleagues appeared to be apprehensive and expressed fear that Japan might not look favorably upon breakwater construction, dredging, and har-

bor improvements in the island of Guam. This improvement is to cost \$5,000,000. As I sat by, listening, to the many objections of this sound policy, I wondered where our national courage had gone. It took me back to the days when one of our admirals said, "Damn the torpedoes! Go ahead!" I also recalled 1898, when Admiral Dewey signaled to the German commander at Manila to move his fleet from the line of fire or take the consequences. It was on June 21, 1898, when the cruiser *Charleston* captured the island of Guam. Neither one of these commanders cared about Japan or anyone else, for they had a united Nation behind them. That is what we need today, a united Nation, and united representatives in this Congress to work for the greater interest of the United States instead of raising party animosities. I have no patience when anyone plays party politics for the purpose of establishing a record to prove at a later date that one party was wrong. It is well for my colleagues to bear in mind that the Republican Party is not free from blunders, and that the Democratic Party is wearing the same garment.

The abject fear of those who felt that harbor improvements in Guam was paramount to carrying a chip on the shoulder to invite war with Japan is incomprehensible to me. Japan did not ask the permission of the United States when she sank the *Panay*, destroyed American property, wounded and killed American officers. Japan did not ask the permission nor did she consider the United States when she destroyed American property in China—yes, in a nation which has been the best customer of the United States.

Yet here we are, cringing and creeping before Japan, when in reality we ought to tell Japan to mind her own business and keep her nose out of ours.

The assumption by some of my colleagues that the road to peace lies in retreat is not supported by history. All nations that have adopted a policy of peace at any price are pitiful objects of past glory today. No nation has been less offensive and more peaceful than China. Where is she today? I may say the same of Ethiopia, of South Africa, of Australia, of Spain, of the past splendor of Greece, and, if you please, the richness and splendors of Egypt. All those nations were active at one time, and willing to maintain the standard before the people, during which period they were prosperous and secure. When they struck the flag and stored their armaments, they destroyed national pride and they left themselves open to attack.

Gentlemen, the President is not an issue with me, and I hold no malice toward him. If his policy is sound, he shall have my support, and if it is unsound, he shall not fail to receive my condemnation. This policy of colonial improvement is not the policy of President Roosevelt. It is instead a national policy in which every farmer, businessman, and laborer in the United States is interested because of greater distribution of farm and manufactured products.

The policy of arming colonies is not the policy of President Roosevelt. It is instead a national policy in which every citizen within the United States is interested. Armed colonies protect foreign markets, protect our merchant marine, furnish safe harbors for repair and ports for redistribution of merchandise for the greater advantage of our own business people. It furnishes employment for our idle men and women, and establishes national pride and greater opportunities for those who possess the courage to go forward.

Armed colonies are the most convincing argument to maintain peace, and the only one that aggressive nations understand today. If we arm the Philippines and plant the Stars and Stripes forever on the rocks of the islands, we have in such action discouraged attack on our own coast to any oriental power which might feel so inclined. Every nation with conquest in mind will think several times before it tries to pass our armed colonies to attack either our coast line or the Panama Canal. This is particularly true of the Canal, because it offers the only route for our fleet from one coast to another.

The President of the United States believes in a good neighborly policy. I believe in the same thing, if everybody

understands it. But unfortunately, it is often considered by others as a sign of weakness, and I believe that is clearly evident in the recent Mexican fiasco. That nation confiscates our property, hits us first on one cheek, then on the other, and then kicks us out of Mexico.

I realize that this is not the issue for consideration today, but I do want to call your attention to the fact that nothing is gained by waving the white flag, for the best way to maintain peace is to discourage the other fellow from making war, and you cannot do that with a powder puff.

My reason for deviating from the subject which is actually under discussion is due to the attitude my colleagues assumed on the floor here yesterday. I shall now return to the subject under consideration.

Let us get this thing straight—the Navy is not asking for \$5,000,000 to arm Guam, it is only asking for an appropriation to improve harbor facilities for a new mode of transportation, the new commercial air lines. Such request is not unreasonable, particularly if we bear in mind that this little island is paying its own expenses. Guam earned in 1938 \$14,166.73, and it bought from the United States \$275,000 worth of merchandise, and from other countries an additional half a million more. So it is a good investment.

The United States owns a number of these islands, including 7,083 in the Philippine group, more than 7,100 islands altogether.

I am not in sympathy with attacks on the President, for after all he is not responsible. I am agreeable to cooperating with all the Members of Congress for the general welfare of the United States.

Mr. Chairman, I am very happy to have this opportunity of speaking to the Members of the House on the value of colonies as a market for our products. We are, indeed, in need of colonies and should foster trade with them instead of setting them free and turning their markets over to other nations.

Holland, Belgium, and Portugal—three countries no larger than our smaller States—are prosperous because they own colonies. Japan, France, Italy, and England cannot exist as first-class powers without colonies.

I do not believe anyone here will question this statement, nor disagree with me, when I say that colonies should be acquired and held by us as important outlets or markets for our products and sources of raw materials.

It is, therefore, obvious, that colonies are needed if we contemplate remaining a strong and vigorous commercial nation. Overseas or colonial trade assures us of a permanent and steady market for our production.

Movement of merchandise to foreign markets stimulates our transportation system on land, as well as on the ocean. Stimulation of foreign and colonial trade keeps our railroads busy hauling our merchandise to coastal shipping points, where it can be reshipped by our merchant marine to its destination. Such transportation should be encouraged by Congress because it places each transportation system in its proper sphere of operation—the railroads and inland transportation within the continental limits of the United States and marine transportation from export centers to other countries. In this manner vicious competition between the shipping industry and transcontinental railroads is minimized or eliminated.

Our colonial policy is open to the most severe criticism and the release of colonies is not for the general welfare of the United States but is instead for the welfare of the larger American exploiters, who carry on trade with the United States after such colonies are set free. In other words, our own people are victimized when we abandon colonies because we no longer share in the profits which accrue from trade with them, but we become instead a market for such colonies, after they are free, at the expense of our own producers. That situation is true in Cuba and is evidenced in the large importation of sugar to the United States from American-owned companies operated by American capital at the expense of our own sugar producers throughout the United States.

The fact that our colonies, after being released, can sustain themselves and become prosperous is evidence that colonies are valuable. The fact that they are handled improperly is due to our colonial policy, which is established by Congress, and should not be charged to colonial possessions; so, looking at it again from a selfish viewpoint, after we develop colonies, a certain group of our so-called money changers begin to agitate for their independence, hoping that they may retain their interests and operate free from American regulations, and at the expense of the American producers.

We, the people of Montana, ensconced in the Rocky Mountains far removed from salt water, realize the value of colonies—not only as outlets for our farming and mining production, but as valuable outposts for the protection of our shipping industry. We also appreciate the value as a protection for an important source of food supply; that is, the salmon industry and other fishing industry in Alaska. We also understand that the Pacific islands may become a potential source of food supply in the development of their fishing grounds, and we are in accord with a policy which has for its purpose the fortification of the island of Guam, and its development as a protective base for the islands of Hawaii, and other important points in the Pacific Ocean.

I am not only in favor of spending \$5,000,000 for the improvement of the harbor to facilitate shipping, but I am in favor of spending sufficient money to fortify this outpost as a permanent protection for the Panama Canal, the west coast of the United States, and Alaska, including our commercial air routes.

There is no sound reason why the United States should accede to or comply with the wishes of any oriental power that does not live within its own promises and guaranties to nations that have always been friendly with them. I am not looking for war, but we may expect one of two things—submergence by aggressor nations, like Japan and Germany, or combat if we do not develop sufficient strength to maintain peace. So let us add \$5,000,000 in addition to that which is now requested, and nail the Stars and Stripes permanently to the masthead in the island of Guam.

I am sure the citizens of Montana are in favor of a first-class Navy and bases from which such ships may operate to the greatest advantage and for the general welfare of the United States of America. I am sure that those of you who are living on the coast of the United States realize the truth of my statement, coming as it does from one who is not in danger of naval attack.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. THORKELSON. I yield.

Mr. COLE of New York. When the gentleman says he is in favor of fortifying the island of Guam I wonder if he realizes just what it would cost to do that.

Mr. THORKELSON. It would not cost very much, because Guam can be used only for one purpose, a submarine base.

Mr. COLE of New York. Of course, the evidence showed that it would cost \$200,000,000 to fortify the island.

Mr. THORKELSON. It would not cost that much to use it for a submarine base.

Mr. COLE of New York. But the gentleman said he favors fortifying the island, which is much greater than a submarine base.

Mr. THORKELSON. I understand that, too. It is also the duty of Congress to provide for such protection, and justification for such expenditure may be found in the Constitution. Congress, of course, has the power to declare war, but Congress cannot always control and maintain peace, so it becomes the duty of Congress to maintain sufficient military and naval forces to assure peace. Realizing the danger of unpreparedness, the Constitution makes it obligatory upon Congress—

To raise and support armies; to provide and maintain a Navy; to make rules for the government and regulation of the land and naval forces; to provide for calling forth the militia to execute the laws of the Union, suppress insurrections, and repel invasions; to provide for organizing, arming, and disciplining the militia.

These powers are very important for the common defense and general welfare of the United States.

I cannot fail but to remind Congress that it is justified in dredging harbors and maintaining navigation in the island of Guam, and that there is no reasonable excuse for Congress to neglect its responsibility in this respect.

The Marianas Islands extend in a line almost north and south for a distance of some 420 miles, between the thirteenth and twentieth parallels of north latitude, along the one hundred and forty-fifth meridian of longitude east from Greenwich. The 17 islands of the group are of volcanic origin, but the southern members have long been free from volcanic action. Guam, at the southern end of the chain, is the largest and most populous of the group. It lies about 5,100 miles from San Francisco, 3,400 from Honolulu, 1,500 from Manila, and 1,400 from Yokohama. Guam is a possession of the United States, while the remainder of the Marianas Islands are governed by Japan by League of Nations' mandate.

This island has an area of about 225 square miles, being about 30 miles in length and from 4 to 8½ miles in width. The southern part is high and mountainous with a range of hills along the west coast ranging from 700 to 1,300 feet in height. Numerous rivers, with their tributaries, rise in this ridge and empty into the sea on the east coast. The northern part of the island is a plateau ranging from 200 to 600 feet in elevation, with only a few small brooks near Mount Santa Rosa on the northeast coast.

The anchorage in Apra Harbor is 8 miles from Agana, the capital. It is approached by a channel through coral reefs, and with a moderate amount of dredging and the construction of a breakwater it will make an excellent harbor for the operation of both naval patrol planes and commercial air liners.

The population of Guam on July 1, 1938, was 22,314, divided as follows: Native born, 20,880; foreign-born and their families, 755; naval establishment, 679, including families.

The Governor of Guam is a naval officer appointed by the President. The system of government is predominantly naval in character, with a garrison of approximately 570 marines and sailors stationed on the island. The naval government activities of Guam are financed chiefly by the revenues from taxes paid by the citizens of Guam.

Located at Guam is the important cable station of the commercial Pacific Cable Co. It is from here that messages from San Francisco are relayed to the Philippines, China, and Japan.

The Globe Wireless Co. maintains a radio station at Guam, and communication with the United States, the Hawaiian, and Philippine Islands, and Guam are possible through this system.

According to statement rendered, the island is not an expense to the United States, but is, instead, able to maintain itself. Guam imported, in 1938, \$635,112.42. Our share in these imports to the island amounted to \$274,687.85. We should, of course, strive to obtain as much of the total imports as possible.

The island exported to the United States in 1938 \$117,282.18, so that shows a favorable trade balance.

The agricultural products of Guam are copra, alligator pears, bananas, pineapples, oranges, lemons, mangoes, papayas, breadfruit, coffee, limes, cacao, grapefruit, corn, taro, sweetpotatoes, yams, tobacco, rice, cassava, arrowroot, sugarcane, and kapok.

Copra is the principal crop of the island and is the main item of export, although soap, coconut oil, and "aggag" woven products are showing healthy increases. The rapidity of jungle growth over most of the island makes constant clearing necessary, and in the northern part, although the soil is fertile, it is shallow.

It is my desire to enumerate the possibilities that may be developed in this island as a market for our production, and I am sure that, if the island is operated under a colonial policy, similar to that employed by Holland in the regulation of its colonies, the island will show a profit to the United States.

I shall now discuss its greater and more important value to us, namely, that of protection.

Guam is vitally important to the United States from the standpoint of naval and commercial aviation; it is an essential link in any overseas movement of naval patrol planes to the Philippines as well as an important stepping stone in the commercial air and submarine base from which to protect our oversea commerce from the Dutch East Indies, where essential strategic raw materials necessary to maintain our industries are obtained; it is of value as the site of a possible naval station to support the Asiatic Fleet when the United States withdraws from the Philippines in 1946; its strategic position in the western Pacific makes it of inestimable value to the United States as a possible defense base which would act as a strong deterrent to any Asiatic power contemplating a hostile move toward the Hawaiian Islands or the American continent.

It is my desire to call Congress' attention to the value of the Philippine Islands, which we contemplate setting free in 1946. This will be another blunder, which generations hence will regret. A base in the Philippine Islands is absolutely necessary for the development of oriental trade, and Congress should under no circumstances set these islands free without military control over the islands. Much of the production in the Philippines is of inestimable value to the United States, but their most important value rests upon their position in relation to oriental trade and as a protection for the trade routes to the Orient. The Philippine Islands can be developed and become producers of silk and other raw materials which we need in the United States.

The greatness and strength of our Nation depends upon its vigor in trade competition. To sit idly by while other nations absorb foreign markets and even invade our own markets can only end in total loss of foreign trade. It follows, therefore, that if we resign ourselves to the same indifference which has prevailed in China, India, and Africa, the ultimate result can be no different than that which has befallen these nations.

We must, therefore, carry on in the same spirit as our forefathers by establishing markets abroad and protecting our markets at home. To carry this to a successful conclusion, we must promote trade and protect our trade lanes for the general welfare of our own people.

As justification for such policy we need go no further than the Orient. China has been satisfied for several centuries to exist as a recipient of such trade as could easily be procured without any particular effort on her part. In this indifference, national deterioration has been constant—to the point where the people have lost interest in their own land. They have not maintained an army or navy, either for home protection or for protection of their shipping, because they have been indifferent to both. The result of that indifference is evident today by the invasion of Japan and in destruction of life and confiscation of property in China.

Our greatness will, therefore, depend largely upon the interest we take in international affairs and the force we use to establish international respect for our people and for our flag. It follows, therefore, that we cannot retreat, but must instead go ahead as other nations have done before us. We must maintain and operate colonies on a protective basis instead of political expediency.

The income derived from colonies is not different from that earned at home, but it is of greater value to us because it creates wider distribution of our products and aids in the development in land and water commerce.

The nation with the largest merchant marine and with colonies upon which the sun never sets is the most prosperous and secure nation in the world. This is particularly true and applicable to the United States because of its greater land area in North America. We should, therefore, try to secure colonies so that we will be placed in the position of being the most prosperous and secure, instead of trying to get rid of them. [Applause.]

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. MAAS. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. THORKELOSON. Mr. Chairman, the island of Guam is 13 miles long and from 8 to 4½ miles wide. There is considerable export trade from the island. The harbor that we are preparing there is the harbor of Apra. It is on the north side of the island. There is a reef lying to the north of it, and with a breakwater on it it will make a very good harbor. As far as fortification goes, which seems to be the fear of the gentlemen here, I can only say that it is not going to be fortified with large guns or any other guns. I want you to bear in mind that the Navy is not asking for money to fortify this island. They are simply asking for money to build a breakwater on the northern side of the harbor so the ships can land without bouncing around in rough seas. That is all the Navy is asking for. They are not asking to place guns on this island. They do not want to use it for an armed base. They want to use it as a safe harbor for the landing of aircraft, and they are entitled to have that.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. THORKELOSON. I yield.

Mr. BATES of Massachusetts. Is it not planned by the Hepburn Board to completely fortify Guam, and is not the building of a breakwater and the dredging of the harbor the beginning of the fortification works?

Mr. THORKELOSON. It is not.

Mr. BATES of Massachusetts. What else is it?

Mr. THORKELOSON. It is as I said. The only purpose is to provide a harbor for the landing of aircraft.

Mr. BATES of Massachusetts. That will not be necessary if we are going to completely fortify the island.

Mr. THORKELOSON. We are not going to fortify the island.

Mr. BATES of Massachusetts. Upon the recommendation of the Hepburn Board we are to fortify the island in the future.

Mr. THORKELOSON. I beg to differ with the gentleman. That was not the recommendation of the Hepburn Board. The recommendation is to build a breakwater at the northern side of this harbor so that airplanes may be able to land here, and that is all.

Mr. BATES of Massachusetts. Will the gentleman yield further?

Mr. THORKELOSON. I would prefer to finish about this harbor.

The CHAIRMAN. The gentleman from Montana declines to yield.

Mr. THORKELOSON. This harbor is 15 fathoms deep. Toward the shore half of it is only 2½ or 3 fathoms deep. That is from 12 to 18 feet deep. They cannot dredge this harbor because it is filled with coral reef and it cannot be prepared for large craft and large warships. So the only purpose for which it could ever be used would be for ships of light draft. But the purpose of this improvement in the harbor is not for that. It is simply to build a breakwater here so that these ships can land without injury or danger of stoving in the hulls of the ships and the loss of the lives of the passengers.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield further?

Mr. THORKELOSON. I yield briefly.

Mr. BATES of Massachusetts. In the fortification of Guam is it not necessary to deepen to quite a considerable extent, 25 or 30 feet, in order to get your supply ships into the harbor, and is that not a part of the program?

Mr. THORKELOSON. That is not a part of the program.

The CHAIRMAN. The time of the gentleman from Montana has again expired.

Mr. VINSON of Georgia. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. SHANLEY].

Mr. SHANLEY. Mr. Chairman and my colleagues, I think I may submit to this House that from the Farewell Address of George Washington and the implication of all his actions as President and as Commander in Chief of the Continental Armies, there must be two conclusions: One, opposition to permanent alliances for ordinary emergencies, and the other, permission or approval of "temporary alliances for extraordi-

nary emergencies." I think his references to his profound aversion to "artificial ties in the ordinary vicissitudes" of Europe's politics and the "ordinary combinations of her friendships or enmities" are well stressed, but I submit his recognition of the fact that there may be permissible departures for our "safely trusting to temporary alliances for extraordinary emergencies."

May I submit also that the foreign policy of our Government may be divided into two classes? One concerns its detail and content; the other its negotiation or management. In our history there have been three men with a commanding, superb knowledge of foreign affairs. The first President of our country had the benefit of the advice and genius of two of them—Thomas Jefferson and Benjamin Franklin. The third is the present occupant of the White House. [Applause.]

It is my opinion that when the merciless sandblasts of history remove the veneer of superficial criticism and display the awful background of world affairs with which he has had to deal that it will accord to him this accolade of worthy placement with those magnificent figures of our colonial, continental, and constitutional development—Thomas Jefferson and Benjamin Franklin.

It will be my purpose to bring to you the uncommon sanction from the highest judicial tribunal of our land in the matter of Presidential powers in foreign affairs. That judicial imprimatur of those powers will point out to you the unique avenues of the President's information, unavailable to you and to me. It will give to those extraordinary privileges of his a recognition that will be hardly expected by most people. This will be doubly surprising, for the Court that accords this high prerogative is not the so-called liberal bench with the acquisitions of Justices Black, Reed, and Frankfurter, but the equally so-called conservative tribunal with the predecessors of these new additions—the famous 5 to 4 bench.

To my mind there is nothing so terrifying or so solemn in its functioning as the reception of news, opinions, trends, analyses that pour into our State Department by the minute from every part of the world. For one man to take those with an appraising eye in these days requires rare courage, restraint, poise, and understanding. Much as I may differ with the administration on its foreign policy, I can never adequately point out its rights under the Constitution and the restraint with which it has acted under the most parlous circumstances in our history. To me those hectic hours are far more challenging, far more threatening than the pre-World War days, because we have the horror of that war's diplomacy to give us thoughtful pause.

I would add that despite this tremendous authority in the President, with the exalted endorsement of our Supreme Court, he has employed restraint and caution. Few men in all our history could have been energized, as he must have been in his Chicago speech, to recommend such drastic action; yet once he found the reaction of his people, accept their decision. He has tried to lead, but never has he forced us into acceptance of his ideological beliefs. I am thus confident that once the epidermis of artificial glosses, partisanship strategy, and superficial reactions are examined he will emerge as a superb example of one who had a thorough understanding of foreign affairs.

I departed from my original speech on the rush of thoughts that came to me in the reading of the Farewell Address by my distinguished and learned friend from Fort Worth, Tex., Representative FRITZ LANHAM. I did this so that I may point out the practical implications of President Washington's understanding of the danger of permanent alliances for temporary emergencies and his sufferance of "temporary alliances for extraordinary emergencies."

Let me remind you that President Washington was well aware of our diplomatic relations with France. He knew the price we were obliged to pay for the vital clinching assistance that came to us at the Battle of Saratoga from the French. He knew the degradation into which world diplomacy had fallen in his day, and he knew that caution, prudence, and

a price were necessary. He, probably as well as all the affected leaders of our country, had little hope that we could obtain a unilateral treaty from France giving us recognition and military assistance. With all the knowledge that those great men had of France's hatred of England they never hoped to drive such a one-sided bargain. They did not.

We paid the price in the treaty of amity and commerce and the pact of a conditional and defensive alliance in anticipation of any war between France and England. In the latter contingency we would fight with France and neither would capitulate with the enemy without the formal approval of the other. On their side France would continue the fight until our independence was won. That aid won the Battle of Saratoga. That help really gave us recognition. These treaties meant eventual victory. I should like to develop the difficulties of these treaties later.

The problems of those alliances are in many ways similar to those of our own day. Within the last month we have seen the air redolent with bristling charges, fantastic inferences, but small proof. Even today in the course of this debate we hear references to foreign policy and what the President says and does not say.

Mr. RICHARDS. Will the gentleman yield?

Mr. SHANLEY. I am glad to yield to the gentleman from South Carolina.

Mr. RICHARDS. I want to ask my distinguished friend from Connecticut whom I consider to be one of the foremost authorities on foreign affairs in this House whether or not the House has had any word, or the country has had any word, from President Roosevelt to the effect that he would endorse the proposal to fortify Guam?

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SHANLEY. I yield to the distinguished chairman of the Committee on Naval Affairs in whose hands the control of this debate has been placed.

Mr. VINSON of Georgia. I may say to the gentleman from South Carolina that the mere fact that bill is here answers his question.

Mr. RICHARDS. I am asking the gentleman from Connecticut his viewpoint on that subject. I do not think the fact that the bill is here is any proof of that.

Mr. SHANLEY. I must concur in the belief of the chairman of the Committee on Naval Affairs. I suppose that he must have had some contact with the occupant of the White House. I suppose also that in dealing with this Hepburn report there must be an implication that the White House has some belief in its necessity for Guam; and when I use the word "fortify" I probably should add parenthetically that I shall vote for the \$5,000,000 carried for Guam in the bill, because I believe it is necessary as an adjunct to our air-commerce stepping stones across the vast Pacific, but not to fortify Guam.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield further?

Mr. SHANLEY. I yield.

Mr. RICHARDS. The gentleman is aware of the fact that in 1934, I think in March or April, the President sent a message to Congress indicating his policy to be that of abandoning all fortifications in the Philippines. This is correct, is it not?

Mr. SHANLEY. Absolutely.

Mr. RICHARDS. If it is the intention of the President to abandon any idea of fortifications in the Philippines or if it is his idea not to establish fortifications there, is this position with reference to the fortification of Guam tenable?

Mr. SHANLEY. Of course, we are going to withdraw from the Philippines but withdraw where? I do not think the President specifically specified to what island or group of islands we would use as a continental or insular frontier.

Mr. RICHARDS. May I ask the gentleman one further question? Does he not think it is entirely possible that the fortification of the island of Guam would tend toward a change in our foreign policy on account of the fact it tends toward a direct line of defense between the United States and Great Britain's possessions in the Far East?

Mr. SHANLEY. I think if we are going through with complete fortification, which, according to my understanding, means an expenditure of \$220,000,000, and making it completely impregnable such as Hawaii, it would result in a change in our foreign policy, the creation of a quasi British Far East Gibraltar.

Mr. RICHARDS. It is reasonable to suppose, then, that we are not going to stop with an expenditure of \$5,000,000 for the island of Guam?

Mr. SHANLEY. Yes; I think so. So far as I am concerned, I am willing to vote for this \$5,000,000. Frankly, I have doubts as to the implications of any further expenditure. The mere fact that it is going to take 2 years to complete, as everyone admits, gives us the opportunity for a breathing spell. No one can speak for the White House, and I think it is a dangerous thing anyway; but we must assume that the heads of our various committees, whether it be the chairman of the Committee on Foreign Affairs, the chairman of the Committee on Military Affairs, or the chairman of the Committee on Naval Affairs, must have some idea that what they are doing will not be displeasing to the President, the Commander in Chief of all our forces.

Mr. RICHARDS. But it is inconsistent with his former statement in reference to establishing defenses in the East if the President does approve this.

Mr. SHANLEY. Only if we assume an implied withdrawal to Hawaii. I appreciate the gentleman's concern.

Mr. MAGNUSON. Will the gentleman yield?

Mr. SHANLEY. I yield to the gentleman from Washington.

Mr. MAGNUSON. May I say to the gentleman that the proposition in reference to the island of Guam has nothing to do with the Philippines. The Navy Department, according to the testimony given before our committee, is of the opinion that if Guam is established as a semi- or quasi-military base, any hostile power advancing across the Pacific would of necessity have to submerge and take Guam before they could move any farther east; therefore the Navy Department believes Guam is a necessary link, like the Alaskan chain, the Johnston Island chain. The Philippines are absolutely removed from any consideration, and I may say that Guam is not a protection to the Philippines.

Mr. RICHARDS. You cannot remove the Philippines from the consideration of this matter.

Mr. MAGNUSON. The Navy Department has its expert testimony.

Mr. RICHARDS. If the gentleman will examine the testimony given by the officials of the Navy Department from beginning to end, he will find the Navy Department does not remove the Philippines from consideration because it is elementary that we cannot keep Guam if we give up the Philippines. We have promised to give up the Philippines, so that if we fortify Guam the conclusion to be arrived at is we are going to abandon what we have already promised.

Mr. SIROVICH. Will the gentleman yield?

Mr. SHANLEY. I yield to the gentleman from New York.

Mr. SIROVICH. In view of the magnificent contribution the gentleman is giving to this interesting discussion, may I call his attention to the fact that we never had a foreign policy until the Spanish-American War, in which we took over the Philippines.

Mr. SHANLEY. I thank the gentleman. That was called the "great aberration" of our foreign policy. The students of our foreign policy, such as Prof. Samuel Bemis as well as Professor Griswold, termed our acquisition of the Philippines the "great aberration" and a blunder. They consider that was one of the great mistakes so far as the American far eastern policy is concerned. May I say that no foreign policy can be definitely stated? There must be some elastic authority given the President. You cannot put him out there with his hands tied. When I am critical I want to be traversing safer ground than exists at the present time.

Mr. Chairman and my colleagues, I wish to yield as much as possible, but may I develop my thought further on the tremendous powers given to the President?

May I say right here and now that we ought not to be deceived by those who charge usurpation of those powers, for there is resident within the control of the Chief Executive more constitutional prerogatives than perhaps in any other branch of the Government? That amazing field of power has been sanctified by a score of Supreme Court decisions. President George Washington fought for those powers just as President Herbert Hoover asserted their possession in 1930. Those powers are unique and unprecedentedly unchecked so far as our system of checks and balances goes, but they are the President's.

There was a time when Daniel Webster could well say that "Politics ends at the water's edge." That time has passed. Today there is as much partisanship in foreign affairs as in farm relief or the tariff. But fortunately the oft-dusted-off doctrine "the defense of States' rights" and "usurpation of power" cannot enter into our international relations. That is fortunate. But let us look at our foreign policy in the light of its historical constitutional development. It should be remembered that prior to the Constitution there was a vast general conglomeration of domestic powers possessed by the confederated States themselves. In essence the establishment of the Constitution meant a practical surrender of various powers to the contemplated Central Government. That is the philosophy of the enumeration of powers. The Federal Government only got what was given specifically and such implied powers as are necessary and proper to carry out the purposes of those surrendered. But this is not so in external affairs.

In their very able book on the Constitution, Magruder and Clair have this to say about the genesis of Presidential powers in the Constitutional Convention and even before that in the Articles of Confederation:

The President has power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur. Congress possessed the sole power of making treaties under the Articles of Confederation. It was necessary for nine States to concur. In the Constitutional Convention there was difference of opinion as to whether the treaty-making power should be vested in the President, the Senate, Congress as a whole, or in the President and Senate. The last view prevailed. The difficulty which has been experienced in getting treaties approved by the Senate after they have been negotiated may reasonably lead to the belief that even the provision which was adopted was an unreasonable check on the power of the President.

But these several States prior to the Constitution never possessed international powers. They could not surrender what they did not have. Whence comes the power of the Federal Government to conduct diplomatic relations?

The Colonies did not have it. It therefore belonged in no uncertain way to the Crown and passed to the Colonies in their collective and corporate capacity. Sovereignty over external affairs never did pass to the Colonies or their later political successors, the States. Sovereignty went to the Union, and this Union was in existence before the establishment of the Constitution, for in the preamble we read: "We the people, in order to form a more perfect Union," certainly a presupposition of a prior union which needed shoring.

It is enlightening to note the use of the word "United" in our early history. In the Declaration of Independence we are "the representatives of the United States of America"; "that these United Colonies." In the Articles of Confederation it is "the delegates of the United States of America"; "the United States in Congress assembled shall have the sole and exclusive right and power of determining on peace and war"; of "sending and receiving ambassadors"; "entering into treaties and alliances"; all of the attributes, as we shall see, of sovereignty in international relations. Yes, we signed the treaty of peace in 1783 with His Britannic Majesty as "the United States of America." Never the "several States," always the "United."

Sovereignty or supremacy in external or foreign affairs means the right to form alliances, conclude treaties, make war or peace, maintain diplomatic relations, acquire territory, by discovery and occupation, speak and hear as a nation, expel aliens, and in our later developments conclude agreements with other nations not amounting to treaties. Of course, all

foreign agreements are not treaties. Here is what one authority says:

When our President agrees upon a mutual action with the chief executive of another country without the authority of the Constitution or of Congress, the agreement is not legally binding; it is merely a sort of gentlemen's agreement. For instance, when the Senate refused to ratify a treaty with Santo Domingo providing that officials appointed by our President should collect the customs due in Santo Domingo and pay the debts of the country to prevent European intervention, President Theodore Roosevelt accomplished the same by an executive agreement with the President of Santo Domingo. The arrangement worked so well that the Senate subsequently ratified a treaty making the arrangement legally binding upon subsequent Presidents as well as President Roosevelt. Likewise, President Roosevelt agreed with Japan that he would discourage interference with Japanese immigration to the United States if Japan would refuse passports to coolies. Though this agreement, too, was not legally binding, subsequent Presidents abided by this arrangement until the Immigration Act of 1924, when Congress ignored the wishes of our Chief Executive.

This was a convenient usage adopted by the Chief Executive to overcome a halting tempo in the Constitution itself. It is also interesting to read, in connection with this, the really remarkable, even if indirect, authority in the President.

I quote from *The Foreign Relations of the Federal State*, by Harold Stokes:

The Constitution of the United States does not describe the organization which shall carry on relations between this country and foreign states, nor does it outline in detail the extent and limits of the powers to be exercised. It vests in the President, as the representative authority of the Nation, the power to appoint Ambassadors, ministers, and consuls, and, with the advice and consent of two-thirds of the Senate, to make treaties. He also is the representative of the United States in receiving all ministers and diplomats from foreign countries.

A number of other powers which the President possesses gives him an additional influence over the foreign relations of the Nation. As Commander in Chief of the Army and Navy he may bring the United States into intimate and perhaps dangerous contact with other governments. He may dismiss the diplomatic representative of another nation and thereby affect our relations with the nation concerned. His power of receiving diplomatic representatives may be the means of recognizing a new political community or government—a means which has been employed a number of times.

But the most formal, definite, and solemn recognition of this comes from the early and modern United States Supreme Court. I might say it is the same modern Court that stood the brunt of the reorganization plan, the Court that in comparison to the present Court must be fairly termed conservative—the Court of Sutherland, Stone, Roberts, Hughes, Van Devanter, McReynolds, Butler, Brandeis, and Cardozo. It has said:

In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation.

It quoted Chief Justice Marshall, architect of our wide centralized power, to this effect:

The President is the sole organ of the Nation in its external relations and its sole representative with foreign nations.

This quotation of Chief Justice Marshall, coming as it did in the beginning of the nineteenth century, and this latest one of our highest judicial tribunal, brackets the great history of our country in a judicial sense. The similarity is astonishing.

If more is needed, we quote:

As Marshall said in his great argument of March 7, 1800, in the House of Representatives, the President is the sole organ of the Nation in its external relations and its sole representative with foreign nations. He is responsible to his own conscience and discretion and the remote electoral vote.

Coming down to the twentieth century to the Curtiss-Wright case, from which we extracted the quotation above, I continue in the Supreme Court's quotations from the famous United States Senate Reports of the Committee on Foreign Relations and their statement, the most thorough study of foreign affairs in our history. They say this about the powers of the President:

He manages our concerns with foreign nations and must necessarily be most competent to determine how, when, and upon what subjects negotiation may be urged with the greatest prospect of success. For his conduct he is responsible to the Constitution. The committee considers this responsibility to be the surest pledge for his faithful discharge of his duty. They think that interference of

the Senate in the direction of foreign negotiation calculated to diminish that responsibility and thereby to impair the best security for national safety. The nature of the transaction with foreign nations, moreover, belies caution and unity of design, and their success frequently depends on secrecy and dispatch.

Not content with a quotation on the importance of secrecy and dispatch, the Court elaborates on the exceptional, surpassingly unique power of the President as the sole organ of the Federal Government in the field of international relations. It warns that unless serious embarrassment is to be avoided there must "often be given to the Chief Executive a degree of discretion and freedom not admissible in domestic affairs." Then they come in with the killing blow that seals the knock-out of senatorial participation and congressional curiosity:

Moreover he, not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries; and especially is this true in time of war. He has his confidential sources of information; he has his agents, in the form of diplomatic, consular, and other officials. The secrecy in respect of information gathered by them may be highly necessary and the premature disclosure of it productive of harmful results.

They refer also to the refusal of President Washington to permit the House and Senate to see the instructions, correspondence, and documents relating to the legitima of the Jay treaty. Does anyone doubt that wisdom as elaborated by President Washington?

I personally think this thought of the President as important as that outlined in his Farewell Address. Recall that he had come through one of the greatest and certainly the earliest crisis in our constitutional history—the decision on what to do about the French alliance—the pact that had resulted in rushing to America those indispensable needs for the early campaigns and the aid that clinched Saratoga. Recall also that we hated to enter any agreement involving a tie-up with Europe, but we wanted a recognition of our independence, and we were in deadly need of military aid and protection. We were forced to pay the price—the treaty of "amity and commerce" and the "conditional and defensive alliance," the latter providing that in case war should break out between France and Great Britain we should join arms and pledge to make a treaty only with the formal consent of France. That left a shackled future.

What would happen in case of war between France and England? War came on February 1, 1793. We decided on neutrality. Hamilton desired to suspend the treaties, but Jefferson insisted on their sanctity. Genet came. But France did not decide to invoke the alliance, for a benevolent neutrality was better to France. Genet's activities are too well known to need repetition, but fortunately for us his actions alienated many of those who were naturally predisposed toward France. We squeezed out of a very awkward situation.

Then followed the Jay treaty, which caused an uproar from those who were interested in France. Washington felt these attacks and knew the dangers of foreign sympathy and entanglements. When the House of Representatives demanded the correspondence and documents dealing with the Jay treaty, he refused. Here is his ringing statement of Presidential power and prerogative:

The nature of foreign negotiations requires caution, and their success must often depend on secrecy; and even when brought to a conclusion a full disclosure of all the measures, demands, or eventual concessions which may have been proposed or contemplated would be extremely impolitic; for this might have a pernicious influence on future negotiations, or produce immediate inconveniences, perhaps danger and mischief, in relation to other powers. The necessity of such caution and secrecy was one cogent reason for vesting the power of making treaties in the President, with the advice and consent of the Senate, the principle on which that body was formed confining it to a small number of members. To admit, then, a right in the House of Representatives to demand and to have as a matter of course all the papers respecting a negotiation with a foreign power would be to establish a dangerous precedent.

Over a hundred years later President Herbert Hoover, facing the same type of demand, made this reply:

I have received Senate Resolution No. 320, asking me, if not incompatible with the public interest, to submit to the Senate all letters, cablegrams, minutes, memoranda, instructions, and dispatches, and all records, files, and other information touching the negotiations of the London Naval Treaty.

This treaty, like all other international negotiations, has involved statement, reports, tentative and informal proposals as to subjects, persons, and governments given to me in confidence. The Executive, under the duty of guarding the interests of the United States, in the protection of future negotiations, and in maintaining relations of amity with other nations, must not allow himself to become guilty of a breach of trust by betrayal of these confidences. He must not affront representatives of other nations, and thus make future dealings with those nations more difficult and less frank. To make public in debate or in the press such confidences would violate the invariable practice of nations. It would close to the United States those avenues of information which are essential for future negotiations and amicable intercourse with the nations of the world. I am sure the Senate does not wish me to commit such a breach of trust.

My present problem, however, is to only point out the absolute constitutionality of everything the President is doing in the very mooted questions of foreign policy. To my mind, no better preparation for the study of this decision is possible than this book of former Justice Sutherland.

In his last chapter, in a reflective sense on the lessons of the war, he adds this significant chapter:

In this broadened field of endeavor we must cease to think in terms of States and State rights and think only in terms of nationality. We must cease to measure the authority of the General Government only by what the Constitution affirmatively grants, and consider it also in the light of what the Constitution permits from failure to deny. There is no danger that we shall thereby destroy the reserved rights of the States or overrun the domain of local government—against these unfortunate consequences we must always be on our guard—but we shall avoid the unspeakable absurd confusion of having an agency to speak for us upon all matters of legitimate international concern with a vocabulary so limited that upon some of them—and, in the light of our expanded world relations, not inconceivably the most vital of them—it cannot speak at all.

He adds later that—

The complete overthrow of the Central Powers will be followed by an indefinitely long-continued period of peace. * * * The causes of war among nations and peoples lie very deep in the nature of mankind—far deeper than armaments, or land hunger, or kings, or capitalists, or forms of government * * * they are protean * * * they frequently spring from sentiments of the most sacredly justifying character. * * * The fighting spirit is one which it is to be hoped we shall never lose. * * * It is not enough for a nation to desire justice; it must have the will and, when needed, the power to enforce it. * * * It is right to teach the desirability of peace * * * but we should keep before ourselves always the clear danger of war, and at our peril be prepared to meet it. * * * The dove is a pacifist; the eagle is not. * * * The dove falls a victim to rapacity; the eagle is immune. * * * Yield nothing to the aggressor.

He has placed in the book what he thought should be the judgment of history upon our countrymen:

They respected the liberties of others because they were just, and kept their own because they were strong and resolute.

He quotes:

It is highly desirable that we should keep alive the new spirit of nationalism, which has been born of the war, and which is fast fusing the heterogeneous groups of German-Americans and Irish-Americans, and other hyphenated tribal collections, into a homogeneous body of American citizens who are for the first time beginning to realize their essential unity. If no other benefit should result from the dreadful struggle, the firm establishment of this new spirit of national concord would justify every sacrifice we have made, or might have been called upon to make, however terrible; for it is certain that only thus have we been brought to an understanding of, and a deliverance from, the sinister peril of a divided allegiance which threatened our very existence as a separate and independent people.

Here is a quotation from the Curtiss-Wright case which, I believe, will cause more difficulty in its interpretation than anything else:

When the President is to be authorized by legislation to act in respect of a matter intended to affect a situation in foreign territory the legislator properly bears in mind the important consideration that the form of the President's action—or, indeed, whether he shall act at all—may well depend, among other things, upon the nature of the confidential information which he has or may thereafter receive, or upon the effect which his action may have upon our foreign relations.

The decision, of course, was written by Justice George Sutherland, who was a former Senator from Utah, and author of *Constitutional Power and World Affairs*, a book written in 1919, right after the World War, and obviously in the shadows of extraordinary and remarkable powers of the President.

The book itself has a chapter on War Powers: Nature and Distribution, and another one on War Powers: Extent and Limitations. It is submitted that Justice Sutherland in his book brought out to the fullest that the advice and consent of the Senate only considers the power of the President to make, not to negotiate, treaties. He does admit that the Senate may initiate the first step by passing a resolution requesting the Chief Executive to begin such negotiations by a declaration, but the President consults his own views.

In his opinion—

Negotiation with foreign governments is a matter of such delicacy that it can be carried on far better by a single person, like the President, than by a large number of officials, like the Senate; while the combined judgment of the larger number—including both President and Senate—respecting the value and wisdom of the result of the negotiation will generally prove a safer reliance.

It will be found that much of the philosophy and, in fact, the very wording of his book is duplicated in the decision. I want to say, as a matter of fairness, that constitutional lawyers are somewhat dismayed by the tremendous expanse of the power thus given to the President by this decision. As I said in the earlier part of my speech, it may be necessary to place brackets upon these powers at some future date. For those of us who believe that the Treaty of Versailles fastened upon the defeated nation intolerable financial burdens, unfair unilateral disarmament mandates, and a rapacious handling of colonies, these thoughts of his are illuminating:

The world has grown to a condition of vast complexity, with a multitude of diverse and conflicting interests. Some nations have all the territory they wish and are anxious only to be left undisturbed. Such is the case of Great Britain; such is our own case. Other nations living in cramped quarters are land hungry and long for expansion. Such was the case of Germany; such is the case of Japan. The pressure for an outlet for the surplus populations of growing countries of limited area is not likely to become less, and will always constitute a possible incitement to warlike aggression. There is the problem of the uncivilized and partially civilized races; the problem of the small and the submerged nationalities, and a vast number of other problems which have vexed humanity from the beginning and are not likely to be eliminated in the near future. It is greatly to be desired that some feasible method should be devised for a peaceful determination of international disputes arising out of these and similar conditions whenever they become acute; but the method must be practicable as well as righteous. We would better endure the ills we have than accept any plan, however alluring, whose highly probable failure would result in a revival of the old conditions in perhaps an intensified and more stubborn form. It is preeminently a time and situation for the sort of action which will take us forward securely, even if slowly, rather than to a doubtful ending in great haste. I think, therefore, we shall, in the long run, secure better and more lasting results by a gradual extension of the principles and plans already initiated by the Hague Conferences than by adopting the more ambitious and more adventurous plan now suggested for the League of Nations, including as its distinguishing feature the use of some form of international force. Few countries were ready for such a plan before the war, and there is grave danger that any radical provision for peace enforcement adopted under the present tense and excited condition of world thought will be found unworkable after we shall have returned to a normal state of mind.

I call to your attention that there will be a problem coming before this America of ours within a few years, if not sooner, when there will have to be a determination of how far prerogatives in foreign affairs can be given. I may say that our failure to write into the Constitution something about the right of secession brought on the Civil War. Let me say now, with all the emphasis and stress that I can, that the President of the United States has acted within every one of those proud privileges and prerogatives. I ask any man to show me where the President of the United States in attempting to lead us—although we may consider the path a little devious—has ever pushed us. I have to be convinced that there is any better residence for the control than in the hands of the President. But I will listen—

Mr. DONDERO. Will the gentleman yield?

Mr. SHANLEY. I yield to the gentleman from Michigan, for I know the question of Guam is uppermost.

Mr. DONDERO. I recognize the gentleman as an authority on this question, but may I ask him this question? Suppose the conditions were completely reversed, and that Guam was a Japanese possession near our shores. Suppose that Japan proposed to do what we are proposing to do. What

does the gentleman think the attitude of this Nation would be under those circumstances?

Mr. SHANLEY. A Gibraltarlike fortification I submit would be unwarranted.

Mr. SIROVICH. Will the gentleman yield to me also on that question?

Mr. SHANLEY. I yield to the gentleman from New York.

Mr. SIROVICH. We have 96 islands, called the mandated islands, that belong to Japan. When the treaty was made Japan promised never to fortify those islands. She will not permit an American to go over there to see them, because she has fortified them in order to be able to make any further excursions into the Pacific which she may deem necessary.

Mr. DONDERO. Was that in violation of a treaty agreement?

Mr. SIROVICH. That was in violation of a treaty agreement.

Mr. SHANLEY. Permit me to quote some authorities on this subject:

Prof. A. Whitney Griswold has this to say in his *Far Eastern Policy of the United States*, page 317:

By promising not to fortify Guam, Pago Pago, the Philippines, and the Aleutians, the United States virtually ruled out the possibility of conducting offensive naval operations against Japan in her own waters. The same was true of the British promise regarding Hong Kong. Under these circumstances Kato was willing to accept the inferior capital-ship ratio allotted him by the naval treaty. He could do so in the comforting knowledge that the inferiority would tend to disappear should either the United States or Great Britain, or both, attempt to attack Japan from California, Hawaii, or Singapore, their nearest bases.

On the other hand, Secretary Stimson, in speaking of the Washington Conference of 1922, has this to say:

It must be remembered also that this treaty was one of several treaties and agreements entered into at the Washington Conference by the various powers concerned, all of which were interrelated and interdependent. * * * The willingness of the American Government to surrender its then commanding lead in battleship construction and to leave its positions at Guam and in the Philippines without further fortification was predicated upon, among other things, the self-denying covenants contained in the Nine Power Treaty, which assured the nations of the world not only of equal opportunity for their eastern trade but also against the military aggrandizement of any other power at the expense of China. One cannot discuss the possibility of modifying or abrogating those provisions of the Nine Power Treaty without considering at the same time the other promises upon which they were really dependent.

[Applause.]

[Here the gavel fell.]

Mr. VINSON of Georgia. I yield 3 additional minutes to the gentleman from Connecticut.

Mr. SHANLEY. I thank the generous chairman for this additional 3 minutes. I thought he was most gracious in his first allotment of 15, but this additament is indeed most generous.

Frank Simons, in his American foreign policy in the post-war years, has this to say, that Japan surrendered the Anglo-Japanese alliance in return for a Japanese-British ratio of 5-5-3 and a renunciation by the British of the right to extend her fortifications in Hong Kong and our promise not to expand in the Philippines, Alaska, or Guam. He said:

Thus, in fact, the Japanese threw the British back on Singapore and the Americans on Hawaii as advanced naval bases, and deprived both of them of the power to interfere with their Manchurian demands. Nominally, to be sure, the Japanese tied their own hands by signing the famous Washington treaty, which pledged each of the signatory powers to respect the rights of each other, and China was a signatory power, and to come to council in case any country broke its solemn pledge. In reality, however, at the price of a scrap of paper Japan acquired for herself a free hand in our foreign dealings with China * * *. In some ways therefore the results of the Washington conference were twofold. Japan acquired tactical supremacy in the Far East for her navy. Great Britain rid herself of the danger of sinking to second place in the battleship line without resigning her decisive hold in cruisers, but thereafter there was no reason possible for the United States to defend the Philippines, and it had not yet acquired parity with Great Britain in naval strength.

This served also to reestablish the conviction that American diplomacy had been outgeneraled by American innocence; that Balfour had been able to outgeneral Hughes in Washington as Lloyd George did Wilson in Paris. However, the London Naval Conference of 1930 saw the settlement of the parity issue. This was effected by

a conference in advance between Ramsay MacDonald and Herbert Hoover on the Rapidan. The terms of the resultant agreement imposed upon the United States the way of spending approximately \$1,000,000,000 in attaining the long-sought equality.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. SHANLEY. I yield to the gentleman from New York.

Mr. COLE of New York. Is it not correct that the treaty of which the gentleman is now speaking expired by its own terms in 1936?

Mr. SHANLEY. Under right as a signatory to the Washington Treaty, Japan in December 1934 gave formal notice of the cessation of any continuation of that agreement after its lifetime. Japan, of course, bolted the conference in London in 1935.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. SHANLEY. Would the gentleman permit me to proceed?

I have never approved of what we have done. The Japanese have been the target of every irritant we could possibly throw their way, but they have not been fair either. I do not defend their actions, neither do I defend the blunders we have made in our diplomatic missions. The errors have been made by all administrations. The history of our diplomacy is a reversal of position from one administration to another, because every President and every Secretary of State—and they are all honest, sincere, and logical men, attempting to protect this country—make mistakes. In view of what we did to Japan when we refused at Versailles to give the Japanese racial equality and when we refused to give them naval parity in 1935, I do not believe what we propose to do at Guam can be regarded as an attempt to thrust a dagger into the breast of Japan. We are not making an impregnable fortress of Guam, as the British have in the Far East, especially if only dredging a harbor is considered. [Applause.]

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, it is a peculiar coincidence that the present bill, suggesting, as many of us feel, a distinct change in our traditional foreign policy, should be under consideration on the day we celebrate the birth of our first President. George Washington's advice is as timely today as it was in the early days of the Republic. His words, "Cultivate peace and harmony with all," command our attention as ominous signs appear of indiscretions which may disturb our friendly relations with other nations.

The bill now before us comes from the Committee on Naval Affairs. It authorizes the Navy Department to establish, develop, or increase naval facilities for the purposes of national defense pursuant to the recommendations of a special board of naval officers headed by Admiral Hepburn.

There appears to be little objection to the bill as a whole. Considerable controversy has arisen, however, over one item, the proposed expenditure of \$5,000,000 for naval facilities at the island of Guam, which is within 1,500 miles of Japan. The implications of such a move are apparent. When the reports of the Government's intention were made public they caused immediate and widespread protests at home and repercussions abroad—to such an extent, in fact, that a very large part of the hearings held on this bill were devoted to a discussion of this one item and the part Guam would play in the national-defense plans. The protests are based upon two meritorious objections, the first of which is admitted by naval experts, and the other evident to every impartial observer. The first objection is that Guam is not a necessary link in the defensive system of the country. This is the uncontroverted testimony of Admiral Hepburn, who was appointed by the Secretary of the Navy to head the special board to investigate the needs for national defense. The second objection is that the proposal would be a provocative act, conducive to international ill will and an irritant to the preservation of world peace. No one can deny that it would have the effect of aggravating a situation already tense and delicate.

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As a result of the hostility of public opinion to the undertaking, the committee attempted to sugar-coat the distasteful proposal by resorting to the subterfuge that the project was nothing "more than is done year after year by this country in improving our harbors." That contention, I submit, Mr. Chairman, is untenable. Surrounding circumstances, attendant conditions and page after page of the hearings on the bill refute this alleged purpose. Common sense tells us that if this were a river and harbor project, the proposal would come not from the Committee on Naval Affairs but from the Committee on Rivers and Harbors, with the Army engineers in charge of the operations. All of us know that the item originated in the Navy Department and that the witnesses urging the proposal were not Army engineers or representatives of commercial airlines or spokesmen for the Civil Aeronautics Authority. Who were the witnesses? Let us call the roll—the Assistant Secretary of the Navy, the Chief of Naval Operations, the Chief of the Bureau of Naval Aeronautics and the head of the special naval board appointed to recommend improvements for our national defense. Moreover, the expressed purpose of the bill, including this item, is to carry out the recommendations of the Hepburn Board, the board created not for the purpose of river and harbor improvements but charged with the serious obligation to investigate and report on the need for purposes of national defense, for the establishment of additional submarine, destroyer, mine, and naval air bases on the coasts of the United States, its Territories, and possessions. These are the circumstances and conditions, Mr. Chairman, which give the lie to the contention that the proposal is "no more than is done year after year by this country in improving our harbors." Were these circumstances and conditions not enough to refute the sugar-coating effort, we might turn to the hearings on the bill where more than ample corroboration can be found of these convincing circumstances and conditions. Time will not permit quotations at great length from the hearings, but from the lips of the Chief of Naval Operations we learn that the purpose of the item for Guam is among other things, "for the construction of initial shore facilities." The word initial can have but one meaning. Other shore facilities are to follow, and mark you they will be facilities for naval operations. Intelligence and honesty can come to no other conclusion. Read for yourself page after page of the hearings as one after the other of these naval experts, witnesses from the Navy Department, point out the part which they plan for Guam to play in the event of war. I submit, Mr. Chairman, there is something more sinister than the improvement of rivers and harbors in this proposal. Let us clear away the fog and put the question where it really belongs—right into our national-defense program. How does Guam fit into our national defense? It is a small island in the western Pacific, more than 6,000 miles from our mainland and more than 3,800 miles from our Territory of Hawaii. On the other hand, it is but 1,500 miles from Yokahama.

Our concern is primarily with the defense of continental United States. We have been led to understand that our line of defense in the Pacific is just west of Hawaii. With that object in mind, we have developed Hawaii as a great military and naval base. No expense has been spared to make it a powerful base of naval operations. That our defense line was heretofore just west of Hawaii was established a year ago by the present Chief of Naval Operations when he testified before the Naval Affairs Committee that—

The defensive line of the American Navy at the present time reaches from the Aleutian Islands to the Hawaiian Islands, to Samoa and to the Canal.

Guam, you will recall, is more than 3,800 miles beyond Hawaii. What, we ask, has happened to change that line? Why should we have an outpost 3,800 miles beyond an outpost?

The members of the Naval Affairs Committee who have undertaken to justify this intrusion into the Far East made desperate efforts during the hearings to have it appear that Guam was "a necessary link in the defensive system of the country." But their efforts fell flat. Even though they

resorted to the most leading questions, trying at every turn to put words into the mouth of the witness, and even though the witnesses were their own selection, the best they could get was that "it would greatly simplify" the national defense. Admiral Hepburn's opinion gave the proposal a body blow when he said Guam was "not essential" to our national defense. To add insult to injury he subsequently testified that the improvements proposed for Guam "were not necessary for defense." I contend, Mr. Chairman, that if this proposal had any justification as a necessary part of an adequate national defense, the very able chairman of the Naval Affairs Committee, devoted as he is to the Navy, would not have to hide behind the sugar-coating process of a rivers and harbors project. He would not strike his colors. His flag would be flying. An adequate national defense cannot by any stretch of the imagination require proposals that are not essential nor necessary.

Before embarking on this project we should be mindful that it is but the first step—the Chief of Naval Operations used the word "initial"—in the development of Guam as a naval base, which would involve the expenditure of at least \$150,000,000. A recognized authority on national defense takes exception to the use of the word "base" in describing the place Guam would occupy. He declares it to be an advanced salient, which Gen. Hugh Johnson describes as "something like a nose or thumb stuck into the enemy's mouth, where he can bite it off without much effort." [Applause.] At all events, whether it be a base or an advanced salient, it involves the expenditure of a large sum of money for a project neither essential nor necessary to national defense. Mr. Chairman, I have supported consistently every measure looking toward the establishment and maintenance of an adequate national defense. I shall continue to do so. But to embark on the expenditure of \$5,000,000 as the initial cost of a project which will cost \$150,000,000, and which is not essential nor necessary to our national defense, cannot be justified. Every dollar that is needed for the defense of the Nation should be spent—but not one cent more.

One of the gravest dangers that we face today is the enthusiasm of extremists—pendulum pullers. They are a real peril. They are active and articulate, especially on matters of national defense. There are pacifists who would scuttle every armed vessel carrying our flag. There are those who go to the other extreme. I submit, Mr. Chairman, a wise course will be a more cautious course, a course which will avoid either of these extremes. To maintain armed forces less than those which are necessary for the adequate defense of the Nation invites disaster. To maintain more than is necessary will place us inevitably in the category of an aggressor, creating as it must the suspicions and fears of other nations. And we know only too well that suspicions and fears lead to but one thing—and that is war. [Applause.]

There is but one basis upon which we can justify authorizations for national defense, and that is national need. Authorizations for armed forces beyond the point of national need destroy the hopes and yearnings which our people have had for a pathway of peace. By so doing we join hands with the other maddened war lords in a campaign of carnage and destruction. Is this our mission? By so doing the aspirations which we have cherished and which I believe millions of our people still cherish, for the amicable adjustment of differences between nations are dashed to the ground. Is this our purpose? Have we forsaken our faith that "righteousness exalteth a nation"? Professions of peaceful intentions, no matter how pious and profuse, become shameful insincerities by the establishment and maintenance of armed forces greater than our national need. Again I repeat, what is not essential nor necessary is outside the limits of our national need.

All of us are aware of the tense world conditions. It is not an overstatement to say that they are extremely delicate. Shall it be said that we intend to aggravate the international situation by initiating a project such as this? Are we to contribute an irritant to efforts to preserve world peace? Would it be a peaceful gesture or a provocative move? These are questions that should concern us. They

are tremendously important. This is the nub of the whole matter. I believe the overwhelming majority of the American people want peace and that they charge us with the responsibility of maintaining peace so long as our rights are recognized and our good name is respected by other nations. [Applause.] The devastations and disasters of war challenge us to be cautious and considerate today.

Let me fortify my position on this phase of the subject by calling as a witness, Maj. Gen. William C. Rivers, a brilliant Army officer, whose lifetime experience in the Army stamps him as an authority on national defense. In a letter to Senator Borah, he said, "For the United States to establish a naval air, submarine, and destroyer base at Guam near and on the strategic flank of Japan would be, I believe, the most markedly aggressive and provocative military step of the kind which I have seen on our part in the fifty-odd years since I entered West Point." Mark well those words, markedly, aggressive, and provocative. Shall we be considerate or shall we plunge headlong?

Do we intend to accelerate the surge of suspicions, hates, and ill wills which can lead to but one thing—ultimate disaster? Are we to blindly follow the lead of other nations whose courses of hostility threaten our civilization? Dare we no longer be a leader among the nations of the world to translate the emotions of peace and good will into realities? Have we forsaken the faith that was ours that the moral forces of friendliness can be more persuasive than the welter of war? These are the issues involved here today. There is no middle ground. By the approval or disapproval of the project at Guam, we shall make commitments on our national policy which will need no interpretation. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. THORKEKELSON].

Mr. THORKEKELSON. Mr. Chairman, I can see no reason for shedding tears about spending \$5,000,000 to improve the harbor at Guam. The Navy Board has stated distinctly the purpose of this expenditure. It is to build a breakwater in the harbor so commercial air-line planes may land without destroying the hulls of the ships.

Commerce is not provocative of war. Commerce is productive of friendship and establishes friendship between nations. The building of a breakwater and dredging of the harbor in no sense can be understood as a measure to promote war.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. THORKEKELSON. I yield to the gentleman from Montana.

Mr. O'CONNOR. Can this expenditure be justified from the standpoint of expanding the commerce of the United States?

Mr. THORKEKELSON. Yes, it can be so justified. It is for that purpose.

Mr. O'CONNOR. Is it in the picture as far as preparing ourselves for defense only is concerned?

Mr. THORKEKELSON. It is not in that picture at all, because no guns are to be placed on the island. The harbor is not to be dredged to a point where it can take care of large craft. The only purpose of this expenditure is to build a breakwater for the protection of the harbor. This cannot be classed in any sense as a war measure, except for the fact that we have there an air-communications station and a cable station.

Mr. O'CONNOR. The gentleman has served in the Navy?

Mr. THORKEKELSON. Yes.

Mr. O'CONNOR. And the gentleman has been in that territory?

Mr. THORKEKELSON. Yes; I have.

Mr. O'CONNOR. Are Navy men agreed that this improvement at Guam should be made?

Mr. THORKEKELSON. They are, for the simple reason that we must have some means whereby we can take care of our commercial air lines. We must have harbors where the ships can land. That is the purpose of this improvement. It is not for war purposes.

Mr. O'CONNOR. What is the extent of our trade with Guam?

Mr. THORKELSON. In 1938 we sold to Guam \$275,000 worth of merchandise, and Guam bought approximately \$500,000 worth of merchandise from other countries throughout the world. Guam pays its own operating expenses each and every year. Last year it earned \$14,000 above the ordinary running expenses which are required to maintain the government of the island. This little island bought \$275,000 of merchandise from the United States, which comprises farm and other products. It is an aid to the farmers, an aid to the producers, and of general benefit to all business within the United States. Such trade should be encouraged instead of being destroyed. The building of a harbor will not only benefit the people who are living at Guam but will be of inestimable value in delivering our merchandise safely to the shores of the island.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. THORKELSON. I will be glad to yield to the gentleman.

Mr. MILLER. I would like to ask the gentleman if there was any testimony before the committee from any representative of a commercial air line and also in what way this breakwater would aid a commercial air line using Guam.

Mr. THORKELSON. I do not know whether there was any testimony of that sort before the committee or not.

Mr. MILLER. The second question is in what way can this breakwater aid commercial air lines using Guam.

Mr. THORKELSON. The harbor is a half moon, and there is a reef lying to the north of it, and at high tide the water will break over and be rough in the harbor itself. When the ships land they land reasonably fast, about 70 miles an hour, and if they hit high waves there they are liable to destroy the hull of the ship or they might develop a leak or even capsize.

Mr. MILLER. That has not happened as yet?

Mr. THORKELSON. It has not happened yet, but evidently they have trouble at times in landing, and the purpose of their building the breakwater is to make it a quiet harbor. That is all. The real value of the island is in the recent expansion of commercial air lines, and air line traffic is not provocative of war but is instead a measure toward peace.

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 30 minutes to the distinguished gentleman from Missouri [Mr. SHANNON].

Mr. SHANNON. Mr. Chairman, just a word concerning the remarks of the gentleman from Montana [Mr. THORKELSON], who preceded me. He said that this was something in the nature of a base for commercial purposes. If it is not a gesture of war, then it is a subsidy for private enterprise, and I want to say to you that one is bad and the other is worse. [Applause.]

Home caucuses of American families are being held nightly all over the United States, and the subject under discussion is, surely Congress will not do anything that will throw our boys into the hell of European or Asiatic war. The voting of the appropriation for Guam at this moment will cause almost every father and mother to have the jitters.

This body, if polled, would be found overwhelmingly against war. If it is against war, how can it explain itself when it makes gestures that may lead to war?

Remember that one of the nations engaged in slaughtering human beings at this moment will not permit you to reach the stage where you will vote "yes" or "no" on war. This particular nation will start its war without a declaration and dispose of it as an "incident." Hence, we should give that nation no excuse for the explanation that war was started because of our own aggressive acts.

THE PHILIPPINES ENTITLED TO INDEPENDENCE

Let me discuss the Philippines question just a bit. It became an American question during the first administration of William McKinley. He insisted that we were in the Philippines only until such time as they were qualified to take over their own government. This declaration, similarly made by all Presidents, reached its acme when Woodrow Wilson, in 1920, said:

Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress in their behalf, and have thus fulfilled the condition set by Congress as precedent to a consideration of granting independence to the islands. I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of those islands by granting them the independence which they so honorably covet.

Only yesterday on the floor of this House a Member declared, in defiance of all statements made by all administrations, that we have got to hold the Philippines, meaning thereby that Congress should make the appropriation which will lead eventually to an attempt to fortify Guam.

THE FOREIGN POLICY OF OUR FOUNDING FATHERS

I long for a leadership that will bring us back nationally to the doctrines of the founders of this Republic as to our foreign policy. I want our leaders to feel on the subject just as George Washington did. I want them to feel just as Thomas Jefferson felt. We think of savages over there in the Far East, but remember that Jefferson once referred to European war lords as cannibals and said, "The cannibals are eating each other again." He had reference then to Turkey and Russia. Jefferson and Washington warned us to keep out of foreign affairs except peaceful pursuits. We want, today, a leadership that will make us isolationists of the kind that Thomas Jefferson and George Washington were. [Applause.]

In making the peace settlement with Spain, our Government paid \$20,000,000 in cash for the cession of the Philippines, Puerto Rico, and Guam. Guam was the only one of the Ladrone Islands ceded by Spain to the United States. Subsequently Spain sold the other Ladrone Islands to Germany for \$4,875,000.

Following the World War, the islands thus acquired by Germany were mandated under the Versailles treaty to Japan, which has since exercised jurisdiction. It is significant that high naval officers appearing before the House Naval Committee were unable to say whether or to what extent Japan has fortified them.

JAPANESE REACTION TO WASHINGTON TREATY OF 1921

It is unfortunately true that our relations bearing upon Asiatic situations have consistently given affront to the Japanese. They have never forgiven us for the Exclusion Act. They blame us for the peace following the Russo-Japanese War. They blame us for the Washington Treaty of 1921 at which the 5-5-3 naval ratio was agreed upon.

Of Japanese reaction to the Washington treaty, we learn from *Powerful America*, a book written by Edward J. Young, of the staff of the New York Times, that—

The Japanese delegates went home to be met with a riotous demonstration of patriots who believed they had betrayed their country. They became marked men, the targets of the nationalists, militarists, and navalists, who refused to accept the settlements as binding in the future, and regarded them as arrangements to be upset as soon as Japan could make itself strong enough to defy Britain and America.

Are the problems of today the fruit of secret understandings reached in the past? The late Adolph S. Ochs, publisher of the New York Times, had conferred prior to the Washington treaty with Lord Lee, of England, and was "startled" when told that the English Government "would wish to have it unofficially communicated to Washington that they were prepared to abandon their traditional policy of a two-power navy and enter into an agreement with the United States for equality."

Lord Lee discussed with Mr. Ochs "the fear of the United States of a possible conflict with Japan," saying that, "under such an arrangement as he proposed, the United States could, if it thought necessary, concentrate its Navy in the Pacific Ocean and the English Navy could be relied on for protection in the Atlantic Ocean."

It was the recognized pro-English attitude of the New York Times that encouraged Lord Lee to suggest this naval understanding to the American publisher.

Mr. Young suggests in his book that "other revelations on the secret negotiations attending the conference will come in time."

PHILIPPINES CANNOT BE SUCCESSFULLY DEFENDED

On the question as to whether or not the Philippine Islands can be successfully defended by the United States in the event of a war with Japan, it is worth while to consider their location, characteristics, and their vulnerability.

The Philippine Archipelago consists of 7,083 islands, 4,622 of which are unnamed, and the coasts of many of which are uncharted. Only 342 are inhabited; 462 have an area of more than 1 square mile, and 6,621 have an area of less than 1 square mile. The total land area is 114,400 square miles. These islands extend 1,152 statute miles north and south, and 682 miles from east to west. They have a coast line of 11,444 miles, compared with the 13,000-mile coast line of the United States and the 18,000-mile coast line of Japan. There are 21 fine harbors and 8 landlocked straits. The coasts are, as a rule, bordered with coral reefs, and but few of the harbors are easy of access. The largest, Manila Bay, has an area of 770 square miles and a circumference of 120 square miles. It is too wide for safe anchorage and would be difficult to adequately fortify. An aggressor nation could easily seize and fortify several of the principal harbors, and it would be practically impossible to prevent an invasion and exceedingly difficult to dislodge the invader.

For every square mile of territory there is a mile of coast line to defend. The invaders could quickly lay mines in the entrance to the harbors and along the lanes of ocean traffic. It would not be difficult to place long-range guns on the shore which could be utilized with telling effect on our vessels should we attempt to displace the invaders.

It would cost at least \$5,000,000,000 to fortify a few of the larger islands if we are to prevent their capture in the initial stages of a war with any first-class power. It would also be necessary to station in the Far East a naval force largely in excess of our present entire Naval Establishment. Reference has been made to the fact that Great Britain has, at an expenditure of several hundred million dollars, fortified Singapore, but that was child's play compared with adequately fortifying the Philippine Islands so as to resist the attack of a world power. The location of Singapore is ideal for defense, and at a comparatively small expense it can be made invulnerable. Singapore contains only 206 square miles, with a short shore line, a small territory in one block, well adapted for a safe naval and military base. But, as I have pointed out, the Philippines have a shore line of 11,444 miles, and the territory to be defended contains 114,400 square miles, and covers an area 1,152 miles long by 682 miles wide. In all the tide of time, no nation has ever attempted to fortify such a large area, and not only would the cost be a tremendous burden upon the American people, but the construction of these defensive works would require at least a quarter of a century.

It will not be denied that practically all students of military and naval affairs, and all other persons who have made a study of the subject, agree that the United States cannot defend and hold the Philippines should we, unhappily, become involved in a war with Japan. A few years ago Gen. James Parker, of the United States Army, spoke of the Philippines as a "strategic weakness" easily "captured from us." Gen. Enoch H. Crowder, who served in the Philippines, 1898-1901, and who during the World War was provost marshal general in charge of the selective draft system, stated that in case of a war with Japan there would be no attempt on the part of the United States to protect the Philippines, and if they should be captured we could not retake them without too great a cost. Frank G. Carpenter, the world traveler and a newspaper correspondent of international reputation, in a syndicated article published a few years before his death, stated that in the event of war between Japan and the United States the former would overrun and occupy the Philippines, and that the United States could only overcome that by the expenditure of at least \$50,000,000,000 and the loss of perhaps two or three million American lives. I am quite confident that he underestimated the price the American people would have to pay, in money and blood, to hold these faraway possessions.

In recent years the great weight of opinion among high-ranking officers of the Army and Navy is to the effect that it would be practically impossible for us, in a war with Japan, to hold the Philippines; that they could not be recovered without an expenditure of blood and treasure unparalleled in the history of mankind.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. I yield.

Mr. CULKIN. Does the gentleman recall the historic incident of President Roosevelt writing a letter to Secretary Taft, who was then, I believe, Secretary of War and had been Governor General of the Philippines, telling him to get out of the Philippines as soon as possible?

Mr. SHANNON. Yes; I do.

Mr. CULKIN. I think that letter is in the RECORD.

Mr. SHANNON. I think I have it in the speech I have here.

Mr. CULKIN. He stated it was impossible to defend that line because it was too long.

Mr. SHANNON. Yes; and many others like him have said the same thing.

Mr. CULKIN. That was Theodore Roosevelt.

Mr. SHANNON. That was Roosevelt No. 1.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. Yes.

Mr. CRAWFORD. Does the gentleman feel or believe that the Philippines are fully cognizant of the situation which the gentleman is so well describing, and does the gentleman not also think that the Filipinos have reconciled themselves to the philosophy that in case of trouble the United States will not protect them, and for that reason they are proceeding to ally themselves with Japan just as rapidly as they can?

Mr. SHANNON. The gentleman did not say that yesterday in his speech. What the gentleman said was, get us in.

Mr. CRAWFORD. Oh, I did not say that, and I challenge the gentleman's statement.

Mr. SHANNON. What is it the gentleman did say?

Mr. CRAWFORD. I ask the gentleman to read the RECORD.

Mr. SHANNON. I heard the gentleman.

Mr. CRAWFORD. It is in the RECORD, and he does not have to dispute it. The gentleman can take the facts out of the RECORD.

Mr. SHANNON. I am opposed to Guam being in this bill. It means trouble, regardless of what we say or what is said in the Philippines.

OUR "HEEL OF ACHILLES"

This is what President Theodore Roosevelt said:

Any kind of position by us in the Philippines merely results in making them our heel of Achilles if we are attacked by a foreign power. They can be of no compensating benefit to us. They are a source of weakness to us.

Secretary of War Garrison and Senator Henry Cabot Lodge in 1915-16 declared that the Philippines are a military liability to the United States. Gen. J. Franklin Bell declared in 1913:

The possession of the Philippine Islands is not in the slightest degree necessary to the welfare of the United States insofar as the military or strategical requirements are concerned. They are an absolute military weakness to the United States.

And Secretary of War Weeks declared in 1924:

If I were going to view this question entirely from (the standpoint of) military or other benefits to the United States, I would say, let the Philippines go.

For many years the Navy League crowded the columns of our newspapers with articles in which it was boldly asserted that in a war with any great foreign power our loss of the Philippines would be inevitable, and while much of this publicity was designed to stimulate public sentiment in favor of the building of a United States Navy comparable with that of any other nation, still no thoughtful student of Philippine affairs and of world conditions has ever denied our absolute helplessness and inability to hold the Philippines in the event of a war with Japan.

JAPAN A VIOLATOR OF TREATIES

I quote from testimony in a hearing before the House Committee on Insular Affairs in 1924:

How can they have forgotten, or how can anyone forget, that during the life of those who are still children, Japan, within 6 years after solemnly guaranteeing the integrity of Korea, absorbed and subjected that country of 15,000,000 people as completely and ruthlessly as did any monarch in the ancient world.

And the record of Japan in Manchuria, and later in China, further convincingly demonstrates that no nine-power pact, no solemn treaty or national pledge of any character, will be kept by Japan in its unalterable determination to ravish the Orient and establish unchallenged Japanese supremacy in the Far East.

As Cochin China or French East India, Singapore, and Netherlands India at the present time constitute a barrier to Japan's penetration of the East Indian Archipelago, in like manner the Philippines are directly in the path of the Japanese march toward the Tropics, and sooner or later the United States will find itself in a war with Japan over the possession of these rich but defenseless islands.

The Japanese statesmen consider the Philippines as the sword pointing at the heart of Japan. I quote from Parker Thomas Moon, who, in Imperialism and World Politics, said:

The Philippines were in Japanese eyes a naval outpost which could be only of use against Japan in an offensive rather than defensive operations.

Undeniably, Japan is very much concerned over Great Britain's fortification of Singapore, and if we should foolishly determine to fortify the Philippines, Japan would undoubtedly take measures to prevent our successful consummation of such a project.

Obviously, in the event of a war in the Orient, the Philippines would be a liability rather than an asset. The initial expenditure of \$5,000,000 in Guam is a foolish waste of money unless the American people are prepared to tax themselves to the extent of many billion dollars and to sacrifice several million American lives to hold these oriental possessions.

Yesterday a Member of this House, in speaking on behalf of the Guam project, remarked:

Why, just think; there would only be \$5,000,000 involved at the outmost.

AMERICAN LIVES MORE IMPORTANT THAN DOLLARS

I have something far more precious than dollars in mind; I am thinking of the lives and welfare of American boys who may become involved through this seemingly innocuous proposal.

We are told that the construction of these "improvements" at Guam would have no warlike significance. Why, then, was it incorporated in this naval bill, and why was it sent to the Naval Committee for consideration? Ordinary improvements of this nature are properly matters of consideration by the Rivers and Harbors Committee, a committee with no military implications.

Guam is only a relatively short distance from Japan. What would be the reaction of the American people if Japan were to undertake the preparation for military purposes of an island so close to our shores? This Government would, I feel sure, lose no time in massing its naval forces to prevent such a threat to its safety. To me it seems obvious that we are about to do the thing which we would not permit Japan to do.

Every American boy will have a right to hold his Congressman responsible for his attitude on this question. He must look to his Congressman for representation, and he will wonder why common sense was not used, first, in the selection of the bill in which to include this project; and, second, in the selection of the time for improvements at Guam. He will wonder why a time was selected when such improvements would inevitably be looked upon as an unfriendly act; a time when the whole world trembles lest war be in the making.

This boy stands ready to do his duty, to defend his country in time of need. But would he not be justified in feeling that his Congressman had failed him if he voted for a project of this kind at a time when ordinary common sense should warn him of its dangers?

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. Yes.

Mr. ZIMMERMAN. I appreciate the interest of my colleague in the cause of peace and ask him what he would suggest that we do with Guam, which is a part of our country.

Mr. SHANNON. I refer the gentleman to what every President, up to and including the present one, has said about Guam. The gentleman can get his information there as to what we should do with Guam and the Philippines both. I cannot make it clearer than they did. If the gentleman wants me to answer it, I will answer it in this way: I heard John Sharp Williams one day in the United States Senate talk on a similar question. It was a naval question like this. We were having trouble in Mexico at Tampico. The American fleet went into that harbor and was not given the customary salute. Naval officers took exception to this lack of proper respect. Now, Mexico at that time was not even recognized by us as a government, yet the naval group wanted this country to go to war with her because of this affront. John Sharp Williams said, "You do not recognize Mexico as a government, yet because you were not given a proper salute you want us to fight." And I say to the gentleman as my answer to him about Guam, what John Sharp Williams said on that day of long ago: "All the naval punctilio this side of hell, and Guam itself, are not worth one American boy's life." [Applause.]

Mr. ZIMMERMAN. That does not quite answer the question.

Mr. SHANNON. I know, but I have answered it in my way.

Of course, the Congressman does not know who injected the Guam issue at this particular time.

Mr. VINCENT of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. SHANNON. Yes.

Mr. VINCENT of Kentucky. And who does the gentleman say did inject it?

Mr. SHANNON. Wait until I have finished my speech and the gentleman will get it. That information is withheld from him. And his response to the boy can only be, "I answered the call of the man whose name I do not know, and he was simply relaying the call from French Cochin China, fairly well fortified; the Dutch East Indies, not fortified at all; Australia, well fortified; and Singapore—oh, ever so well fortified. And I answered the call of ever so many dependencies of Great Britain. I answered the call by putting Guam in this bill.

"But I haven't forgotten you. I will remember you in time." Of course that will be later and will be somewhat similar to the bankers' meeting held in my community. They had a magnificent spread and after they had well wine and dined, one banker arose and said, "Mr. Chairman, we have forgotten something." The chairman asked, "What is it?" The banker answered, "We have forgotten the poor."

The chairman said, "Yes, indeed. And what would you suggest?" The banker replied, "I suggest we give three cheers for the poor."

And so, when the boy answers the draft, he will not be forgotten. Oh, no. And when the boy marches away to the hell of war in Europe or Asia, the Congressman will be there to pat him on the back and say, "Three cheers to you, brave fellow." [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. Izac].

Mr. IZAC. Mr. Chairman, in the last session of the Seventy-fifth Congress we passed an act, section 10 of which reads as follows:

The Secretary of the Navy is hereby authorized and directed to appoint a board consisting of not less than five officers to investigate and report upon the need for purposes of national defense for the establishment of additional submarine, destroyer, mine, and naval air bases on the coast of the United States, its Territories, and possessions.

(b) The Secretary of the Navy is further directed to cause a report of the board authorized by this section to be transmitted to the Speaker of the House of Representatives during the first session of the Seventy-sixth Congress.

We have before us, at least I am sure every one was given a copy of the letter from the Secretary of the Navy transmitting this report, and it will be noticed that this report is signed by six or seven high ranking naval officers, several of whom I know personally. When Congress assigns a job to a board of naval experts, you can be assured of one thing, and that is that the board is going to come back with a report that is absolutely honest and has the best interest of the country at heart. So I suggest that everyone read the letter of the Secretary of the Navy and the report of this board. However, to refresh your mind on one of the points raised about this question of Guam—and Guam, as you know, is one of the stations recommended for an initial development—we find on page 28 of the report a statement that on December 18, 1919, in other words, a few months after the close of the World War, when we still had the lessons of that war vividly before us, a joint Army and Navy board recommended that Guam be fortified and garrisoned adequate to its defense against any force that could be brought against it, and that a first-class naval base be prepared in Apra Harbor.

Three years later we decided that only one thing more was needed to make the world safe for democracy, and that was the disarmament conference which was held in the city of Washington. In that conference we did our part. This country, in fact, did more than its share. It not only agreed to the destruction of many of the finest men-of-war that any nation had ever projected or built, but we also entered into a treaty that said "we would not fortify Guam." Mind you, in the opinion of the people of this country who have the best understanding of national defense it has always been considered that Guam should be fortified; but we were willing to sacrifice that, because it would make for good feeling among nations, and especially would it appease Japan.

I have been hearing that Japan will have its feelings hurt if we should go into Guam and dredge out a harbor sufficient for a few submarines and seaplanes and the like. But let me point out to you that Japan utterly ignores the Nine Power Treaty. She utterly ignores the fact that she may be acting ill-disposed toward other nations. I do not see for the life of me why she should contend at this time that we were doing something that was unfriendly and that it would make her any more angry toward us than apparently she is at the present time, because, if she wanted our good will, all she would have to do would be to live up to the provisions of the Nine Power Treaty, keep open the open door to China, and just treat the rest of the nations that agreed on the integrity of China as they ask that they be treated.

Now, let us look at the situation of this island of Guam. Do you realize that Guam lies 1,450 miles from Tokyo? Do you also realize that the Azores are nearly that far distant from the city of Washington? Still, if Portugal happened to be a first-class nation today and wanted to fortify the Azores and put them athwart the air line and the sea line of Europe, we could not say a word about it. I grant that Guam lies on the flank of Japan. It will nullify any attempt of hers, if we want to use it, looking to the reduction of the Philippines. But I am not so much interested in the Philippines, because if this country wants to give complete independence to the Philippines, wash our hands of their affairs, I am perfectly willing to go along; but I would still be in favor of this base at Guam, and I will tell you why. All of us hope there will be no wars—certainly not in our day. I want to calm the feelings of the American people by saying I do not think there is going to be any war in the near future in which we will have to engage. I cannot see it at all. So what I say is not predicated on the fact that I think we are going to have a war in the very near future; but if there comes a time when we do have to go to war, I will say to the gentleman from Missouri, for whom I have the greatest respect, that he will save American lives by having that outpost of Guam, because

that outpost means that no oriental power will ever cross that line until the outpost is reduced. That outpost is not going to be reduced, because if we fortify it properly it will hold out until the American Fleet places itself in front of the enemy. Why do we have the American Fleet? It is to interpose itself between the enemy and our beloved country. Its objective is to search out and sink the enemy wherever it may be found. I want that enemy to be found as far away from the shores of this country as is possible. [Applause.]

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. MICHENER. The gentleman would agree with the philosophy that if Germany was our enemy, the Rhine should be our frontier?

Mr. IZAC. I should say yes, if some friendly country on the west of the Rhine would like to go over and rescue us from the necessity of sending our boys over there. I would be glad to have them do it. [Applause.]

Mr. VINCENT of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. VINCENT of Kentucky. I will ask the gentleman if John Paul Jones did not ride into the English Channel and carry the fight of the Revolutionary War to England, and that probably won the war because we had sunk their shipping?

Mr. IZAC. Rather than on the shores of the United States; yes. I thank the gentleman.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. IZAC. I yield.

Mr. COLE of New York. The gentleman has referred to the membership of the Hepburn board which made the recommendation to fortify Guam, and apparently has complete confidence in the expert opinion and judgment of the membership of that board. I wonder if the gentleman is familiar with the fact that the chairman of the board, Admiral Hepburn, himself recommended that if anything is done in a military way at Guam it should be done to the limit rather than piecemeal, as is provided for in this bill?

Mr. IZAC. I agree with the admiral's findings. I should say that while we are engaged today in a discussion of only the dredging and preparing of a harbor, let us say, for seaplane, submarine, and tender occupancy, nevertheless we have there a wonderful asset. Guam is a wonderful asset, and if we feel that the keeping of foreign war away from our shores is worth a quarter of a billion dollars, I believe this country is going to spend that amount of money and properly fortify it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAAS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, there seems to be a great deal of misunderstanding about the item of Guam in this bill, and I think we are making a mountain out of a molehill. A great deal has been said about the foreign policy involved. As a matter of fact, no foreign policy is involved in this legislation at all as proposed.

The bill is before us because of the action of the Congress last year in expanding the aviation arm of the Navy. We required that there should be not less than 3,000 airplanes in the Navy. In order to build up to that program it is necessary that the Navy provide the air bases from which these planes will train and operate. It is unfortunate, perhaps, that Guam is included in this particular bill, because it is not the intention nor the proposal to establish a naval air base at Guam. The proposal to dredge the harbor of Apra and build a breakwater, which is all that is involved in this bill so far as Guam is concerned, was recommended by one of the bureaus of the Navy to the Navy Department 3 years ago, long before the Hepburn Board was ever created or conceived.

Guam is one of the regular stops on the trans-Pacific air line. Pan-American is the only line now operating in the Pacific, but there will undoubtedly be competitors as time goes on. Guam is one of its regular stops. They have built

a hotel at Guam and it is a regular overnight stop of the Pan-American route.

America has pioneered in the merchant marine of the air, and we are proud of our trans-Pacific and South American service. Soon we are to have a trans-Atlantic service. If America is to continue to keep her superiority in the air and maintain it, it will be necessary that we pay the bill, as proposed in this item. While Pan-American ships are able to operate at the harbor of Guam now, with the newer type of ships they intend to put into service it will be no longer possible for them to operate on this harbor unless some dredging is done and unless a breakwater is built, because these big ships cannot take off from this harbor. There are coral heads in the harbor that will have to be removed, for these ships need from 3 to 4 miles in which to take off. Such a free seaway does not exist today because of these coral heads.

There is no proposal to make a naval base out of this island. There is no proposal even to establish a naval aviation squadron there. What we are proposing to do is absolutely essential, independent of everything else, if we are going to continue to have trans-Pacific airplanes operate.

We all recognize the necessity of increasing our aviation facilities. We recognized this last year. I think it is just as essential today to have an adequate air force as part of the Navy as it is to have any other element in the Navy. There is no departure in national policy to dredge a harbor at Guam as a civil project and then permitting naval planes to go there, when the harbor is dredged, in their training program. They can go any place in America today. There is no foreign policy involved in that. Much mystery seems to be implied because of the fact that the Navy is going to do this dredging, and sinister purposes are attributed to the fact that this item is in a Navy bill. If you will only understand that the island of Guam is a naval island, you will understand why it is put in this bill. Guam has a peculiar status in our American body politic. There is no civil administration in the island of Guam. It is a naval island. Every bit of public works done in Guam is done by the Navy. Any relief administered in Guam is administered by the Navy. Any work of any kind in Guam is done under the administration of the Navy. It is a naval island, and the Governor of the island is a naval officer. There is nothing new about this fact, because for 40 years Guam has had this status and no question has been raised about it. If the harbor is dredged, it should, of course, be dredged by the Navy. I do not intend to stand before you and say that this project is self-liquidating. It will not be, because the expenditure of \$5,000,000, while it will be of tremendous assistance commercially in our airplane traffic through Guam, will not pay its own way. It will, however, be very cheap expenditure to provide the additional training facilities for our naval planes in time of peace.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New York.

Mr. COLE of New York. If the dredging at Guam has to be done by the Navy, I do not understand why similar dredging at Midway was done by the Army engineers.

Mr. MAAS. I will explain that. We had two treaties with Japan. One was a specific treaty between the United States and Japan which had nothing to do with the arms-limitation conference, which was entirely independent of that and which still is in effect, which prohibits the fortification of the mandated islands; the other, the Washington treaty, prohibited our making any improvements in our island possessions excepting Hawaii. Midway is considered a part of Hawaii, but to lean over backwards, so there would be no question about it, that work at Midway was done by the Army engineers. It could have been done by the Navy, but the treaty was still in effect, and to eliminate any possible question of doubt the Army did it. The Army could do it in Guam. The proper procedure in the case of Midway, of course, would have been for the Navy to do it, but in order to avoid any possible implication the Army did it; we leaned over backwards so as to comply with both the spirit and the letter of our treaty obligations.

Mr. COLE of New York. Can the gentleman give us any other instances where the Navy has dredged a harbor purely for the accommodation of commercial traffic.

Mr. MAAS. No; I do not think the Navy has previously done it. There are only a few islands controlled by the Navy.

Mr. HESS. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. HESS. Is not the reason that this item is contained in this bill, a naval bill, not only because there will be dredging of the harbor but construction of shore facilities for the Navy?

Mr. MAAS. No; that is not true. There are no shore facilities of any peculiar use to the Navy. They are necessary for any operation of the harbor even commercially and they could just as well be built by the Army engineers; but the proper, the fair, the square way to do it was to have it done by the Navy; and the Navy came forward without subterfuge and put their cards on the table, and told us what they wanted to do. Do you want them to trick us and hide their purpose from us?

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. CHURCH. I refer the gentleman to the bill we had before the committee, H. R. 2880. That is the only bill we had before us in the committee. I refer particularly to the language at the top of page 2:

Toward accomplishing the recommendations made by the board pursuant to section 10 of the act.

Section 10 has to do with the board known as the Hepburn board. Does the gentleman mean to say here that in view of the statement of the chairman yesterday, namely, that paragraph 1 of that report authorized the Secretary of the Navy to proceed with the construction of certain aviation facilities in line with the recommendation of the board of officers appointed in accordance with the act of May 17, 1933—

Mr. MAAS. I know the gentleman's point. I get his point.

Mr. CHURCH. Does that mean, in view of the testimony of Admiral Hepburn, that all of this should be done?

Mr. MAAS. I hope the gentleman will not take any more of my time. I will explain that. The Hepburn Board recommended something entirely different from what the committee is proposing. The Hepburn Board went way beyond what the committee is recommending. True, the board's proposal would require the work the committee is proposing, in any event. That would be part of it. But the committee did not bring in a bill to carry out the Hepburn Board's recommendation. That is not the bill the committee brought forward at all. We brought in a new bill, a committee bill.

Mr. CHURCH. But that is the report before the House now?

Mr. MAAS. The gentleman is correct. It is in line with it; but "in line with it" does not mean it follows it to the letter, and we did not follow it to the letter.

Mr. CHURCH. It says "toward accomplishing that purpose."

Mr. MAAS. Yes; toward accomplishing that purpose; but not in itself the complete accomplishment of the purpose.

Mr. SIROVICH. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New York.

Mr. SIROVICH. I believe every Member of this Congress concedes that America does not desire to take one inch of land that belongs to Japan. Why should Japan or any other country object to us fortifying our own islands in order to protect our own country and to see that no one takes one inch of land that rightfully belongs to us?

Mr. MAAS. Of course, Japan knows we are not going to invade it. Japan ought to know that we are not going to interfere with her affairs in China. What Japan does fear is that we may attempt to hold them to their treaty agreements for an open door in China. Whether we ought to or not—we probably will not—but that is what they fear.

Let me explain that there can be no possible threat to Japan or any other nation on earth by the little simple

dredging that is proposed by this bill. Even if we were to fortify it and make a Singapore out of it, that would not be a threat to any other nation on earth unless such nation had sinister designs toward us.

Mr. Chairman, you do not invade a nation with fortifications. You protect a nation with fortifications. The Siegfried and the Maginot lines are no aggressive threat to either country. They are only a threat against aggression by the other nation.

Mr. COLE of New York. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New York.

Mr. COLE of New York. Is it not possible, however, to invade a nation from a naval air base?

Mr. MAAS. No; absolutely not. The gentleman gives those of us who are aviators too much credit. From a naval air base you cannot invade anything nor anywhere.

Mr. COLE of New York. Then, why is London so fearful of Berlin at the present time?

Mr. MAAS. That is entirely different. They are next door to each other, with thousands of land-based planes always ready to take the air. The most planes we can possibly have at Guam would be 24. The maximum range of those planes for fighting purposes is 1,200 miles, and it is 1,400 miles to Tokyo. Twenty-four planes are no threat. But it might mean the difference between a short and long war; yes, the difference between victory and defeat for us to have a dredged harbor in Guam.

Let me finish my statement with reference to the necessity for this development from a commercial standpoint. The United States is not self-sufficient. Unfortunately, we have to import certain absolutely essential raw materials, such as tin, tungsten, and rubber, all of which we have to get in commercial quantities from the Far East, and without which our peacetime industries would collapse in the United States. It might be possible to import those products by air under certain conditions. If we could not send our merchant ships over there, we might continue to import them in probably sufficient quantities by air; therefore, to reach the Orient and prevent interruption of essential imports it is necessary that we have adequate aviation facilities on the island of Guam or some other island over there, and Guam is the only island we have at the present time.

May I proceed to a statement of the defense value of Guam. It has great defensive value merely as a dredged harbor. It is not a threat to anybody as a harbor. It could not interfere with anyone, excepting a nation that had hostile intentions toward us. It might interfere with such nation. The minute war started we would lose Guam, because we would drop back from it, if the island was not fortified. I am assuming we are not going to fortify it. I am not in favor of that, on the basis of the present information. I am not saying, though, I would not be in favor of that proposition if we had some testimony on it, or if it had been recommended and urged by the Navy Department.

Maybe I would be for it, I do not know; but on the basis of the present testimony, which had to do only with the dredging of the harbor, I am not in favor of fortifying Guam at this time. There is no plan to fortify it. There is no proposition here of the camel getting his nose under the tent, unless you are afraid he will get his nose under your tent, because the Congress will have to pass on any other plans that may be presented. If you fear this, then you are fearful of yourselves, because it will have to be presented to you and you will have plenty of time to deal with it if the matter ever comes before you.

Mr. LORD. Will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New York.

Mr. LORD. Would the island of Guam be valuable to Japan?

Mr. MAAS. Not at all. It would be immensely valuable to us from a scouting standpoint even without any fortifications at all. If we had planes training over there, or some of our scouting planes were temporarily operating out of Guam, and they were able to locate the possible movement of an enemy fleet in our direction, they would drop back to Hawaii; our

fleet commanders would be notified of the fact and we would be in a favorable position to meet the oncoming fleet.

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, it would be of no value to Japan at all, even if the harbor were dredged. Japan has a number of mandated islands which are already dredged and probably fortified.

Japan has islands a thousand miles nearer Hawaii than Guam that are probably better than Guam. Why would they bother taking Guam, which would not be of any value to them at all? Certainly the fact that we might have planes in Guam that could detect the beginning of an enemy fleet movement toward this Nation or toward South or North America might far exceed in value to the fleet commander the value of, say, a battleship, yet the cost of this construction is but \$5,000,000. If we do not have the island of Guam prepared so naval pilots in peacetime can take training in making hops over there and becoming more familiar with the Pacific and with the air conditions and weather conditions in that area, then if times should become very critical it would be necessary for the fleet commander to send out some very expensive surface craft which might be essential to the fleet, perhaps destroyers or cruisers even, and they undoubtedly would be destroyed in the mission of scouting for essential information about an enemy's fleet movements. They would probably be caught by the enemy and destroyed, and yet they might form a very essential part of the fleet. It might cripple the fleet to lose such vessels. If the planes, the eyes of the Navy, were not permitted to see the movements of an enemy fleet, we would have to send surface craft out, crippling the fleet to do it, and thereby risk the loss of American ships manned by American boys. On the other hand, we would not lose a single airplane in getting the same information. All we would do would be to drop back from Guam, and if we were not at Guam there would be no purpose in capturing the island. Japan now has much more valuable islands that are nearer to us; islands that are certainly prepared for fortification and probably already fortified. The Japanese have an island, which I am personally convinced is fortified, that is closer to Hawaii than Guam is to Japan.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Briefly for a question.

Mr. CHURCH. The gentleman has no information—

Mr. MAAS. Is the gentleman telling me or asking me?

Mr. CHURCH. Has the gentleman any information as to any fortification whatsoever of the mandated islands?

Mr. MAAS. Yes; I have very excellent information.

Mr. CHURCH. Did the gentleman furnish the committee any information whatever as to the fortification of the 98 mandated islands surrounding Guam?

Mr. MAAS. Yes; considerable.

Mr. CHURCH. Will the gentleman state what that information was?

Mr. MAAS. First of all, that planes of Japan have been seen flying over the island of Guam, and they were of such a size and nature that they could not possibly have come from more than a few hundred miles away, six or seven hundred miles at most. They were seaplanes, therefore, that were based on the water. They were not based at any land base or on a ship. They had to be based somewhere in those islands. They could not have been flown from more than six or seven hundred miles away. They have been flying back and forth across Guam and apparently taking photographs of what we are doing there. They had to have a base to operate from, somewhere nearby Guam.

Mr. CHURCH. Is that all the information the gentleman has?

Mr. MAAS. No; I have lots more.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New York.

Mr. SIROVICH. The Aleutian Islands, which belong to the United States, are being fortified, and they are nearer to Japan than is Guam.

Mr. MAAS. Of course.

Mr. SIROVICH. Then why should objection be made to this development at Guam?

Mr. MAAS. I want to tell you that if Guam were not in this bill, the opponents would be picking on Wake; and if Wake were not in it, they would be picking on Kodiak; and if Kodiak were not in the bill, they would be picking on San Francisco. [Applause.] They are determined to pick on this bill, that is all.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield to the gentleman from New York.

Mr. COLE of New York. Perhaps that is the very reason why Guam is in the bill, to take the curse off the rest of it.

Mr. MAAS. Maybe; but the harbor development at Guam is essential for continued commercial aviation in the Pacific and highly desirable for peacetime training of our naval aviators.

Mr. Chairman, I fear there may be some foreign-policy implications in what is proposed; that is, in the striking of Guam from this bill. I do not believe there is any foreign policy involved in improvement of our own territory, wherever it may be, but I fear that when we start joining some of the European powers in a policy of appeasement we are getting on very dangerous ground. When we surrender our rights to sovereign American territory because of newspaper threats in a foreign country, we are on the road to decline, and we will go down the road France and England are going, selling out in advance because they are not prepared to defend themselves. [Applause.]

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I yield myself 5 additional minutes.

Once you start a policy of appeasement there is no end to it. You give the first inch and before you are through you have to give a mile. Once they get you on the run you never stop. We had better never start. We do not need to. [Applause.]

We are today the most powerful nation on earth. The greatest crime we can commit, the greatest disservice we can do to peace and democracy, is to yield voluntarily this position of strength and power. Everyone knows we have no aggressive intentions toward any other nation. Do you think a militaristic nation such as they would have you believe Guam represents would have 21 sovereign free republics to the south of us and a sovereign dominion to the north of us? There has not been a time in the last 100 years that the United States, from the pure standpoint of military power, could not have gobbled up both the North and South American Continents. Yet we have protected these dominions and countries from being gobbled up. This is hardly a record that would make any foreign power fear the United States. No; most of the hysteria about Guam is in this country, and most of it is in this Chamber; very little of it is in Japan.

You know you people here seem to be a whale of a lot more concerned about the fear Japan has over this than anybody in Japan.

Mr. LORD. Mr. Chairman, will the gentleman yield?

Mr. MAAS. Not at this moment. I want to read you a statement of the Japanese Navy Minister made in the Japanese Parliament a couple of days ago. They were debating their defense program, and Admiral Yonai, the Navy Minister, was asked whether our developments in Guam were going to necessitate an increase in the Japanese naval expenditures because of such activities in Guam.

A member of the Diet asked Yonai, during the discussion of the budget, whether American plans to fortify Guam would necessitate additional Japanese appropriations.

Understand, his answer was made to the question of whether the fortifying the island—and we do not even propose that, but just to dredge the harbor, and here is his answer:

There is at present no reason why Japanese-American relations should be tense. Japanese policy is based on nonaggression. Therefore, Japan's armament is at the minimum consistent with national defense.

Now, get this, gentlemen on both sides of the aisle:

Anyone who believes that the United States is pursuing aggressive designs against Japan grossly misunderstands the situation. Therefore, the Japanese Navy is not attaching much importance to the Guam issue.

Most of the importance is being attached to it in this House.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. COLE of New York. In order to give proper weight to the statement of Yonai, which the gentleman has just read, does not the gentleman think that some emphasis should be placed on the words of that statement to the effect that "Japanese policy is based on nonaggression?" Does not that give the lie to the entire statement? [Applause.]

Mr. MAAS. Not necessarily, because he was answering his own people in his own Parliament, and the greatest value of his answer is that they did not ask for additional naval or military appropriations because of our plans with respect to Guam. I grant you I would not believe anything they said, but in this case his statement is borne out by the facts because they did not ask for any more money, and that is the reason I do believe him.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I yield.

Mr. SIROVICH. The very fact that the Navy Minister said that Japan believes in nonaggression and is bombarding and destroying all China with that nonaggression should fortify us all the more in our determination to protect Guam so that she cannot do the same here.

Mr. MAAS. I want to leave you with what seems to me to be fundamental to America. We have no aggressive intentions toward anybody on the face of the earth. We have proved that in 150 years and, certainly, in the last 40 years when we rescued the Philippines from the Spanish and after spending millions of dollars to train them in self-education, have voted them their complete independence. By the same token I say that if we want peace in the world—

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. MAAS. I believe that it should be fundamental that while we are never going to invade foreign countries, we are never going to send soldiers overseas for the purpose of aggression or acquiring territory, by the same token we must make it clear to the world that American territory must always be respected, that wherever American territory may be now, regardless of the question of how we acquired it, whether wisely or unwisely, that our territory must be respected, and I take it as a fundamental American doctrine that we want the world to know that we intend to defend every inch of every bit of American soil anywhere, at any time, from anybody. [Applause.] To do less than this means that we are no longer a great Nation; to do more exceeds any policy or any desire of the American people; and I warn you that to do less than that will do more to stimulate the dictators in their contempt for democracies than anything I can imagine. If we, as a great democracy desiring to lead the world in the view that a democracy can survive, are ourselves to survive, and if we are to set that example, then we must make it clear to the dictators of the world or any other form of government, whether communistic or otherwise, that we are ready to meet all comers at any time to keep our own borders inviolate. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman, today, possibly because it is the anniversary of the birthday of the Father of his Country, it seems to be the general practice to summon from the past some of the statesmen of former days of this country for their contribution to the arguments on this floor. Therefore I summon today one of the eminent statesmen of the past, a man I consider to be one of the wisest statesmen this country ever produced. That man, Mr. Chairman, is

Benjamin Franklin, who once said, "If you make yourself a sheep, the wolves will eat you." That is a principle that has been true throughout this world as long as we have any trace of mankind, and every nation through the history of the past that reduced itself to a state of impotency has gone down the road to destruction, which led to oblivion from which there is no return.

Mr. Chairman, in this matter of the improvement of the harbor on the island of Guam, we seem to take mainly into consideration whether or not it will be objectionable to Japan. I say right here that if we allow the objections of Japan to deter us in our handling of our own territory wherever it may be in the world, in our own manner, then the time will not be far distant when the Japanese Empire will presume to dictate the size of our Navy, and it may not be far distant when occurrences such as happened the other day in New York, of which the gentleman from Colorado [Mr. MARTIN] spoke so eloquently a short time ago, will be very much more prevalent throughout this Nation than they have been in the past.

Therefore, in considering whether or not we will carry out the provisions of this bill as it applies to Guam, let us consider only what the sentiment of the House of Representatives is in respect to this action, and not allow any consideration of the objection of any foreign nation to weigh our decision in that respect, and especially that of Japan, a nation which has never scrupled to disregard her pledged obligations to the world whenever she has deemed it expedient to do so.

Let us consider this matter solely upon the advice of the Naval Board of the United States, and from that alone determine the proper policy for this Nation.

Mr. SACKS. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. SACKS. Is it not true that the objections by other nations to anything that we may do in this matter should not be of importance, because this is basically a great economic defense for us?

Mr. FADDIS. That is what I have been trying to say. As far as we are concerned, this is one of the outposts of the Nation. If we are attacked from the east, it is an interference which will meet that attack and which will carry back and warn this Nation of the coming attack. It will be a point in the western Pacific where information can be collected, evaluated, and forwarded, which may be of vital importance to this Nation in time of emergency.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. CHURCH. Guam has been an outpost for a great many years, has it not, and there has been no move to fortify it or improve it?

Mr. FADDIS. It may be that we would need it like a man needs a gun sometimes. When a man needs a gun, he does not have time to run back home and get it out of the bureau drawer.

Mr. CHURCH. You pick up the gun now and start a war that will be a great expense.

Mr. FADDIS. That would be the part of some people who would prefer a policy of impotency, that would invite impositions on this Nation. If the gentleman would like to follow that in his own personal daily affairs, he is welcome to do it. For me, I prefer to follow a policy that will protect the Nation as I would protect myself. [Applause.]

Mr. Chairman, the first power conferred upon the President by the Constitution is as follows:

The President shall be Commander in Chief of the Army and Navy of the United States and of the militia of the several States when called into the actual service of the United States.

Now, the armed forces of the United States exist for but one reason, the protection of the Nation and its interests. We have been accustomed to refer to our policy regarding our armed forces as our policy for national defense. This policy should today be called our policy for national security. In a military sense there is a vast difference between "defend" and "secure." To defend means to prevent the enemy from seizing and occupying. To secure has a broader meaning.

It means to prevent the enemy from getting in position where, by means of his weapons, he may cause damage to the locality or territory in question. Into a program founded upon this theory the island of Guam is an integral and a necessary part.

Anyone who is at all informed regarding modern armament knows full well that during the past quarter of a century advances along the line of armament have been as rapid as those in any other mechanical field. What we may expect tomorrow, no one knows, but certainly the least we can expect is more advancement. Just as there has been a speeding up in the mechanics of the instruments of warfare, so has there been a decided speeding up in the method of calling them into action. Today war comes with almost incredible swiftness. We will need outposts at a distance to give ample warning and to furnish early interference. Such an outpost will be Guam. Also it is a well-recognized fact today that there are other threats to the security of a nation as dangerous as the threat of lethal weapons. These threats must be guarded against just as vigilantly as must the threats from sources of a lethal nature. From whatever quarter, on whatever front, or from whatever cause, our national security is threatened, we must be prepared to combat that threat.

In guarding against any threat from purely lethal sources we would certainly make use of the most up-to-date lethal means possible to procure. We would not hamper the Commander in Chief by requiring him to resort to the use of obsolete mechanical weapons. Why, then, should we hamper him with any other archaic means of preserving the security of the Nation?

The President in his constitutional function of Commander in Chief of our armed forces is charged with the maintenance of our national security. His duty in this respect is a broader duty than that of a mere commander of our armed forces. It is a double duty, one which also includes the direction and shaping of the affairs of the Nation in order to prevent us from being embroiled in any difficulty, or to enable us to be in a secure position if we do become embroiled. He must at all times keep before him the thought that the national security is paramount above every other consideration. In his conduct of the affairs of the Nation he must at all times keep the matter of what we might term "position" before, during, and after any probable hostilities in mind. His viewpoint must be broader and he must be allowed more latitude than must those who are concerned only with our mechanical means for national security.

Of course there are those professional isolationists who insist that our proper foreign policy is to imitate a tortoise and withdraw into our shell at the first sign of danger. They would have us abandon our traditional policy of the freedom of the seas, which would mean the loss of our foreign trade. From our former experiences, in endeavoring to absorb our own surpluses, there is little doubt but that this would be a calamity greater than war. It is just as essential to steer clear of domestic difficulties as it is to circumvent foreign difficulties. This school of thought advocates economic boycott against nations, the foreign policies of which we disapprove. To my mind, economic boycott may easily prove to be more disastrous and more lasting to the boycotter than to the boycottee.

Hermit nations are backward nations, just as hermit individuals are backward individuals. It has been wisely said that "international trade is the lifeblood of civilization." The exchange of surplus commodities is the factor which raised mankind from the stage of savagery. If permitted or forced to practice a hermit policy, any nation will quickly revert to the primitive, as history proves by many instances. Are we ready to proclaim to the world that we have no interest in the affairs of the rest of the world and that the name of the United States is meaningless? If so, would we be permitted to impersonate the turtle? We may isolate ourselves from the rest of the world, but can we isolate the rest of the world from us? I doubt it.

Japan endeavored to do so once but was unsuccessful. Armed ships of various nations, and some of them flew the Stars and Stripes, thundered at her doors and forced them

open. This policy of isolation may sound well as a theory to those who do not think the matter through, but as a concrete solution to a practical situation, it is but the path of least resistance, leading toward the dim distant past, and we do not wish to head in that direction.

What is the meaning of all of this criticism coming from the platform, over the radio, and from the press over the refusal of the President and the Department of State to cry from the housetops or on the street corners all about our foreign relations? Demands have been made that the foreign policy of this Nation be made known to the American people. The cry of gag meetings of committees has been raised and attempts have been made to attribute a sinister meaning to what has always been regarded, in this and all other nations, as a natural, necessary, and logical method of procedure—namely the conducting of the foreign affairs of this Nation in a manner sanctioned by custom, recognized by precedent, and in conformity with the Constitution.

These carping critics speak as if it has always been the custom of an administration to publish in black and white a foreign policy as definite and defined, as indelible and inflexible as the Ten Commandments. They imply that the President and the Department of State are withholding from the Congress and from the Nation facts which should be made public. They darkly hint that the responsible officials of this Nation are uninformed and ignorant of the true facts regarding our foreign relations.

Of course, some of this outcry is pure demagoguery and is easily recognized as such from the source. Much more of it is a poorly advised attempt to make political capital out of a nonpolitical matter. Some of it comes from individuals whose vanity has been wounded because they were not called to sit in the executive meetings. Some of it comes from professional objectors to any foreign policy of this Nation—bitter-end isolationists. Some of it comes from those who wish to keep their names before the public, in order that their services may be in better demand from the platform and over the radio.

To conduct the foreign affairs of the Nation, without apprising the world in general of every move, is a privilege which has been enjoyed by every President of this Nation. Every other nation in the world which has any foreign relations conducts theirs in a like manner. In a nation such as this, composed of a population having so many different racial sympathies, it would be utterly impossible to conduct it in any other manner. We have a representative form of government and our officials operate by means of delegated powers. Foreign affairs are delicate problems and must be handled in a manner so as to cause as little misunderstanding as possible, abroad. It is the sincere desire of this Nation and of its officials that a general world conflict may be avoided. No one of any responsibility can claim that we will not be scorched by the conflagration nor guarantee that we will not be drawn into it. Any misunderstanding which may arise most certainly increases the danger that we may be involved.

The fact is, that there exists in Europe and in Asia a situation for which the administration is by no means responsible and one which is not to the liking of the American people. A school of political thought, which is repugnant to our social and political ideas, has become, for a time at least, a threatening factor. It is all very well to say that the existence of such is no concern of ours. To say so is to lose sight of the fact that we have a moral and a financial interest in the world as a whole. Our moral interest is our concern for the fate of democracy everywhere throughout the world. Our financial interest, is our concern for our trade, its markets, trade lanes and access to raw materials.

Much has been said of the Farewell Address of the Father of his Country and usually with the implication that his parting advice was to keep out of any foreign alliances. It has also been implied that this set up an iron-bound foreign policy which has been strictly adhered to. In fact the parting advice of Washington was, "to steer clear of any permanent alliances with any portion of the foreign world."

That Washington was, however, far too wise and far too well trained, both as a soldier and a statesman, to ignore the advantage of temporary alliances, is proven by these words in his Farewell Address, which we have just heard read, "taking care always to keep ourselves, by suitable establishments, on (sic) a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies."

In his recent action of extending the assistance of our industrial resources to those nations whose political philosophy is compatible with ours, President Roosevelt is only following in deed and interest what has always been the foreign policy of this Nation. He is only recognizing for this time, and under the conditions which prevail now, the same policy which was recognized when the Monroe Doctrine was promulgated as a policy of defense. He is but exercising that constitutional authority granted to every President, which gives him a field of wide latitude in which to function, while carrying out his duty in his dual nature of both military and civic head of the Nation.

In extending the gesture of friendship toward those nations, with which because of tradition, blood, and democratic ideas we feel we have the most in common, he seems to have awakened a hymn of hate among the disciples of dictatorship. This is proof that there are still those who remember 1918 and the sight of that huge American flag which flew over Ehrenbreitstein and the memory of that sight is sufficiently potent to dispel any visions of the return of the fabled glories of the Nibelungen Epic. [Applause.]

Mr. CHURCH. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOLLES].

Mr. BOLLES. Mr. Chairman, before I proceed with these few remarks I will remove from my coat a United States flag made in Japan. [Laughter.]

I have been having a lesson in geography, and I think it is a good thing for the House itself. I noticed the other day, when this map was brought here by the gentleman from Georgia [Mr. PACE], that hardly a Member knew where Guam was. They hunted all over the place. Guam is a little island entirely surrounded by Japan. One hundred and twenty-one miles north of it is the Japanese island of Saipan, with a most excellent harbor. Nobody has mentioned it. It is near enough to the bases of Japan, the end of the Nipponese islands, to be dangerous to the island of Guam. But I am not afraid of Japan. I am not afraid of war over there on account of dredging out a harbor. I am not afraid that Apra is going to be occupied by the Japanese, but I cannot understand the economic idea of spending \$5,000,000 to fix up this island in order that Japan may have \$5,000,000 more of value when she takes it. [Laughter and applause.]

For 41 years we have owned this island. Its government has been of the Navy. We have a fine electric plant over there, and we are too far away to get T. V. A. [Laughter.] I wish the gentleman from Mississippi [Mr. RANKIN] were here so he could make a note of that. We have built some waterworks over there. We have dredged out the harbor from time to time. We have ordered the natives that they shall have 12 chickens, one rooster, a few pigs, and raise a few crops to keep them from being on W. P. A. [Laughter.] We have done a great work over there. If the Committee on Naval Affairs had carried out the recommendations of the Governor of Guam, you would have found this:

Recommend that development of Apra Harbor be undertaken for the purpose of facilitating the proper handling of commercial cargoes, commercial cargo carriers, and commercial aircraft; such development to include:

A commercial pier with terminal warehouse.
Commercial shore storage for fuel oil, Diesel oil, and gasoline.
The dredging of coral heads and reefs dangerous to navigation and anchorage of commercial shipping.
Protective seawall on the surrounding reef.
These developments have been made the subject of separate correspondence to the Navy Department.

This is signed by James P. Alexander, commissioner, naval station of Guam.

In 40 years of naval occupation by the United States we have developed this island insofar as possible, with but 20,880

natives and 1,300 white men on the island, and very few Japanese. We do not allow Japanese on this island, you know. They are not permitted there. Japanese ships are not permitted to run in there except one or two of the Shu-Mazi Line. The landing of the clippers last year is shown on the pages of this document, the annual report, and they had plenty of room to land the *China Clipper*. So it would be useless and a waste of money to make a sinister attempt to take the first steps in fortification.

If I had my way, if I were going to do this, instead of doing it piecemeal I would have it all fortified and make it worth something. As it is now it is simply a small kumquat in the hand of Japan. All Japan has to do to destroy the kumquat or put it out of business is just to close the fist.

Guam is at present—

Said the Secretary of the Navy in his report—

practically defenseless against determined attack by any first-class power based in the western Pacific. With adequate air and submarine protection securely based on Guam the island could be made secure against anything but a major effort on the part of any probable enemy.

What enemy?

If Japan is at peace, if Japan has no aggressor intentions, if she has no idea of aggression, then what enemy have we in the Pacific?

Why should it be made such a base, 3,300 miles from Hawaii, 6,000 miles from San Francisco by way of Hawaii, 7,900 miles from Panama? Why should it be made a base to secure against anything but a major effort on the part of any probable enemy?

The speakers on this floor have stated that Guam would fall in just a minute or two. I am of the opinion that before this question came to the House—and I am glad it is here—the Members of this House thought that Guam was like Boston, a state of mind.

I believe some of the Members thought it was like Boston, just a state of mind. I am tempted to paraphrase some of that great classical speech by Proctor Knott, when he talked of Duluth, the zenith city of the unsalted sea. But this is no place for levity. Guam is a reality. It is hard to find in the island-sprinkled Pacific—like picking out one grain of pepper from the box and identifying it. I am moved to emotion when I think of all the millions of our people—the aliens on W. P. A., the mountain girls who are curling their hair with T. V. A. electricity, college graduates and Government employees who live and perhaps may die without knowing of the beauties and glories of the lizard and rat-inhabited Guam—Guam the incomprehensible, where without a St. Patrick there are no snakes and where the girls started the red-lips habit by chewing betel nut. That is a great saving. She does not have to stop on the street and use a mirror.

Strange land is this! There are no indigenous quadrupeds. Everything on four legs has been introduced from the outside world. Hogs are raised but there has never been enough of them to warrant a pig-killing program. A plant is used to stupefy fish—make them drunk. A writer watching this bait work tells of what he saw:

Nothing more striking could be imagined than the picture presented by the conglomeration of strange shapes and bright colors—snakelike sea eels; voracious lizardfishes; garlike houndfishes, with their jaws prolonged into a sharp beak; long-snouted trumpetfishes; flounders; porcupinefish, bristling with spines; squirrelfishes of the brightest and most beautiful colors—scarlet, rose color and silver, and yellow and blue; parrotfishes (*Scarus*), with large scales, parrotlike beaks, and intense colors, some of them a deep greenish blue, others looking as though painted with blue and pink oaque colors; variegated Chaetodonts, called sea butterflies by the natives; trunkfishes with horns and armor; leopard-spotted groupers; hideous-looking, warty toadfishes, "nufi," armed with poisonous spines, much dreaded by the natives; and a blackfish with a spur on its forehead.

What a place for a battleship on a fishing expedition!

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. BOLLES. I yield.

Mr. MARTIN of Colorado. Did I understand the gentleman to take the position that Japan is a nonaggressor nation?

Mr. BOLLES. I do not take any position on Japan, as to whether she is an aggressor nation or a nonaggressor nation. I leave that to the brilliant experts who have occupied this floor before me.

Mr. MARTIN of Colorado. It strikes me that the gentleman's argument pretty nearly involves the necessity of a decision as to which she is.

Mr. BOLLES. That Japan is an aggressor nation?

Mr. MARTIN of Colorado. Yes.

Mr. BOLLES. So far as the United States is concerned, no.

Mr. MARTIN of Colorado. Not even potential?

Mr. BOLLES. Any nation is potentially an aggressor nation if she thinks she has an excuse.

Mr. MARTIN of Colorado. Yes; and the United States will find she is more than an aggressor nation potentially unless the United States gets herself in a position to stop her.

Mr. BOLLES. I would like to sit down and argue the war, but I am making a speech on Guam. [Laughter.] This island of Guam, you must understand, is so far west that it is in the East. [Laughter.] Many years ago, in a spirit of adventure, I sailed around Guam up to Saipan, 121 miles, a large island owned by Japan, past a little island called Roto. I think that is where the Rotary Club started. [Laughter.] But the fact is, this little volcanic island, this island of Saipan, has excellent harbors for small craft.

Now, I want to get back just a minute to the commerce of Guam. Twenty-two thousand chemise-clad natives constitute its population. [Laughter.] You must understand that up in Saipan, where the Japanese are, where they own this island, they use the G-string as the chief article of sartorial adornment. [Laughter.] But Chamorros down in Guam are still so civilized that they wear the chemise.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. BOLLES. I yield.

Mr. SCHAFER of Wisconsin. Why not send these warlike New Dealers, Mr. Ickes, Mr. Wallace, and Mr. Pittman over to Guam to lead the army of these chemise-clad natives?

Mr. BOLLES. Not being a paid officer of the Navy, I cannot answer that. [Laughter.]

[Here the gavel fell.]

Mr. CHURCH. Mr. Chairman, I yield 20 minutes to the gentleman from Oregon [Mr. Morr].

Mr. MOTT. Mr. Chairman, I wish all Members of the House could have had the opportunity to hear the gentleman from California [Mr. Izac] and the gentleman from Minnesota [Mr. Maas] in the debate upon this bill this afternoon. You may not be aware of it, all of you, but you have just had the privilege of listening to two Members of the Congress who are naval experts. One is a former commander in the Regular Navy—a professional naval officer with an outstanding war record. The other, during the World War, was a very active flyer in the Marine Corps. His activity in that field has never ceased, and he is at present a colonel in the Marine Corps Reserve. I am sure the information they have given today will be of great value to all of you when it comes to deciding what you should do in regard to this bill and particularly in regard to the controversial item of Guam.

I assure you that in saying what I shall have to say upon this bill I do not claim to speak as an expert. I could not qualify as a naval expert, because I am not a member of the naval profession, any more than I could qualify as a medical expert, because I am not a member of the medical profession.

The best I can say of myself in this regard is that I am tremendously interested in the problem of national defense; that as a member of the Naval Affairs Committee of the House I have tried to be as good and as careful a student of the problem as I could; and that as a member of that committee it has been my privilege and part of my business to listen to the testimony and advice of naval experts, to try to evaluate that testimony and advice, and to do my best to

help the committee to report as good naval legislation as possible to the House for its consideration.

Now, in the first place, I want to make it as plain as I can that the purpose of this bill is not to extend our present lines of naval defense. There seems to be a great deal of confusion upon this point, many Members being of the opinion that to undertake the development of Guam, as contemplated in this bill, would be to extend our line of defense in the Pacific. This is not the case, and no naval expert that I know of has ever interpreted this development of Guam as extending our line of defense. Certainly there was no such testimony before the committee, and the committee was most thorough and exhaustive in its inquiry upon this very point. I think even if Guam were fortified it would not extend the line of defense; it would implement it, to be sure, but it would not extend it. The line of defense is not altered by the Guam item. It remains the same as it has been for many years.

I think it was when the Navy expansion bill was before the House in the last Congress that a very definite statement was made by the Navy Department as to what our line of defense is and where it is. The recognized outer line of the naval defense of the United States, as you know, is the Aleutian-Hawaii-Panama Canal line in the Pacific, and the line from Panama to San Juan and Guantanamo in the Caribbean Sea and then north through the Atlantic up to the northeastern corner of the United States. That is our outer line of defense, and that will remain the line whether the Guam item is retained in this bill or not.

The Guam item provides for dredging the Apra Harbor, for building a breakwater, and for constructing a ramp for seaplanes. And that is all it does provide for. It includes no fortification of any kind and no naval base of any kind. It will, however, in addition to aiding commercial navigation and aviation, make this harbor available for the use of naval planes, so that they can be used there if and when they are needed.

This development is not a threat to any nation. In time of war, however, it would be of the greatest value to our own Nation. It would enable us to patrol the area to scout an enemy fleet advancing on Hawaii or any other Pacific possession of the United States, and thus give timely warning to our fleet and enable it to engage the enemy fully prepared, and at a location of our own choosing.

This briefly is the situation in regard to Guam. Guam is not a part of our line of defense. It never will be. But with the improvement of the harbor, Guam can be made to serve as a valuable aid in enabling us to defend our line, even though it is not a part of that line. Prudence and foresight should persuade us, therefore, that this improvement should be made.

I wish to discuss briefly now our real lines of defense in the Pacific which through this bill will be strengthened and implemented.

The Aleutian-Hawaii-Panama line of defense is, of course, just what its name indicates. It is a line, an imaginary line, drawn through the eastern part of the Pacific Ocean from Dutch Harbor in the Aleutian Islands of Alaska to the Hawaiian Islands and thence to the Panama Canal Zone, and it constitutes the first or outer line of the naval defense of the western coast of the United States, in event we should become involved in a war with an Asiatic power. An Asiatic power, as you know, is the polite or diplomatic way of referring to Japan when we have occasion to talk about the possibility of an attack upon the United States by way of the Pacific. No other Asiatic power would have any reason for attacking us, and certainly no other would have the ability to do so, at least not in the very near future.

The Aleutian-Hawaii-Panama line consists of three major naval bases: The base at Pearl Harbor in the Hawaiian Archipelago, which is probably the strongest naval base in the world; the base at Panama, which is beyond question the most vital part of the line, because the capture or destruction of the Panama Canal would be disastrous in any major war, and the proposed base at Dutch Harbor, which has already been authorized by the Congress and upon which construction will commence in the immediate future.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. MOTT. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. Has the gentleman ever crossed the Isthmus of Panama?

Mr. MOTT. Yes.

Mr. WHITE of Idaho. Is it not a fact there is no means of communication by way of a road across the Panama Canal except the Panama Railroad?

Mr. MOTT. There is no highway.

Mr. WHITE of Idaho. In the event of an emergency on one side of the Canal, there would be no way of moving armament or forces across to the other side except by railroad?

Mr. MOTT. The railroad and the Canal itself. That I think is a very unfortunate situation and ought to be remedied.

Mr. WHITE of Idaho. One well-placed bomb in Lake Gatun would put that railroad out of commission.

Mr. MOTT. That would be a possibility.

Mr. WHITE of Idaho. And we would be entirely defenseless from one side to the other?

Mr. MOTT. We would be seriously crippled, at least.

Mr. WHITE of Idaho. Can the gentleman tell the committee the reason why no road has been built across the Isthmus?

Mr. MOTT. If I undertook to go into that, I am afraid I would not have any time left to speak on this bill.

Mr. WHITE of Idaho. The gentleman just explained to the Committee the importance of defending the Canal. Can we defend it if we have no communication from one side to the other?

Mr. MOTT. I may touch on that if I have time.

The theory upon which this line of defense rests is that if these three major bases—Unalaska, Hawaii, and Panama—are made impregnable against attack from an enemy, and if our Navy operating from these bases is kept intact, and in force superior to any opposing navy, then in event of war with Japan, the Japanese Navy could never reach our shores. And, unless and until an enemy navy attacking from the Pacific can reach the coast line of North America at some point between and including Dutch Harbor and Panama, then no enemy force could possibly be landed. As a matter of fact, so long as this advanced or outer line of defense holds fast no enemy fleet could even challenge our inner line of defenses, which runs along the coast of North America from Dutch Harbor to Panama. This inner line of defense, by the way, is just as important in our defense system as the outer line. The two must be considered together, and I shall have something more to say about that inner line later in these remarks.

You will have noticed that in stating the theory of the defense of the west coast by the Aleutian-Hawaii-Panama line I have used a number of "ifs." This line of defense is good only if the bases which comprise it are impregnable; it is good only if the Navy, operating from the bases upon it, is kept intact; and it is good only if the Navy, defending the line, is superior to any opposing naval force that may be brought against it. It should be the proper business of the Congress, therefore, if we intend to maintain that line of defense at all, to see that all of these "ifs" are, insofar as may be possible, eliminated, so that the bases will in fact be impregnable; so that our fleet, manned by the best sailors in the world, will be kept intact, and so that our naval force in the Pacific will always and under all circumstances be superior to any foreign navy or combination of foreign navies which may undertake to break through this outer line.

Now, I have been assuming thus far for the sake of outlining the character, importance, purpose, and value of the Aleutian-Hawaii-Panama line of defense that this line, if it were made as impregnable as possible, could be held in any probable contingency and that thus, by defending that line, the coast of continental United States, Alaska, and Panama could be made secure from attack. But, as a matter of fact, I do not believe we are warranted in making any such assumption in the light of world developments during the past few years. If we were attacked by Japan alone, and if we had a

superior naval force in the Pacific properly disposed at the time of the attack, I think there could be no question as to the outcome. But that may not be the case if we should find ourselves called upon in the future to defend this line. My own opinion is that if that time comes we will not be facing one enemy alone, but very likely two and perhaps three enemies at the same time.

The reason I think that to be the probability is this: We have always considered Japan to be our principal potential enemy, and we have planned accordingly in event of that unfortunate contingency. But Japan is not the only nation in the world which has been casting longing eyes at the Western Hemisphere.

The two other dictatorships, Germany and Italy, have, as a matter of fact, already made greater economic inroads into South and Central America than Japan has. It has always been the policy of all three of these nations, ever since they came under the rule of the mad men who control them, to try, as soon as they considered it feasible to do so, to translate their economic conquests of weaker countries into actual physical occupation and domination of those countries. And the method by which they have accomplished this has always been war or the threat of war against those who opposed their ambitions in this regard.

To those who have carefully followed the current history of the dictatorships I am sure I need not undertake to prove my statement by detailed citation of examples. Witness the conquest of China by Japan, the conquest of Ethiopia by Italy, the conquest of Austria and the dismemberment of Czechoslovakia by Germany. But some may say: "These are weak, undefended countries. The dictators would quickly change their policies if in order to carry them out they were obliged to wage war with a major power."

I wish I were able to concur in that view, but unfortunately, in my opinion there is nothing in the evidence to substantiate it, either in the acts of the dictators themselves or in the philosophy upon which the modern dictatorships are based. When Hitler demanded of Czechoslovakia the cession of the Sudetenland France and England had an unconditional treaty, a military alliance, with that little country under which those two great powers had agreed and were solemnly bound to defend the territorial integrity of Czechoslovakia whenever and by whomever it should be threatened. Did this deter Hitler? Not in the least. He simply thumbed his nose at these two great nations. He said that unless the Sudetenland were surrendered to him by a certain hour upon a certain day he would march his army into Czechoslovakia and he defied France and Britain to stop him. And did France and Britain try to stop him? Why, instead they not only backed down completely but they asked Hitler to invite them to sit around the table with him and help him carve up and dismember their brave little ally. They even asked Mussolini to be in on the kill with them, so that the Italian dictator might not feel slighted.

Did Japan stop her butchery in China for fear of a war with a major power? She not only dared Russia to intervene but she also showed her contempt for Britain's interest in China by shooting and wounding the British Ambassador to China, and her contempt for the United States by blowing up one of our gunboats.

Mussolini's ambitions are by no means confined to the subjugation of defenseless nations like Ethiopia where his son machine-gunned helpless women and children from the air and publicly described it as an exciting sport. Today we find him taking an active part in the Spanish civil war and demanding territorial concessions from France and Africa.

This reckless and, thus far, wholly successful onward march of the dictators is by no means an accident. They are following a very definite program, and I think they are following it under the terms of a very definite understanding and agreement between the three of them. Behind the hideous acts of these paranoid tyrants there is a philosophy and policy of government which they believe they must and can put into operation. That policy and that ambition is to

make their countries self-sustaining through the acquisition by force or threat of force, of lands which they can exploit and which they believe will furnish them not only the raw materials they require but at the same time furnish them a completely controlled and dominated market in which to sell their manufactured products.

Now, where do such lands lie? Not in central Europe to which Hitler is presently directing his attention; not in Tunisia, a part of which Mussolini is now demanding of France; and not in China, which Japan is overrunning with fire and sword. The only lands sufficient either in extent or resources to make the dictator nations self-sustaining lie in the Western Hemisphere, in South and Central America and in Mexico, all defenseless. Each of the three dictator nations, as I have said, has already begun its economic conquest there upon a far larger scale than most of us realize. And the history, the fundamental policy, and the every act of these nations in previous similar circumstances should, it seems to me, be sufficient to persuade us that they will continue their economic conquest of these lands up to a certain point, as they have always done elsewhere, and that they will then undertake to translate it into a physical conquest, if they think they can do so successfully. And in that event the only thing that will stop them will be force, because force is the only instrumentality of policy which the dictators understand or to which they have ever paid the slightest attention.

In this connection, it is unnecessary to remind you, I am sure, the Monroe Doctrine is an integral part of our national policy and that its defense is vital to the security of the United States. An attack upon any country of the Western Hemisphere would be precisely equivalent to an attack upon continental United States and such an attack would, of course, mean war.

I am quite aware that some authorities, for whom I have much respect, consider the probability of concerted action against Central and South America to be so remote that it is unnecessary for us to be prepared for it. My own humble opinion, however, and I could cite many reasons for it which seem to me to be sound, is that the probability of a concerted action by these dictators is greater than the probability of an attack from one of them alone. One reason is that concerted action by all three of them, from the Pacific and the Atlantic at the same time, would have infinitely greater possibility of success than separate action on the part of any one of the dictators. This fact must not be overlooked in the formulating of our defense policy. If we do overlook it you may be sure that neither Japan nor Germany nor Italy will overlook it in event they should decide to move upon this hemisphere.

Now, if such concerted attack should come, unless we should have a superior naval force in both oceans at the same time, we would either have to divide the fleet—which would be a risky business—or else we would have to abandon at least partially the outer line of defense in one ocean while we endeavored to meet the situation in the other ocean separately with the major portion of the fleet. In such a contingency if we were obliged to abandon the Aleutian-Hawaii-Panama line of defense, or so weaken it that we could not risk a major battle there, that would automatically bring the war in the Pacific to the secondary line—that is to say to our very coast line—and there, for a time at least, the battle would be fought and there the issue, so far as naval defense of this country on the west coast is concerned, would be settled.

This is only one of the many reasons why our secondary line, as well as our advanced line, of defense must be made as strong as we can possibly make it. And now let me sound a warning as seriously as I can. As a chain is no stronger than its weakest link, we must see to it that there are no weak links in that secondary line.

Unfortunately, none of the links of our inner defense line are as strong as they ought to be, and some of the links are so weak that they may as well not exist in event an assault on them should be made.

Consider, for example, the vital Columbia River area between San Francisco Bay and Puget Sound. Between these two bases there is a 750-mile stretch of coast line without any defense or naval establishment whatever. Here between them is the great Columbia River, the second largest river on this continent. The estuary of the Columbia is a freshwater harbor 20 miles long and averaging 5 miles in width, in which the entire fleet of the United States can ride at anchor. On this great river is Portland, a city of 350,000 inhabitants. On it is the huge Bonneville Dam and power project owned by the Government and also, farther up the river, Grand Coulee Dam, the largest irrigation and reclamation project in the world.

An isolated air raid could destroy it all, even with the fleet intact upon the Aleutian-Hawaii-Panama line. But if that line were broken and the fleet divided or destroyed, an enemy force could and would immediately land there without the slightest inconvenience, and would immediately occupy and fortify one of the richest, most important and most strategic areas of the United States.

This bill will correct this vital defect and a number of other defects in the defense system of the Pacific coast and it will give us an inner line of defense the whole, and not merely a part of which, we can successfully defend.

And so, in conclusion, may I summarize very briefly by repeating that the maintenance of the Aleutian-Hawaii-Panama line is, in the opinion of nearly all authorities, indispensable to the security of the United States; that Guam does not extend that line, but may help us better to defend it; that insofar as may be possible this outer defense line should be made impregnable from successful attack by any enemy fleet or combination of enemy fleets which we may have to oppose there; that unless we are able to maintain a Navy superior in strength to any naval force that may be brought against us, it is entirely possible for a combination of enemies to break this line; that we are not warranted in assuming that there is no probability of concerted action against us by two or more nations at the same time, and that if it is probable such concerted action may be made, we ought to prepare now for the contingency which would develop if the Aleutian-Hawaii-Panama line of defense should be broken; that in the circumstances it is indispensable to our security that we maintain a complete secondary line of defense from Dutch Harbor to Panama, and that every vital area upon that line, without exception, be made absolutely impregnable, at all costs, and in event of any contingency that may reasonably be foreseen in a probable future war. This bill is an important step in the direction of accomplishing this. With such protection as this the safety of the Nation is, I believe, secure. Without it our security may be placed in jeopardy. Certainly, as a Member of the Congress, as a representative of the people of the United States in this body, I would not care to take the responsibility of denying that protection and that security to the people of the United States. [Applause.]

Mr. MAAS. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. YOUNGDAHL].

Mr. YOUNGDAHL. Mr. Chairman, while I agree with 90 percent of the statements made by my distinguished colleague from Minnesota, I disagree with him on the Guam issue.

While this measure provides for \$5,000,000 for the dredging of the harbor, some of the members of the Naval Affairs Committee and a large number of the Members of this House believe that this is only the first step in a plan to fortify the island. Next year and the year following we will be asked to appropriate millions more because we have already spent \$5,000,000, and we should not allow that to be wasted.

I am in favor of national defense. I favor an army, a navy, and an air force large enough and sufficiently well equipped to defend the principles of the Monroe Doctrine and the sanctity of American soil against any aggressor at any time.

I say to you, Mr. Chairman, America's eastern frontier is not the River Rhine and our western frontier should not be the island of Guam. Any plan leading to the fortification of

this island, 4,500 miles out in the Pacific, is at best ridiculous, at worst a provocative act.

If any country in Europe or Asia today began fortification of any base within 1,500 miles of Washington, this Congress and the American people would rise up in wrath at such an affront.

For the United States to start fortification of Guam can be considered as nothing more than a direct invitation to the Far East to attempt to knock that chip off our shoulders.

This matter of Guam goes further than the dredging of the harbor. It does directly to our future foreign policy that may lead us into war.

In discussing this bill yesterday, the esteemed gentleman from Georgia, as chairman of the Naval Affairs Committee, said:

It is not only necessary that we look to our own defenses but it is to our advantage to allow airplane manufacturers to furnish planes to those other two great democracies—France and England—in order that they may not be destroyed by the dictator powers.

During the last few days we have heard much explaining in an effort to whitewash in the minds of the American people the White House participation in the French airplane deal against the counsel of high Army officials.

In those explanations we have seen the Secretary of the Treasury take an active part. Heretofore the Secretary of State has, in the ordinary course of his duties, been the representative of this Government in its dealings with other nations.

Can it be, Mr. Chairman, that participation of the Treasury Department in this airplane sale means not only that the administration sanctioned and aided the sale of these planes but that the Treasury of the United States is being asked to finance the deal?

As we discuss these defense measures, I believe this Congress and the American people are entitled to know the answer to this question and our future foreign policy. [Applause.]

Mr. MAAS. I yield 2 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman and members of the Committee, in considering the Naval Appropriation Bill and more particularly its one controversial issue the appropriation for dredging the harbor, building of a breakwater, and improving the seaplane take-off area in Apru Harbor at Guam, it seems to me that we are dealing with three very vital problems in discussing one of the most important issues confronting the Seventy-sixth Congress. Taken up in order these three problems are: (a) The extension of democracy; (b) national defense for our own protection as well as that of democracy; (c) the need of foresight and statesmanship at this time.

As to the first item, the extension of democracy: Where is democracy, anyway? Is it limited to the 48 States of the Union and bounded by the shores of the Atlantic and Pacific, the Mexican and Canadian borders, or does it extend to Alaska, to Hawaii, Puerto Rico, the Philippines, Guam, and our other territorial possessions? Does it extend to our ships, our merchant marine, our commercial airlines, and the routes which they are traveling today? Or is it limited to the docks or the landing fields in this country from whence they start their journey, or is it only to be found on the farms where the ship's cargo comes from, or at the oil wells in Texas or Oklahoma, or in the steel towns where the ship's framework was fabricated, or in the lumber camps that provided the lumber to make the ships? And if it is so limited and is to be found only in such primary places, then God forbid the building of the ships, the furnishing of farm products, the furnishing of "oil for the lamps of China," or the departure of our elements of trade and commerce to the seven seas of the world.

If democracy is only to be found in so narrow an area as that which the isolationists would have us believe, then it would have been much better to have left off building democracy across this continent, and to have kept it confined to the original Thirteen Colonies of 1776. Suppose we had done that, had not pushed on to the west coast, had left

Spain, France, Mexico, and England in control of the Middle West and the West?

I repeat, if democracy is only to be found in so narrow an area as that which the isolationists and pacifists would have us believe, and recommend that we defend, then God forbid that the precious lives of our seamen and aviators be sent out to face the great risks to which they will be subjected by the fierce and never-abating onslaught of those military dictators who are carrying on their wars of aggression and the destruction of our international law and order every day of these modern years in every corner of the globe. In the terms of a saying of that great statesman and intellectual leader, Benjamin Franklin, if democracy is only a lamb to be defended and fought for here on United States soil, then we should not send it out among the wolves of international outlawry and brigandage.

But I am not so sure that we can so limit and circumscribe democracy even if we did attempt it; nor am I willing to agree that democracy, great and idealistic as it is, can be preserved and promoted if we so seek to limit it and limit our defense of it, and I say that for this reason, that not only does water seek a level but also so does mankind, not only socially and materially but also politically, seek a level, and if we do not protect and promote democracy in every single far corner of the earth bringing it to the rest of the world intensively and aggressively, then the rest of the world will bring their less desirable political philosophies to us. This old world is a great old "evener" and if we do not take democracy to the rest of the world, lifting humanity and its races up by it and to it, the lesson of history indicates that they will then drag us down to their less desirable level.

(b) So the consideration of the development of Guam, this outpost 5,428 miles from the United States, becomes a matter not of antagonizing Japan and her allies, but one of national defense and of our own protection and that of democracy. For, as I have already pointed out, democracy is found wherever our trade and commerce goes, and it will needs go everywhere if America is to continue to grow or even to exist, so then we cannot limit our ideas and conception of national defense to the soil and the cities of the 48 States. Our whole commercial, social, religious, and political future will depend upon the support which our Naval and Military Establishments can and will give against the forces at home and abroad which would drive us into a circumscribed area. And to those who are of that school which visualizes our danger of attack as only that here in America, I would say that to pursue that policy to its ultimate end and conclusion would mean that in the final analysis, after both England and France have been defeated and forced to capitulate and bow to an unconditional surrender to the war lords of Europe and Asia, and if you are anti-communistic, including Russia in that group, we of America would then face them alone. And what an allure our \$14,600,000,000 in gold bullion and our \$2,000,000,000 in silver bullion and all our other great natural resources would have to those present-day Napoleons. And how little chance would there be that we could hold the line, withstand the combined onslaught and save ourselves from destruction without a similar surrender.

(c) It seems to me that our value here as Congressmen, and the value of any national official, for that matter, is determined to a large degree, not only by what we do here on the floor of Congress about present emergencies but much more by what we know and do now about future problems which will confront us in 2 or 3 years, or even 5 years, hence. If our Congressmen and statesmen in 1929 had had the foresight and the courage to deal with the depression as they should and the unemployment problem which many then predicted would be the result, how much could we not have saved the country in useless expenditures, in so-called emergency expenditures, and in hand-to-mouth planning, which now, after 10 years, has brought us to such a low ebb in our national economic and political existence. If not only our own statesmen but the statesmen of Europe in 1931 could have had the courage of their convictions and the needed foresight then, if those persons who now realize and know

that we could have stemmed this tide of military aggression which has the world in its grip today with its concomitant growth of armies, navies, armaments, national defense, and huge wasteful spending for war, could but have used their foresight in 1931, how different a world this would be. And so now, in 1939, after Japan's entry into Manchuria, Italy's crossing and taking control of the Mediterranean and going down into Ethiopia in 1935, Germany's and Italy's entry into Spain in 1936, to say nothing of the previous rearmament of the Rhineland and the annexation of Austria in 1938 and Czechoslovakia's dismemberment and the present drive of Japan into China, now nearing its second year, which for all useful intents and purposes has forced both France and England out of the Orient, if not completely, then to such a marked degree that it is now apparent that it is only a matter of a few months before British Hong Kong, which is already surrounded by Japan, due to the capture in October of Canton to its north and the island of Hainan to its south on February 10, must fall or be destroyed. And after Hong Kong has so fallen, which was bombed on February 21, according to Associated Press dispatches from London, the next drive on the part of the Japanese will undoubtedly be Singapore, and then immediately after that Japan will be in a position to deal with the case of the United States. And that she will deal with her in her own way, there is no doubt, judging from her sinking of the *Panay* in December 1937 and the machine gunning of our sailors who were on a mission of mercy up the Yangtze, and that she will deal with us in her own way is also certain, if we are to judge from the commercial competition which she has given us throughout these many years in textiles, in toys, in electric-light bulbs, in pencils, in chinaware, and the dozens of other ways in which she has indicated that her competition is rare and intensive and too much for our ordinary strength to withstand.

When Japan has disposed of Singapore and has taken charge of the trade and sea routes to and from the Orient and of the Indian Ocean, including the Malay Peninsula and its many highly productive tropical islands, we will be well within her mercy. Do not forget that those islands produce some of our most essential and needed foreign products and importations without which this Nation could not possibly exist. At least democracy and our high standard of living could not be saved from the need for a managed governmental economy and dictatorship if we had to get along without the rubber, without the chromium, tin, hemp, jute, flax, and other tropical products which we are now buying there, and which we must have or for which we must find or develop very expensive substitutes, which would have a very costly effect on our living expenses, happiness, and freedom in this country.

BOYCOTTING JAPAN

We hear much talk today about boycotting Japan and putting an embargo on sales of goods to her, and there is undoubtedly much justification on the part of those who make the suggestion. But do not think that Japan has not heard of the presence of this movement in America and that she is not already preparing to protect herself from such a serious eventuality as she would be faced with if we were to cut her off immediately or in the future from all trade and commerce. Not that it would have any material bearing on the prosecution of the war in China, or her intentions in the Pacific and Indian Oceans, because if we cut her off there are plenty of other nations who would come to her aid if an "honest" dollar could be made by the businessmen of those nations. And she would also protect herself with substitutes and by the building of factories for the production of the things which she is now buying from this country. In fact, recent press dispatches show that she is already doing this very thing.

In fact, she is already purchasing in this country, taking to Japan, and setting up, factories equipped with heavy machinery, dies, and other equipment essential to the manufacture of automobiles and trucks and other things now being purchased here. Assuming that she carries on the war in China to any conclusion, whether successful or not,

to what use do you suppose smart and efficient little Japan would put these same automobile factories when there is no longer need for trucks and cars for war purposes? Take that picture and add to it the control of the sea routes to those same South Sea Islands, which I have just mentioned, from which we obtain so many very essential raw materials for the use of our own automobile manufacturing industry. Is this not our greatest single industry? Does it not involve tremendously important manufacture of all kinds in this country where millions of our people find employment and livelihood? Could this industry possibly compete with the cheap labor in the Orient if they started to turn out automobiles, at probably one-half our price, and especially if our manufacturers had to pay tribute to businesslike Japan as they undoubtedly would if she took control of the rubber output and sales in her particular sphere or geographical orbit of control.

While this is, of course, theoretical, however, judging from the trend of the times and events since 1931—it is apparent that either one of two eventualities will develop in the Orient; either Japan will take over China and establish her sphere of influence throughout the Orient, with results which I have above briefly described, or worse, she will come to grips with this Nation. I am much interested in and concerned over both these possibilities, but I am personally and very intensely interested in the latter problem right now because of having three sons ranging in age from 15 to 21 years who will be the first to be called, if not the first to volunteer their services, in case of such a conflict. And while these three sons of ours will to us represent the best young manhood in America, I know that many of you are in a similar position and I want you all to know and to understand that I consider that my office as Congressman here in Washington makes me and all Congressmen the legislative trustees of millions of American youth to say nothing of our obligation and duty to their parents, relatives, and friends. We want our boys protected, you want yours, and they all want theirs protected. Not with false economy and lack of foresight and statesmanship as we now know was the case in 1917-18 when many lives were needlessly sacrificed and lost because of our terrible state of unpreparedness and as a result of which we are even still paying the penalties, and it seems very clear to me that this appropriation for the harbor at Guam is a very necessary and essential commencement and element of that protection which we all desire.

I say this advisedly, first, because this is the best guaranty of peace which we can possibly create; and also the best guaranty of preparedness, in terms of national defense, as is shown on page 28 of the Hepburn committee report, a committee made up of the outstanding experts on this subject, they say, and I quote—listen carefully:

A strong advance fleet base at Guam, developed to the practical limits which the natural resources invite, would assure the most favorable condition that could be brought about for the prosecution—should need arise—of naval operations in the western Pacific, arising from whatever necessity. It would reduce to its simplest possible terms the defense of Hawaii and the continental coast of the United States. It would also assure the ability of the fleet to operate with greater freedom in meeting emergency conditions that might arise in the Atlantic.

In other words, if it were to reduce to its simplest possible terms, as they say, the defense of Hawaii and the continental coast of the United States it would help to shorten the war and eliminate the possibility of danger and destruction and loss of lives in and to our own continental area, and, as they say, it would make it possible to release more of our fleet for the handling of any emergency condition which might arise in the Atlantic. Is it not very apparent that in terms of our own welfare and safety and in terms of the lives of our youth that we should promote this recommendation rather than to take the blind, ostrichlike attitude which would leave us in the same unfortunate situation we found ourselves in in 1917-18, when we did not have a single piece of artillery except a few Coast Artillery guns, which we could use at the front in France and when it took us 15 long, costly months before we could halfway train and equip an army for service at the front?

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"WHAT WOULD WE DO?"

Suppose Japan, thinking to circumscribe us or to drive us from the Pacific, were to sink another one or two of our ships, machine-gunning the drowning and killing a thousand of our people, or suppose she were to shoot down a Pacific Clipper, killing our famed pilots and crew and the passengers, as she is very likely to do if it seems to meet with her purposes and requirements to eliminate us and democracy from the South Seas, from the Pacific and Indian Oceans, what would happen? You know, as I know, that the people of America would not exercise further, or sufficient restraint to keep from declaring that we must stand up for our rights and for democracy. In such an atmosphere as that event would create I do not believe they would wait for any actual attack on the mainland of the United States, even if more Congressmen than in 1917 were opposed to a declaration of war. We all know the power of the radio appeal and its widespread influence, and of the effect of screaming headlines in our papers. Who is there in position of leadership and in control of radio time at a moment's notice who would advise sufficient caution or restraint in such a day and in opposition to a mad public suddenly inflamed and aroused by the rabble-rousers who are in training and on the air daily and who do control radio time? File this description of what may happen in your memory, keep for future reference remembering too that democracy is wherever found and not just on the mainland of the United States, and also that there are still patriots in America who will fight for it with zeal and courage, if need be, even as they did in the days of the Revolution or the Civil War, or in 1917.

DO FORTIFICATIONS CAUSE WAR?

Furthermore, it is fallacious to assume that improvement and even fortification of this or any other island or strategic position will cause war. In the light of history and what we know about the causes of war, it would seem apparent that the improvement of the harbor at Guam would not be an element in the creation of a war with Japan. If it is, then certainly the highly developed fortification defenses of the Philippine Islands, which are much nearer China and Japan, would have caused war; or the fortifications of our own Mexican border; or of the French border; or of the Russian-Japanese border; or of Singapore and Hong Kong by England or of the Japanese Islands, which have been fortified by Japan near Alaska, would also have brought on war. No, I think we must look deeper for the cause of war than the mere improvement of a harbor or the building of fortifications in a small Pacific island, and I am also willing to admit that we must look deeper for the cure of war than the mere promotion of fortifications and national defense. In the final analysis we will have to look elsewhere than to any of these superficial aspects for the causes and for the cure, and we should not be wasting our time playing with such instrumentalities with the vain hope of obtaining peace or a solution for war thereby. It must be kept in mind that this or any other fortification or national-defense or preparedness measure is only useful in meeting the onslaught when it occurs and in putting it down and bringing it to a successful conclusion with the least possible expense of time, money, and lives.

THE PHILIPPINES AND TRADE

In contemplating this deep and profound problem I have mentioned some historical aspects, but in conclusion I wish to refer to a story which is told about that great and noble martyred President, William McKinley, who, as the narrative goes, when faced with the decision in 1899 as to what to do with the Philippine Islands, went into the seclusion of his inner chamber, in other words, into his holy of holies, where he took the problem to his God, and to yours, the Creator of all the earth, who is the same in 1939, today, as in 1899; and it is told of McKinley that when he came from his prayerful communion his face shone, for he had the answer to the Philippine problem, and he had it from the hand of God. He had it just as surely as Moses received the Ten Commandments, and just as surely as Paul, when stricken blind on the way to Damascus, received the message that the

disciples of Christ were right and that he must aid in establishing a world religion for all people everywhere. That answer was that America should grasp the opportunity offered and that it was presented to her as a link in the chain of human destiny which is ever on the march upward and onward to higher planes of living, to higher citizenship, higher idealism which will eventually result in the realization of the philosophy inherent in the expression, the universal brotherhood of man. Whether our guardianship over and interest in the Philippines has resulted in our having a greater interest in and effect on the Orient and its problems of life I will not say and will leave to you to judge instead, but I do know that because of our connection with and interest in the Philippines they have been greatly lifted up until they are now almost ready to become an independent and self-governing nation. I also know that because of our influence that our export and import trade with the Philippines has increased 1,000 percent since 1905 when our present trade agreement with the Philippines went into effect.

Does that not mean something to us, and shall it not be asked: How can we hope to lift the world to our own level and to promote democracy and Christianity, which are more or less synonymous, and the high idealism which they both connote, if we take the narrow, nationalistic viewpoint and attitude which so many of our people do? In the fiftieth chapter of Psalms there is a verse which goes like this—I quote: "Every beast of the forest is mine, and the cattle upon a thousand hills, for the world is mine and the fullness thereof." In other words, all of our boasted wealth and natural resources come to us only because the Maker has made us his trustees for a time, which means that we must remember that we hold all these fine and good things which we do in this land of liberty and freedom not for our own selfish personal benefit alone, but that we may give of them to all the world to enjoy by and through the process of trade. Anyone who believes war can be eliminated by restraining trade is chasing a will-o'-the-wisp. Do we still have fairy tales, or have the comic strips taken their places and still make it impossible for people to think in realistic ways? Trade is constructive, not destructive; trade is uplifting, not degrading; trade makes it possible for men to live by the sweat of their brow, and those who would restrain it are anything but pro-American. George Washington recommended it in his famed farewell address. Trade benefits both parties to a transaction because all business deals in things that belong to the One who created the world and Who lets us use freely so long as we use thoughtfully and unselfishly, and so I ask, Can we lift ourselves to the heights today so that we can think in terms of the future of America and democracy, and so we can think in terms of the youth of America and their future, or will we have their blood on our hands because of our indifference to the trends of the times and our lack of foresight? Can we think in the bigger terms of democracy and Christianity as a worldwide movement which can only lift and be successful if we are willing to promote and defend them, not only in America but in the seven seas and the far corners of the earth? It not only takes idealism and foresight, but it takes courage to face this problem of the improvement of the harbor at Guam, and I hope we will not be lacking in any of these elements in reaching our decision. [Applause.]

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DARROW].

Mr. DARROW. Mr. Chairman, as I listened this morning to our distinguished colleague from Texas [Mr. LANHAM] read so impressively the Farewell Address of Washington, I could not help but feel that Washington's counsel and advice against becoming entangled in foreign alliances should be our guidebook today in the world's present chaotic condition, with war and the threats of war on all sides of us.

Mr. Chairman, I need not attempt to emphasize my interest in national defense. My record has been established. As the ranking member of the Committee on Naval Affairs for many years, I came in close contact with the activities of the

Department, as well as with the personnel charged with the responsibility of directing those activities. My interest is today, as it has been always, in the establishment and maintenance of a Navy adequate in every way to meet the needs of our national defense. I yield to no man in the House in my position, established over the years, of advocating and supporting an adequate national-defense program.

I am in accord with the general purposes of the bill before us. I wish that I might approve it in its entirety. But my past experience and the close study which I have given to questions connected with naval operations causes me to look with alarm on the extension of our defense line in the Pacific far beyond the long recognized and acknowledged line from Alaska to Hawaii and to the Panama Canal.

I submit, Mr. Chairman, and I prize it jealously, that I believe I have enjoyed the confidence of my colleagues on questions involving naval operations. That confidence has come to me in part at least because I applied myself to a careful and deliberative consideration of issues on these matters. I have studied the one question which is in issue here—the proposed development of naval facilities at Guam. The proposal disturbs me. I doubt the wisdom or the necessity of making this move at this time. The hearings did not convince me that the proposal was either necessary or essential.

The thing that disturbs me is the potential danger which this move may create. It is fraught with possibilities that all of us shrink from—the road to war, not the road to peace.

Washington's words come to me again as he warned in his farewell message. They should be persuasive with all of us today. They challenge my conscience as I think of my responsibility to my constituents and to the people of the whole country, and that responsibility, as I see it, is to aid in the preservation of world peace and avoid any possible provocation to war.

Mr. MAAS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I have enjoyed immensely the instruction and the all-day course in geography, we might say, as well as political science; and, especially, did I enjoy the remarks of my distinguished colleague from California, Lieutenant Commander IZAC, of the United States Navy, retired [applause]; and, then, I enjoyed the remarks of my distinguished colleague from Minnesota, Colonel MAAS, of the Marines (Reserve) [applause]. Without doubt, their remarks were very convincing, but I stand here as just a humble sailor in the United States Navy Reserves [applause], and I wonder whether too much significance has not been placed upon Japan being a potential enemy of our country.

Without doubt, there is another nation involved in this question, and before I mention this nation I feel it is necessary to remind my colleagues of the fact that not so many weeks ago Anthony Eden visited the United States. Prior to his visit we heard nothing of the fortification of the island of Guam, but upon his return to England there began to emanate from the White House statements urging the including of the island in the naval program. I am convinced we are not so much concerned with Japan as a potential enemy as we are in fortifying Guam for the sole purpose of having stationed there portions of our fleet, which will include cruisers, destroyers, submarines, as well as flotillas of planes. May I ask why? Is it not possible they would go to the aid of Great Britain in the event her heavily fortified port of Hong Kong is attacked by some nation in the Far East?

That brings us to the oft-repeated question, Are we going to again pull Great Britain's chestnuts out of the fire as we have done in the past, and as some would like us to do at the present time? I firmly believe we should have an army, a navy, and marine corps second to none. Not so many years ago in one of my national-defense addresses I said, "To protect the security of our Nation let us build a navy for each coast, and if necessary put one in the Mississippi River and one in the Great Lakes and one in the Missouri River." What I cannot understand, is the necessity of extending our line of defense to the island of Guam. I

have listened to naval experts, and they say that the farther your fleet gets away from its base the weaker it gets. It stands to reason that if someone were to attack the island of Guam and we had to send our fleet to protect it, we would lose, if my memory serves me correctly, 25 percent of the strength of the fleet. Therefore would it not be well for the United States to retain its line of defense as we see it on the map? Then the attacking fleet must come to our line of defense, and in doing so they forfeit 25 percent of their power. [Applause.]

Mr. MAAS. Mr. Chairman, I yield 4 minutes to the gentleman from Idaho [Mr. DWORSHAK].

Mr. DWORSHAK. Mr. Chairman, the wholehearted support accorded the national-defense measure last week in this House indicates that no trace of partisanship was permitted to influence Members in their desire to provide adequate preparedness for our Nation. Such expenditures and policies are predicated upon the theory that, instead of being Republicans or Democrats we are Americans with a single objective of preserving peace and remaining aloof from alliances with all nations. This is a traditional American policy! There should be a minimum of partisanship now as we consider the proposal to fortify the island of Guam.

Administration spokesmen on frequent occasions recently have upheld the Monroe Doctrine as a fundamental foreign policy, and reaffirmed the intentions of this democracy to foster and cultivate friendly relations with all countries under a good-neighbor policy. While disavowals of other designs are frequently made, and Americans should be willing and satisfied to accept this administration program, there has been a concerted campaign on the part of New Deal speakers to shape a foreign policy which is difficult if not impossible to reconcile.

A good-neighbor policy should be characterized by tolerance, justice, and a forthright willingness to recognize that other nations have the same inalienable right to live under the kinds of government which their nationals prefer. We demand that right for ourselves, and can accord others no less. Therefore, it is discouraging when acknowledged administration spokesmen constantly assail other nations in an abusive and unjustifiable manner.

One clothed with such authority this week broadcast an address on the announced subject, "Our Foreign Policy," and then instead of clarifying national policies, indulged in a bitter tirade against the so-called totalitarian nations.

Surely such tactics are not conducive to harmonious relations, nor is our national administration justified in passing judgment upon the particular forms of government which are dominant in other countries. Peace cannot be preserved by premeditated and vicious assaults upon peoples whom we would not permit to impugn our national policies. Passing judgment on others may prove to be extremely embarrassing.

This same spokesman declares that the appeasement policy followed by Great Britain since 1932 has failed, and the inference is drawn that it now devolves upon the United States to make sacrifices because of this apparent folly. With the same complete disregard for ethics, this spokesman flouts Japan with the declaration that its fixed policy is "the domination of eastern Asia, including the islands of the Pacific." He then added: "No country can successfully attack our shores."

Propaganda—whether officially inspired or otherwise—should not be utilized to distort the truth, nor to crystallize public sentiment against phantom or imaginary foes.

The Monroe Doctrine has effectually served to notify other countries that the United States will frown upon any attempts to interfere with this hemisphere. Likewise there is assumed by this country an obligation to refrain from interfering in the affairs of other continents. Any other position cannot be defended, and we should be willing to accord others the same treatment which we demand for ourselves.

In his famous message to the Congress delivered on December 2, 1823, President Monroe declared—

In the wars of the European powers in matters relating to themselves, we have never taken any part, nor does it comport with our

policy so to do. It is only when our rights are invaded or seriously menaced that we resent injuries or make preparations for our defense. With the movements in this hemisphere, we are of necessity more immediately connected. * * * Our policy in regard to Europe, nevertheless, remains the same, which is not to interfere in the internal concerns of any of its powers; to consider the government de facto as the legitimate government for us; to cultivate friendly relations with it, and to preserve those relations by a frank, firm, and manly policy.

That is the essence of the Monroe Doctrine. There is no disposition to criticize or assail any nation, or its form of government.

The people of this democracy recall their disillusionment of two decades ago, when they temporarily ignored the Monroe Doctrine and sought to interfere in the discords and controversies of Europe. The appeals of Woodrow Wilson to the Allies to refrain from exacting the spoils of war at the Versailles conference went unheeded, and two great nations professing democratic ideals demanded the right to grab approximately 1,000,000 square miles of colonial territory, and force upon the vanquished iniquitous terms which are acknowledged to be responsible for the precarious status of world conditions existing today.

These same democracies did not hesitate to repudiate their wartime obligations to the United States, which action is tantamount to violation of treaties. Any official attempt by the administration to ally the United States with those two democracies at this time virtually involves approbation of their imperialism to retain possession of their ill-gotten colonies. Likewise, this would be a repudiation of the policies advocated by the United States at Versailles, and a reprehensible disregard for those Americans who, living and dead, fought to make the "world safe for democracy."

Americans of this generation will not forget; they will not break faith. They will not be deluded by the alluring preachments of those whose egotism or vanity would destroy the unanimity of a Nation and mortgage its future.

Nothing less than an hallucination can justify this proposal to begin fortification of the island of Guam.

Naval and military authorities stress the far-reaching effects of such action.

The Monroe Doctrine commits the United States to a policy which should restrain us from questionable activities in the Orient.

Common sense dictates that we preserve our democracy at home.

If there are persons who seek foreign alliances or autocratic power in this country, let them reveal their designs and not resort to subterfuge to acquire absolute control over the destinies of this Republic. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 10 minutes to the Delegate from Alaska [Mr. DIMOND].

Mr. DIMOND. Mr. Chairman, I have heard so much yesterday and today about the island of Guam that I have almost forgotten that other air bases are mentioned in the bill, Pensacola, San Juan, and even two places in Alaska, Sitka and Kodiak. It is only recently that both the Army and the Navy as well as the people of the United States generally have realized the utmost importance from the standpoint of national defense of providing defensive works in Alaska, and this realization has come about, of course, only by reason of the development of air power which has thrown into the discard many of the old earthbound concepts of strategy of military and naval science.

We all support this bill because we love peace and are convinced that peace for our Nation may be best maintained by providing adequate defensive forces and establishments. I realize that every Member of this Congress, and almost every American citizen, loves peace beyond all earthly things, because we all realize the bestiality of war and that war is a contradiction of civilization.

Some of us used to say, when we were children at least, and we ought still to say, "lead us not into temptation," and the principal merit of this bill is that it will not lead into temptation some of the dictatorships of the world. The only reason that China is now being overrun by a foreign foe is because the people of China led their neighbor into temptation by failing to provide adequate defensive works; and, just as

surely as we are in this House today, if we fail to provide adequate defensive measures for our own country we will sometime undergo the same terror which is now being suffered by the people of China. It is our moral duty to avoid leading any of our neighbors into temptation—the temptation to loot us and take away everything we possess, including the most sacred of all things, our liberty—by failing to provide adequately for the national defense.

But, Mr. Chairman, I rose to speak more particularly of the importance of maintaining defense bases in Alaska, both of the Army and the Navy. The Navy bill is the one now before us. In order to illustrate what I have to say, there have been placed on the easel beside me two charts. The upper one is a chart or map of the world on the Mercator projection. Unfortunately it sadly distorts all the northern and southern portions of whatever is shown thereon. The lower chart is a great circle navigating or sailing chart of the North Pacific Ocean, and this gives really a truer picture of the North Pacific than the Mercator projection, so far as concerns the relation of Alaska to the United States and to the coasts of the countries on the other side of the Pacific Ocean, the Soviet Socialist Republic and Japan.

It is true that the great circle sailing chart of the North Pacific Ocean—and this is the chart used by navigators in navigating the ocean—does distort especially whatever appears on the lower part of the chart; it gives a distorted picture of some of the things that appear thereon; but it is correct in one thing, and that is that a straight line on that chart is the shortest distance between any two points shown on the chart. That is the virtue of the chart, and that is the reason it is used by navigators. And so you will see if you go on the shortest line from the western coast of the United States to Yokohama. You will go through the Aleutian Islands, north of some and south of others, or if you go from San Francisco to Yokohama you will go approximately 238 sea or nautical miles south of the Aleutian Islands.

So the straight and short line between the United States and the Orient—and I use Yokohama as the center of the Orient—is the route by the shores of the Aleutian Islands, and that shows you how vitally important it is that the Aleutian Islands and Alaska—to use the words that were recited to us this morning from the Farewell Message of the Father of his Country—be put on a suitable “defensive posture.” In other words, we must have adequate defense posts and establishments in the Aleutian Islands and in Alaska. The safety of the Nation demands it. That is recognized by the naval authorities and that is the reason you see in the bill two items, one for \$2,900,000 for an air base at Sitka and another for \$8,750,000 at Kodiak.

Let me recite to you a few of the facts with relation to distance between the United States and Yokohama. I refer to Yokohama, as I say, only because it may be called the center of the Pacific Orient. Before I recite these distances, my mind goes back to a study of the battles of the Peninsula Campaign, when I was a boy. Without detracting at all from the great genius of that marvelous leader of the southern army, historians impress upon us that he had one outstanding advantage—General Lee had the advantage of interior lines. He could always work on the short interior lines, and therefore he was able to bring to any battle, by the use of even inferior forces, a greater number of men and a greater number of guns than possessed by the enemy. To use the remark that was attributed to the very distinguished General Mosby, he realized that the essence of strategy was to get there first with the most men. So anyone who controls the coast of Alaska and the Aleutian Islands, as far as a battle in the Pacific is concerned, can get there first with the most ships and guns because the Aleutian Islands and the coast line of Alaska lie on the interior or short line between the United States and the Orient. Here are the figures:

The distance from Seattle to Yokohama, the straight line, the short line, between Seattle and Yokohama, is 4,254 miles. The distance from San Francisco to Honolulu is 2,091 miles. From Honolulu to Yokohama it is 3,394 miles. The total is

5,484, making a distance of 1,231 sea miles in the advantage of the route along the shores of the Alaska Peninsula. That is the reason that the chart shown by the distinguished gentleman from Oregon [Mr. Morr], wherein he outlined the defenses of the Pacific, is so important with respect to Unalaska, because that is the port that lies closest to the short line between the United States and the Orient, and a sea fleet or an air fleet stationed at Unalaska will have an estimable advantage as far as the defense of the United States is concerned over any fleet moving across the Orient, directed to the shores of the United States.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. RANKIN. You propose there an air base at Sitka. As a matter of fact, is not the ground so rough and uneven that it would be impossible to establish an air base at Sitka?

Mr. DIMOND. No; but the base that is proposed for Sitka is a seaplane base, not an airplane base.

Mr. RANKIN. I have the statement on the authority of a former distinguished Member from the State of Washington, Hon. John F. Miller, that Sitka was the only capital in the world that never had a horse in it; it was so rough that they could not use horses. So I was wondering how you were going to use airplanes.

Mr. DIMOND. It would be a comparatively easy matter to build an adequate land field at Sitka and not at all costly. We shall have a landing field for airplanes there some day; I hope soon. The cost will not be great. But the base that is contemplated for Sitka is a seaplane base. The base contemplated by the provisions of this bill at Kodiak is also a seaplane base.

Let us consider more at length the matter or relative distances between points or places in the Pacific area. Kodiak is the most westerly of the naval air stations proposed by this bill. Kodiak is 1,237 miles from Seattle. Kodiak is about 3,300 miles from Yokohama. The total distance is approximately 4,537 miles. But, as I said a moment ago, the distance between Pearl Harbor, or Honolulu, and the nearest great city of the United States, San Francisco, is 2,091 miles. The distance from Seattle to San Francisco is about 700 miles. But from Kodiak to San Francisco the distance is less than 1,800 miles. It is, therefore, obvious that a defensive force, whether of seacraft or aircraft, stationed on Kodiak, is closer to the large cities on the Pacific coast of the United States—Seattle, Portland, and San Francisco—and therefore in better strategic position to defend those cities, than a similar force based on Pearl Harbor, for a base on Kodiak would give the inestimable advantage of having the short, interior line. In a hotly contested race even 200 miles, as would be the case with respect to San Francisco, might be of vital consequence, and in the case of Seattle the difference in favor of the Kodiak base would be nearly 1,000 miles. Here, as before, I use marine miles as the basis of measurement.

In saying this I do not wish to detract for a moment from the defensive value of the Hawaiian Islands. The defense installations there up to the present moment have probably cost us more than \$400,000,000, and I for one believe that such works have been and are fully justified not only for the defense of the Pacific coast of the United States but, what is equally important, for the defense of the Panama Canal. The point that I make is that if the expenditure of \$400,000,000 for defensive works in the Hawaiian Islands is justified, which I not only admit but assert, then the modest expenditures for Alaska which are now proposed as a measure of national defense are justified a million times and that million can be raised to the *n*th power.

Let me refer once more to the Mercator chart, used by the gentleman from Oregon [Mr. Morr] in his illuminating speech. Southwest of Kodiak, near the eastern end of the Aleutian chain of islands, you will see Unalaska and Dutch Harbor. That point, on the chart, has been indicated as the western limit, in that area, or our defense line. In my own judgment our defense outpost in the North will be somewhere in that region, for I consider Kodiak only a stepping stone from the States to our final and permanent great de-

fense base in the North Pacific. Again are distances important. Unalaska is 1,707 miles from Seattle, less by 300 miles than the distance between Pearl Harbor and San Francisco. Unalaska is 2,547 miles from Yokohama, while, to repeat, the distance from Pearl Harbor to Yokohama is 3,394 miles, an advantage in favor of Unalaska of 847 miles. It is no wonder that the late, great Gen. William D. Mitchell, who had made a comprehensive study of the effect of air power upon modern strategy, should have said, as he did, that Alaska is the most important strategic area in the world. Alaska is important in the defense of the United States, because it stretches for a distance of 2,400 miles along the North Pacific Ocean, because it is on the direct short line from the United States to the Orient, or from the Orient to the United States, and because it offers a multitude of year-round ice-free harbors for the accommodation of the craft which ply the sea and the craft which ply the air.

It must be obvious that our military or naval forces based on Alaska are in the best possible position to cut in on any hostile force moving against the United States. With Alaska undefended, the United States is not adequately defended. At the present moment, with the fleet in the Atlantic, there is nothing in the world to prevent any hostile power from taking possession of all of Alaska without firing a shot or losing a man. We have no defense establishment in the Territory, except about 300 men in the Infantry at Chilkoot Barracks, who would be obliged to surrender, or escape if they could, if a hostile force should move against them, for they are too few in number to permit them to fight. And with Alaska in possession of a foe, the Territory would serve as a base for an attack, by sea or by air, upon the States. Remember, it is only 649 miles from Ketchikan, Alaska, to Seattle, Wash., a distance well within the radius of modern planes.

My only apprehension is that we are starting our defensive measures too late and proceeding with them too feebly. After all, the bill before us is only an authorization. The appropriations must follow to make what we do today effective. And I am depressed by the plan outlined in the report that the authorization of this bill contemplates a two- or three-year plan of construction. It is a pity that all of the money sought to be authorized in this bill will not be appropriated immediately to remain available until expended. The world is on fire, and yet we are proceeding as if, somehow, miraculously, that fire would not leap the fragile inflammable barrier that separates us from other nations and engulf us, too. God grant that those who so think are right.

But in the last issue of the news magazine *Time* I read a disturbing thing which indicates a different and more alarming condition of affairs. Hallett Abend, reporter in China for the *New York Times*, and a newspaper correspondent with many years experience in the East, says that the Japanese have already withdrawn most of their troops from China. The inference is that those troops, amounting to hundreds of thousands, have been sent to the Siberian border. The further inference is that the Berlin-Rome-Tokyo allies, or "axis," have agreed to strike for world dominion now, without delay, and that, as a consequence, the Soviet Government will be too much engrossed in the west to send many troops or many guns or many airplanes against the forces that Japan has recently taken out of China and posted on the Manchukuo-Siberia boundary line. The report so made by Mr. Abend, taken in connection with the clamor in western Europe, makes me fear that all democracies literally have their backs to the wall, and that their weapons are lamentably weak. I wish that ours were stronger this day, for the more powerful we are, the better we are prepared to meet all possible foes, the greater is the probability that our sons will be spared the horrors of war and will be able to live their lives in a nation at peace.

The CHAIRMAN. The time of the gentleman from Alaska has expired.

Mr. VINSON of Georgia. I yield the gentleman 1 additional minute.

Mr. SHANNON. Mr. Chairman, will the gentleman yield?

Mr. DIMOND. I yield.

Mr. SHANNON. I just wanted to ask the gentleman to correct a statement he made attributing something to General Mosby. It was not Mosby. It was Bedford Forrest who said that.

Mr. DIMOND. I thank the gentleman for the correction. [Applause.]

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. BATES].

Mr. BATES of Massachusetts. Mr. Chairman, as a member of the Committee on Naval Affairs, I desire, in the closing moments of this debate, to give expression to my opinion as to why we should not include the paragraph relating to Guam in this very important naval defensive program bill. Before I proceed, however, I wish to say that in no sense can this action or debate be, in any way, classified as a partisan debate. This bill was reported out of committee by a vote of 21 to 1, the one dissenting vote being a member of the majority party. We have, however, filed a dissenting opinion from the majority report insofar as that paragraph relating to the establishment of an air base at Guam is concerned.

This noontime we had the opportunity on this memorable day to listen to the reading of Washington's Farewell Address. Among other things, he said:

Observe good faith and justice towards all nations; cultivate peace and harmony with all. * * * Excessive partiality for one foreign nation and excessive dislike for another cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other.

Continuing, he said:

The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little political connection as possible. Why quit our own to stand on foreign grounds? Why interweave our destiny with that of any other part of Europe, entangling our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

Much has been said in this debate during the last 24 hours about foreign policy and future parallel action of the Government of the United States with action of certain other nations of the world. In determining what we ought to do in respect to Guam, we should first determine what the national policy of the United States is to be, and whether or not we are to depart from the time-honored policy of the defense of the Western Hemisphere and our insular possessions. We have included in this bill a provision which, in itself, is nothing more nor less than a harbor improvement, but why is it in the bill? We have created the Rivers and Harbors Committee of Congress especially for the purpose of determining the economic justification of the improvement of our harbors and waterways. Some question has been raised as to the jurisdiction of this committee over the particular issue involved, but let me call to the attention of the membership that I hold in my hand three copies of reports of the rivers and harbors engineers of the United States War Department in respect to Midway Island and Wake Island. Last year Congress authorized the improvement of both these islands out there in the far Pacific. But both of them went through the Committee on Rivers and Harbors of the Congress.

If Guam is a river and harbor project and not a defense measure, why is it included in a defense bill? Why is it not referred to the proper committee of Congress to be given due consideration as to its economic justification?

We heard earlier today a Member on this side of the aisle refer to Guam Harbor as not being available for the larger ships of the Navy. The plan covered by the item in this bill would provide a dredged harbor to a universal depth of 35 feet. At the present time, all over the harbor at Guam, we find the water ranging in depth from 60 to over 130 feet, with the exception of little islands popping up here and there. It is to remove these little islands to a depth of 35 feet that this bill for Guam is in part sponsored. So we find, with the exception of these islands—about eight in number—that the harbor is now available for a large part of the American fleet if the American Navy desires to locate them there. The question in which we ought to be interested today is whether

we are reaching too far out into the far-western Pacific, 5,700 miles away from the mainland of the United States. Yes; we are going 3,307 miles farther west than the Hawaiian Islands, which is the western line of defense of continental United States.

I wonder, having heard the words of Washington read today, and to which we listened so attentively, whether we are challenging deliberately the good will of some other nation, and whether in the minds of the spokesmen of Japan we are not actually pointing a pistol at that country when we are suggesting the building up and fortification of the island of Guam. They say this is not fortification, but I have in my hand here a report from the so-called Hepburn Board, which said, among other things, that the establishment of a fully equipped fleet base at Guam capable of accommodating at least the major part of the fleet in all types would in itself practically assure the impregnability of the island. Yes, Mr. Chairman, the dredging of the harbor, the building of the breakwater, the development of the inner harbor is the first step toward the fortification of that island; and before we reach that point it seems to me that we should first determine what the foreign policy of the Government of the United States in the Far East is to be.

Those of us who dissented from the majority report found no difficulty in reaching the conclusion that, if this is simply a river and harbor improvement, it can be deleted from the bill and be referred to the Committee on Rivers and Harbors, a committee on which I have had the privilege of serving for 2 years. Let this committee determine whether the improvement of the harbor of Guam is economically justified.

In this critical hour, when the world is in an upset state of mind, when countries are eyeing each other with suspicion, let us be careful in determining what our policy shall be in either the Atlantic or the Pacific, because we know there is going to be a day of reckoning. We have further the testimony of Admiral Leahy before the Committee on Naval Affairs only a year ago to the effect that a fleet three times the size of the increase asked for in the naval expansion bill of a year ago would not be sufficient to enable this country to carry on a successful campaign in the far-western Pacific.

Yesterday the question was asked, What are we going to do with Guam, and what are we going to do with the Philippines? Admiral Leahy answered that last year when the naval expansion bill was under consideration when he said that—

The Philippine Islands at the present time are an outlying possession of the United States. The Navy at the present time, and as contemplated under this bill, will not be sufficiently strong to arrange for the protection by the United States of the Philippines against any major power. That is one of the things in the approved policy that we are unable to do.

Therefore, Mr. Chairman, it is clear what we are going to do with the Philippines, and it is clear what we are going to do with Guam. We are building up and improving the harbor at Wake Island, some 4,000 miles from the mainland of the United States, and which is the first outpost of our defense lines. Why should we go out to Guam, 5,700 miles away from the mainland of the United States and only 1,353 miles from Japan, and thereby provoke another nation with which we are on friendly terms? Why do anything that may incur the wrath of any nation or irritate them in any way, when conditions are so unsettled as they are today throughout the world? Why should we go looking for trouble that may be a costly venture, when our duty should be to preserve peace? [Applause.]

[Here the gavel fell.]

Mr. VINSON of Georgia. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, when some great American, impressed with the tremendous value of the public service rendered to his country by George Washington, said that he was "first in peace, first in war, and first in the hearts of his countrymen," he uttered a great and universal truth to which all good Americans subscribe.

On this, Washington's natal day, February 22, I, as a humble citizen, privileged to sit in this historic Chamber, wish to add just one word to all the eloquent tributes paid to the great and immortal Washington by saying: Mighty as was his contribution to his country as President, soldier and statesman, there is another field to which his vast talents were devoted and to which field he contributed lavishly; I refer to his contribution to the philosophy of public education.

Admirers of Washington's military genius and statesmanship will find a rich field for study in his views on public education. He saw this problem clearly and he saw it as a whole; he recognized its importance and some of his observations are so all-embracing, so far-reaching, and so modern that they apply today with a force that is absolutely astounding.

Washington was first a great American. He was a great soldier. He was a great and far-seeing statesman. But above and beyond his greatness in the field of action, he was a great seer and philosopher in the educational field, and with all due respect to our modern thinkers along these lines, I doubt if we shall see his like again. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, I have four things I desire to say about national defense.

DEEPEDED NATIONAL SPIRIT

First, I believe America needs more than anything else a new and deepened national spirit. We need to have a sense of being all in the same boat. We need to understand that we have problems that are not the fault of individuals or of political parties and that have to be dealt with in a spirit of common effort. Some people will have to remember that personal attacks on the President of the United States—and, after all, he is President of the United States—if carried on in improper fashion come very close to attacks upon the very genius of the Nation itself.

THE RIGHT OF SELF-PROTECTION

The genius of a democracy is liberty. The genius of a democracy is a free discussion of its problems. But democracy is face to face today with the necessity of finding how it can protect itself against certain groups which take advantage of that very liberty for the purpose of organizing to destroy it. I am one of those who believe that democracies have a right to put a ban on the corporate existence of such organizations, and I have introduced a bill which, if enacted into law, would accomplish this.

PUTTING OUR FINANCIAL HOUSE IN ORDER

Mr. Chairman, in the second place, I want to speak about national defense from the point of view that was taken by one of the Members on the Republican side, the gentleman from Pennsylvania [Mr. DITTER], who stated that we ought to put our financial house in order as a measure of national defense. I agree with him. But I do not believe that it can possibly be done unless this Congress recognizes the fact that you cannot put a national financial house in order until such time as you have asserted the fundamental constitutional provision that the National Government, the Congress specifically, and it alone, has the ultimate power to coin money and regulate its value.

Until this right is recognized you cannot put your financial house in order. The fundamental need of the business of this Nation is now and has always been the existence of a volume of actively circulating medium of exchange adequate to transact the business of an expanding economy. Our Budget has been unbalanced in recent years in order to try to buy into circulation through the sale of Government bonds sufficient bank deposits to create a volume of circulating medium which would be something like adequate to transact our business. True, this effort has not been altogether successful up to now. It has increased the national debt, as I see it unnecessarily, because I do not believe this Nation or any other should be called upon to pay interest for the right to use its own credit.

Take the example of the R. F. C. about which we were talking a few days ago. The R. F. C. in the past has not received its money for making secured loans as a private bank would get it. If a man comes in with adequate security and wants to borrow money from a private bank, according to our existing fractional reserve banking system, that man's security becomes itself the base for the creation of an equivalent amount of money in the form of bank credit. The contraction of that loan calls into being the credit necessary to make it. But the R. F. C., a Government agency, is denied that privilege. The R. F. C. must get its money from the Treasury. The Treasury gets its money by selling Government obligations. The Government debt is thereby increased before the R. F. C., an agency of the Government of the United States, can be regarded as having any credit to lend on however good security or with however large a capital stock. In other words, we have turned the thing exactly around, and instead of Congress having the right to coin money and regulate its value, the Congress gives away that right and itself must pay interest in order to exercise it. We are assuming that the reservoir of credit in this Nation—credit that rests on the property and the people of the Nation—is something that is privately and not nationally owned.

If we would straighten out these things, then indeed we could put our financial house in order. I may add in this connection that we must recognize the fact that it is in the field of regularizing and increasing the buying power of the American people in line with the power of this country to produce that the solution of this great problem must be found and that national defense in its true sense must include the solution of these economic problems.

THE WESTERN HEMISPHERE POLICY

In the third place, I want to say a few things on the subject immediately before us. I have changed some of my opinions since I became a Member of this body. I am ready to go along with those people who say the American Navy should be large enough to protect the Western Hemisphere. I am ready to go along with the Western Hemisphere policy, which states that America proposes to see to it that no nation in the world, herself included, shall interfere with the self-determination of any nation in the Western Hemisphere. I am for a strong foreign policy, and I think a strong policy can also be a peaceful one. I do not want to see anything interfere with our Government's pursuing a policy of that kind. When I say that, however, I must say further that I do not propose at any point in my public or private career to make remarks or speeches which may be interpreted as implying an attempt on my part to deny to the people of any other nation their right to have the form of government they choose to have. By the same token, on the other hand, I propose to see to it that the American people have the right to be free from interference on the part of any foreign nation or any group serving under the direction of any foreign nation as to what form of government we shall have in our country. [Applause.]

With these few preliminary remarks, may I say that I shall vote for the pending bill, but I am also compelled to say that I have found it impossible to vote in favor of the \$5,000,000 for Guam, not because I think it is something we do not have the right to do but because I do not think it is wise. I was impressed by the remarks of the gentleman from Pennsylvania [Mr. VAN ZANDT], and I feel much as he does. We need to pursue a policy which will be as clear cut as it can be and which will be aimed just as straight as it is possible to aim it at peaceful relations with all nations and the protection of the freedom of the western world.

I do not want the line we draw to be too far-flung. I want it to be truly a policy of defense of the Western Hemisphere. I do not set myself up as an expert on these matters and I realize our country cannot be disinterested about what happens in other parts of the world, but I cannot believe it is wise or good policy for us to set up an outpost as far away as Guam.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Minnesota.

Mr. MAAS. Would the gentleman have objected to the \$5,000,000 for Guam if it had been brought in here in a rivers and harbors bill or some other legislation?

Mr. VOORHIS of California. I may say to the gentleman I do not believe I would, for then it might indeed have been regarded simply as a matter of harbor improvement and nothing more. One of the principal reasons I feel impelled to vote against it is not because of the proposition in and of itself but because of what seems to me to be the unfortunate implications that have been put into it, as I believe, in some instances for political purposes.

Mr. MAAS. The gentleman does not object to the harbor work as such?

Mr. VOORHIS of California. No; I do not.

Mr. VINSON of Georgia. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Georgia.

Mr. VINSON of Georgia. In view of what the gentleman has said, how can the gentleman object to this development when the character of the work is not military at all?

Mr. VOORHIS of California. As I explained to the gentleman, simply because of the implications that I believe have been made all too plain in the course of the discussion of this matter.

Mr. VINSON of Georgia. Who made the statements that caused the gentleman's mind to come to that conclusion, when this is purely a nonmilitary development? I said nothing that should disturb the gentleman's mind.

Mr. VOORHIS of California. They were not statements by people on this side of the aisle.

Mr. VINSON of Georgia. On any side of the aisle.

Mr. VOORHIS of California. As a matter of pursuing a policy on the part of this country which will be in line with the policy of the Western Hemisphere defense, about which I spoke a moment ago, I cannot conscientiously do anything else in this particular instance. In this difficult world I want our Nation to be strong, but I want her to consider carefully how thin she can afford to spread her strength about the world.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I believe 100 percent in the gentleman's statement to the effect that other countries may have such forms of government as they like, and we reserve our right to our own form of government. Will the gentleman agree with me in the proposition that there is a kind of dual government as between the Philippine Islands and the United States until independence is granted, and that as we discuss these matters it is entirely in order, based on the gentleman's proposition, to talk about the form of government in the Philippines and what the people there are likely to do in looking forward to independence? Does the gentleman agree with me that we can bring this in as part of our own proposition?

THE ULTIMATE DEFENSE OF HUMANITY

Mr. VOORHIS of California. I am not sure. But there is one further word I want to leave with you—an encouraging word, I think. We have talked at length of dictators, of force and might, of armaments and fortifications. We have spoken not at all of certain of the fundamental bases of human life. There is, as every religious person knows, a power greater than military power, greater than any dictator, greater than any armada. It is the power of the souls of men, of sacrifice, of sincere, religious faith. Today is not its day to be in the headlines of the newspapers. But it is a power superior to all others nonetheless. And ultimately it cannot be destroyed. Upon its indestructibility rests the hope of mankind.

A dictator may have his day. Tyrants have strutted across the stage before this. But all of them have been creatures of a moment, and the time has always come and always will come when they will disappear.

And so while we concern ourselves, as we must do, about the necessities of the present hour, let us not forget that America's ultimate reliance, like that of all mankind, must be in the eternal strength which comes only with the bringing of a divine justice into the life of her people. Civilization may be destroyed by the very genius of man himself if that genius is not controlled by a corresponding moral development. Religion and all it stands for is less easily destroyed. The will to live, the will to be free in spirit are less easily destroyed. We ourselves and our children after us may suffer and even die because of the blunders we may make and the madness that now grips certain parts of the world. But future generations will some day, somehow, find their way back home to values which today are all too often forgotten and sometimes even laughed at but which are indeed the things men live by and the things they cannot live without.

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, these are critical times. Times when all of us should keep our heads. Today we find a world in which most people are tense and worried. The peace of the world depends very largely upon the self-restraint exercised, not only by its rulers, but by common citizens everywhere. I think we must take this fact into consideration in determining the wisdom of making the expenditures at Guam which are authorized in this bill. In normal times an expenditure for these items would probably arouse no comment. At the present time, if these expenditures for harbor improvements were included in a bill reported from the Committee on Rivers and Harbors, they might not excite apprehension.

We are, however, faced with this situation. A commission composed of officers of the Navy has recommended the fortification of Guam. The improvements which are included in this bill are such as would be undertaken in connection with the fortification of the island. The approval of such a project at this time does not commit us to the fortification of Guam, but it does make it more likely that such a policy will finally be adopted. It is a logical first step toward such a policy.

Let us consider the situation of Guam. It is 6,200 miles from the mainland. It is 1,500 miles from Japan. It is 4,000 miles from Oahu, our Gibraltar-like outpost in the Pacific. If we fortify Guam, it is against one nation, Japan. Our fortification of the island, or any steps toward it, are bound to be construed in Japan as an unfriendly act and as an attempt on our part to project ourselves into far-eastern affairs. We can very readily understand the attitude of Japan by asking ourselves what would we think if Japan should begin fortifying an island within 1,500 miles of our shores? The fortification of Guam might be justified if we were going to retain the Philippines. It might be justified if our foreign policy should take the turn of joining with Great Britain and France and taking part in the quarrels of Europe and Asia. It might be justified if we expect to go to war with Japan over our commercial interests in the Orient. It is inconsistent with the policy which has been already adopted in getting out of the Philippines. It is inconsistent with the theory we are increasing our military and naval establishment solely for purposes of national defense.

To fortify Guam now would be construed as putting a chip on our shoulder. It will give the militarist group in Japan a further excuse for expanding that country's military and naval defenses. It will build up in Japan a feeling of suspicion and hatred toward this Nation, which will in turn stir up further hatred of Japan in our own country.

I am not sure that anyone knows what our foreign policy is today. Certainly, the various statements which the President has made on the question in recent months cannot be

reconciled. There is no question, however, but what the people of this country want a foreign policy which will keep us out of war. There are some who believe we can keep out of war more easily by following a policy of strict isolation. There are others who feel that we can contribute to world peace and to our own safety by following a course of action which is parallel to that of the democracies in Europe. There are others who want to go so far as to ally ourselves with European democracies.

The people of this country have as yet had no opportunity to express themselves on the question of foreign policy. Congress has had no such opportunity. I am not sure that it is necessary that the country at this time determine just what its foreign policy will be. It is perhaps better that we make the determination of our policy contingent upon what may happen in Europe during the next few months. However, until the people of this country definitely determine what policy they want to follow, it would seem to me to be the part of wisdom to take no action in the way of military or naval preparedness which would commit us to one policy or another. We can pass legislation to increase our air force, to expand our coast defenses, and to build up our Navy without committing ourselves to any particular foreign policy. We can expand our military and naval establishment on the basis of defending the Western Hemisphere without making any new determination as to foreign policy. The moment, however, that we take steps to fortify Guam, it is going to be construed by other nations as a change in policy. Japan is going to construe it as an indication that we expect to meddle in far eastern affairs. European countries will probably construe it as meaning that we are going to cooperate with England and France in the Far East. It may be construed as indicating that we expect to change our position on Philippine independence. Why run the risk of having our motives misconstrued? Why take the chance of committing ourselves to a program which, if followed up, will mean an entire change in our foreign policy? Why begin a course of expenditures which will run into hundreds of millions of dollars? Why not use the money that would be expended in Guam at the present time to build up our defenses closer home? Why give a jittery world another cause for apprehension? [Applause.]

Mr. MAAS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Chairman, I have a deep personal interest in this bill because it involves my old service. During the World War as an American naval aviator I was attached for 3 months to the French forces overseas and for 3 months to the Royal Naval Air Service. I am possibly the only man in this House who has personally fought shoulder to shoulder with the French and also with the British. It was a great experience, but I for one am anxious that no American shall ever again have the experience of fighting beside the French and the British, outside of this hemisphere. [Applause.] Guam is outside the Western Hemisphere.

It is said that we are not fortifying Guam, but this matter has taken such a course that there is nothing we can do that will not be interpreted as a hostile act. There is nothing we can do that will not establish a precedent that will rise up to haunt us.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I cannot yield just now.

If the Japanese, through their navy or any other department, were blandly to establish a seaplane base, or merely deepen a harbor, which was located within 1,335 miles of New York or San Francisco, or any other part of the continental United States, we would consider this an unfriendly act, but if we adopt this Guam proposition, we would be barring ourselves by that precedent from making the immediate and vigorous protest which the Monroe Doctrine requires us to make.

Mr. DREWRY. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I refuse to yield at this time.

I served in Washington in 1921 and 1922 in the Arms Conference. That was a time when there was tension between the United States and Japan, and there were rumors of secret

treaties between Japan and Great Britain. Under American auspices, however, with a will toward peace and without sacrifice of sovereignty, we gathered the nations here and resolved those difficulties for a decade and more. It is not what was done there, but what has happened since that causes the present tension.

I, for one in this troubled world, want to see our Government take the lead not in hostile gestures with friendly countries but toward peace. I do not believe we can do it now if we make any sort of gesture toward making arrangements in Guam that look toward fortification, whatever our present excuse may be.

I now yield to the gentleman from Virginia.

Mr. DREWRY. I just wished to ask the gentleman if he is aware of the fact that there was a small aviation force, a force of four planes, maintained at Guam from 1920 to 1931, and that no objection was made then? Why should any objection be made now?

Mr. VORYS of Ohio. Simply because we cannot fool ourselves and we cannot fool the world. This present Guam gesture, based on the Hepburn recommendations, has taken such a course that there are no steps that we can take there now that will not be interpreted the world over as an extension of the Monroe Doctrine to new parts of the world.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. What other interpretation can be placed on the dredging of Guam Harbor—when practically the entire harbor except for a few coral reefs, about a half a dozen in number, will have to be dredged to a depth of 35 feet—than that we are going to use the harbor as a fleet base?

Mr. VORYS of Ohio. There is no other implication; and the vice of this measure as now proposed, of pretending that it is merely dredging—a friendly, commercial step—is that it establishes a precedent of insincerity in foreign relations that we would be the first to resent if Japan attempted the same thing within our hemisphere [applause], and remember that Guam is within their hemisphere. [Applause.]

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. EATON].

Mr. EATON of California. Mr. Chairman, this is my first speech on the floor of the House. About 2 weeks ago I spoke to one of my colleagues from California on this side of the House, and I said to him, "Is it necessary that a new man make a speech about every 2 or 3 days," and his reply was emphatically, "No," and he told me this: "Do not make a speech unless you have something to say." He then told me, "Do not make a speech unless you feel you are qualified to speak on the subject."

I feel I am somewhat qualified to speak on this subject, not because of former experience in naval affairs but because of the fact I have been sitting for almost 3 weeks in the Naval Affairs Committee listening to the testimony given by experts and by all others on this subject. I have listened to these witnesses when they were being cross-examined. I have listened to them when they were to answer some ticklish question that seemed to have them on edge. I have watched their demeanor and I have come to the conclusion after 3 weeks of listening to this testimony, and asking a few questions, that this bill which is before the House should be passed as recommended by the Naval Affairs Committee, and that includes the island of Guam along with all the others. [Applause.]

There is only one question that seems to be controversial and that seems to be the question of Guam. A lot of people, I think, have been misinformed about this bill. They have thought that the bill included fortifications. Many people have written in from all over the United States and they have all used the words "fortification of Guam," and I want to repeat, although it has been stated by practically every speaker on the program today that there is no fortification included in this bill. This bill includes the dredging of the harbor there, it includes the cost of a breakwater, and it

makes possible a runway for the taking off of seaplanes in that area.

Another thing, besides improving the Guam harbor, there is nothing to be done there except in the matter of defense, and I can prove that to you by a question that was asked by our chairman of the Naval Affairs Committee. The chairman asked this question of Admiral Leahy:

You recommend the establishment of a base from a military standpoint at Guam purely as a defensive measure for the United States, Hawaii, and the Panama Canal?

The admiral answered as follows:

In my opinion the establishment of a base at Guam would provide valuable and needed assistance in repelling an attack on the Hawaiian Islands, the continental United States, and the Panama Canal.

So the matter is purely a defensive measure.

Then another thing that I would like to bring to your attention is this: This improvement at Guam would permit at least 24 seaplanes to be stationed there at times and these seaplanes would be the eyes of the Navy and they would go out on patrol in that area and if a hostile nation should start through that area with a battle fleet the eyes of the Navy would see this hostile force and report back to the United States Fleet and the defense line would be maintained at Hawaii, and I wish to say this, as coming from California, the west coast would be the first to suffer if the defenses failed at Hawaii.

So for this reason I have had placed on this board a map which shows the distance that would be taken by surface boats to go from this point over to Asia, while this is the distance by air. In other words, the distance has been reduced by air and by the speed of airplanes to an apparent short distance. In other words, it looks as though it is thousands of miles from continental United States to Asia by boat, but when you look at the map and think of the distance that can be covered by the speed of an airplane you see that Asia is right at our front door.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. EATON of California. Not at this time, please.

I may say to you that the distance from the west coast to the Middle West is only a short distance by the speed of the airplane.

I might say this in passing, that of the six Members who signed the minority report of the Committee on Naval Affairs only one of them lives and represents a district west of the Mississippi River, and that happens to be in Missouri. I was born in Illinois and lived there until I was 23 years old. I grew up in that atmosphere also, where we thought that we were smug and secure, and that we were thousands of miles from either the east or the west coast, and had nothing to fear. I remember back in 1921 making a trip from Illinois to California in a model T Ford, and it took 30 days to go through the State of Montana to reach California, but today, just last week, an airplane went from Los Angeles to New York in 7½ hours. That means that this airplane probably passed over Chicago or Kansas City or St. Louis, Mo., only about 4½ to 5 hours after it took off from Los Angeles, Calif. So the people in the Midwest, Illinois, Iowa, Ohio, and here in the East, are very close to the Pacific coast, and I am saying to all of you, whether you be Republicans or Democrats, westerners, midwesterners, or southerners, that you should take into consideration that this is a very small world after all.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. EATON of California. In just a moment.

If there is to be a battle in the Pacific, I prefer that it be fought out there two or three thousand miles out, instead of on the coast of California, Oregon, or Washington.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. EATON of California. Yes.

Mr. MICHENER. As I understand, the gentleman is defending Guam as a national-defense project and not as a commercial project.

Mr. EATON of California. I am defending Guam as a defense, and also from a commercial aspect, because I think

we had testimony before the committee that it was necessary to have that station at Guam in order to keep the trade channels open to the Malay States.

Mr. MICHENER. The reason I asked the question is that the general trend has been on the part of the members of the committee defending Guam to insist that this is not a national-defense matter and has nothing to do with national defense, and if the Congress ever sees fit to make it a national-defense project, it can. I am glad to have the gentleman's frank statement.

Mr. MAAS. Mr. Chairman, will the gentleman yield?

Mr. EATON of California. Yes.

Mr. MAAS. I think the gentleman from Michigan has entirely misinterpreted the situation. He is confusing the fact of the development at Guam for defense and the defending of Guam—two entirely different things. I have not heard anybody advocating this development who did not say that it had great defense value, but that was distinguished from fortifying it, certainly at the present time.

Mr. MICHENER. Yes; but it was not in this bill.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAAS. Mr. Chairman, I yield the gentleman such additional time as he may need.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. EATON of California. Yes.

Mr. BATES of Massachusetts. The quotation from Admiral Leahy interested me very much, in the matter of establishing our air-defense line at Guam, and I hope the gentleman finds the exact language of Admiral Leahy, but if he will permit me, I ask the ranking Republican member on the committee if he ever heard Admiral Leahy make the statement that the new defense line of the United States will be at Guam?

Mr. MAAS. No; no such statement was ever made.

Mr. EATON of California. Let me make this statement—

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. EATON of California. Not at this time. The chairman asked this question of Admiral Leahy:

You recommend the establishment of a base from a military standpoint at Guam purely as a defensive measure for the United States, Hawaii, and the Panama Canal?

Admiral Leahy replied as follows:

In my opinion, the establishment of such bases as are contemplated in the islands referred to in the bill would provide valuable and almost essential assistance to the fleet in preventing an attack on the Hawaiian Islands, Alaska, the coast of the United States, and the Panama Canal.

Mr. BATES of Massachusetts. He did not attempt, then, to state or leave any inference that the defense line of the United States would be put 3,300 miles from the Hawaiian line by that statement?

Mr. EATON of California. No.

Mr. O'TOOLE. Mr. Chairman, will the gentleman yield?

Mr. EATON of California. Yes.

Mr. O'TOOLE. Does not the gentleman agree with me when I say that the Empire of Japan has never been deterred in her efforts to create a line of defense or of offense regardless of what other nation it might hurt?

Mr. EATON of California. Yes. I thank the gentleman for that statement.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. MAAS. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. HAWKS].

Mr. HAWKS. Mr. Chairman, I have been sitting here for 2 days listening to this debate. This morning you heard an address by my colleague from Colorado [Mr. MARTIN], in which he attempted to take the German people, both in this country and outside of this country, over the coals. I think most of you are acquainted with the fact that in the State of Wisconsin we have some of the finest American citizens there are in this country. By far, a majority of them are of German extraction. My name being Hawks would indicate that I had a lot of English blood in me. I have, and I am

proud of it; but I also have some German blood in me. I imagine that a large percentage of the people in this House have a certain amount of German blood in their veins. The gentleman from Colorado [Mr. MARTIN] referred to a bund meeting in New York. I did not hear that gentleman refer to Communist meetings that were being held all over the United States at the same time that a few German people were meeting in New York. Why under the sun, what reason is there that during the past few weeks in the House there has been no mention of the Communists? We have been attempting to malign the German people and we have been attempting to malign the Italian people. We have had to listen to statements such as the gentleman from Colorado made this morning, with very little said about the slimy, dirty operations of the Communists in this country. What has all this business got to do with Guam? What has all this business got to do with the present bill that is before the House? I would like to see the \$5,000,000 that I know you are going to appropriate to dig out a lot of sand in Guam given to Mr. Hoover down at the Federal Bureau of Investigation. I would like to have Mr. Hoover take that \$5,000,000 and clean up some of the very rotten situations that we have right in this country. I think it is high time that this House got down to a common-sense consideration of some of the real problems that we have within our own boundaries, rather than be sticking our necks out because of a hunk of sand out in the Pacific Ocean. [Applause.] Certainly there are enough activities going on in this country, vicious activities, attempting to undermine the kind of Americanism that a great many of us fought for during the past World War.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. HAWKS. I yield.

Mr. SHEPPARD. Is the membership of the House to infer from the gentleman's discourse so far that he is in sympathy with the activities of the so-called bund in New York and Chicago?

Mr. HAWKS. I am not in sympathy with any organization that has for its underlying principle the destruction of American democracy.

Mr. SHEPPARD. I thank the gentleman.

Mr. HAWKS. But I am also not in sympathy with statements being made on the floor of this House that confine their attack entirely to one group and will not take into consideration the activities of other groups. All of a sudden the most vicious thing in this country, communism, has been put into the background.

I would like to ask another question: Why, all of a sudden, have all of the radical thinking Members of this House turned around in support of these defense measures? I have not found an answer to that yet, either. Why all of a sudden do we hear little opposition on the part of men who used to be confirmed pacifists, and who are now coming out in whole-hearted support of these defense measures? [Applause.]

[Here the gavel fell.]

Mr. MAAS. Mr. Chairman, I desire to consume no further time in general debate.

Mr. VINSON of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. BRADLEY].

Mr. BRADLEY of Pennsylvania. Mr. Chairman, I am pleased that the Committee on Naval Affairs adopted the recommendation of the Navy Department for the establishment of an aeronautical engineering laboratory at the Philadelphia Naval Aircraft Factory and that an authorization of \$1,800,000 for that purpose is included in this bill. There is very little I can say, after the contributions of my Republican colleagues on the Naval Affairs Committee, the gentleman from Minnesota [Mr. MAAS], and the gentleman from Oregon [Mr. MORR], regarding this bill. I think their very able statements have demolished the arguments of those who expressed fear that this development of the island of Guam constitutes an aggressive policy on the part of the United States.

I would like to point out something that I wish the press of this country would stress rather than the hysteria which they have been emphasizing. That is, that all the hearings of this committee have been public and in the open; that the officers of the Navy Department, the Chief of Naval Operations, Admiral Cook, and other responsible officers have appeared before the committee and have answered fully and frankly the most intimate questions regarding the national defense and the naval policy of the United States. I would like to point out that in the committee itself, in its discussion of every item in this bill, including Guam, the discussion has been in open and public hearings, and there never has been a secret executive session.

The only ones who seemingly are contributing anything to hysteria are those who are opposing this project on the island of Guam. No one on the committee who favors this project has said anything that would lead anyone to believe that any aggression is contemplated. I think that the naval officers of the United States are not bellicose individuals. I do not think they are belligerent. I think they are concerned with the peaceful preservation of the security of the United States. I think that when they come before the committee and the Members of this House with certain recommendations regarding what they feel will contribute to the efficient operation of the United States Navy, we have a right to think that they are speaking as patriotic Americans, and that they are concerned primarily with the defense of this country.

Twenty-four planes on the island of Guam! That is all that is to be accommodated by the development authorized in this bill. I submit that even a layman knows that 24 planes do not constitute a threat of aggression to anyone. If they serve as a scouting fleet that would be able to warn the American Navy in time of war and thus preserve perhaps numerous units of our fleet and thus American lives, I think the sum of \$5,000,000 would be very well spent.

If you itemize the amounts as specified in the report of the committee you will see that they are for the building of a breakwater, dredging the harbor, and providing for parking space and ramps for seaplanes that Admiral Cook said could not exceed 24 planes. I do not think we should be hysterical about it.

I think we should be cognizant of the fact that we have to defend the shores of the United States. Everyone knows that it was because we allowed our Navy to deteriorate in the 10 years between 1922 and 1932 that it is now necessary for us to be somewhat frantic about the adequacy of our own national defense. Had we proceeded with an orderly expansion of our Navy we would have no fear today that our Navy was not strong enough to protect us and to obviate the need of any entangling alliances with any other power.

I think the debate upon this floor demonstrates the fact that this item in this bill is not a step in the direction of aggression, but that it adds to the efficiency of the operation of the United States Navy and to the defense of our own shores. I hope the Committee will pass the bill, including the item for the island of Guam. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy is hereby authorized to establish, develop, or increase naval aviation facilities, with which shall be included the authority to purchase, accept by gift, or otherwise acquire land and to construct buildings and accessories, with approximate costs as indicated, at or in the vicinity of Kaneohe Bay, \$5,800,000; Midway Island, \$5,350,000; Wake Island, \$2,000,000; Johnston Island, \$1,150,000; Palmyra Island, \$1,100,000; Kodiak, Alaska, \$8,750,000; Sitka, Alaska, \$2,900,000; San Juan, P. R., \$9,300,000; Pensacola, Fla., \$5,850,000; Norfolk, Va., \$500,000, for acquiring the land described and authorized by the act of June 14, 1934 (48 Stat. 957), as amended by section 5 of this act; Tongue Point, Oreg., \$1,500,000; Pearl Harbor, Hawaii, \$2,800,000; and Guam, \$5,000,000, the total cost not to exceed \$52,000,000, except as may be otherwise authorized by law: *Provided*, That the approximate cost indicated for each project enumerated above may, in the discretion of the Secretary of the Navy, be varied upward or downward by an amount not to exceed 25 percent of the approximate cost indi-

cated, but the total cost of \$52,000,000 shall not be exceeded: *Provided further*, That nothing herein contained shall be construed as authorizing the expenditure of more than \$5,000,000 at Guam. In addition to other authority contained in this section the Secretary of the Navy is hereby authorized to proceed with the construction of aeronautical engine and materials laboratory buildings at the Naval Aircraft Factory, Philadelphia, Pa., at a cost not to exceed \$1,800,000. In addition to other authority contained in this section, the Secretary of the Navy is hereby authorized to accept, free from all encumbrances and without cost to the United States, title in fee simple to land or other realty at or in the vicinity of Corpus Christi, Tex., to be used for the purpose of establishing a naval aviation training station.

Mr. SUTPHIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUTPHIN: On page 2, line 5, after "\$2,800,000", strike out "and Guam, \$5,000,000."

Mr. VINSON of Georgia. Mr. Chairman, by agreement entered into yesterday it is understood that section 1 with the amendment would be passed over until tomorrow. I therefore ask unanimous consent that this section and the amendment thereto be passed until tomorrow.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, the amendment should also provide for the reduction of the total amount the bill carries in the event the amendment is adopted.

Mr. VINSON of Georgia. We will deal with that in the event it becomes necessary. We will correct the bill if Guam is thrown out, so that the total will correspond with the action of the Committee in that regard.

Mr. CHURCH. Reserving the right to object, Mr. Chairman, it is understood there is to be no limitation on debate as regards Guam.

Mr. VINSON of Georgia. The gentleman is clearly in error. The gentleman from Massachusetts [Mr. MARTIN] agreed to a 30-minute limitation of debate on this item.

Mr. MARTIN of Massachusetts. The understanding was that there would be 30 minutes allocated to debate on the Guam item tomorrow.

Mr. CRAWFORD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CRAWFORD. Is it permissible to speak under the 5-minute rule on the general aspects of the bill, making some reference to the Guam situation?

The CHAIRMAN. That may be done if there is no objection.

Mr. VINSON of Georgia. Reserving the right to object, Mr. Chairman, may I call the gentleman's attention to the statement made yesterday by the gentleman from Massachusetts [Mr. MARTIN]:

Let us have this understanding then: That tomorrow we shall complete the consideration of the bill with the possible exception of Guam, and the vote in the Committee on that question will be on Thursday.

He further stated that there should be 30 minutes of debate, 15 minutes on each side, under the 5-minute rule, on the Guam item.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Clerk read as follows:

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, such sums as may be necessary to effectuate the purposes of this act.

Mr. CRAWFORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, Section 10 (a) of the Philippine Independence Act of 1934 provides that—

On the 4th day of July immediately following the expiration of a period of 10 years from the date of the inauguration of the new government under the constitution provided for in this act, the President of the United States shall by proclamation withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the

United States in and over the territory and people of the Philippine Islands, including all military and other reservations of the Government of the United States in the Philippines—

And so forth. Section 11 of the same act provides:

The President is requested, at the earliest practicable date, to enter into negotiations with foreign powers with a view to the conclusions of a treaty for the perpetual neutralization of the Philippine Islands, if and when Philippine independence shall have been achieved.

Yesterday, in addressing the House on the bill now under consideration, I made the observation that the present members of the House would not live to see the day when the Philippines were politically and economically an independent Republic. That statement was not restricted to the full consummation of the propositions laid down in the independence act. There is operating in a most effective manner in the Philippines at this very moment what might be termed "a racial influence" the metes and bounds of which have not yet been appraised by the people of the United States. This racial influence flows from the orientalism and blood relationship existing between the Japanese and the Filipinos. Long before the farewell kiss is extended by the Filipino to his American coddler, the 1898 adopted protegee upon whom we have lavished only blessings and ease for the past four decades, actively takes up his flirtations with his Japanese cousin and this lovetripping is rapidly blossoming into what we shall soon witness as a complete but very quiet marriage.

Mr. Chairman, have we ever thoughtfully considered the fact that in every appeal which has been forwarded to our people by the Filipinos in which they have asked for or demanded their political and economic independence, without a single exception insofar as I am able to establish from the record, expressions of gratitude and thankfulness have been heaped upon us for the consideration, kindness, and help we have extended to the ones asking for their independence. Square this with the treatment accorded our country by our British ancestors in the early days of the formation of this our Republic. Did we ask for independence because of the kindness, consideration, and help which was being extended to us by the British? Indeed, we did not. We complained of the unjust taxation. We pointed out we were being taxed without representation. We set forth one protest after another, until at last our patience was exhausted and we revolted against the unfair treatment accorded us by the British.

Behold the Filipino. We have driven him away from us through kindness. We have protected his lands, his industry, his political rights. We have turned over to him the internal affairs of his own country. We have left our own nationals residing in his land without representation. We have permitted discriminations—we are now permitting persecutions—against the American citizens trying to do business in the islands. We have encouraged the Filipino politicians to literally "drive out of the islands" former employees who are citizens of the United States and who went to the islands for the purpose of helping the Filipino "toward independence." These American citizens are discarded as if they were an old, worn-out rag of no further use. The "Japanophiles" of the islands know full well these American citizens would not sit supinely by and watch Japan quietly acquire control of the islands. So they are set aside to come back to the States and seek new opportunities as best they can in this land of the ten million unemployed. Their removal from the islands makes way for more Japanese nationals.

NIPPONESE INFLUENCE

Some years ago Commissioner Pedro Guevara, who represented his people on the floor of this House, made the keen observation:

Only a blind man can fail to see that Japan desires to dominate the Philippines, with their undeveloped resources and strategic location. First will come Japanese economic investment, then immigration, finally political rule.

Some months ago President Quezon greatly embarrassed the State Department through a visit which he made to Tokyo. While there he was entertained by the great and the near great of the Japanese Empire, including the Premier

and the Foreign Minister. Following his visit to Japan and after his return to Manila, it is reported he released a statement to the effect that the Japanese foreign officials had indicated to him they would sign a treaty observing the neutrality of the islands if the Filipinos gained their independence. I submit the question: Could the Philippines maintain independence even if it was granted to them?

TREATY SIGNATORIES

Let us assume, for debating purposes, that the thoughts carried out in section 11 of the act with reference to a neutrality agreement is consummated. What powers will be called upon to sign the agreement? Certainly, as the world is now organized, Great Britain, France, the Netherlands, Japan, and the United States would be the minimum countries required. A neutrality agreement under the status quo without the signatures of these present world powers would, indeed, be of little consequence. Now, if the United States does not propose to make its Army and Navy and general offensive machinery effective in the Philippines in behalf of protection for the Filipinos before or after independence, I submit to you the question: What force and effect would the signature of the United States have on such an agreement? If Great Britain continues the policy which it has consistently followed in recent years wherein Great Britain has, through inaction, opened wide the gates to China, permitting Japan to aggressively dominate and control the affairs of the Chinese people, I ask, What effect would the signature of Great Britain have? If Great Britain will not use her naval and military strength in protecting Hong Kong and British interests throughout China, and particularly Canton and the British railroad operating between Canton and Hong Kong, what will happen to the flow of trade from south China, which has for so many decades been under the absolute control of the British Empire?

If Great Britain is thus so supine and, through inaction, forfeits all her interest in south China, including Hong Kong, wherein would the Philippines obtain any particular comfort out of the signature of Great Britain to such a neutrality treaty? Insofar as the Netherlands are concerned, with the rapid progress Japan is now making in her direction toward the East Indies, her signature would be of small consequence. The public statements that have been made from time to time by high-ranking Japanese officials with reference to their plans and aspirations toward the Dutch possessions are significant. Having in mind the relative power of Japan in the far eastern military and naval zone which Japan, as shown by the debate on this bill, does exercise in the Far East, I ask you what comfort the Philippines can obtain from the signature of the Netherlands on a neutrality treaty?

This brings us to the signature of Japan on such a treaty. In this regard I do not propose to insult the intelligence by asking you what would be the position of Japan. That has been answered by Commissioner Pedro Quevera in a most definite manner. I emphatically say that Japan would, under a neutrality agreement, form and execute the policies under which the Filipinos would operate. Japan could, in a most unusual manner, continue the operation of the Philippine Government very similar to that now in existence, closely following the provisions of the present Constitution of the Philippine Commonwealth, permit the Philippine flag to fly over the islands, and at the same time maintain complete control over Philippine external affairs and dominate in every detail her internal affairs. Japan has a way of doing such things, and one only needs to refer to Japan's most successful demonstration and operation of the affairs of Manchukuo. With a few Japanese experts located within the islands and in constant touch with the foreign office at Tokyo, the entire operation could be carried on in the efficient, quiet, and successful manner in which Japan excels all other nations.

Certain Philippine officials now holding office and other high-ranking Filipinos who hold within their hands the industrial, financial, and economic powers of the islands will be glad indeed to go along with their brother orientals, the Japanese, and furnish within the Philippine Islands the

necessary leadership and provide the way for the social and cultural relations for the two countries to become more closely connected in every way. Past and current developments in the Philippines are sufficient proof to any open-minded student that this program is now operating in an amazing manner. The Philippine Society of Japan, the exchange of professors by the two countries, mutual arrangements with reference to exchanges of cultural facilities, the intense manner in which Philippine citizens are now taking up the serious study of the Japanese language, and the operations being carried on in the city of Manila, all go in a direction the net result of which will be to impress the Philippines with the great strength and friendliness of the Empire of the Rising Sun. Throughout the islands it is now an easy matter to mark the "Japanophiles," who not only favor but preach the complete overlordship of Japan of the affairs of the Philippines.

One only needs to walk through the streets of Manila and observe the gaudy bazaars, novelty shops, and general atmosphere which has been created through the establishment in recent months and years in Manila of the retail outlets for Japanese-manufactured goods.

On page 28 of the Joint Preparatory Committee on Philippine Affairs report, which has just been released, it will be found that in 1936 the people of the United States purchased 79 percent of the total exports and in 1937, 80 percent of the total exports of the Philippine Islands. On the other hand, it will be found on page 30 of the same report, that in 1936 the Filipinos purchased from the United States only 61 percent of the imports and in 1937 only 58 percent. The Filipinos are rapidly shifting their purchasing of supplies from the United States to Japan. Out of 80 percent of the dollars which constitute the purchasing power of the Philippines, flowing from the United States, a great amount moves directly to the Japanese factories and shops through the Philippine Islands conduit. As an illustration, we sell to the Filipinos only 38 percent of the wheat flour; 26 percent of the dairy products; 36 percent of the silk, rayon, and manufactures; 30 percent of the fish and fish products; 48 percent of the meat products and 31 percent of the glass and glassware. Startling as it may appear to those from the southern cotton States while we sit here today with 11,000,000 bales of cotton bulging the side walls of Commodity Credit Corporation, the Filipinos in 1937 purchased only 44 percent of their cotton goods from the United States. While other startling evidence could be submitted, is it necessary to go any further in establishing the fact that Japan is rapidly acquiring control of the internal and external affairs of the Philippines?

JAPANESE INTRUSION

Recently, in speaking before a group at the University of the Philippines, the Japanese consul general at Manila said:

In all probability, the American trade with the Philippines will gradually sink as the time for independence approaches, and Japanese-Philippine trade will correspondingly increase. The Philippines have the raw materials that Japan needs while Japan could easily supply the greater bulk of the needed industrial goods at prices very much lower than those obtainable in other countries. In dealing with a matter which may affect future relations with foreign countries, especially with the oriental countries, you must take the utmost care to prevent any possible misunderstanding.

Again in 1934 the consul general declared:

The Philippines should not at this time when independence is coming, try to antagonize Japanese feeling.

The penetration of Japan into the affairs of the Philippine Islands is today as persistent as any aggressive nation has ever carried on in a peaceful manner in the history of the world. From every standpoint, there is substantial evidence to support the contention that the Philippine officials are afraid to resist the penetration on the one hand, and other Philippine officials welcome the penetration, and still others go out and assist the Japanese in every way possible. In support of this last statement, one only needs to delve into the facts surrounding the building up and the acquisitions of the Japanese colony in the port of Davao in the island of Mindanao. There it can be observed how the Japanese are furnishing manpower, financing capital, banks,

schools, importing houses, exporting houses, cultural leadership, and, in addition, it is no job at all to establish the fact that the entire operations of that section of the islands are rapidly falling under the complete power and domination of Japanese influence directed from the foreign office at Tokyo. While Davao is the back door of the Philippine Islands, it is the front door to the richest island in the entire group. Industrially, agriculturally, from the standpoint of geographical climate, unoccupied space, and vast stores of natural resources, it is indeed heaven on earth to the Japanese as they move from the cold, crowded areas in Japan proper, with its destructive climate, into the sunshine and perpetual June atmosphere of Mindanao. It is not unreasonable to say that in this area the Japanese are now operating an independent state. The Filipinos as lawyers, as shopkeepers, as homesteaders, are working hand in glove, side by side, cheek to cheek, with the Japanese in their illegal acquisition of titles to Philippine land, all in direct violation of the public-domain laws of the islands, with full knowledge of the developments on file in the public-lands office at Manila, and, as a matter of fact, the President of the Philippine Commonwealth has impliedly sanctioned the entire operations of the Japanese. Davao is the first independent state to be set up in the Philippine Islands by Japan, and others are to follow. Japan does not wait the departure of the United States; she now moves in.

Now, what has all this to do with the bill under discussion today and the first move toward the fortification of the island of Guam? The situation shapes up about as follows: The independence act is now law. With grace, we could not now go to the Filipinos and withdraw that promise made to them with all of its implications and build-up over the past 40 years. The Filipinos could come to us and ask for and demand dominion status. Could we then deny it to them? If Japan continues her aggressive program in the Far East and it became necessary, in our judgment, to go along with England in the Far East and with England and France in a general way; and if England and France pressed us to remain in the Philippines with the Filipinos demanding dominion status instead of independence, what do you think we would do about the matter? You know exactly what we would do. We would go along with England and remain in the Far East with all of the responsibility it would incur.

FILIPINOS MAY CHOOSE TO TRAVEL WITH JAPAN

But Mr. Chairman, instead of accepting independence as defined in the 1934 act, with all of its hazards and burdens, together with the neutrality agreement, the Filipinos may, on their own accord, prefer and choose to go along with Japan. Such a choice would put the United States on the spot in the event world developments in the meantime lead us to where we desire to go along with Britain and France. The Gallup poll published this very day and in its way reflecting the fleeting surface opinion of our people, is significant in this respect. Through our alignment with the British Empire in the Far East we might on the one hand defer actual combat with Japan for decades. Through such an alignment we might even bring about a situation wherein Japan would be unable to completely dominate the Chinese Republic, southern China, and the Hong Kong area. In the absence of protests on our part, the Filipinos can very nicely go along with Japan and continue the present Japanese peaceful penetration of all the islands. With our people now thoroughly determined to get out of the islands, on what grounds would we protest the economic, agricultural, industrial, and social invasion of the islands by Japan? My contention is that we will not protest so long as both England and the United States and France follow the present procedure in letting Japan have her own way.

With the Filipinos choosing to go along with Japan and at the same time insisting upon our granting to them independence, as set forth in the act—plus such favorable modifications as may be made to the Filipinos between now and July 4, 1946; my contention is that the United States will not repeal the 1934 act. That then would leave the Filipinos their independence of American supervision. But their independence would be modified by such restraints, domination,

and control politically and economically, as their alliance with Japan might involve. Should this be the course followed by the Filipinos and the United States, then I submit that we should not be involved in the partial or complete fortification of Guam. It is my opinion at this particular moment, based on the developments of the hour, that the Filipinos will choose this last-mentioned course. For this reason, I am opposed to our including in this bill this item of \$5,000,000 for Guam. The uncertain course of world events may take a direction long before 1946 that will entirely change the situation. In that event I, as a Member of Congress and as a private citizen, reserve my opinion as to what my position will be based on the new developments at some future date. The Filipinos now control the general situation and we must await developments.

The Clerk read as follows:

SEC. 3. Whenever deemed by him to be advantageous to the national defense, the Secretary of the Navy is hereby authorized to employ, by contract or otherwise, outside architectural or engineering corporations, firms, or individuals for the production and delivery of the designs, plans, drawings, and specifications required for the accomplishment of any naval public works or utilities project without reference to the Classification Act of 1923 (42 Stat. 1483), as amended (5 U. S. C., ch. 13), or to section 3709 of the Revised Statutes of the United States (41 U. S. C. 5). In no case shall the fee paid for any service authorized by this section exceed 6 percent of the estimated cost, as determined by the Secretary of the Navy, of the project to which such fee is applicable.

SEC. 4. (a) To enable the Secretary of the Navy to accomplish without delay or excessive cost those public-works projects authorized by this act to be located outside the continental limits of the United States, he is hereby authorized to enter into contracts upon a cost-plus-a-fixed-fee basis after such negotiations as he may authorize and approve and without advertising for proposals with reference thereto. Approval by the President shall be necessary to the validity of any contract entered into under authority of this section. The fixed fee to be paid the contractor as a result of any contract entered into under authority of this section shall be determined at or before the time such contract is made, and shall be set forth in such contract. Such fee shall not exceed 10 percent of the estimated cost of the contract, exclusive of the fee, as determined by the Secretary of the Navy. Changes in the amount of the fee shall be made only upon material changes in the scope of the work concerned as determined by the Secretary of the Navy whose determination shall be conclusive.

(b) Negotiations under this section shall be between the Secretary of the Navy, or a duly authorized representative, and three or more reputable and qualified contracting individuals, firms, or corporations regularly engaged in work of comparable magnitude and class to that contemplated by the negotiations, as determined by the Secretary of the Navy, and contracts may be made with any such individual, firm, or corporation, or with any two or more of them jointly, upon such terms and conditions as the Secretary of the Navy may determine to be fair and equitable and in the interests of the national defense. For each contract entered into under authority of this section the Secretary of the Navy may detail a naval officer to duty, without additional compensation, as an executive representative of the contracting officer. The contract shall provide that the officer so detailed shall have the right to attend any meetings of the board of directors or other executive or administrative board or committee of any corporation, partnership, firm, or syndicate which is or may become a party thereto for the purpose of submitting propositions, propounding questions, and receiving information relative to any matter within the purview of the contract with the intent and for the purpose of safeguarding the interests of the United States, coordinating efforts, and promoting mutually beneficial relationships, and making decisions within the scope of his delegated authority and not in conflict with any provision of the contract.

(c) In any project the contract for which is negotiated under authority of this section, the Secretary of the Navy may waive the requirement of a performance and a payment bond and may accept materials required for any such project at such place or places as he may deem necessary to minimize insurance costs.

(d) Any contract negotiated under this section may, in the discretion of the Secretary of the Navy, contain provisions under which any loss of or major damage to the plant, materials, or supplies of any contractor, not due to his negligence or fault or to the negligence or fault of his agents or servants, while the same is necessarily in transit upon or lying in the open sea for the purposes of the contract, will be investigated by a board of naval officers appointed for the purpose and reported to the Secretary of the Navy, who will transmit to the Congress the findings of fact and his recommendations in the premises.

(e) The Secretary of the Navy shall report annually to the Congress all contracts entered into under authority of this section, including the names of the contractors and copies of the contracts concerned, together with the amounts thereof.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 5, line 22, after the word "Navy", strike out the word "certain" and insert "contain."

The amendment was agreed to.

The Clerk read as follows:

SEC. 5. The act of June 14, 1934 (48 Stat. 957), after the enacting clause, is hereby amended to read as follows:

"That the Secretary of the Navy be, and he hereby is, authorized to acquire, by purchase or condemnation, additional lands adjacent to the Hampton Roads Naval Operating Base, Norfolk, Va., such lands lying north of the Virginian Railway and west of Granby Street. The sum of \$500,000 authorized by section 1 of the bill H. R. 4278, as enacted, for the acquisition of land at or in the vicinity of Norfolk, Va., shall be available for the purposes of this act."

Mr. KLEBERG. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this occasion to state that I take it to be a sound conclusion that the Congress of the United States and the people of this country have a right to voice and express apprehension concerning the safety of their most priceless heritage, as a matter of inalienable fact and supported by history, ancient and recent. A matter has come to my attention during this debate which I feel should be called to the attention of the Congress and to the country.

In the heated debate over the provisions of this bill concerning the development of harbor facilities adjacent to the island of Guam, one thing has been overlooked and that thing happens to be a matter which I consider of vital importance. The people of a country such as ours have throughout history maintained a position staunchly opposing aggressions of any sort, foreign involvement of any character, but at the same time have never weakened in sustaining their definite rights and in sustaining a respectable posture in the eyes of the world.

Failure on this occasion to take action in accordance with the study and survey made by this committee, and report of naval experts in connection with the item of the bill which refers to Guam, would, in my candid opinion, be tantamount to a reversal of the historic maintenance of a posture demanding respect from all the world in the performance of our duty as we see it. China recently gives evidence of a failure to maintain such posture. What has gone on there is definite evidence of the correctness of my statement this evening that for the Congress of the United States to fail to go ahead with a reasonable performance of the necessary functions concerning one of our possessions, such as is contained in the provision concerning Guam, would be to blazon to the rest of the world that the United States is afraid, and because of fear would be reticent to carry on.

Mr. Chairman, I yield back the balance of my time.

Mr. VINSON of Georgia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ELLIOTT, indefinitely, on account of illness.

To Mr. BOYKIN (at the request of Mr. GRANT), for 1 week, on account of important business.

To Mr. HARTLEY (at the request of Mr. JEFFRIES), indefinitely, on account of illness.

To Mr. WOODRUFF of Michigan (at the request of Mr. MAPES), indefinitely, on account of illness.

EXTENSION OF REMARKS

Mr. SPARKMAN, Mr. HAWKS, Mr. MARCANTONIO, and Mr. SHANLEY asked and were given permission to revise and extend their own remarks in the RECORD.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to revise and extend in the RECORD the remarks I made today in the Committee of the Whole and to include therein some brief excerpts.

The SPEAKER. Is there objection to the request of the Delegate from Alaska?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their own remarks on the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. D'ALESSANDRO. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address I delivered at the Washington Monument at Baltimore, Md.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement I made before the Committee on Ways and Means on the bill H. R. 2.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The SPEAKER. Under special order of the House heretofore made, the gentleman from Washington [Mr. HILL] is recognized for 15 minutes.

THE STATE OF WASHINGTON

Mr. HILL. Mr. Speaker, today we commemorate the birth of George Washington, the Father of His Country and the first President of the United States. In doing this, we not only honor that distinguished American but also pledge anew our faith and loyalty to the Government which he was so influential in founding. This Government has weathered the many fierce storms of the past 150 years and has proven thus far to be the best for the common good on the face of the earth. May its services be extended so as to reach the humblest of its citizens and achieve the purposes so clearly and splendidly expressed in the preamble of our Constitution. May it be the steadfast aim of all who have the privilege of serving as officials in this Government to promote the general welfare, to attain the greatest good to the greatest number.

This day we of the State in the far northwest corner of these United States celebrate another anniversary. Fifty years ago today on February 22, 1889, Congress passed an enabling act providing for statehood for the only State in the Union to bear the distinguished name of Washington. Originally a part of the expansive and historic Oregon Territory, it was first named Columbia. In the enabling act, because of the date and the great American whose birth it commemorated, the name was changed to Washington. So 50 years ago it was christened, and on the following November 11 it was admitted into the sisterhood of States. With becoming modesty and an unassuming grace she has been growing into young womanhood almost unnoticed by her older sisters while some of her younger sisters by their sprightly forwardness and youthful gaiety have temporarily held the spotlight. Laughingly we have been chided: "We know of only one Washington, and that is Washington, D. C." We respectfully but confidently reply that Washington State is just entering upon the stage and making her debut. This year is her golden jubilee, and as States go, this is "sweet 16." In the next 150 years she will take the stage, and then let her splendid sisters look to their laurels.

Many of us who love our State so fondly were not privileged to be born there—we went there from the Middle West, the East, the South, just as soon as we learned of her beauty and opportunities. Now we are as loyal as any native sons and daughters. The slogan is splendidly true: Once a westerner, always a westerner. We are proud of our State; we

are proud of our great Northwest; we are proud, too, of our grand country—the United States—of which we are a part. We need only take one look at Europe and Asia to fervently thank Almighty God that we live in these United States of America.

The State of Washington! The land where there are no hurricanes, no tornadoes, no destructive earthquakes. Where there are no sudden extremes of heat and cold, no sweltering days of spring and summer; where the climate is not only conducive to health and longevity but exhilarates one to action and success. Washington State! Where the scenery of its majestic mountains rival the Canadian Rockies and the Swiss Alps; whose snowcapped peaks, clad in eternal ermine, are kissed by the first rosy gleams of the morning sunrise and are fondly carressed by the last lingering rays of the sun as it slowly sinks in the Golden West. Washington State! Where the crystal clear mountain streams come sparkling and rippling down over their rocky beds to gladden the hearts of both fishermen and campers as the laughter and singing of Mother Nature alone can do. Washington State! Where the broad rivers, the lakes, Puget Sound, and the limitless ocean abound with trout, salmon, and countless varieties of the finny tribe. A State ranking among the first in the production of fish, with an annual catch of over 90,000,000 pounds. Washington State! Where on the Olympic Peninsula we have the largest stand of timber in the United States—Douglas fir, spruce, and hemlock—stately evergreens that reach up into the limitless blue sky. With bowed head one stands before these magnificent monarchs and repeats Joyce Kilmer's verse:

Poems are made by fools like me,
But only God can make a tree.

And in a commercial way our State ranks first in lumbering. Washington State! Where the orchards of the Yakima Valley and Wenatchee are a panorama of perfumed blossoms in April and a rosy harvest of fruit in September. Our State produces one-third of the commercial apples of the United States. Washington State! Where the hills of Walla Walla and the Palouse country are green with grain in the springtime and a golden sea of waving wheat at autumn time. We produce a crop worth more than \$39,000,000 of wheat annually. Washington State! Whose surface has scarcely been scratched for the wonderful wealth of minerals and other natural resources. Magnesite is one of the coming minerals of this modern age when airplanes are coming into their own. We have almost limitless deposits of magnesite in north-eastern Washington from which magnesium is manufactured. I have here in my hand two pieces of metal of the same size—one of steel three and one-half times as heavy as this one of magnesium which in turn is 13 times as strong as the steel—a very vital element in the construction of aircraft.

Washington State! Where we have wonderful highways, as those of you who have traveled over them can attest to, and they have been built on the pay-as-you-go policy. Washington State! Where dairying flourishes on the west side and contented cows furnish Carnation cream and better butter for the home table. Washington State! Where the raising of poultry has become a leading agricultural vocation, and the prices of poultry products are reasonably controlled by an extensive egg cooperative. Washington State! Which possesses 20 percent, or one-fifth, of the potential water power of the United States—the white giant of this modern age, generated from the perpetual source of the mountain torrents as they rush on their mad way to the ocean now harnessed to serve in innumerable ways; to develop our manifold natural resources; to turn the wheels of coming industries; to furnish light and heat and comfort in the homes of the farmers and laborers as well as the bankers and merchants; to transform transportation from slow and sooty passenger trains to a quick and clean method of travel. Electricity is as necessary to modern life as are sunshine, air, and water. Bonneville, Roza, and Coulee Dams—the greatest undertaking ever attempted by the hand of man—will bring decency, comfort, and contentment into the homes and lives of those now in the State of Washington and millions yet to come there.

These mighty dams will also store water for the thousands of acres of fertile land which now lies idle for the lack of water. In the West water is king; and when irrigation gives it to the thirsty soil the barren waste is made to blossom like the rose, and hundreds of thousands of homes will be made available for the millions who will eventually follow Horace Greeley's advice, "Go west, young man, go west." Upon the placid bosoms of these broad rivers of the near future will be transported the products of the factory and field to the boundless Pacific to be carried to the teeming millions of the Orient, our future customers when the war lords have been put aside like little tin soldiers and the common men and women of the East and West shall fully realize the futility of war and shall be the real rulers in the lands in which they live. And right here, since we are today considering the Navy bill, I want to enter my vigorous protest against the fortification of Guam—fifty-five hundred miles from our shores. It is said that it is not fortification. "A rose with another name is still a rose."

It has ever been my contention that it was a grave mistake for the United States to have adopted the imperialistic policy of acquiring the Philippines. Ever since their acquisition they have been a white elephant on our hands. We of the Yakima Valley who have a very serious Filipino problem in that section realize this in a special way. Now that the United States is abandoning this imperialistic policy and giving the Philippines back to the Filipinos, let us go the whole way and abandon Guam also. We have no business there in a military sense or for defense. Let the Hawaiian Islands be our western frontier and let us rather use these funds for the development in Pearl Harbor.

Now, back to the State of Washington, where education is held in high esteem, where illiteracy is less than 1 percent, and where the public-school system ranks among the foremost in the United States.

Washington State! The land visioned by Thomas Jefferson, explored by Lewis and Clark, pioneered by Dr. and Mrs. Whitman, the Spauldings, Ezra Meeker, and thousands of other men and women ready for adventure and who were not afraid to try something new—they with their children and children's children building a State worthy of their loyalty and best efforts and to which even today thousands are coming seeking homes and opportunities for success and happiness and contentment. A State where a man's a man and a woman's a woman because of character, integrity, and industry alone. A State peopled by men and women who are sanely progressive, clinging fast to that which is good of the old—not afraid to venture into that which is good of the new—looking with reverence to the historic past but reaching with eager hearts and minds to the unfolding of the living future.

Washington State! The golden jubilee! The State of the golden West, the land of the setting sun, but ever facing the east toward the dawn of the new day where the ideas and ideals of true democracy shall prevail, the land which beckons to you of the Middle West, the South, the East, to come and live in this workshop, bread basket, and homeland of the United States. [Applause.]

The SPEAKER pro tempore (Mr. JOHNSON of Oklahoma). Under a special order of the House heretofore made, the gentleman from Mississippi [Mr. RANKIN] is recognized for 25 minutes.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein certain tables I have prepared.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ADEQUATE DEFENSE FOR THE NATION'S CAPITAL AND FULL PROTECTION FOR THE POWER CONSUMERS IN THE DISTRICT OF COLUMBIA

Mr. RANKIN. Mr. Speaker, our program of national defense will simply be a joke, a farce, and a failure, if we leave the Nation's Capital without adequate protection.

We had a bitter experience in the War of 1812 when a ruthless enemy invaded this city and burned both the White House and the Capitol.

That must not occur again!

We are told that one of the most essential elements of national defense now is an adequate supply of electric power—which can be easily supplied here from the waters of the Potomac River that are now going to waste, while our electric supply is inadequate, and it, or the material from which it is produced, is brought in over lines of communication that in case of war would be exposed to attack. If those lines should be severed in time of an emergency, Washington might experience another humiliating disaster such as that of 1814.

Besides, this city and the surrounding country need protection from the disastrous floods such as they have experienced in recent years, and the electric consumers of the area need relief from the exorbitant rates they are now compelled to pay for electric lights and power.

I have introduced a bill, H. R. 2749, setting up a Potomac Valley Authority. Such an authority is a national necessity from the standpoint of national defense as well as that of flood control, and the establishment of a fair yardstick for the protection of the electric-rate payer.

I will briefly refer to the first two items and will cover them more in detail at a later time. My principal remarks today will cover the immediate application of the electric yardstick in the District of Columbia.

The National Capital is the center of our national life, as well as the key point in any defense program. Everything radiates from Washington. The strategic gun and supply factories are located in and around this city, and electric power is the basic element in any defense-supply program. Under a power shortage any such program will fail. During the World War an inadequate power supply crippled preparations and delayed supplies. The bill that I have introduced will augment the inadequate power supply now available to the National Capital, control floods, and improve navigation on the Potomac River, and furnish an adequate supply of electric energy at reasonable rates.

The construction of an airport to be located at Gravelly Point has been started with P. W. A. funds. I understand that in the construction of this airport an earth fill averaging 20 feet in height is contemplated. Such a fill, costing some two and a half million dollars, has been suggested in order to raise the field above the elevation of the highest flood crest. Flood crests can be eliminated with multi-purpose dams, and this airport construction can be decreased in cost nearly a million dollars by taking these facts into consideration.

The rate regulation for electric light and power, as now practiced in the United States, is an ineffective and obsolete method of protecting the rate payer. What is needed is a fair, honest yardstick to enable the electric consumers to judge for themselves the true cost of electricity. It is their inalienable right to have such information; it is our duty to furnish them such protection. When this information is available and is thoroughly understood, the people will be able to act for their own protection, and we, as their representatives, will be able to act for them.

The American rate payer should have an example of such a fair and equitable rate structure in his National Capital. This is easily possible, as I will demonstrate from the official earning and operating statements of the Potomac Electric Power Co., which serves, or is served by, the people of the District and its environs. The evidence which I shall present has been secured from the official figures of the Federal Power Commission, the Securities and Exchange Commission, and the Utility Commission of the District of Columbia. I have the base data from these official sources to back up every statement I shall make.

During the recent T. V. A. congressional hearings the paid representative of the Power Trust held up the Potomac Electric Power Co. as an outstanding example of a "lily white"

private power organization with low consumer rates. In view of such statements, I propose to discuss this company's earnings, financial structures, rates, and pertinent transactions for the benefit of my colleagues and the information of the American public.

ANNUAL PROFIT OF 75 PERCENT

The Potomac Electric Power Co. is now operating under a sliding-scale rate plan, made effective supposedly under congressional sanction by a consent decree entered by the Supreme Court of the District of Columbia on December 31, 1924. In my study of this problem I have come to the conclusion, as I will hereafter point out, that the application of the consent decree represents a violation of the intent of the statute.

From the operating statements of the power company filed with the Utility Commission of the District, I have prepared a tabulation of the rate index and the net amount available for dividends on both preferred and common stock, after deducting every item of expense, including taxes and depreciation. This I submit as table 1. This table which I present is very illuminating, and I trust that everyone interested in the rate problem will study it. Read and reread it carefully, for it tells a tale that is sufficient to "harrow up the soul" of the average electric consumer throughout the country who pays an electric bill every month that carries an overcharge ranging from 50 to 500 percent.

TABLE 1.—Stock earnings, Potomac Electric Power Co., compared with rate index

BEFORE CONSENT DECREE, REPRESENTATIVE YEARS							
Calendar year	Top residential rate index, cents per kilowatt-hour	Amount available for dividends	Amount preferred stock outstanding	Amount paid on preferred stock	Amount common stock outstanding	Amount available for common-stock dividend	Percent earned, common stock
1	2	3	4	5	6	7	8
1914.....	10	\$617,425	\$250,000	\$25,000	\$5,750,000	\$592,425	10.3
1915.....	10	666,942	250,000	27,500	5,750,000	639,442	11.1
1918.....	10	568,780	250,000	27,500	5,750,000	541,280	11.0
1920.....	10	532,818	250,000	20,000	5,750,000	512,818	8.0
1923.....	10	1,020,896	250,000	25,000	5,750,000	1,004,896	17.5
AFTER CONSENT DECREE							
1925.....	7.5	\$2,295,724	\$2,000,000	(1)	\$6,000,000	\$2,295,724	38.3
1926.....	7.0	2,598,117	2,000,000	\$106,128	6,000,000	2,491,989	41.5
1927.....	6.25	2,932,162	7,000,000	248,702	6,000,000	2,683,465	44.7
1928.....	5.9	3,699,677	7,000,000	392,030	6,000,000	3,307,647	55.1
1929.....	5.2	4,120,136	7,000,000	394,917	6,000,000	3,725,219	62.1
1930.....	4.7	4,471,725	7,000,000	394,911	6,000,000	4,076,804	68.0
1931.....	4.2	4,471,725	7,000,000	394,970	6,000,000	3,872,704	64.6
1932.....	3.9	4,267,674	7,000,000	395,045	6,000,000	3,746,959	62.4
1933.....	3.9	4,142,004	7,000,000	395,044	6,000,000	3,619,120	60.4
1934.....	3.9	3,598,793	7,000,000	395,045	6,000,000	3,203,748	53.5
1935.....	3.9	3,607,267	7,000,000	395,044	6,000,000	3,212,223	53.5
1936.....	3.9	4,246,041	7,000,000	395,045	6,000,000	3,850,996	64.4
1937.....	3.9	4,886,974	7,000,000	395,044	6,000,000	4,491,930	74.9

¹ No dividend paid on preferred in 1925 as new issue put out at end of year. Columns 3 to 7, inclusive, taken from reports, Public Utilities Commission, District of Columbia.

² Reductions given in each year by reducing bottom steps of rate from 3 cents to 2, 1.5, and intermediate steps from 3.8 cents to 3.6 cents, 3.3, 2.0, 1.9, and 1.5 cents, respectively.

From this table it will be noted that as the rate charged the ultimate consumer decreases the net earnings of the common-stock holder increases. These figures demonstrate, beyond question, that it is good business to reduce rates. When the rate payers of Washington were charged 10 cents per kilowatt-hour on the first step of the residential rate the power company earned around 10 percent on the common stock. In 1937, with a 3.9-percent top rate, the company earned practically 75 percent on its common stock. In 1931, almost at the extreme depth of the depression, because of excess earnings, the rate of return was dropped by the Commission, and in each succeeding year under the operation of the plan there was a further rate reduction. Under this series of double-rate reductions full earnings for the common-share holder were recovered in about 4 years. In 1936 the consent decree was again revised. Under better business conditions full recovery was not only made in a year but the common-stock earnings increased from 64.4 to 74.9 percent, at the rate payers' expense.

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The local power company operates wholly through congressional sanctions. These sanctions when combined with the consent decree operate to give the few real ultimate owners of the common stock a guaranteed earning power of 60 to 75 percent annually.

When these facts are known, how can Congress justify such extortionate earnings! How can Congress explain to the hard-pressed American farmer that through its sanction it allows such an abnormally high earning rate! How can Congress vindicate such a guaranteed earning power when so many of our people cannot even make ends meet! Why is this permitted to continue! What is the reason! There evidently is one! Congress should investigate and then act!

The excess annual earnings of the local power company over a 10-percent dividend rate amounts to \$3,891,930, as I shall hereafter demonstrate. Placing the T. V. A. yardstick rates into effect in Washington will cost \$3,735,400 for the first year, \$256,530 less than the excess earnings of the company. With the lowering of rates the consumption will increase in the succeeding periods, and the amount of the rate reduction will be recovered in a comparatively short time. Table I, which I have presented, bears out the experience of 13 years.

WHO OWNS THE COMPANY?

The Potomac Electric Power Co. is controlled through a 100-percent voting-stock ownership by a holding company, namely, the Washington Railway & Electric Co. This latter company is controlled by the North American Holding Co. through 50.02 percent voting-stock ownership. The North American Co. is in turn controlled by another superimposed holding company, the Central States Electric Corporation. On top of this elevated holding company the control is vested in an individual, Mr. Harrison Williams, frequently noted in the press as the owner of the world's largest yacht.

The Capital Transit Co. is also controlled by the North American Co. through the ownership of 50 percent of its stock by the Washington Railway & Electric Co. and partly through ownership or control of 3,012 shares of the transportation company's stock. These two sets of stock ownership give the North American Co. 51.2 percent control. This same interlocked company also controls the Montgomery Bus Lines, Inc.; Washington & Glen Echo Railway Co.; Glen Echo Park Co.; and the Washington & Rockville Railway Co. Thus we see one man controlling the electric and transportation facilities of the District of Columbia. Mr. Williams' personal control is exercised by holding 51 percent of the stock of the superimposed holding company, namely, the Central States Electric Co.

THE OWNER'S RECORD

In the spring of 1937 Mr. Harrison Williams, controlling officer of the North American group, testified before the Securities and Exchange Commission during the investment trust study of his superholding company, the Central States Electric Corporation. From the record proceedings of the testimony in this case, Securities and Exchange Commission File 39-91-1-1, I have taken some pertinent facts for the information of my colleagues.

On page 12321 of this record, it was brought out that Mr. Williams' original investment in the common stock of the Central States Corporation amounted to \$2,072,000. Of this amount, Mr. Williams borrowed for investment purposes a half million dollars from the Guaranty Trust Co. of New York City. Thus we see that his original investment was a trifle over one and a half million dollars. On August 30, 1929, this original investment of Mr. Williams had an estimated market value of \$612,000,000. From May 19, 1924, to December 1929 the North American Securities Corporation, which was controlled 100 percent by Mr. Williams, pegged the price of the North American stock by the purchase of \$131,000,000 of North American common stock which the Securities Co. in turn sold widely throughout the United States to unsuspecting investors.

The market value of the Central States stock as of August 30, 1929, amounted to \$680,000,000, with stated assets valued

at two hundred sixty million. The Central States stock, through manipulation, was advanced from \$10.50 a share to \$5,600 a share during the period 1922 to 1929.

After the stock-market break in the fall of 1929, Mr. Williams disposed of enough of his original investment of \$2,027,000 in the common stock of the Central States Corporation to realize \$27,200,000 in cash and kept, in addition, 51 percent stock control of this superimposed holding company, which controls or influences the management of private utilities with stated assets of nearly \$3,000,000,000.

This testimony, covered in pages 12321 to 12480 of the S. E. C. record, shows that Mr. Williams, through manipulation, obtained control of electric utilities aggregating \$3,000,000,000 on an actual cash investment of a little over one and a half million dollars. He came out of the crash in great shape. However, the fate of the investing public presents a different story—since they lost two-thirds of their investments. Some Members may answer this sordid record by stating that it occurred before the 1929 crash. I want to point out, however, that very recent manipulations, which I will later cover, are just as black.

RATE LITIGATION

On March 3, 1913, the act creating the Public Utilities Commission of the District of Columbia was passed. Following the passage of this act, the Utilities Commission of the District of Columbia was created and organized to carry out the regulatory provisions of this law. Previous to the Utility Act of 1913, Congress had set a limitation on the charge price for electric current in the act of March 1899. The 1899 act established a rate of 10 cents per kilowatt-hour with a delayed payment charge of 1 cent per kilowatt-hour, if the bills were not paid within 10 days of the billing date. The maximum price charged by the company prior to the act of 1899 was 15 cents per kilowatt-hour.

In order to carry out the provisions of the 1913 act it was necessary for the Commission to make a valuation of the power company's plant. This valuation was started July 1, 1914, and completed during the month of May 1916. After hearings, the Commission issued a valuation order. The company then filed an injunction suit against the Commission in the District Supreme Court, attacking the valuation. Following the valuation it was then necessary to determine on the rate of return, and hearings on this phase of the subject were started and the return and sale rate orders were issued in July 1917. Under this order the rate of return was set at 7 percent and the maximum residential rate 7½ cents per kilowatt-hour. The company followed the second order with another injunction in the District Supreme Court.

On August 20, 1917, this court allowed the injunction but required the utility to impound the difference in bills under the rates in effect and those ordered from August 1, 1917. On March 2, 1920, Justice Gould of the District Supreme Court upheld the Commission's valuation. The company thereupon appealed the litigation to the District of Columbia Court of Appeals. On this appeal the company was successful in an opinion rendered November 17, 1921. The Commission then appealed the valuation case to the United States Supreme Court but this Court refused to take jurisdiction, in an opinion rendered April 9, 1923. For 9 years the rate payers of the District were denied relief through obstructive litigation.

The decision of April 9, 1923, resulted in the lack of fixed determination as to the rate base and the rate of return. This unsettled legal status made it necessary for the Commission to attempt to settle the controversy by negotiation. These negotiations were in process for 2 years and resulted in the consent decree of December 31, 1924. This consent decree made no attempt to fully comply with the provisions of paragraph 18 of the Utility Act of 1913.

Big business during these years seemed to influence or control Congress and the administration of congressional acts. It was currently reported during that time that Senator Norris' Senate bill No. 746 was pigeonholed in the House District Committee, and it was further reported that the power company spent in excess of \$80,000 for lobbying expenses to secure their objective.

GENESIS OF THE SLIDING SCALE PLAN

The sliding-scale plan was a gas regulatory device evolved in England in the gas-age period from 1841 to 1876. This English plan in its final form enacted by Parliament was modeled after a local plan initiated at Sheffield, England, in 1855. This English sliding-scale plan is an interlocked system of sale price and dividend control. Such a plan grew out of a long extended conflict between the gas consumers and Parliament on one side and the illuminating gas companies on the other.

The early English charters given to the gas companies, which commenced business about 1810, contained no limitation as to the sale price of the product and the permissible company earnings. Parliament passed the first limiting act in the Acrinton statute of 1841, which act set a limit of 10 percent for dividend earnings, with the right reserved to the company to make up earning deficiencies of the lean years during better times.

This act was followed by the Bilston Gas Act of 1846 which set a maximum sale price for gas. This early remedial legislation did not accomplish the purposes intended as competing companies entered the field and dividend arrears accumulated. This competitive condition resulted in statutory exclusive assignment of territory in the Gas Act of 1860. The Parliamentary Investigating Committee of 1859 suggested the inclusion of the Sheffield plan in the 1860 act, but this recommendation was rejected by Parliament due to pressure from the gas companies.

The Metropolis Act of 1860 was so abused by the companies as to become ineffective in protecting the gas consumer, and as a result the feeling against the gas companies in Great Britain became so acute that Parliament in 1866 was forced to settle the regulatory problem or embark Great Britain on a wholesale program of publicly owned competing gas plants. The problem of publicly owned gas plants was before Parliament from 1868 to 1876, and ended with the enactment of the sliding-scale Sheffield principle. The 1876 act set a dividend rate of 10 percent with allowable change in the dividend rate of one-fourth of 1 percent for each 2 cents change in the price of gas. During this long period of struggle between the public and the companies, publicly owned gas plants in the British Isles increased until at the present time about 41 percent of the gas produced in England, Scotland, and Wales is manufactured in public plants. The adoption of the sliding-scale plan settled the gas controversy up to the time gas ceased to be used for lighting and competition with electricity regulated the price.

The first English legislation on electricity was the act of 1882. This Electric Act grew out of the 40 years' experience in the gas struggle. In this act of 1882 public bodies were given the right to purchase private chartered companies at values existing at the time of purchase and without any price addition or the inclusion of goodwill values. In 1931 the franchises of the London Electric Companies expired, giving the city of London the right to purchase. With this right the public held the whip hand. The expiration of the franchises in 1931 initiated an electric struggle which ended in franchise renewal, adoption of the sliding-scale rate and dividend plan, limiting dividends to 7 percent plus an increase dividend bonus depending on the resale rate.

THE TRANSPLANTED PLAN

The Sheffield sliding-scale plan was transferred to America in 1887 at Toronto. The Toronto plan, covering the operations of the Consumers Gas Co., was a successful modification of the English sliding scale. In the Toronto plan a reserve fund of \$1,000,000 was set up by the Canadian Act of 1887. Dividend payments and officials' salaries were charged against this fund. The dividend was set in the Toronto plan at 10 percent. The sale price of gas under this Canadian plan was regulated by the reserve fund, which was kept at the million-dollar level. When the fund fell below this amount, the company was authorized to increase the sale price of gas, and when the fund was over a million dollars the prices were lowered. As a result of this plan in Toronto, gas prices are nearly 25 percent lower on an average than the private companies. The Toronto plan has been a success due to its

simplicity and principally because the operating company has been free from holding-company connections during the entire 90 years of its existence.

As a result of early wholesale company exploitation, the London sliding-scale plan was introduced in Boston, by the Massachusetts legislative act of May 26, 1906. This Massachusetts Sliding Scale Act set the standard sale price at 90 cents per 1,000 cubic feet and the standard dividend at 7 percent on the par value of the outstanding stock. The utilization of the sliding scale in Boston was never a success as the statutory regulation was bypassed, through holding company manipulation, and the creation of separate producing companies, wholesaling to the distributing agencies. The Boston plan was abandoned by legislative enactment in 1926, because of obnoxious manipulation. The sliding-scale plan has also been attempted in Detroit, Memphis, Philadelphia, Houston, and Dallas, but all of these were so markedly different from the English plan as not to be classed as successful.

CONSENT DECREE

The consent decree covering the present rate operations in Washington grew out of the negotiations between the commission and the company during the 2 years prior to December 31, 1924, supposedly based on paragraph 18 of the act of 1913. This section of the 1913 act, in part, is as follows:

That nothing in this section shall be taken to prohibit a public utility, with the consent of the commission, from providing a sliding scale of rates and dividends according to what is commonly known as the Boston sliding scale or other financial device that may be practical and advantageous to the parties interested.

The consent decree was entered and has been accepted to date as complying with the provisions of the act of 1913, but it will be noted from what follows that a sliding scale of rates was provided but reference to dividends was carefully omitted.

If the Washington sliding-scale plan had included dividends as well as rates, the District of Columbia today would be enjoying the T. V. A. yardstick rates.

The consent decree, entered in cases 35336 and 33341, provided:

First. The fair value, used and useful, as of January 1, 1925, including the Maryland properties, was set at \$32,500,000. This figure was compromised in spite of the historical cost of the property on that date, of \$24,400,000 and the further fact that there was only \$21,320,000 of securities outstanding. If we gave the company credit for the balance-sheet surplus on the date of the consent decree, very conservatively the rate payers of the district were "gypped" in the initial set-up by \$7,500,000.

Second. The depreciation reserve as of December 31, 1924, was, in round figures, \$4,000,000. In the consent decree it is stated when the depreciation reserve is below 15 percent of the property value the depreciation rate of 2.3 percent shall be used. When the depreciation reserve is 15 percent of the value but less than 16 percent, a rate of 2.1 percent shall be used. When the reserve is 16 percent but less than 17 percent, 1.9 percent shall be used. A sliding-scale depreciation reserve accrual is continued to 20 percent of the value, when the depreciation rate is 1.3 percent of said value. The annual accretion to the depreciation reserve shall be considered as an operating charge met by the rate payer.

Third. The sale rates shall be based on a return of 7½ percent on the rate base plus the cost of undepreciated additions.

Fourth. If the rates yield more than a 7½-percent return on the rate base, one-half of said excess shall be used in rate reductions, thereby creating a so-called sliding scale of rates under the provisions of paragraph 18 of the act of 1913. Reference to dividends as provided in the act has been omitted. If the rate of return for any one year should amount to \$100,000 over and above 7½ percent on the rate base, then the charged rates in the succeeding year shall be automatically reduced to absorb \$50,000 of such excess during the following year.

Fifth. If the average rate of return for any consecutive 5-year period shall fall below 7½ percent on the rate base, or if the average return for any consecutive 3-year period falls below 7 percent, or if the average return on any consecutive 12-month period falls below 6½ percent on the base, the

Commission shall promptly increase rates so as to yield 7½ percent on the rate base.

Sixth. The impounded fund, as a result of the court decree of August 1917, shall be divided between the consumers and the company and in addition to paying the company's franchise and Federal income taxes. Reverts to consumers shall cease on December 31, 1924.

Seventh. The company agrees to make refunds as promptly as possible.

Eighth. Any amounts due consumers, unclaimed at the end of the prescribed period, shall be considered as income of the company and prorated over a term of 20 years.

It will be noted from the above that all reference to dividends has been omitted from the consent decree and furthermore, the impounded fund which under the court order of August 1917 belonged to the consumers, was divided between the consumers and the company.

On the date of the consent decree the impounded fund amounted to \$6,401,576, and of this amount only \$2,635,067 was actually returned to the rate payer. The company retained \$2,950,788 of this fund and used \$428,996 in paying taxes. The income portion of the fund amounted to \$386,725. Out of the amount of the impounded fund received by the company a cash dividend of 48 percent was paid to the common-share holder, and this totaled \$2,888,000.

CONSENT-DECREE JOKERS

The Creator has so ordained nature that not one of His works has been endowed with perpetual life. In spite of this precept, the consent decree provides an undepreciated rate base.

The insertion of the word "thereafter" in the decree operates to allow the company to retain 100 percent of the excess earnings in the year these earnings accrue. Thereafter the division is 50 percent to the company and 50 percent to the rate payer. A little reflection will show that in operation this results in the company retaining 100 percent of the excess earnings the first year, 50 percent the second year, 25 percent the third year, 12½ percent the fourth year, and continuing for 20 years until the given years' excess is absorbed. This accumulates in each succeeding year. The accumulation of excess earnings from 1925 to 1937 over the rate base return allowed amounted to \$12,921,311. The plan operated to allow the company to retain the full amount of these excess earnings.

The theoretical reduction in rates is based on static conditions and becomes a joker for two reasons:

First. The ever-increasing gross earnings, with rate reductions; and

Second. The customer control of this allocation is in the hands of the company.

In 1930 the company earned 10.7 percent on the rate base. This high rate of return, and the excess accumulation of the reserve funds caused the Commission to enter its order 919 reducing the rate of return to 7 percent. The company again attempted litigation and Congress as a corrective measure passed a bill authorizing the R. A. U. report on a proposed District municipal plant which President Hoover approved.

It will also be noted that in the consent decree, the company is guaranteed a rate of return which results in excessive dividend earnings. The company, by legal "sleight-of-hand manipulation" has placed Congress in the position of guaranteeing an income to give nearly a 75-percent annual earning on their common stocks to a handful of yacht-riding beneficiaries.

The financial effect of the jokers in the so-called Washington sliding-scale plan can be judged by the following:

First. Allowed 89.9 percent of the total rate base to be paid for by consumer in the form of cash for extensions, excess dividends, company taking part of the impounded fund, and arbitrary upping of the initial rate base.

Second. In period 1925 to 1937 gave \$12,921,311 additional earnings over the rate of return on rate base ordered by Commission.

Third. Sum of consent-decree allowances for rate reductions in the 1925-37 period was only \$7,536,437 or an average yearly rate-reduction allowance of \$579,000, or less than

15 percent of the 1937 excess earnings over a 10-percent fair dividend on common stock. This 14-year accumulated consent-decree allowance for rate reductions was divided amongst the different classes of consumers as follows:

Class of service	Total allowance	Average yearly allowance	Average yearly allowance in percent of 1937 excess earnings
Residential consumers.....	\$3,437,398	\$264,000	6.8
Commercial consumer rate.....	294,921	20,400	.5
Commercial consumer rate, E. and L.....	732,258	56,300	1.5
Other commercial consumers.....	2,766,717	213,000	5.5
Street lights.....	503,133	23,300	.6
Miscellaneous.....	32,010	2,470	.66

Four. Allowed building up a retirement reserve of \$14,037,265 in the 13-year period, of which \$9,566,461 was charged to operating expenses and paid for by the rate payer. And \$4,470,804 came from interest charges on fund balance, at 4 percent. Property taken out of service and retired is supposed to be charged against this fund. The 1937 balance sheet shows the amount of the retirement reserve to be \$12,844,177 which would allow the absorption of 64.3 percent of all bonds outstanding.

Five. Allowed building up a surplus of \$31,387,729, which is 44.2 percent of the total balance-sheet value of the plant account.

Six. Allowed investments of \$1,008,713 in stocks and bonds, gave a cash bank balance of \$4,445,074 and permitted loans and notes aggregating \$2,367,834.

This array of money facts certainly shows that the Washington plan was built to fatten the coffers of the common-shareholder rather than give to the rate-paying consumer an equitable share in the excess earnings, as the English sliding-scale plans would have accomplished.

COST OF YARDSTICK

At this point I am inserting table 2, showing typical bill for electric service in the District of Columbia and comparing them with the Tacoma, Wash., and the T. V. A. rates.

TABLE 2.—Typical bills for electric services, Jan. 1, 1938

Class and quantity of service	Bills for—			Washington higher than Tennessee Valley Authority, percent
	Tupelo, Miss.	Tacoma, Wash.	Washington, D. C.	
Residential:				
Minimum bill.....	\$0.75	\$0.50	\$0.75	None
25 kilowatt-hours.....	.75	1.13	.98	30.8
40 kilowatt-hours.....	1.20	1.52	1.56	30
100 kilowatt-hours.....	2.50	2.12	3.10	24
250 kilowatt-hours.....	5.00	3.62	5.65	13
500 kilowatt-hours.....	6.90	6.12	9.40	36
Commercial light:				
Demand 0.75 kilowatt; consumption, 50 kilowatt-hours.....	1.50	1.75	1.90	26.5
Demand 1.5 kilowatts; consumption, 150 kilowatt-hours.....	4.50	4.75	5.20	15.5
Demand 3.0 kilowatts; consumption, 375 kilowatt-hours.....	10.00	10.38	11.13	11.3
Demand 6.0 kilowatts; consumption, 750 kilowatt-hours.....	17.50	17.25	20.50	17.2
Demand 12.0 kilowatts; consumption, 1,500 kilowatt-hours.....	27.50	28.50	39.25	42.8
Commercial power:				
Demand 1.5 kilowatts; consumption, 150 kilowatt-hours.....	4.50	12.33	5.20	15.6
Demand 3.0 kilowatts; consumption, 375 kilowatt-hours.....	10.00	15.03	11.13	11.3
Demand 6.0 kilowatts; consumption, 750 kilowatt-hours.....	17.50	10.05	20.50	17.2
Demand 12.0 kilowatts; consumption, 1,500 kilowatt-hours.....	27.50	120.10	39.25	42.8
Demand 30.0 kilowatts; consumption, 6,000 kilowatt-hours.....	90.00	61.50	144.50	61.0

¹ Schedule E1 does not permit lighting.

TABLE 2.—Typical bills for electric services, Jan. 1, 1938—Continued

Class and quantity of service	Bills for—				Washington higher than Tennessee Valley Authority, percent
	Tupelo, Miss.	Tacoma, Wash.	Washington, D. C.	Secondary service ¹	Primary service ²
Industrial:					
Demand, 75 kw.; consumption, 15,000 kilowatt-hours.....	\$205	\$151	\$356	\$324	58.2
Demand, 75 kw.; consumption, 30,000 kilowatt-hours.....	\$294	\$217	504	459	56.2
Demand, 150 kw.; consumption, 30,000 kilowatt-hours.....	\$370	\$253	608	554	49.5
Demand, 150 kw.; consumption, 60,000 kilowatt-hours.....	\$497	\$344	828	760	56.2
Demand, 300 kw.; consumption, 60,000 kilowatt-hours.....	\$650	\$417	1,004	925	42.5
Demand, 300 kw.; consumption, 120,000 kilowatt-hours.....	\$864	\$597	1,382	1,285	48.5
Demand, 500 kw.; consumption, 100,000 kilowatt-hours.....	\$1,010	\$635	1,490	1,385	37.2
Demand, 500 kw.; consumption, 200,000 kilowatt-hours.....	\$1,300	\$935	2,110	1,974	52.0
Demand, 1,000 kw.; consumption, 200,000 kilowatt-hours.....	\$1,810	\$1,180	2,695	2,524	39.4
Demand, 1,000 kw.; consumption, 400,000 kilowatt-hours.....	\$2,390	\$1,780	3,775	3,524	47.8

¹ Schedule B3; applicable to both primary and secondary service.

² Bills are for secondary service.

³ Schedule E rider 10; bills are for secondary service.

⁴ Schedule L; bills are for primary service.

This table 2 presents typical bills for four classes of electric service applicable on January 1, 1938, in Tupelo, Miss. (T. V. A. rates), Tacoma, Wash., and Washington, D. C. The January 1, 1938, figures are the latest complete returns that are available, representing all the elements of the problem that have been used.

As is well known, the T. V. A. standard schedules were applicable in Tupelo on the date of this comparison. However, since that date, because of excess earnings, Tupelo has again reduced its rates. Tacoma, Wash., is also included to show what the rate should be when the debt amortization principle is applied. On January 1, 1939, Tacoma also reduced its rates and the present levels in effect in Tacoma are lower than those shown in table 2. For example, 100 kilowatt-hours of residential lighting under the Tacoma schedule of January 1, 1938, cost \$2.12, whereas under the schedule effective January 1, 1939, Tacoma citizens pay \$1.70 for this quantity of electricity or a reduction of 20 percent below bills of January 1, 1938. As of January 1, 1938, the calculated difference between the T. V. A. bills and the Washington, D. C., bills for residential, commercial light, commercial power, and industrial power are presented in table 2.

Based on these average percentage differences, I have taken the 1937 gross earnings of the Potomac Electric Power Co. for the different classes of service and applied the bill percentages to arrive at the annual cost of reduction. This information is presented in table 3, which I am inserting for your information.

It will be noted from table 3 that the Federal and the District Governments are contributing \$459,000 annually in excessive rate charges toward the 75-percent stock earnings of the power company.

TABLE 3.—Potomac Electric Power Co. excess-earning statement, 1937

Net earnings, after operating expenses, depreciation, taxes, bond interest, preferred dividends, all charges up to common-stock dividends.....	\$4,491,930
10-percent dividend on common stock.....	600,000

Excess earnings of Potomac Electric Power Co.... 3,891,930

Cost of reduction, Washington, D. C., rates to T. V. A. yardstick levels
[Percentage reduction determined from comparison of typical bills]

Class of service	1937 gross earnings for class	Percentage reduction	Annual cost of reduction
Residential	\$5,112,412	31	\$1,582,000
Commercial light and power	4,840,060	18	872,000
Industrial power	1,603,999	49	788,000
All United States service	1,223,988	29	354,000
All District service	245,419	43	105,200
Miscellaneous service	241,150	15	36,200
Total annual cost of reduction to Tennessee Valley Authority levels			3,735,400

In table 3 is also shown the net earnings of the power company after all operating expenses, depreciation, taxes, bond interest, and preferred dividends up to the common-stock dividend earnings. During the year 1937, after all items of expense were deducted, the power company earned \$4,491,930 net. From this amount, in fairness, is deducted the English dividend standard of 10 percent. The difference gives an excess annual earning figure of \$3,891,930 for this company.

It will also be apparent from table 3 that it would cost the power company, based on 1937 static consumption, \$3,735,400 to reduce the rates in effect in Washington on January 1, 1938, to T. V. A. levels. It should be pointed out, with all emphasis, that the T. V. A. yardstick rates could have been put into effect in Washington on January 1, 1938, at a cost less than the excess earnings of the local power company.

With the lowering of rates to T. V. A. levels the consumption will increase greatly. This has been the universal experience in the T. V. A. and also with normal rate reductions. The earlier presentations have also shown that the same results have been achieved in the National Capital. It will only be a comparatively short time in Washington before the increased consumption will compensate for the static cost of such a reduction. Aside from the social aspects of this problem it will be good business for the local company to reduce the rates to the T. V. A. levels. This presentation, based entirely upon official earning and operating statements, demonstrates beyond any question that the T. V. A. yardstick rates are just, fair, and equitable. The whole fight of the power companies is centered on the concealed objective of preventing the American people from knowing what it really costs to produce, transmit, and distribute electricity. In this presentation I am giving that information, at least so far as the District of Columbia is concerned.

Study carefully the following table:

TABLE 4.—Potomac Electric Power Co.—Securities outstanding on date of consent decree (Dec. 31, 1924) and Dec. 31, 1937

	Dec. 31, 1924	Dec. 31, 1937
Bonds outstanding	\$15,319,900	\$20,000,000
Preferred stock (par value)	250,000	7,000,000
Common stock (par value)	5,750,000	6,000,000
Total outstanding	21,319,900	33,000,000
		21,319,900
Securities outstanding 1937 in excess of 1924		11,680,100
Rate base:		
Dec. 31, 1937		73,793,000
Dec. 31, 1924		32,500,000
Money put into property		41,293,000
Increase in securities outstanding		11,680,900
Money put into property by rate payer		29,612,100
Percent of rate base directly donated by rate payers		40.3
Dividends paid out on common stock, 1925-37, inclusive		24,210,000
Portion of impounded fund turned over to company		3,379,783
Total		27,589,783

TABLE 4.—Potomac Electric Power Co.—Securities outstanding on date of consent decree (Dec. 31, 1924) and Dec. 31, 1937—Con.
Less 10-percent dividends annually, 1925-37, inclusive.

	7,800,000
Excess dividends and impounded fund from rate payer	19,789,783
Increase in rate base over historical cost by consent decree Jan. 1, 1925	\$7,500,000
Total excess dividends and paper increase in rate base	27,289,783

Now take table No. 5 and give it your careful attention.

TABLE 5.—Equivalent portion of rate base taken from rate payer	
Directly taken from earnings and put into property	\$29,612,100
Excess dividends paid, and company's portion of impounded fund	19,789,783
Increase in rate base over historical cost by consent decree	7,500,000
Subtotal	56,901,883
Accretions to retirement reserve charged to operation and paid for by rate payer	9,566,461
Total	66,478,344
Percent equivalent portion of rate base taken from rate payer	89.9

RATE BASE AND SECURITIES

Although paragraph 18 of the act of 1913 provides a regulating option of "a sliding scale of rates and dividends according to what is commonly known as the Boston sliding scale," the consent decree was built upon a rate-base theory which was substituted without provision for dividend regulation.

In table 4 is presented the company's bonds and stock outstanding as of the date of the consent decree and as of December 31, 1937. It will be seen from this tabulation that \$11,680,100 of additional securities were put out between 1924 and 1937, although \$41,293,000 was invested in the property, according to the rate base, during this same period. This means that \$29,612,100 of the company's plant investment was directly contributed by the rate payer. If we add to this direct donation the excess dividends, the amount the rate base was "upped" by the consent decree, and the accretions to the retirement reserve fund charged to operation, we see that the rate payer directly and indirectly contributed to the rate base \$66,478,344, which is equivalent to 89.9 percent of the plant investment.

Another joker in the consent decree results from the fact that the rate payer is required to pay interest to the company on his own donations, as is shown by table 5.

For your information, I am presenting table 6, showing the rate base, the rate of return, the actual net earnings, and the actual earned rate of return from 1925 to 1937. It will be seen from this tabulation that even with a set rate of return on the investment made by the people, the company actually earned far in excess of the return rate set by the Commission during this entire period.

Study this table and be convinced:

TABLE 6.—Potomac Electric Power Co., rate base data by years, 1925 to date

Year	Rate base ¹	Rate of return	Actual net earnings	Actual earned rate of return on rate base
		Percent		Percent
1925	\$33,608,000	7½	\$3,223,000	9.59
1926	36,132,000	7½	3,510,000	9.72
1927	40,700,000	7½	3,751,000	9.22
1928	43,803,000	7½	4,513,000	10.28
1929	47,971,000	7½	4,946,000	10.31
1930	49,373,000	7½	5,287,000	10.70
1931	55,125,000	7	5,268,000	9.56
1932	58,728,000	7	5,171,000	8.81
1933	61,759,000	7	5,081,000	8.23
1934	66,073,000	7	4,920,000	7.44
1935	67,407,000	6½	4,986,000	7.42
1936	70,136,000	6½	5,545,000	7.91
1937	73,793,000	6	5,864,000	7.95

¹ As used for determining allowable return.

THE CRUX OF THE PROBLEM

The crux of the problem of low electric rates lies in honest finance, proper accounting, amortization of debt, and the application of the principle that it is good business to lower rates. Tables 7, 8, 9, and 10 are presented. The tables are collateral and informational. Table 10 shows that in the period from 1925 to 1937, \$27,090,000 was paid to the common-share holder. This represents 34.8-percent average dividend paid out during the 13-year period. It must be remembered that, in addition to this large dividend cash withdrawal, the company also built up the property from funds paid in by the rate payer.

TABLE 7.—Potomac Electric Power Co. kilowatt-hour statistics

	Total kilowatt-hours	Percent
Total sales, kilowatt-hours.....	720,499,000	
Kilowatt-hour output:		
Benning station.....	483,893,509	57.8
Buzzard Point.....	197,967,400	23.7
Net interchange.....	153,307,000	18.5
Total output.....	835,167,909	100.0
Unaccounted for in percent of generation, 13.6 percent.		

POTOMAC ELECTRIC POWER CO. SECURITIES OUTSTANDING, 1937

	Securities	Annual charges
Bonds, first mortgage, 3¼-percent bonds.....	\$20,000,000	\$650,000
Preferred stock, 6 percent.....	2,000,000	120,000
Preferred stock, 5½ percent.....	5,000,000	275,000
Common stock at 10 percent dividend.....	6,000,000	600,000
Total securities.....	33,000,000	1,645,000

Annual security charges per kilowatt-hour sold, 2.282 mills.
Average interest rate based on securities outstanding and 10 percent on common stock, 4.98 percent.

TABLE 8.—Potomac Electric Power Co. bonds outstanding

Total book liability:	
1914.....	\$7,000,000
1918.....	9,850,000
1920.....	12,441,000
1923.....	15,450,000
1925.....	14,447,000
1927.....	12,783,000
1930.....	12,403,000
1933.....	12,198,400
1935.....	12,040,200
1936.....	15,000,000
1937.....	20,000,000

¹ Includes \$3,078,000 bonds held in sinking fund and \$1,760,000 par value held in treasury.

TABLE 9.—Potomac Electric Power Co.—Amount in depreciation reserve, by years, 1925 to date

Year:	Balance in reserve at end of year
1925.....	\$4,702,503
1926.....	5,372,400
1927.....	6,150,700
1928.....	6,936,703
1929.....	7,824,100
1930.....	8,585,100
1931.....	9,443,700
1932.....	10,275,900
1933.....	9,522,500
1934.....	10,464,400
1935.....	11,393,600
1936.....	12,226,200
1937.....	12,844,200

TABLE 10.—Potomac Electric Power Co.—Dividends paid per year on common stock, 1925 to date

Year:	Dividends
1925.....	\$840,000
1926.....	960,000
1927.....	1,080,000
1928.....	1,200,000
1929.....	1,320,000
1930.....	1,440,000
1931.....	1,560,000
1932.....	1,680,000
1933.....	1,800,000
1934.....	2,280,000
1935.....	2,550,000
1936.....	3,600,000
1937.....	3,900,000
	24,210,000

1925 special dividend paid out of company's portion of impounded fund..... 2,880,000

Average per year..... 27,090,000

Average yearly dividend paid to common-share holder, 34.8 percent.

OPERATING COSTS

Tables 11, 12, and 13, showing the 1937 earnings and expenses of the Potomac Electric Power Co., are also presented for your information. These tables are so detailed that each class of electric consumer can see for himself what the costs are and how they are charged by the power company. In table 13 I have analyzed the operating, depreciation, and tax expenses, together with production, transmission, and distribution costs, and have shown these items in mills per kilowatt-hour sold. It can be seen from table 13 that the total average electric cost, including all items, in Washington is 14.58 mills per kilowatt-hour. I would like to have this cost, for example, compared with the residential sale price of 29.62 mills, shown in table 11.

TABLE 11.—Gross earnings¹ and consumption statistics, Potomac Electric Power Co., year 1937

Class of service	Annual earnings	Sales, kilowatt-hours	Average rate per kilowatt-hour (cents)
Residential.....	\$5,112,412	172,612,000	2.962
Commercial light (excluding Government).....	4,840,000	182,908,000	2.646
Commercial power (excluding Government).....	(2)	(2)	(2)
Industrial power (excluding Government).....	1,603,999	117,581,000	1.361
All Federal service.....	1,223,986	115,564,000	1.059
All District of Columbia service (excluding street lights).....	245,419	11,145,000	2.202
Street lights (District of Columbia only):			
(1) Current.....	168,855	22,514,000	.750
(2) Maintenance, renewal, and fixed charges.....	533,958		
Traffic signals (District of Columbia only):			
(1) Current.....	7,510	751,000	1.000
(2) Maintenance, renewal, and fixed charges.....	20,811		
Street railway.....	516,613	80,976,000	.638
Miscellaneous ²	241,150	16,448,000	1.466
Total.....	14,514,773	720,499,000	2.015
Delayed-payment charges ³	148,609		
	14,663,382	720,499,000	2.035

¹ Embraces sales in District of Columbia and in Maryland. Gross earnings construed to mean gross operating revenues.

² No separate rate schedules; included under "Commercial light."

³ Includes sales to Maryland municipalities and to other electric-utility companies.

⁴ Segregation of these charges to individual revenue classes not available.

TABLE 12.—Potomac Electric Power Co. annual expense statement (operating expenses—year 1937)

Production:		
Labor and material (except coal).....	\$330,418.74	
Coal.....	1,755,295.28	
Maintenance.....	228,492.18	
Interchange power.....	321,757.50	
		\$2,635,963.70
Transmission:		
Operation.....	11,877.35	
Maintenance.....	2,777.52	
		14,654.87
Distribution:		
Operation.....	1,263,816.12	
Rents.....	15,748.60	
Maintenance.....	472,809.13	
		1,752,373.85
Customers' accounting and collecting.....		649,502.03
Sales promotion.....		291,809.85
Administrative and general.....		952,628.75
Total of above.....		6,296,933.05
Depreciation (portion charged to operation).....		741,082.14
Taxes.....		1,835,265.49
Total operating expenses.....		8,873,280.68

TABLE 13.—Potomac Electric Power Co., annual expense statement—operating expenses in dollars and mills per kilowatt-hour sold—year 1937

Item	Amount	Mills per kilowatt-hour
Production:		
Labor and material except coal.....	\$330,418.74	0.453
Coal.....	1,755,295.28	2.433
Maintenance.....	228,492.18	.308
Interchange power.....	321,757.50	.446
Total production.....	2,635,963.70	3.650
Transmission:		
Operation.....	11,877.35	.016
Maintenance.....	2,777.52	.004
Total transmission.....	14,654.87	.020

TABLE 13.—Potomac Electric Power Co., annual expense statement—operating expenses in dollars and mills per kilowatt-hour sold—year 1937—Continued

Item	Amount	Mills per kilowatt-hour
Distribution:		
Operation.....	\$1,263,816.12	1.754
Rents.....	15,748.60	.022
Maintenance.....	472,809.13	.655
Customers accounting and collecting.....	649,502.03	.900
Sales promotion.....	291,809.85	.405
Administrative and general.....	952,628.75	1.320
Total of above.....	6,296,933.05	8.740
Depreciation (portion charged to operation).....	741,082.14	1.028
Taxes.....	1,835,265.49	2.550
Total operating expenses.....	8,873,280.68	12.300

Total kilowatt-hour sales, all classes..... 720,499,000
Mills

Total operating expenses including operation, maintenance, taxes, and depreciation..... 12.3

Interest on bonds, dividends on preferred stock, and 10-percent dividend on common stock..... 2.28

Total all costs per kilowatt-hour (average)..... 14.58

INVESTMENT PER METER

Table 14 presents the consumer data of the power company. It will be noted from this table that the rate base in Washington represents \$386 per meter, while the securities outstanding only amount to \$172.50 per meter. The electric construction in Washington is essentially high class and the distribution system is largely underground. Underground construction is at least 25 percent higher in first cost than the overhead type of construction. Nationally, the average of all private utilities in America, based on securities outstanding, is \$480 per meter. If this were all underground construction the securities outstanding would represent about \$600 per meter. Therefore, nationally the securities of power companies outstanding are over three times what they are in Washington and nearly double the rate base per meter, when comparison is made on a common standard. These simple figures tell the story of why, nationally, electric rates are so high.

TABLE 14.—Potomac Electric Power Co. consumer data¹

Class of service:	Number
Residential.....	156,372
Commercial light (excluding Government).....	22,811
Commercial power (excluding Government): Included under "Commercial light"; no separate statistics available.....	
Industrial power (excluding Government).....	157
All Federal service.....	277
All District of Columbia service (excluding street lights).....	388
Street lights.....	
Street railway.....	1
Miscellaneous.....	251
Total.....	180,257

¹ Allocation of meters to the classes of service indicated not possible from available records. At December 31, 1937, company's report shows 191,256 meters in customers' use.

WASHINGTON, D. C.

Rate base, dollars per meter.....	\$386.00
Securities outstanding, dollars per meter.....	172.50
Investment ratio to gross earnings (rate base).....	5.03
Investment ratio to gross earnings (securities).....	2.25

NATIONAL AVERAGE

Securities outstanding, per meter.....	480.00
Investment ratio to gross earnings.....	6.41

STEAM VERSUS HYDRO

The energy used in Washington, D. C., is partly steam and partly hydro generation. The operating figures of the local company, which are here offered, are a contribution to this controversial subject.

Tables 15 to 20 contain all the essential information on the subject of steam and hydro costs as applicable to Washington conditions.

TABLE 15.—Potomac Electric Power Co., generating, operating, and maintenance costs (steam-generating stations)

	Benning station	Buzzard Point station
Kilowatt capacity of station.....	185,000	35,000
Kilowatt station peak.....	134,000	37,000
Kilowatt-hour output.....	483,893,509	197,967,490
Annual maintenance cost.....	\$170,463	\$58,029
Annual operating cost (exclusive of coal).....	\$238,487	\$91,931
Coal cost per year.....	\$1,369,148	\$386,147
Total operating cost.....	\$1,778,098	\$536,197
Number of tons of coal burned.....	285,947.84	87,801.57
Average cost of coal, delivered per ton ¹	\$4.760	\$4.344

¹ Based on 1937 purchases.

TABLE 16.—Potomac Electric Power Co. station statistics

	Benning	Buzzard
Installed capacity..... kilowatts.....	185,000	35,000
Station peak..... do.....	134,000	37,000
Peak in percent installed..... percent.....	72½	106
Kilowatt-hours output.....	483,893,509	197,967,490
Capacity factor (based on installed)..... percent.....	29.8	64.2
Load factor (annual peak)..... do.....	41.2	61.2
Annual maintenance cost per year.....	\$170,463	\$58,029
Maintenance cost per kilowatt year peak.....	\$1.275	\$1.57
Maintenance cost per kilowatt-hour..... mills.....	0.353	0.294
Annual operating cost (exclusive of coal).....	\$238,487	\$91,931
Annual operating cost per kilowatt year peak.....	\$1.775	\$2.48
Annual operating cost per kilowatt-hour..... mills.....	0.494	0.404
Coal cost per year.....	\$1,369,148	\$386,147
Coal cost per kilowatt year peak.....	\$10.20	\$10.42
Coal cost per kilowatt-hour..... mills.....	2.83	1.946
Tons coal burned.....	285,947.84	87,801.57
Tons per 1,000 kilowatt-hours.....	0.688	0.444
Pounds of coal per kilowatt-hour.....	1.176	0.888
Average cost per ton coal delivered.....	\$4.476	\$4.344

TABLE 17.—Generating plant fixed charges—based on 1937 results

	Benning	Buzzard Point
Cost per kilowatt installed.....	\$77.38	\$81.87
Cost per kilowatt of peak.....	\$106.50	\$77.40
Interest rate set by Public Utilities Commission of District of Columbia..... percent.....	6	6
Net depreciation after interest on reserve..... do.....	1.02	1.02
Total fixed charges..... do.....	7.02	7.02
Total annual fixed charges per kilowatt of peak.....	\$7.46	\$5.42
Kilowatt-hour (annual) per kilowatt peak.....	3,610	5,300
Fixed charges mills kilowatt-hour output.....	2.07	1.01

The above based on interest rate used by Public Utilities Commission of District of Columbia and actual depreciation percent less interest on reserve.

TABLE 18.—Potomac Electric Power Co.—operating and fixed costs per kilowatt-hour of output

{Steam generating stations of power company based on (1) fixed costs allowed by Public Utilities Commission of the District of Columbia and (2) fixed costs based on securities outstanding}

	Stations			
	Benning		Buzzards Point	
	Per kilowatt-year peak	Mills, kilowatt-hour	Per kilowatt-year peak	Mills, kilowatt-hour
Operating (exclusive of fund).....	\$1.78	0.494	\$2.480	0.462
Maintenance.....	1.275	.353	1.570	.293
Fuel.....	10.20	2.830	10.450	1.947
Total operating cost.....	13.255	3.677	14.500	2.702
Fixed charges (Public Utilities Commission of the District of Columbia).....	7.460	2.070	5.420	1.010
Proportionate taxes.....	2.58	.715	4.130	.770
Total cost.....	23.295	6.462	24.050	4.480
Based on securities outstanding:				
Total operating cost.....	13.255	3.677	14.500	2.702
Fixed charges.....	3.470	.960	5.180	.966
Proportionate taxes.....	2.580	.715	4.130	.770
Total.....	19.305	5.352	24.810	4.438

Sales kilowatt-hours are 86.4 percent of output kilowatt-hours.

TABLE 19.—Over-all production cost per kilowatt-hour sold
[Based on securities outstanding and proportion of total depreciation, interest, and tax charge. Includes all items of cost]

	Mills per kilowatt-hour sold
Labor and material, except coal.....	0.458
Coal.....	2.438
Maintenance.....	.308
Interchange power.....	.446
Total operating cost.....	3.650
Proportionate part total interest charges.....	.570
Proportionate part total depreciation charges.....	.260
Proportionate part total taxes.....	.640

Total operating and fixed cost per kilowatt-hour sold. 5.120

Proportional costs above derived from the relationship between generating investment and total rate base multiplied by actual unit expenditures. Includes Benning and Buzzard Point stations and interchange connection.

This table combines the company's over-all production costs from its three different power sources. It is the sum of the entire steam and hydro costs expressed as mills per kilowatt-hour for all the kilowatt-hours sold to the consuming public.

TABLE 20.—Potomac Electric Power Co.—Interchange transmission contract data

	(1) Received	(2) Delivered	(3) Net receipts—(1) less (2)
(A) Kilowatt-hours interchanged (thousands).....	202,109	48,802	153,307
(B) Costs current interchanged.....	\$458,288	\$136,531	\$321,757
(C) Average cost per kilowatt-hour of current interchanged (mills).....	2.268	2.797	2.099

APPROXIMATE COST OF BENNING AND BUZZARD POINT STATIONS

	Dollars per kilowatt of capacity
Benning.....	77.38
Buzzard Point ¹	81.87

¹ Based on 1938 capacity and cost. Second generating unit of 35,000 kilowatts cut into service in July 1938. The kilowatt capacity of Buzzard Point is therefore here used as 70,000 kilowatts.

The local power company operates two steam-producing stations known, respectively, as the Benning and Buzzard Point stations. The Benning station is an old, although fairly efficient steam producer, while the Buzzard Point station represents the latest ideas in steam-plant construction.

Table 18 presents the energy cost of the two steam-producing stations, based first on the fixed costs and rate of return allowed by the Public Utilities Commission of the District and secondly on fixed costs based on actual securities outstanding. It will be noted from table 18 that the production cost in the older station lies in the range between 5.3 to 6.5 mills per kilowatt-hour, whereas in the modern Buzzard Point station these costs range from 4.44 to 4.48 mills per kilowatt-hour. Due to the lower costs of the Buzzard Point station, base load is carried on this station, whereas the Benning station is lightly loaded at times. At this point it should be noted that current is being produced with steam at the Buzzard Point station at a lower cost per kilowatt-hour than the city of Tupelo pays wholesale to the T. V. A.

All this power could be sold to the people of the District of Columbia at the T. V. A. rates with profit to the power company.

Table 19 sets out the over-all production cost in mills per kilowatt-hour from the book figures of the power company. This over-all production cost includes the energy produced in the two steam stations, together with the Susquehanna hydro energy imported into Washington. Again it will be noted that the total over-all cost of producing energy in Washington is lower than the city of Tupelo pays to the T. V. A. for wholesale electricity.

Table 20, showing the interchange transmission contract data, is very illuminating. The net cost of delivered current, imported into Washington from the Susquehanna hydros and the Baltimore plants, is 2.099 mills per kilowatt-hour, which is less than half what Tupelo pays for T. V. A. power.

This hydro energy, delivered by outside private companies to the Washington company, is sold for less than half the cost of producing power in the highly efficient Buzzard Point generating station. It goes without saying that the Susque-

hanna private companies have included their profit in this 2.099-mill sale price. Private hydro energy delivered in Washington is over 60 percent lower than the city of Tupelo is paying to the T. V. A. With this comparison, how can it truthfully be said that T. V. A. wholesale rates are too low?

If Washington retail rates were reduced to the T. V. A. yardstick rates, the company would still make money and the consumers of the District would save \$3,735,000 a year, even on the present load.

EXCLUSIVE CONTRACT

An exclusive contract exists between the Potomac Electric Power Co. and the local transportation subsidiary of the North American Co. Under this contract the power company delivers to the transit company about 81,000,000 kilowatt-hours annually and receives a gross return of 6.35 mills per kilowatt-hour as is shown by table 21. There are deductions from this gross charge for operation and maintenance of the railway company's property, leased to the power company without compensation. Evidently the power company—and the figures I have presented bear this out—are not selling this exclusive energy below cost. The Federal Government is paying the power company 10.50 mills a kilowatt-hour which is over 63 percent more for its current than the transit company is paying. The District is paying 22.02 mills, or more than three times as much as the transit company pays. This is evident from a comparison of tables 11 and 21.

TABLE 21.—Potomac Electric Power Co. contract data: Potomac Electric Power Co. and Capital Transit Co.¹

(A) Term of contract: "5 years or until such time as such terms and conditions may be required to be changed by the Public Utilities Commission."	
(B) Kilowatt-hours (annual) delivered under contract.....	80,944,116
(C) Gross charges.....	\$515,146
Mills per kilowatt-hour.....	6.364
(D) Value of other services performed under contract, dollars and mills per kilowatt-hour.....	(²)
(E) Net cost of current after deducting other services, dollars and mills per kilowatt-hour.....	(²)

¹ Platform and blinker lights not included.

² Value of other services—not determined.

"As part consideration for the promises of the power company contained herein, the railway company does hereby lease, without other compensation to the power company, all of its property used and useful for supplying electrical energy to the railway, the power company to operate and maintain at its own cost (taxes and insurance excepted)."

Propagandists for the private power companies frequently assert that the taxes paid by the power companies account for the difference between public and private consumer rates. This is not a fact. Therefore, in table 22, I am presenting the tax bill of the local company. The surprising fact is that the company pays in local taxes about half what it should. The Tacoma public plant, for example, pays over 10 percent of its gross earnings for State and local taxes. Compare this with the 4.68 percent paid by the Potomac Electric Power Co. If the power company paid the same proportional local taxes that the Tacoma public plant pays, they would be turning over to the local authorities \$1,510,000 annually, instead of \$686,790, it now pays. The total tax bill of the local power company, including Federal excise taxes, income, and miscellaneous taxes amounts only to 2½ mills per kilowatt-hour, and the majority of this amount is income taxes on their enormous incomes derived from these overcharges.

These enormous incomes result from the 75-percent earning power of the company's common stock.

TABLE 22.—Potomac Electric Power Co.—Segregation of total taxes (taxes accrued and charged to operations—applicable to the year 1937)

	Dollars per year	Percentage of gross earnings ¹
(A) Local taxes: District of Columbia.....	655,811	
Maryland.....	30,979	
(B) Excise taxes (Federal—electrical energy).....	686,790	4.683
(C) Income and miscellaneous taxes.....	320,635	2.186
Total taxes.....	826,756	5.638
	1,834,181	12.507

¹ Gross earnings construed to mean gross operating revenues.

FRANCHISE

It has been frequently stated, for financial reasons, that the franchise of the power company is perpetual. Such a statement is contrary to the fact. The authority of the company to use the streets, avenues, and public places in the District is covered by 16 acts of Congress. Such rights which have been given by congressional action are not perpetual, neither are they exclusive. Congress can at all times control the rate situation in Washington, with fairness to both the company and the rate payer, by amendments to these 16 acts. Congress therefore is in control of this rate situation. Congress also has in its power the elimination of such extortionate earnings and can pass along equitable benefits to the electric consumer, by appropriate legislation.

ANTISOCIAL TACTICS

The stock-pegging activities of the Harrison Williams interests, through which innocent American investors lost savings totaling at least the present investment of the T. V. A., occurred in 1929 and prior years. The reply of the Power Trust to this will be, "We have reformed and are now good boys." Let us look into the recent record and see if the American people can accept their word or statements at face value.

In 1905 the Hughes utility investigation in New York State disclosed excessive abuses of overcapitalization, security manipulations—adversely affecting the innocent investor—fraudulent practices, rebates, discrimination, and wholesale corruption in the securing of franchises, public contracts, and rate approvals. Public opinion was aroused. The Power Trust of that day said, "Give us commission regulation, and we will live within the law."

In the following 25 years this trust not only controlled the regulatory commissions but attempted to manufacture public opinion and to buy their way. Then followed the Walsh resolution and the disclosures of the Federal Trade Commission. Again the Power Trust promised the American people to desist their antisocial activities. Present circumstances and events would seem to indicate that the Illinois-Iowa Power Co., also a Williams' subsidiary, formerly the Illinois Power & Light Corporation, is still continuing the abuses disclosed by the early Hughes investigation and the later Federal Trade Commission's disclosures and circumventing the Holding Company Act in every possible way.

PRAIRIE PRACTICE

The Illinois-Iowa Power Co. is at present operated and controlled by the North American, although this interest has only minority control. This \$212,000,000 company, from information furnished me by the S. E. C., is now operated by two directors of one of the local North American properties. One of these directors has appeared as counsel for the North American interests before the S. E. C. and the Utility Commission of the District.

From about 1924 to 1932, \$44,632,200 of preferred stock in this company was largely sold in the operating territory of the company to the consuming public. This stock was sold by the company employees working, in teams, under high-pressure sales supervisors. Verbally those agents represented that the company guaranteed to buy back the stock at any time the owners wished their money back. This stock was sold at par when the New York curb quotations were substantially lower. The company did buy back and resell fairly large amounts, in the years before banking conditions became tight. This practice was bait for the innocent investor. The company operated so as to make no guaranties in writing. It was all done by word of mouth. If it were not for these verbal representations and accompanying manifestations, the stock would not have been sold to the consuming public. The relief rolls of the Midwest today contain numerous good people who put their life savings into this misrepresented stock.

In 1932 this company ran into financial difficulties. In the spring of 1933 it suspended dividend payment on its cumulative customer-owned preferred stock. The accumulations on these dividends, which were running annually \$2,-

901,000, presented a problem. The answer to this problem, solved in Wall Street, was to write down this stock at the expense of the preferred stockholder.

Prior to February 1937 Mr. Williams' organizations fought the Holding Company Act in the courts. Suddenly Mr. Williams reversed his course, and his companies registered under the act. A short time thereafter the Illinois Co. applied to the S. E. C. for a report on a plan of recapitalization submitted by the company.

In this plan it was proposed to reduce its capital \$30,869,700 by reclassifying and writing down the preferred and common stocks, although the company had, at the time of their request, cash on deposit in banks and with the bond trustees and receivables totaling \$14,213,253.

Under this proposed plan, the preferred shareholders, who supposedly purchased stock guaranteed as to principal and earnings, were asked to surrender \$3.50 per share, or 62½ percent of preference as to annual earnings, and \$50 per share (one-half of value) in asset value. In return they were given some common stock equity, the value of which was uncertain. Following hearings in Washington, at which no protests were entered, the preferred stockholders were circularized through the mails. The S. E. C., in their press release of March 25, 1937, made it plain that the "statement of earnings and expectations discussed in this report are those of the company and not those of the commission."

In its declaration the company estimated its expense of reclassifying the stock at approximately \$80,000, of which about \$34,000 would be spent for solicitation of proxies. Proxies were needed to secure stockholders' consent to place the plan into operation—an expense which was paid for by the shareholders, who by proxy consented to surrender to the company over \$1,700,000 in annual guaranteed dividends and \$30,869,000 in principal. These proxies were verbally solicited and secured largely by the same supervisors who originally sold the stock. The plan was put into effect by proxy vote in the early summer of 1937.

Since reclassifying, the company has earned money on its preferred stock, but to date has paid nothing to the preferred shareholders. No doubt the company will reply to this and state that the outstanding mortgage and debenture indentures prohibit the payment of dividends except out of earned surplus accumulated since 1922. To this I will answer "the underlying reason for recapitalization" given by the company in its declaration, was the refinancing of outstanding bonds at lower interest rates. If the company had refinanced some \$106,000,000 of 5, 5½, and 6-percent bonds between 1935 and 1937, instead of fighting the Holding Act in the courts, the preferred holders would now be better off, and some of those who are now on the relief rolls could have resumed their former position of security or semi-security. The preferred holders, from information I have secured from the S. E. C., are the real majority owners of the company. Unless I am badly mistaken, these stockholders can collect from the North American officials for mismanagement.

The theory behind the holding company act was to eliminate the abuses brought out by the Federal Trade Commission's investigations. The act is based on the use of the mails in interstate commerce. It can, however, be circumvented by verbal representations such as securing proxies by promises.

My study of this midwest utility situation leads me to ask several questions applicable to this company, which is a part of the chain that operates in Washington:

First. What verbal promises were made to preferred-stock holders by proxy solicitors to secure proxy signatures?

The answers should come from the preferred-share holders.

Second. Why were 95 new street-lighting contracts secured in Illinois from January 1, 1937, to December 31, 1938? What methods were used in securing these contracts, especially those at Collinsville, Edmundsville, Du Quoin, Ottawa, and Granite City?

Third. What political contributions were made in Illinois from February 1937 to date?

Fourth. Why were the services of a Milwaukee propaganda agency used to draft misleading advertisements, which were printed in Illinois papers, where there were rate and service agitations in progress?

Congress should demand the answers to these questions, as well as the answer to the query, Why are yardstick rates not in force in the District of Columbia at this time in view of such excess power company earnings?

The American people need to know these facts so as to judge whether the power companies are going to circumvent the recent protective legislation as they did the regulatory legislation which followed the Hughes investigations of 1905.

The power companies are today repeating the false wails of railway management which followed the 1873 panic, and the Grange decision of the United States Supreme Court. These former insincere expressions of distress resulted in many States relaxing their railroad laws. With this lessening of control the railway management again betrayed public confidence. Many roads slipped back into the hands of unscrupulous financiers. Private profit instead of public service became the rule. Rates were raised and discrimination against the small shipper increased in large proportions. Again an incensed public opinion reacted. Congress in 1887, as a result of continued shipper maltreatment, passed the first Federal act to regulate commerce.

It is necessary to be on our guard. The records of the men who now control the destinies of private power are not such that we can afford to relax the protective administration of the Holding Company Act.

So, Mr. Speaker, why fortify the islands of the far Pacific; why build an air base on Wrangell Island in the extreme range of the frozen North; why spend all these billions of dollars on an Army and Navy air force and leave the Nation's Capital unprotected?

As I said, it is conceded that the most essential element of national defense is an ample and secure supply of electric power. This can be provided for by the development of the hydroelectric resources in the Potomac River.

We are the legislators for the people in the District of Columbia, and it is our double duty to protect them from extortion at the hands of selfish utilities, and from disastrous floods, as well to protect them against any foreign foe.

All this can be done by the development of the Potomac Valley Authority, and the application of the yardstick rates.

In the name of real, sane, national defense, that would mean the protection of the Nation's Capital at all times; in the name of common honesty and common justice to the people of the District of Columbia and the surrounding territory, in the name of fairness to the people now living in this area and the generations yet to come, I submit that we should pass this bill for the creation of a Potomac River Valley Authority. [Applause.]

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.) the House adjourned until tomorrow, Thursday, February 23, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Thursday morning, February 23, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, February 23, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m. Thursday, February 23, 1939.

COMMITTEE ON LABOR

The Committee on Labor will hold a hearing in room 429, House Office Building, at 10:30 a. m. Thursday, February 23, 1939, on H. R. 2990, a bill to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, February 28, 1939, at 10:30 a. m., to begin hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

The Committee on Rivers and Harbors will meet Friday, March 3, 1939, at 10:30 a. m., to hold hearings on H. R. 295, H. R. 922, H. R. 2890, H. R. 4170, and H. R. 4314, all bills for the control of water pollution.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, March 1, 1939, on bills H. R. 159, H. R. 160, and H. R. 4167, certain private bills.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Wednesday, March 1, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill "To extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes."

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

459. A letter from the Postmaster General, transmitting the draft of a joint resolution to provide revenue, and for other purposes; to the Committee on Ways and Means.

460. A letter from the Secretary of War, transmitting the draft of a proposed bill to amend the National Firearms Act; to the Committee on Ways and Means.

461. A letter from the Secretary of War, transmitting the draft of a proposed bill to amend the acts granting increased compensation to civilian employees for the period July 1, 1917, to June 30, 1924; to the Committee on Claims.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3303) granting an increase of pension to John R. Robertson; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3019) granting an increase of pension to Harry L. Dye; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LUTHER A. JOHNSON:

H. R. 4399. A bill to provide for the distribution to needy persons of articles manufactured from certain cotton owned by the United States; to the Committee on Agriculture.

By Mr. LEA:

H. R. 4400. A bill to define "an agricultural laborer" under the provisions of the National Labor Relations Act (Public Law No. 198, 74th Cong., approved July 5, 1935), (49 Stat. 449), and for other purposes; to the Committee on Labor.

By Mr. TENEROWICZ:

H. R. 4401. A bill to provide for the enlargement of the Veterans' Administration hospital at Dearborn, Mich.; to the Committee on World War Veterans' Legislation.

By Mr. SOMERS of New York:

H. R. 4402. A bill to fix standards of dimension and capacity for metal containers for canned fruits, vegetables, and canned milk in order to prevent fraud and deception in containers used in the sale and distribution of these products, and for other purposes; to the Committee on Coinage, Weights, and Measures.

By Mr. DEMPSEY:

H. R. 4403. A bill to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; to the Committee on Indian Affairs.

By Mr. MYERS:

H. R. 4404. A bill to retain the basic status and salary classification of surplus motor-vehicle employees; to the Committee on the Post Office and Post Roads.

By Mr. PIERCE of Oregon:

H. R. 4405. A bill authorizing the Snake or Piute Indians of the former Malheur Indian Reservation of Oregon to sue in the Court of Claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. JONES of Texas:

H. R. 4406. A bill to amend title I and title IV of the Bankhead-Jones Farm Tenant Act; to encourage farm home ownership and to provide Government-insured loans to farmers in order to promote such ownership; and for other purposes; to the Committee on Agriculture.

By Mr. SPARKMAN:

H. R. 4407. A bill to require that the Federal contribution to States for old-age assistance shall be the full amount in cases where the State matches to the extent of its ability; to the Committee on Ways and Means.

H. R. 4408. A bill to authorize a survey for the establishment of a chemical warfare unit in the Tennessee Valley in North Alabama; to the Committee on Military Affairs.

By Mr. HESS:

H. J. Res. 178. Joint resolution to authorize the Attorney General of the United States to transfer certain documents to the Library of Congress; to the Committee on the Library.

By Mr. TINKHAM:

H. J. Res. 179. Joint resolution authorizing the erection in Washington, D. C., of a monument to the memory of Crispus Attucks; to the Committee on the Library.

H. J. Res. 180 (by request). Joint resolution to provide that the United States extend to foreign governments invitations to participate in the Eleventh International Congress for the Rheumatic Diseases, to be held in the United States during

the calendar year 1940, and to authorize an appropriation to assist in meeting the expenses of the session; to the Committee on Foreign Affairs.

By Mr. MARTIN J. KENNEDY:

H. Res. 102. Resolution requesting the recall of Josephus Daniels, the Ambassador to Mexico; to the Committee on Foreign Affairs.

By Mr. GAVAGAN:

H. Res. 103. Resolution to make H. R. 801, a bill to assure to persons within the jurisdiction of every State due process of law and equal protection of the laws, and to prevent the crime of lynching, a special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to consider their Senate Joint Memorial No. 2, House Memorial No. 2, and House Concurrent Memorial No. 3, relating to excise tax on foreign copper, Federal appropriation for predatory animal and rodent control, and for aid to States for wildlife restoration; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to consider their Senate Joint Memorial No. 1 and House Concurrent Memorial No. 4, relating to national defense, and assistance for the owners of undeveloped mining properties; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 4409. A bill for the relief of John A. Schojan; to the Committee on Naval Affairs.

By Mr. FISH:

H. R. 4410. A bill for the relief of George Woodin; to the Committee on Claims.

H. R. 4411. A bill for the relief of Louise Odenwalder Regan; to the Committee on Military Affairs.

By Mr. GEYER of California:

H. R. 4412. A bill for the relief of Beatrice Lois Rucker; to the Committee on Claims.

By Mr. JONES of Ohio:

H. R. 4413. A bill granting a pension to Lenace Marlin; to the Committee on Invalid Pensions.

By Mr. KEOGH:

H. R. 4414. A bill for the relief of the Postal Telegraph-Cable Co.; to the Committee on Claims.

By Mr. LANDIS:

H. R. 4415. A bill granting a pension to Luther Hudson; to the Committee on Invalid Pensions.

H. R. 4416. A bill for the relief of George Rogers; to the Committee on Military Affairs.

By Mr. O'TOOLE:

H. R. 4417. A bill authorizing the President of the United States to present, in the name of Congress, the Navy Cross to Commander Albert Moritz; to the Committee on Naval Affairs.

By Mr. SHEPPARD:

H. R. 4418. A bill granting an increase of pension to Laura C. Dupree; to the Committee on Invalid Pensions.

By Mr. TALLE:

H. R. 4419. A bill for the relief of Clarence Wachendorf and others; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1261. By Mr. FLAHERTY: Petition of the Massachusetts committee for defense, of the Works Progress Administration,

urging sufficient appropriation for W. P. A. relief work; to the Committee on Appropriations.

1262. Also, petition of the Bay State Division, No. 413, Order of Railway Conductors of America, Boston, Mass., opposing legislation relative to mileage and hours of conductors on railroads; to the Committee on Interstate and Foreign Commerce.

1263. By Mr. THOMAS F. FORD: Resolution of the Board of Supervisors of the County of Los Angeles, Calif., urging the United States Government to purchase a tract of land, the legal description of which is "secs. 21 and 22, T. 7 N., R. 9 W., San Bernardino meridian"; and to set same aside for the perpetual use of the people and the protection of the Joshua trees on said land; to the Committee on the Public Lands.

1264. By Mr. GROSS: Petition of W. H. Olp, president of No. 1 Townsend Club, of Glen Rock and Shrewsbury; to the Committee on Ways and Means.

1265. By Mr. HALLECK: Petition of officers of the Presbyterian Church of Rensselaer, Ind., opposing proposed legislation which would place employees of religious organizations under the Social Security Board; to the Committee on Ways and Means.

1266. By Mr. JENKINS of Ohio: Resolution of Local Union, District No. 6, United Mine Workers of America, of Athens County, Ohio, signed by W. W. Rummer, president, and Jesse Bryan, secretary, opposing the construction of the Great Lakes-St. Lawrence waterway and power project, on the ground that it is unfair and injurious to both American labor and capital, particularly in the State of Ohio; to the Committee on Interstate and Foreign Commerce.

1267. By Mr. LUTHER A. JOHNSON: Petition of the agricultural committee of Hearne Chamber of Commerce and Robertson County farmers, Hearne, Tex., opposing House bill 2732, by Mr. VINSON of Georgia; to the Committee on Agriculture.

1268. By Mr. KEOGH: Petition of the Italian Cloak, Suit, and Skirt Makers' Union, Local No. 48, New York City, concerning additional appropriation of \$150,000,000 for the Works Progress Administration; to the Committee on Appropriations.

1269. Also, petition of the American Federation of Bookkeepers, Stenographers, and Accountants, Federal Local Union, No. 20940, New York City, urging that the work of the 1940 census be done in New York City; to the Committee on Appropriations.

1270. Also, petition of the Rhode Island School of Design, Providence, R. I., concerning House bill 2319, establishing art programs in schools; to the Committee on Education.

1271. Also, petition of the Congress of Industrial Organizations, Washington, D. C., concerning Senate bill 1000, to amend the National Labor Relations Act; to the Committee on Labor.

1272. Also, petition of the School of Professional Arts, New York City, concerning House bill 2319, establishing art programs in the schools; to the Committee on Education.

1273. By Mr. GAMBLE: Petition signed by Anna M. Kleinert and other residents of North Tarrytown, N. Y., protesting against President Roosevelt's present attitude in regard to foreign relations and particularly the lifting of the Spanish embargo; to the Committee on Foreign Affairs.

1274. Also, petition signed by Eileen McCarthy and other residents of North Tarrytown, N. Y., protesting against President Roosevelt's attitude in regard to foreign relations and particularly the lifting of the Spanish embargo; to the Committee on Foreign Affairs.

1275. Also, petition signed by J. J. Ventriglia, of Piermont, and other residents of Rockland County, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1276. Also, petition signed by Leon B. Hoon and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1277. Also, petition signed by August F. Stavarsky and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1278. Also, petition signed by William Hasey, Sr., and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1279. Also, petition signed by M. Julia Griffin, of Thornwood, and other residents in Westchester County, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1280. Also, petition signed by Betty Sheils and other residents of New Rochelle, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1281. Also, petition signed by Leonard L. Maher, of Chapqua, and other residents of Westchester County, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1282. Also, petition signed by the Reverend John J. Regan, of Mount Kisco, and other residents of Westchester County, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1283. Also, petition signed by Eunice P. Tuttle, of Hawthorne, and other residents of Westchester County, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1284. Also, petition signed by Larraint Cochue and other students at the College of New Rochelle, New Rochelle, N. Y., urging a revision of the Neutrality Act; to the Committee on Foreign Affairs.

1285. Also, petition signed by George Werenskold and other residents of New Rochelle, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1286. Also, petition signed by John V. Kieley and other residents of New Rochelle, N. Y., urging the retention on the statute books of the act of May 1, 1937, and extending the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1287. Also, petition signed by Mary P. Golden and other residents of Larchmont, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1288. Also, petition signed by Mrs. L. M. Brantz, of New Rochelle, and other residents of Westchester County, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1289. Also, petition signed by the Reverend William J. Donohue, pastor of St. Teresa's Church, North Tarrytown, N. Y., and other residents of Westchester County, urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1290. Also, petition signed by Irene H. Crabtree, of New Rochelle, and other residents of Westchester County, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1291. Also, petition signed by Daniel Buckley and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension

of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1292. By Mr. GAMBLE: Petition signed by Margaret C. Welch and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1293. Also, petition signed by Herbert F. Hoeltje and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1294. Also, petition signed by Thomas Manning and other residents of New Rochelle, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1295. Also, petition signed by Mrs. Edward J. Burke and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1296. Also, petition signed by Frank J. Ridgeway and other residents of Larchmont, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1297. Also, petition signed by Michael J. Kennedy of Maroneck, N. Y., and other residents of Westchester County, urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1298. Also, petition signed by Mary M. Moore and other residents of Larchmont, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1299. Also, petition signed by Rose M. Murphy and other residents of Larchmont, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1300. By Mr. PFEIFER: Petition of the American Federation of Bookkeepers, Stenographers, and Accountants, Federal Local Union No. 20940, New York City, urging the use of the present trained Works Progress Administration employees in New York City for the 1940 census; to the Committee on Appropriations.

1301. By Mr. PATMAN: Resolution adopted by the Pasadena Central Labor Union, an affiliation of 30 local unions, representing 4,000 members, affiliated with the American Federation of Labor and the California State Federation of Labor, Pasadena, Calif., vigorously favoring House bill 1, known as the Patman bill, providing for a Federal tax on interstate chain stores; to the Committee on Ways and Means.

1302. Also, petition of J. Q. O'Connor and 27 other citizens of Petty, Lamar County, Tex., favoring the passage of House bill 193, providing for redemption of certain cotton certificates issued under the Bankhead Cotton Act; to the Committee on Agriculture.

1303. By Mr. PFEIFER: Petition of the New York State Federation of Federal Employees' Unions, Newburgh, N. Y., urging support of the Ramspeck bill (H. R. 960); to the Committee on the Civil Service.

1304. By Mr. SCHIFFLER: Petition of Rev. Warren K. Martin, pastor, and the board of elders of the First Presbyterian Church of Wellsburg, W. Va., protesting against the proposed amendment to include ministers in the Social Security Act; to the Committee on Ways and Means.

1305. By Mr. SMITH of West Virginia: Resolution unanimously adopted February 17, 1939, by 236 business leaders attending a coal-industry banquet at the West Virginia Hotel in Bluefield, W. Va., opposing the construction of the Gilbertsville Dam and the further expansion of the Tennessee Valley Authority; to the Committee on Rivers and Harbors.

1306. Also, resolution of the Kanawha Coal Operators Association, of Charleston, W. Va., affirming opposition to the proposed Bluestone Dam in New River, Summers County, W. Va.; to the Committee on Rivers and Harbors.

1307. By Mr. THILL: Resolution adopted by the Common Council of the City of Milwaukee, on February 13, 1939, opposing Senate Joint Resolution No. 24; to the Committee on the Public Lands.

1308. By Mr. THOMASON: Petition of the independent tire dealers of El Paso, Tex., urging passage of the Patman bill (H. R. 1); to the Committee on Ways and Means.

1309. By the SPEAKER: Petition of the Washington Alumni Chapter, Kappa Alpha Psi, Washington, D. C., petitioning consideration of their resolution with reference to House bills 3317 and 3318, concerning service in the Military Establishment; to the Committee on Military Affairs.

1310. Also, petition of the National Lawyers Guild, San Francisco, Calif., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

SENATE

THURSDAY, FEBRUARY 23, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O Thou whose power unrelenting and unrelenting flows as secret music in an enchanted silence to renew the universal vision of the soul: Help us ere we undertake the duties of another day to surrender all to Thee, our spirits, souls, and bodies, that no taint of sin may thwart in us Thy purposes, for Thou wouldst have us to be true and pure and brave and strong, following in the footsteps of the blessed Christ.

And if our vision of Thee fail, then do Thou bring us back to Thee through these sacred human ties, making us true because of those who trust us, keeping us pure for the sake of those who care, helping us to be brave when courage is so needed and strong for all there is to suffer, until we and all Thy children feel again the blessing of Thy presence and the sanctuary of Thine everlasting arms. We ask it in our Saviour's name. Amen.

THE JOURNAL

On the request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, February 22, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Schwartz
Andrews	Donahey	King	Sheppard
Ashurst	Downey	Lee	Shipstead
Austin	Ellender	Lewis	Smathers
Bailey	Frazier	Lodge	Smith
Bankhead	George	Logan	Stewart
Barbour	Gibson	Lundeen	Taft
Barkley	Gillette	McKellar	Thomas, Okla.
Bone	Glass	McNary	Thomas, Utah
Borah	Green	Miller	Tobey
Bridges	Guffey	Minton	Truman
Brown	Gurney	Murray	Tydings
Bulow	Harrison	Neely	Vandenberg
Byrd	Hatch	Norris	Van Nuys
Byrnes	Hayden	Overton	Wagner
Capper	Herring	Pepper	Walsh
Caraway	Hill	Pittman	Wheeler
Chavez	Holman	Radcliffe	White
Clark, Idaho	Holt	Reed	Wiley
Connally	Hughes	Reynolds	
Danaher	Johnson, Calif.	Russell	

Mr. MINTON. I announce that the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Washington [Mr. SCHWELLENBACH] are absent from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Nebraska [Mr. BURKE], the Senator from Missouri [Mr.

CLARK], the Senator from Connecticut [Mr. MALONEY], the Senator from Nevada [Mr. McCARRAN], and the Senator from New York [Mr. MEAD] are detained on important public business.

The Senator from Illinois [Mr. LUCAS] is unavoidably detained.

Mr. NORRIS. I wish to state that the Senator from Wisconsin [Mr. LA FOLLETTE] is detained on important public business.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1102) to continue the functions of the Reconstruction Finance Corporation, and for other purposes; and it was signed by the Vice President.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on the Judiciary:

HON. SAM G. BRATTON
House Joint Memorial 7

Be it resolved by the House of Representatives of the Thirty-second General Assembly of the State of Colorado (the senate concurring herein), That it is the sense of this general assembly that the Honorable Sam G. Bratton, United States circuit judge of the tenth judicial district, is a most fit person to be appointed as a member of the Supreme Court of the United States; that his long and most honorable record in public life as a judge and as United States Senator from the State of New Mexico has invited national recognition of his talents, attainments, and character; and accordingly this general assembly does recommend he now be appointed to the current vacancy in said United States Supreme Court, both as a tribute to Judge Bratton, as well as a recognition of the claims of the western portion of the United States in that behalf; and further be it

Resolved, That a copy of this memorial be forwarded to the President of the United States and to each of the United States Senators from Colorado and that a copy be mailed to the Honorable Sam G. Bratton.

The VICE PRESIDENT also laid before the Senate the following resolution of the Senate of the State of Alabama, which was referred to the Committee on Foreign Relations:

Whereas war clouds hover over the world today; and

Whereas wars are raging today in both Asia and Europe; and

Whereas there is seemingly imminent danger of a general conflagration breaking out among the major countries of Europe; and

Whereas in such event there would be much pressure brought upon the President and the Congress of the United States to induce participation by the United States in such a conflict; and

Whereas in the Spanish-American War which this country fought ostensibly to right the wrongs which had been done this country by the Spanish nation and to relieve dire human suffering in certain Spanish possessions; and

Whereas in that war the United States, after having won the same at a cost of many millions of dollars and many hundreds of human lives, then paid to the Spanish Government \$20,000,000 to be allowed to relieve that Government of the burden of the Philippine Islands; and

Whereas the Philippine Islands have since been a burden and a source of worry and trouble to the United States; and

Whereas in the World War into which the United States entered to make the world safe for democracy, the United States spent many billions of dollars and saw the lives of thousands upon thousands of its young men sacrificed; and

Whereas whatever else may have been accomplished by the participation of the United States in the World War, it certainly did not result in making the world safe for democracy; and

Whereas the participation of the United States in the World War caused it to lose the friendship of many nations whose friendship she would still have had she not participated therein; and

Whereas the United States financed in large measure the participation of other nations in the World War by loans to those nations which they have refused to repay and still refuse to repay; and

Whereas the cost of the United States participation in the World War is still being paid for by the citizens of America at the rate of several billions of dollars annually and will continue to be paid for at this rate for many, many years to come; and

Whereas the deleterious effects of the World War have left an ugly scar upon the present generation of American citizens and will continue to leave an ugly scar on many generations yet to come; and

Whereas the best minds of this Nation and the world are convinced that the world has not yet recovered morally or financially from the disastrous effects of the World War, and that another

such war will mean the destruction of the civilization of the world; and

Whereas the experiences of the past teach us that no good but much harm can come from further participation by the United States in future foreign wars; and

Whereas the citizens of the United States are overwhelmingly opposed to the United States becoming engaged in another foreign war that will mean a sacrifice of thousands of lives of its citizens in addition to the financial cost of untold billions of dollars: Now, therefore, be it

Resolved by the Senate of Alabama, That it is the sense of the people of the State of Alabama that they are unalterably opposed to participation by the United States in another foreign war; and be it further

Resolved, That the Senate of Alabama and the people of Alabama, through the Senate of Alabama, memorialize the President and the Congress of the United States to do all in their power to keep the United States out of any foreign war in case a general conflagration occurs; and be it further

Resolved, That copies of this resolution be sent by the secretary of the senate to the President of the United States, the Secretary of State of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the United States Senators from the State of Alabama, and the Members of Congress from the State of Alabama.

The VICE PRESIDENT also laid before the Senate the following joint memorials of the Legislature of the Territory of Alaska, which were referred to the Committee on Territories and Insular Affairs:

House Joint Memorial 2

To the Congress of the United States, and to the Honorable Anthony J. Dimond, Delegate to Congress from Alaska:

Your memorialist, the Legislature of the Territory of Alaska, respectfully represents that:

Whereas the act of Congress approved March 26, 1934 (sec. 2, ch. 86, 48 Stat. L. 465), provides that the Legislature of the Territory of Alaska shall convene on the second Monday in January 1935, and on the second Monday in January every 2 years thereafter; and

Whereas the present fiscal year for the Territory of Alaska, as provided by section 25 of chapter 118, Session Laws of Alaska, 1929, ends on December 31; and

Whereas all offices of the Territory connected with the records of receipts and expenditures of the Territory must close their books as of said December 31 and take their balances, particularly the offices of the Territorial treasurer and the auditor of Alaska, and make necessary reports to the legislature, including the budget for the ensuing biennium, and before making the Territorial treasurer's report the balances must be reconciled with the bank balances of said December 31 in order to estimate available funds for the next biennium; and

Whereas it has been the experience of the officers mentioned that it is impracticable to have balances and estimates prepared and printed reports distributed to the members of the legislature in the short time between the closing of the books on December 31 and the date of convening of the legislature; and

Whereas because of the distances traveled by various members of the legislature, many of whom are businessmen whose business is generally done on a calendar-year basis, it is practically impossible for such businessmen to attend to the closing of their books for the year and to arrive in Juneau before the second Monday in January for the convening of the legislature: Now, therefore,

We, your memorialist, respectfully petition that the act of Congress approved March 26, 1934 (sec. 2, ch. 86, 48 Stat. L. 465), be amended by changing the date of convening of the Alaska Legislature from the second Monday in January of each odd numbered year to the fourth Monday in January of each odd numbered year. And your memorialist will ever pray.

House Joint Memorial 3

To the honorable the Congress of the United States:

Your memorialist, the Legislature of the Territory of Alaska, in fourteenth regular session assembled, respectfully submits that—

Whereas under the provisions of the act of Congress approved August 24, 1912, commonly termed the "organic act," the Alaska Territorial Legislature is limited to biennial sessions, occurring in odd-numbered years; and

Whereas, due to advances in development of natural resources and conditions affecting such development and problems arising from the conservation of natural resources and because of the need for a more active association between the National Government and the Territorial government:

Now, therefore, your memorialist urges that the Congress of the United States amend the aforesaid act of Congress to provide for a regular 30-day session in the even-numbered years.

And your memorialist will ever pray.

Approved by the Governor, February 6, 1939.

JOHN W. TROY,
Governor of Alaska.

The VICE PRESIDENT also laid before the Senate the following concurrent memorial of the Legislature of the State

of Arizona, which was referred to the Committee on Banking and Currency:

House Concurrent Memorial 4

Concurrent memorial relating to assistance for the owners of undeveloped mining properties

To the President, the Congress, and the Reconstruction Finance Corporation of the United States:

Your memorialist respectfully represents:

There was a time when it was relatively easy for the owner of a good mining prospect to interest capital, in moderate amounts, for development purposes.

Restrictive legislation enacted in recent years, regulating the offering of securities to investors, however sound such legislation may be in principle or in its general application to industry, has placed a serious handicap upon the seeker after capital for the development of mining prospects. When taken in connection with prevailing financial conditions, the securing of capital for such purpose from private sources has become a virtual impossibility.

A very limited recognition of the mining industry's right to participate in the benefits of the Government's program for bolstering the national economic structure through Government loans and other forms of assistance to industry was accorded by the act of Congress approved June 19, 1934 (Public, No. 417, sec. 14), authorizing the Reconstruction Finance Corporation to make loans, under certain conditions, to persons engaged in the development of mining properties.

The terms of this authorization, however, restrict such loans within an unfortunately narrow compass, i. e., to the development of ore bodies, or placer deposits, containing gold, silver, or tin.

In this State, while many ores contain gold or silver, or both, there are highly important mineral deposits, notably lead, zinc, and manganese, and most frequently the last-named, which do not contain either gold or silver.

To make this form of assistance still more difficult of attainment, the Reconstruction Finance Corporation's self-imposed regulations surrounding the granting of loans on mines containing the approved metals are unduly severe.

As an evidence of the severity and impracticability of the conditions surrounding the granting of loans on mining properties, the fact is cited that, although the act authorizing such loans has been in effect 4½ years and applies to all States, ample funds of the original allocation of \$10,000,000 are still available for immediate needs.

It was obviously the intention of Congress in passing this act that it was to be considered as a relief measure, for the benefit of those engaged in mining. That only a small amount of money has been loaned under its provisions shows that the administration of the act, as well as the act itself, is far too rigid.

Wherefore, your memorialist, the House of Representatives of the State of Arizona (the senate concurring), urgently requests:

1. That Congress liberalize the act approved June 19, 1934 (Public, No. 417) so that loans may be made on mining properties which do not contain gold, silver, and tin.

2. That the Reconstruction Finance Corporation, without waiting for action by Congress, amend its regulations so that loans may be made on properties containing the approved metals under less rigid and more practical conditions.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Arizona, which was referred to the Committee on Finance:

Senate Joint Memorial 2

Joint memorial relating to the excise tax on foreign copper

To the Congress of the United States of America:

Your memorialist respectfully represents:

Since 1932, by acts of Congress, there has continuously been in existence an excise tax on foreign copper of 4 cents per pound, which tax was reenacted in the revenue bill of 1937 and automatically expires on June 30, 1939.

The continued protection of the copper industry is essential to the welfare of the entire United States, since countless employees in many industries are dependent upon the continued operation of the copper mines, not only because of direct purchases of material and equipment, but also because of purchases of food, clothing, and other necessities by those employed by the copper industry.

Because of present world conditions, the United States' program of national defense and international independence demands the maintenance of a healthy copper industry, ready to serve fully and efficiently in the production of a necessary metal.

Without assistance, the United States copper industry cannot survive the competition of the foreign copper industry in the world market because of the low costs of production abroad resulting from higher grade ores, enormous ore reserves near the surface, employment of peon and indentured labor, byproduct copper production, and subsidization of foreign nations as an essential part of defense programs.

The continued maintenance of the copper excise tax has been highly beneficial in that it has successfully prevented the importation of foreign copper into this country and made possible orderly industrial progress and development both in the United States and throughout the world.

Said excise tax has not been detrimental to domestic interests, inasmuch as the price of domestic copper has been consistently in

line with world prices, and had advanced only when forced to do so by increase in London quotations.

A healthy copper industry has been created and maintained merely by reserving the domestic market for United States producers without increasing the price to the consumer, whereas the attainment of the same objective by international cooperation has been attempted, with dismal failure the only result.

The State of Arizona and its future progress is so closely interwoven with the copper-mining industry that prosperity or depression within the State depends in large measure upon the conditions existing within that single industry.

Wherefore your memorialist, the Legislature of the State of Arizona, prays:

That the Congress of the United States of America enact legislation to continue the excise tax on foreign copper at not less than its present level of 4 cents per pound.

The VICE PRESIDENT also laid before the Senate the following memorials from the Legislature of the State of Arizona, which were referred to the Committee on Appropriations:

Senate Joint Memorial 1

Joint memorial relating to the development, purchase, and storage of metals and minerals necessary to a program of national defense

To the Congress of the United States of America:

Your memorialist respectfully represents:

Within the borders of the United States there exists an adequate supply of most of the metals and minerals necessary for use in time of war.

In many instances these metals and minerals can be obtained from abroad at a price lower than the cost of domestic production, for which reason the deposits of such metals and minerals in this country have not been properly developed.

In the event the foreign sources of supply should suddenly be cut off, because of war or other emergency, the program of national defense would be retarded until sufficient time had elapsed to develop mines and to accumulate an adequate store of war metals and minerals.

In order to maintain a continuing policy of national defense, to foster the development of natural resources, and to provide employment, a policy of aiding and encouraging operators of mining properties to begin and continue production of war metals and minerals would be both desirable and beneficial.

Wherefore your memorialist, the Legislature of the State of Arizona, prays:

That the Congress of the United States enact legislation providing for the purchase and storage, from domestic production only, of metals and minerals necessary to a program of national defense.

House Memorial 2

Memorial relating to the Federal appropriation for predatory animal and rodent control

To the Congress of the United States:

Your memorialist respectfully represents:

Under the act of Congress approved March 2, 1931 (Public, No. 776), the Secretary of Agriculture was authorized and directed to carry out a cooperative program, in conjunction with the States, for the eradication, suppression, or bringing under control of predatory wild animals and rodents injurious to agriculture, horticulture, forestry, animal husbandry, wild game, and other interests, and the Congress was authorized to appropriate \$1,000,000 per annum for such purpose.

This program is especially important to the State of Arizona, which has a number of industries affected by it. The livestock industry, occupying many mountainous and forest areas, suffers immense losses through the depredations of wild animals. Its lower ranges are subject to the ravages of prairie dogs and gophers. The farming and orchard areas of the State are likewise subject to injury from rodent infestations, and great losses are annually sustained by reason thereof.

Under the authorization above referred to, Congress has appropriated heretofore from \$480,000 to \$600,000 annually. The Secretary of Agriculture, deeming this sum insufficient, has requested the appropriation of the full sum of \$1,000,000.

From the point of view of this State, and for the best interest of the livestock and agricultural industries, the appropriation of the maximum amount authorized by the act of Congress of March 2, 1931, and its judicious use in the eradication, suppression, or bringing under control of predatory wild animals and rodents is amply justified.

Wherefore your memorialist, the House of Representatives of the State of Arizona, urgently requests:

1. That, in compliance with the recommendation of the Secretary of Agriculture, the Congress appropriate the sum of \$1,000,000 annually for predatory animal and rodent control.

House Concurrent Memorial 3

Concurrent memorial relating to an appropriation by Congress for aid to States for wildlife restoration

To the Congress of the United States:

Your memorialist respectfully represents:

The Pittman-Robertson Act (Public, No. 415, 75th Cong.) authorized Congress to make an annual appropriation for Federal aid to the States for the restoration of wildlife.

It is of the utmost importance that the programs of wildlife restoration which have been inaugurated in various States under the terms of the Pittman-Robertson Act be carried forward without interruption, that the gains already made in wildlife restoration be not lost, and that any States which have not yet availed themselves of the advantages of this beneficent law may have opportunity to do so.

Wherefore your memorialist, the House of Representatives of the State of Arizona (the senate concurring) requests:

1. That the Congress appropriate, as authorized by the Pittman-Robertson Act, "an amount equal to the revenue accruing from the tax imposed by section 610, title IV, of the Revenue Act of 1932, on firearms, shells, and cartridges," for carrying out the purposes of the act, and enabling the States to restore their wildlife.

The VICE PRESIDENT also laid before the Senate a letter in the nature of a memorial from the Lima (Ohio) Central Labor Union, remonstrating against the reappointment of Donald Wakefield Smith as a member of the National Labor Relations Board, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Lodge No. 1014, Steel Workers Organizing Committee, of Gary, Ind., protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Local No. 60, United Rubber Workers of America, of Pittsburg, Calif., favoring an adequate appropriation for the National Labor Relations Board and protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Carquinez Local No. 51, International Union of Mine, Mill, and Smelter Workers, of Rodeo, Calif., favoring the taking of votes in the Congress by yeas and nays and not in a manner by which the vote of an individual Member cannot be determined, which was referred to the Committee on Rules.

Mr. WHITE presented a petition of sundry citizens of the State of Maine, praying for the enactment of House bill 11, a general-welfare bill providing old-age assistance, which was referred to the Committee on Finance.

He also presented petitions, numerous signed of sundry citizens of the State of Maine, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented petitions of sundry citizens of Fontana, Kans., praying for the enactment of legislation to exempt small independent telephone companies from the provisions of the Labor Standards Act of 1938, which were referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of Parsons, Kans., praying that the United States adopt a policy of non-participation in aggression and also discontinue the shipment of war supplies to Japan for use in her operations in China, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented petitions of sundry citizens of the State of Massachusetts, praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law to include civil as well as international conflicts, which were referred to the Committee on Foreign Relations.

He also presented a resolution of the Woman's Christian Temperance Union, of Winchester, Mass., favoring the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which was referred to the Committee on Interstate Commerce.

Mr. TYDINGS presented resolutions of the Parent-Teacher Associations of the following schools: Anacostia Junior-Senior High School, Congress Heights, John Quincy Adams, Francis Scott Key, Buchanan, Wheatley, Bowen-Greenleaf, Stanton, Taft Junior High School, Randle-Orr, Blair-Hayes, and Edmonds-Maury, all in the District of Columbia, favoring the making of deficiency appropriations for heating and lighting school buildings in the District and also for teachers' salaries, which were referred to the Committee on Appropriations.

He also presented the memorial of members of the vestry of the Great Choptank Parish, Protestant Episcopal Church, of Dorchester County, Md., remonstrating against inclusion of religious, charitable, and educational institutions under the operation of the social-security system, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Annapolis, Md., praying that the shipment of munitions, war materials, and supplies to Japan for use in her operations in China may be stopped, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Finksburg (Md.) Woman's Christian Temperance Union, favoring the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which was referred to the Committee on Interstate Commerce.

Mr. RUSSELL presented the following concurrent resolution of the Legislature of the State of Georgia, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution requesting the United States Senators and Members of Congress from Georgia to initiate and cooperate in supporting legislation to restore cotton to its former economic importance in world commerce

Whereas by reason of legislation creating trade barriers to the cotton trade, discriminating freight rates, the tariff, and other legislation, and by reason of world economic conditions and competition from cotton growers in foreign countries with living standards below that of this country the cotton farmers in the Southern States have been reduced to a tragic financial condition, their export markets have been almost lost, they are subject to competition which they are handicapped in meeting, and the growing of cotton made economically impossible under existing conditions; and

Whereas unless concerted action is immediately taken by the the Senators and Members of Congress from the cotton States, looking to the relief of the cotton farmers from the handicaps under which such conditions have come about, the growing of cotton may soon become a thing of the past in this country, and the welfare and income of large sections of the United States seriously affected: Be it

Resolved by the House of Representatives of the State of Georgia (the senate concurring), That the attention of the Congress of the United States is respectfully directed to the fact that cotton is the leading product in America's commerce and international trade, and that the cotton farmer represents the world's largest primary wealth-producing group, and that it is of paramount importance to the producers of this commodity, as well as to the continued life of world trade on the part of the United States, that this interest be adequately rehabilitated and fostered. To that end, the Senators and Members of Congress from the State of Georgia are respectfully urged to take immediate steps to meet with the Senators and Representatives from all other cotton States for the purpose of securing concerted action by the Congress for the relief of the cotton farmers and of the industry from the handicaps and barriers under which they and it now suffer in the marketing of cotton, domestic and foreign, and it is respectfully suggested that among the things they are called to advocate are the following:

(1) Legislation for the removal of statutory trade barriers, as far as possible, against our cotton trade, such as the modification or repeal of the Johnson Act, the enactment of legislation bringing about the equalization of transportation rates, the revision of the tariff to relieve discrimination against the cotton farmers, and other legislation;

(2) The sale to and use by the Government for the manufacture of equipments and munitions of war of 6,000,000 bales of surplus cotton;

(3) Allocation to producers of cotton from the cotton being carried under Government loans a sufficient number of bales to pay them the balance due on 3 cents per pound subsidy authorized by national legislation effective on 1937 cotton crop and on which only 1.80 per pound had been paid;

(4) Increase the subsidy payment to the cotton producers by the further distribution of Government loan surplus cotton to 65 percent of parity prices on cotton during the crop years 1937, 1938, and 1939;

(5) Selling to the Post Office Department 1,000,000 bales of cotton now being carried by the Government under loans, this cotton to be used to be manufactured into twines and other materials for use of the United States mail service, the Post Office Department to place this cotton through bids to be manufactured for their uses;

(6) To allocate or reapportion from the cotton being carried by the Government under the loans, 1,000,000 bales to be manufactured into cotton bagging to be distributed to cotton farmers as an additional subsidy without charge for baling their 1939 cotton and cotton of subsequent years;

(7) The allocation of cotton, in point of time to comply with the time now required under the law for the sale thereof;

(8) The retention of soil-conservation payments as now made, pending the working out of a definite permanent plan for the future of cotton;

(9) The pledging of the Government to a definite support of cotton production profitable to the cotton growers;

(10) The protection of cotton growers through a subsidy payment increasing the selling price to 65 percent of the parity price of cotton, so that they may successfully compete with foreign growers and regain lost export markets;

(11) The granting to cotton growers of the privilege of planting other money crops than cotton on surplus lands resulting from reduction of cotton acreage, and not needed for production of feed and food crops for home consumption, without imposing a penalty against compliance payments, as now done;

(12) The immediate payment to cotton farmers of all amount due for 1938 compliance, as was promised;

(13) There is no one in the United States Department of Agriculture whose primary interest is the promotion of the welfare of the cotton farmer. To remedy this condition, create an office of cotton commissioner in the United States Department of Agriculture. It should be the commissioner's duty to develop new uses and markets for cotton and to represent producers of cotton in developing farm programs;

(14) In addition to finances otherwise available that a sufficient fund be appropriated from the general funds of the Treasury and made available to the Secretary of Agriculture to carry into effect this program here recommended and that funds for agriculture be raised in the same manner that funds are raised for other Government expenditures;

(15) The formation in each House of Congress of a bloc to advocate measures for the protection, encouragement, and support of the cotton both now and in the future; be it further

Resolved, That the legislative bodies of the cotton States be urged to take immediate action to request from their Senators and Members of Congress similar cooperation and support of such actions and measures; be it further

Resolved, That the clerk of the house do forthwith transmit copies of this resolution to the United States Senators and Members of Congress from this State and to the legislative bodies of each of the following States, to wit: North Carolina, South Carolina, Alabama, Florida, Louisiana, Mississippi, Arkansas, Oklahoma, Arizona, New Mexico, California, Missouri, Kansas, Texas, and Tennessee.

Mr. CONNALLY presented the following resolution of the Senate of the State of Texas, which was referred to the Committee on Interstate Commerce:

Senate Resolution 23

Whereas the United States has for many years been divided into zones for the purpose of fixing freight rates, with said freight-rate structure being under the direct supervision of the Interstate Commerce Commission; and

Whereas the freight rates under the zoning system are much higher in certain sections of the Nation than in other sections; and

Whereas because of this zoning set-up the people of Texas and the Southwest are paying from 60 to 85 percent more on their freight than are the people in the East and Central Eastern States; and

Whereas this discrimination is detrimental to the farmer, the stockman, the laborer, the businessman, and the manufacturer of our section of the Nation and does not give them equal opportunity to benefit in agriculture, commerce, or our economic system in general; and

Whereas this discrimination results in our producers being tremendously penalized on everything bought and sold; results in our consumers paying more for commodities than the consumers in other zones; results in producers from more distant areas gaining our own export and domestic markets at lower transportation costs than our own producers; and results in stagnating our industrial development and restricting an even flow of commerce and trade in the southwestern region; and

Whereas from a study of Interstate Commerce Commission reports on transportation costs it definitely appears that transportation operation costs in Texas are even less than in the eastern and northern zone, while our freight rates are from 60 to 85 percent higher; and

Whereas if we are to have industrialization and to promote factories in Texas and the Southwest and to give the farmer, the laborer, and the businessman in this region an even break it is necessary that this discrimination of freight rates be abolished and a fair and equitable system inaugurated: Now, therefore, be it

Resolved by the Senate of the State of Texas, That we hereby ask the United States Congress to pass such legislation as may be necessary to eliminate the discrimination in freight rates as between the various regions of the United States, to bring these rates on a parity in level and scheme in all portions of the United States, and to establish and maintain a rate structure to the end that our Texas producers and consumers be no longer discriminated against, and to the end that there be a free flow of commerce between all regions of the United States; and be it further

Resolved, That a copy of this resolution be sent to the Members of the United States Congress from Texas.

Mr. CONNALLY also presented the following resolution of the House of Representatives of the State of Texas, which was referred to the Committee on Interstate Commerce:

Whereas the United States has for a long number of years been divided into zones for the purpose of fixing freight rates, with said freight-rate structure under the direct supervision of the Interstate Commerce Commission; and

Whereas the freight rates under the zoning system are much higher in certain sections of the Nation than in other sections; and

Whereas the people of Texas and the Southwest are paying from 60 to 85 percent more on their freight than are the people in the East and Central Eastern States; and

Whereas this discrimination is detrimental to the farmer, the laborer, the businessman, and the manufacturer of our section of the Nation and does not give them equal opportunity to benefit in agriculture, commerce, or our economic system in general; and

Whereas if we are to have industrialization and to promote factories in Texas and the Southwest and to give the farmer, the laborer, and the businessman an even break it is necessary that this discrimination of freight rates be abolished and a fair and equitable system inaugurated: Now, therefore, be it

Resolved by the house of representatives, That we hereby ask the United States Congress to take such steps as might be necessary to obtain from the Interstate Commerce Commission the cooperation and rulings necessary to abolish this discrimination in freight rates and to inaugurate a fair, just, and equitable system; and be it

Resolved, That a copy of this resolution be sent to the Members of the United States Congress from Texas.

Mr. GURNEY presented 14 petitions, numerous signed, of sundry citizens of 14 communities in the State of South Dakota, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

RESOLUTIONS OF LEGISLATURE OF SOUTH DAKOTA

Mr. GURNEY. Mr. President, I present a number of resolutions adopted by the Legislature of the State of South Dakota for printing in the RECORD and appropriate references. The resolutions which I present relate to subjects of prime importance to the citizens of South Dakota, and I trust they may be given careful consideration.

The VICE PRESIDENT. The resolutions will be received and properly referred.

The resolutions presented by Mr. GURNEY were referred as follows:

A concurrent resolution of the Legislature of the State of South Dakota, favoring the enactment of legislation to enable farmers and stockmen to be self-sustaining and to repossess their homes and properties; to the Committee on Agriculture and Forestry.

(See resolution printed in full when laid before the Senate by the Vice President on the 13th instant, p. 1339, CONGRESSIONAL RECORD.)

A concurrent resolution of the Legislature of the State of South Dakota, favoring the appropriation of adequate funds for operations under the Farm Forestry Acts; to the Committee on Agriculture and Forestry.

(See resolution printed in full when laid before the Senate by the Vice President on the 13th instant, p. 1339, CONGRESSIONAL RECORD.)

To the Committee on Agriculture and Forestry:

Senate Concurrent Resolution 3

Concurrent resolution memorializing the Congress of the United States to liberalize and amortize the payments of Federal seed and feed loans

Be it resolved by the Senate of the State of South Dakota (the house of representatives concurring):

Whereas a prolonged and still existing period of emergency exists in agricultural regions due to continued drought, insect infestation, low prices, lack of normal consumption of agricultural products, which said emergency conditions have largely precluded the repayment of Federal seed and feed loans in accordance with the notes evidencing the same; and

Whereas it appears to the Legislature of the State of South Dakota that a continuation of such emergency conditions will absolutely prevent a great number of farmers who have availed themselves of Federal seed and feed loans from repayment of same in accordance with their written agreement: Therefore be it

Resolved, That we hereby request and memorialize the National Congress to enact legislation which will permit the amortization of such seed and feed loans, and the repayment thereof in installments at a rate of interest of not more than 5 percent per

annum. Such amortization to permit the repayment of such loan in equal annual installments for a period of not less than 10 years. Such repayment privileges to be available to loans hereafter made, as well as to those heretofore made.

Senate Concurrent Resolution 10

Concurrent resolution relating to the distribution of food commodities by Federal relief agencies

Be it resolved by the Senate of the State of South Dakota (the house of representatives concurring):

Whereas the distribution of surplus food commodities and clothing to persons in need is necessary to many people in this State, but in many instances the distribution is not made to those who are in the greatest need thereof;

Whereas the present system of distribution is costly to both the United States Government, the State of South Dakota, and the several counties participating in the distribution thereof;

Whereas large quantities of the commodities distributed are not best adapted to the needs of the people of this State, which likewise results in waste and expense; and

Whereas the system of distribution results in diminishing the volume of wholesale and retail sales of commodities in the State, and the total cost of distribution, equals the profit of regular dealers and merchants: Therefore be it

Resolved by the senate (the house of representatives concurring), That we memorialize the Congress of the United States to enact such measures as will correct these objections and that direct grants be made to the States for the purchase of such commodities of such kind and quality as are most adapted and suitable to the needs of such recipients, and that such commodities be distributed to persons found eligible and in need through regular commercial channels of trade by the issuance of purchase orders upon merchants and business establishments operating in South Dakota and offering for sale at points of consumption such commodities.

To the Committee on Finance:

Senate Concurrent Resolution 7

Concurrent resolution memorializing the Congress of the United States of America to discuss and give full consideration to General Welfare Act (H. R. 2)

Whereas people of South Dakota have expressed the need for the passage of General Welfare Act (H. R. 2), which seeks to provide for and promote the general welfare of the United States by supplying to the people a more liberal distribution and increase of purchasing power, retiring certain citizens from gainful employment, and alleviating the hazards and insecurity of old age and unemployment, and to provide a method whereby citizens shall contribute to the purchase of and receive a retirement annuity, and to provide for the raising of the necessary revenue to operate a continuing plan thereof; and be it

Resolved by the Legislature of the State of South Dakota, That— Whereas General Welfare Act (H. R. 2) has heretofore been introduced into the Congress of the United States in an attempt to effectuate such proposals; and

Whereas the said Congress of the United States has failed to give such General Welfare Act (H. R. 2) the consideration to which the same is entitled: Therefore be it

Resolved, That the Congress of the United States be, and it is hereby, urged to use its best efforts to bring General Welfare Act (H. R. 2) forth for due and full consideration and discussion; be it further

Resolved, That copies of this resolution be sent to our Senators and Representatives in Congress, to the President of the United States, and the Speaker of the House of Representatives in the Congress of the United States.

To the Committee on Indian Affairs:

Senate Concurrent Resolution 5

Concurrent resolution memorializing the Congress of the United States of America to continue the appropriation contained in the Hayden-Cartwright Act for the construction and maintenance of highways within Indian reservations.

Be it resolved by the Senate of the twenty-sixth legislative session of the State of South Dakota (the house of representatives concurring):

Whereas the Congress of the United States previously appropriated \$4,000,000 for allotment to the Indian reservations of the United States for the purpose of construction and maintenance of highways within and upon such reservation; and

Whereas such allotment and appropriation was made by virtue of the Hayden-Cartwright Act of the Congress of the United States, and which appropriation at the last session of Congress was decreased to \$3,000,000; and

Whereas the condition of the roads and highways within and upon the Indian reservations situated in South Dakota is deplorable and unsatisfactory; and

Whereas additional construction, reconstruction, and maintenance would be of great assistance and accomplish necessary results for transportation purposes within such reservations: Now, therefore, be it

Resolved, That the Congress of the United States continue the allocation and appropriation of moneys in the Hayden-Cartwright

Act to Indian reservations in the United States to the extent of the \$4,000,000 previously so allocated and appropriated; be it further

Resolved, That the Members of the Congress of the United States from the State of South Dakota be, and they are hereby, urged to use their best efforts to bring about the reinstatement of the \$4,000,000 allocation and appropriation for construction and maintenance of such highways; be it further

Resolved, That certified copies of this resolution be forwarded by the secretary of state immediately upon adoption of this resolution to each Senator and Representative of the State of South Dakota in the Congress of the United States, to be by them presented to the proper committee in Congress determining such aforesaid legislation.

To the Committee on the Judiciary:

Senate Concurrent Resolution 6

Concurrent resolution memorializing the United States Senate to carefully scrutinize and investigate the qualifications of nominees to be confirmed for judicial positions

Be it resolved by the Senate of the State of South Dakota (the house of representatives concurring):

Whereas the twenty-fifth session of the legislature of this State did by appropriate resolution record its opposition to the then pending bill before Congress, the object of which proposed law was to subjugate and intimidate the judicial department of the Federal Government; and

Whereas as a result of the courageous and patriotic action of a majority of the Members of the United States Senate, the independence of the judiciary, which is the only safeguard to individual rights and liberties, was for the present preserved; and

Whereas numerous nominees are about to be submitted to the United States Senate for confirmation for positions as judges of our Federal courts, and such personnel should consist of only such men as are believers in and committed to the preservation of the independence of the three coordinate branches of the Government—the keystone of American democracy: Therefore be it

Resolved by the Senate of the State of South Dakota (the house of representatives concurring), That we urge and earnestly request the members of the United States Senate to carefully investigate and rigidly scrutinize all nominees for judicial positions to the end that our courts may be composed of men whose sympathies and views conform to the principles and traditions of American democracy, to wit, independent, coordinate divisions of our Federal Government.

That a copy of this resolution be mailed to each Senator and Member of Congress from the State.

To the Committee on Post Offices and Post Roads:

Senate Concurrent Resolution 9

Concurrent resolution petitioning the Postmaster General at Washington, D. C., to bring about the issuance of a stamp commemorating the fiftieth anniversary of statehood

Be it resolved by the Senate of the twenty-sixth legislative session of the State of South Dakota (the house of representatives concurring):

Whereas this year 1939 is the fiftieth anniversary of statehood of the State of South Dakota; and

Whereas it is customary for the United States of America to mark such periods of history by issuing a stamp commemorating the attainment of the fiftieth anniversary of statehood; and

Whereas the nationally historic figures carved on Mount Rushmore in the Black Hills of South Dakota are especially adaptable and appropriate as a subject for engraving such stamp; and

Whereas that this request may be placed in permanent historic records in the archives of history as part of the official record of this legislative body: Be it

Resolved by the Senate of the State of South Dakota (the house of representatives concurring), That approval of this above consideration be recorded; and be it further

Resolved, That we hereby petition the Postmaster General at Washington, D. C., to bring his influence to bear in uniting with us to bring about an issuance of a stamp commemorating this statehood event, bearing an engraving of the figures on Mount Rushmore in the Black Hills of South Dakota.

That a copy of this resolution be mailed to the Postmaster General at Washington, D. C., and to each Senator and Member of Congress from the State.

TOWNSEND OLD-AGE PENSION PLAN—PETITION

Mr. MURRAY. Mr. President, I send to the desk a petition submitted by Townsend Club No. 1, of Miles City, Mont., calling for the enactment of the Townsend plan for old-age pensions by the Congress of the United States.

It is represented that this petition is signed by 98 percent of the people of the Miles City community.

I ask that it be referred to the Finance Committee, where this proposed legislation is now pending.

The VICE PRESIDENT. The petition presented by the Senator from Montana will be received and referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 539. A bill for the relief of Charles E. Naghel, special disbursing agent, Department of the Interior, and Kammeyer & Medack, contractors, from disallowance of charges for additional work under a construction contract (Rept. No. 81);

S. 783. A bill to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925 (Rept. No. 94);

S. 784. A bill for the relief of certain Indians of the Winnebago Agency, Nebr. (Rept. No. 95);

S. 790. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Prairie Band or Tribe of Pottawatomie Indians of Kansas and Wisconsin against the United States (Rept. No. 96); and

S. 863. A bill to provide for the payment of attorneys' fees from Osage tribal funds (Rept. No. 82).

Mr. CHAVEZ, from the Committee on Indian Affairs, to which was referred the bill (S. 1476) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, reported it with amendments and submitted a report (No. 83) thereon.

He also, from the same committee, to which was referred the bill (S. 875) for the relief of Andrew J. Crockett and Walter Crockett, reported it without amendment and submitted a report (No. 97) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 754) for the relief of J. G. Mayfield, reported it without amendment and submitted a report (No. 84) thereon.

He also, from the same committee, to which was referred the bill (S. 10) for the relief of the Fred Harvey Transportation Department, reported it with an amendment and submitted a report (No. 85) thereon.

He also, from the Committee on the District of Columbia, to which was referred the bill (S. 794) relating to banking, banks, and trust companies in the District of Columbia, and for other purposes, reported it without amendment and submitted a report (No. 92) thereon.

Mr. WILEY, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 911. A bill for the relief of Roscoe C. Prescott (Rept. No. 86); and

S. 1174. A bill for the relief of Alex St. Louis (Rept. No. 87).

Mr. TOBEY, from the Committee on Claims, to which was referred the bill (S. 11) for the relief of Hubert H. Clark, reported it with amendments and submitted a report (No. 88) thereon.

Mr. BROWN, from the Committee on Claims, to which was referred the bill (S. 749) for the relief of Harry F. Baker, reported it without amendment and submitted a report (No. 89) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 1253) for the relief of John B. Dow, reported it without amendment and submitted a report (No. 90) thereon.

He also, from the same committee, to which was referred the bill (S. 1374) for the relief of Cohen, Goldman & Co., Inc., reported it with an amendment and submitted a report (No. 91) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 1523) to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government, reported it without amendment and submitted a report (No. 93) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. GILLETTE, from the Committee on Foreign Relations, reported favorably, without reservation, Executive C, Seventy-sixth Congress, first session, a protocol signed in London on June 24, 1938, amending the international agreement for the regulation of whaling signed in London on June 8, 1937, and submitted a report (Exec. Rept. 1) thereon.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ASHURST:

S. 1545 (by request). A bill to repeal the prohibition against the filling of a vacancy in the office of district judge for the southern district of New York; to the Committee on the Judiciary.

By Mr. McNARY:

S. 1546. A bill to provide that moneys received from the national forests and paid to the States for the benefit of the counties in which such forests are situated may be expended for purposes other than public schools and public roads; to the Committee on Agriculture and Forestry.

S. 1547. A bill to correct the military record of William T. Dickson; to the Committee on Military Affairs.

S. 1548. A bill granting an increase of pension to Carrie Gibbon; and

S. 1549. A bill granting an increase of pension to Willmette J. Miller; to the Committee on Pensions.

(Mr. LOGAN introduced Senate bill 1550, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. THOMAS of Oklahoma:

S. 1551. A bill for the relief of John Shook; to the Committee on Claims.

By Mr. LODGE:

S. 1552. A bill for the relief of Manuel G. Baptista; to the Committee on Claims.

By Mr. HERRING:

S. 1553. A bill for the relief of the Guttenberg State Bank of Guttenberg, Iowa; to the Committee on Claims.

By Mr. CLARK of Idaho:

S. 1554. A bill to provide that the district judge for the western district of Washington, authorized to be appointed under the act of May 31, 1938, shall be a district judge for the eastern and western districts of Washington; to the Committee on the Judiciary.

By Mr. NEELY:

S. 1555. A bill to extend the time in which applications may be made for the benefits of the Disabled Emergency Officers' Retirement Act of May 24, 1928; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

S. 1556. A bill to authorize the coinage of 50-cent pieces in commemoration of the discovery of America by Leif Ericson in connection with the national Leif Ericson celebration to be held at Minneapolis and St. Paul, Minn., on June 10-13, 1939; to the Committee on Banking and Currency.

S. 1557. A bill to provide for, foster, and aid in coordinating research relating to epilepsy and other allied nervous disorders; to the Committee on Commerce.

By Mr. HATCH:

S. 1558. A bill to provide for granting to the State of New Mexico an easement with respect to certain lands in New Mexico; to the Committee on Public Lands and Surveys.

By Mr. BONE:

S. 1559. A bill for the relief of St. Luke's General Hospital, Dr. Carl C. Hills, Dr. Walter C. Moren, Dr. Carl M. Erb, Margaret Findlay, Anna M. Findlay, Dr. J. Reid Morrison, and the Owl Drug Co.; to the Committee on Claims.

By Mr. TYDINGS:

S. 1560. A bill for the relief of Amos B. Cole; and

S. 1561 (by request). A bill to provide shorter hours of duty for members of the Fire Department of the District of Columbia; to the Committee on the District of Columbia.

S. 1562. A bill to provide for the acquisition, and preservation as a museum, of the Stephen Decatur house in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. ANDREWS:

S. 1563 (by request). A bill to provide payment of pensions and increase in pensions to all veterans in all wars, their widows and dependents, and certain peacetime soldiers; to the Committee on Finance.

By Mr. SHIPSTEAD:

S. J. Res. 77. Joint resolution authorizing the President to proclaim the year 1939 as See America Year; to the Committee on Foreign Relations.

By Mr. McKELLAR:

S. J. Res. 78. Joint resolution to provide for the disposition of commodities, securing loans made by the Commodity Credit Corporation; to the Committee on Banking and Currency.

NATIONAL LABOR RELATIONS ACT—AGRICULTURAL LABOR

MR. LOGAN. Mr. President, I introduce a bill to amend the National Labor Relations Act, to define agricultural labor. I do not know whether the bill should be referred to the Committee on Agriculture and Forestry or to the Committee on Education and Labor. I thought, perhaps, as it deals with agricultural labor, it should go to the Committee on Agriculture and Forestry.

I ask unanimous consent that the bill may be printed in the RECORD as part of my remarks, to be followed by a statement explaining the provisions of the proposed amendment to the law, and also a list of the farm organizations of the United States which have endorsed the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, will, together with the explanatory statement and list, be printed in the RECORD.

The bill (S. 1550) to amend the National Labor Relations Act (Public Law No. 198, 74th Cong., approved July 5, 1935, 49 Stat. 449), to define agricultural labor, was read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 2 (3) of the National Labor Relations Act be amended by adding at the end thereof the following paragraph:

"The term 'any individual employed as an agricultural laborer' shall include any person engaged as an employee in farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any and all agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended, and including cutting, removal, and transportation of logs, pulp wood, fence posts, fuel wood, and other primary products of farm wood lots, including the sawing of lumber from the timber of such wood lots by the farmer or by contract in which the farmer retains title to the lumber), the raising of livestock, bees, game, fur-bearing animals, or poultry, eggs, and any practices performed by or for a farmer or on a farm as an incident to or in connection with such farming operations, including preparation for market, delivery to storage or to market, or to carriers for transportation to market; and shall also include any person engaged as an employee in connection with or incidental to the (1) cleaning, or otherwise preparing in their raw or natural state, precooling, freezing, drying, grading, packing, canning for market from their raw or natural state, of fresh fruits and vegetables; (2) ginning or compressing of cotton; (3) stripping, grading, drying, packing, stemming or fermenting of tobacco; (4) straining, packing, separating, or otherwise preparing in its raw or natural state of honey; (5) drying, grading, baling of forage, fiber, and miscellaneous crops; (6) cleaning, packing, grading, hulling, or polishing of grains, beans, peas of all kinds, and seeds; (7) cooling, freezing, separating, packing, pasteurizing, or preparing of milk and cream; (8) making, preparing, or packing of butter, whey, and other dairy products for market; (9) receiving, grading, candling, and packing of eggs; (10) hatching of poultry, game birds, and wild fowl; (11) grading or packing of nursery and other horticultural crops; (12) shearing, grading, bagging of grease wool, mohair, and rabbit fur for market; (13) cleaning, grading,

preparing, and packing of nuts for market; (14) grading, local concentration, purchase, and sale of livestock for the producer; (15) drying, grading, packing, or preparing other agricultural or horticultural commodities in their raw or natural state; and such handling, storing, or refrigeration of any such commodities (but not including terminal storage or refrigeration) as is incidental thereto or used in connection therewith; when any of such operations are performed within the general territory in any region of the United States where the farming district or districts are located from which such commodity is produced and within or in close proximity to any such farming district; or at such place in the general territory in proximity to such farming district, where such commodity is produced (but outside of the 22 leading centers of distribution as listed by the United States Department of Agriculture except as to the purchase and sale of livestock) as is necessary to obtain reasonably available and adequate transportation, water, power, or other required operating facilities; and such operations are performed on products produced from any farming district within the same general territory."

The explanatory statement presented by Mr. LOGAN and the list of farm organizations, and so forth, are as follows:

STATEMENT SHOWING NEED FOR AMENDMENT OF NATIONAL LABOR RELATIONS ACT, DEFINING "AGRICULTURAL LABOR" IN SECTION 2 (3)

1. AGRICULTURE IS UNITED IN THIS REQUEST

The request to amend the National Labor Relations Act is made by the National Cooperative Council, National Cooperative Milk Producers Federation, American Farm Bureau Federation, National Grange, Agricultural Producers Labor Committee, numerous cooperative producing groups throughout the Nation, as well as by numerous commodity groups representing the producers of tobacco, cotton, livestock, fresh fruits and vegetables, honey, nuts, poultry and its products, eggs, grains, beans, seeds, forage and miscellaneous crops in all parts of the United States.

2. PRESENT PROVISIONS OF STATUTE

a. Section 2 (3) of the National Labor Relations Act provides that it shall not apply to "any individual employed as an agricultural laborer." The act, however, contains no definition of that term.

3. HOW QUESTION ARISES

A dispute has arisen in many States between the National Labor Relations Board and the farmers over what constitutes agricultural labor. In California and Arizona, for example, the farmers have been and are now subjected to the activities of the Fruit and Vegetable Workers, a local of the United Cannery, Agricultural, Packing, and Allied Workers of America, a C. I. O. union (and its other locals and predecessor organizations). Involved in these disputes in California have also been the citrus packing house workers' unions, originally chartered under the A. F. of L. but whose membership have in many instances transferred to the C. I. O. locals. The same organization has been active in Colorado, New Jersey, Florida, and Texas.

This union, with the direct backing of the C. I. O., has now set out to organize all types of agricultural or horticultural workers for the purpose of controlling the food supply of the Nation. This union contends that no labor, except that actually used in cultivation work in the fields, is agricultural. Agents for the National Labor Relations Board have for many months refused to state their position with reference to such labor and that used to pick fruit or harvest the crops and the Board is supporting the union in its contention that labor used to wash, grade, and pack oranges owned by the farmers in their own cooperative packing house located near their groves, is not agricultural labor. Under this ruling labor used in ginning cotton, stripping and packing tobacco, preparing any fruits or vegetables in their raw or natural state, and much of the labor used in the necessary preparation of other farm crops, would be held not to be agricultural in nature. This work is traditionally and actually agricultural in nature and is intimately connected with the production and harvest of the crops. The issue is squarely presented whether the United States Government should use its police power, through the National Labor Relations Board, and its agents, as is now being done, to assist the U. C. A. P. A. W. A. or any like organization in its efforts to dominate the farmers' labor, and gain control of the sources of the food supply of the Nation, when Congress in passing the act specifically exempted agricultural laborers from its provisions. The farmers contend that conditions over which they have no control make such regulation inadvisable if not impossible.

4. NEED FOR CLARIFICATION BY AMENDMENT

(a) In July 1937 the National Labor Relations Board was requested by agricultural groups to issue a regulation under section 6 (a) of the act defining agricultural labor. The Board has refused to issue such a regulation. The refusal of the Board's agents to state its policy with reference to field and harvesting labor tends to lend the support of the Board to the claims of the labor organizers that such labor is not agricultural. The Board's decision hereafter referred to that labor used to pack farmers' crops before they can be marketed is not agricultural labor would, if such labor should strike or refuse to handle crops harvested by other than union labor, effectively bottle up the farmers' crops, with great loss to the farmers.

(b) The issue of what constitutes agricultural labor has been presented to the Board in five cases.

It is significant to note that in a memorandum written for the the Board prior to the trial of the first case, entitled "In the Matter of the North Whittier Heights Citrus Association," and filed as an exhibit in that case, it was determined that agricultural labor should be limited to the "cultivation and tillage of the soil, the feeding and caring for livestock." The Board is apparently determined to follow this narrow and antiquated concept of agriculture, regardless of what the evidence shows. The blending of the policies of the National Labor Relations Board with the policies of certain labor groups as those policies affect agriculture is strikingly coincidental, if nothing more.

The case in the Matter of North Whittier Heights Citrus Association, No. C-360, was filed in September 1937 and tried October 1937. The issue raised in that case was whether the persons employed in washing, grading, and packing of oranges and grapefruit in a cooperatively owned packing house situated near the groves from which the fruit was produced, and owned entirely by the farmers and handling the fruit of its members only in its raw or natural state, were agricultural laborers.

The Board has just filed its findings and order (more than 16 months after the complaint was filed) holding this labor not agricultural labor within the meaning of the act. The same issue has recently been presented in two other cases involving the same type of organization and labor relating to transactions occurring in August and September 1937; neither of these cases has been decided by the Board. These cases are in the Matter of the Sierra Madre Lamanda Citrus Association et al., No. XXI-C-404, and in the Matter of the Upland Citrus Association, No. XXI-C-360.

These cases also raise the issue whether (1) the discharge of a number of the employees, including some union members, during the slack season because of a lack of available fruit to pack, or the failure to reemploy all the same persons, when the work picked up as the fruit ripened, or (2) the failure to reemploy all the persons on the pay roll during the previous season (after the packing house had been closed for months), or (3) employment of new persons at opening of new season, in place of some old employees, or (4) the failure to evenly distribute the available work among employees, or (5) the employment of the farmers themselves in place of union members for part of the season, all of which are circumstances contended by the farmers to have occurred because of the seasonal and hazardous nature of agricultural operations, constitute unfair labor practices within the meaning of the act, and the Board has ruled that they do and ordered reinstatement with back pay to a large number of such persons. Under the Board's rulings it would be impossible to carry on agricultural operations, with their constant varying demands, without always being subjected to the contention (whether made in good faith or not) that any change in the number of employees, or in the nature or extent of their work, was done because of union activity rather than because of changes in crop conditions or volume of the commodity to be handled. In the Sierra case the Board, in effect, set aside a valid and legal contract in order to hold that an unfair labor practice had occurred and the labor was not agricultural in nature.

The findings of the Board in the North Whittier Heights case and the findings of the trial examiner in the Sierra case demonstrate that the mere fact members of the union may be discharged or not reemployed may be, in and of itself, sufficient evidence for the Board to find that an unfair labor practice has occurred. In the handling of these perishable crops variation in weather conditions require quick and extensive changes in methods and plans, which may create opportunity for persons so inclined to contend that such changes constitute unfair labor practices. By methods best known to the Board and its agents an investigation is made by the Board; a complaint is then filed by the Board against the farmers; the Board selects and pays for the trial examiner; the Board, through its paid agents, appears and prosecutes the case, introducing the evidence it has previously selected; the farmers must appear and defend the proceeding at great cost to themselves; the Board then, either through its trial examiner or its review section, makes its findings and order which in the cases above mentioned was based upon the evidence introduced by the Board, and the findings discounted all the evidence introduced by the farmers showing why such persons were discharged or not reemployed. The only remedy the farmer then has is an expensive proceeding for review before the United States Circuit Court of Appeals. This is a kind of justice the farmers don't understand. When this ruinous situation was called to the attention of one of the Board's regional directors the answer was that it was part of the great leveling out process.

(c) In another case entitled "In the Matter of American Fruit Growers, Inc.," XXI-R-483-510, arising in Phoenix, Ariz., the Board ruled that labor used in packing lettuce in its raw or natural state in a packing shed owned by the grower located on a nearby railroad siding, even when the labor was employed and paid for by the farmer who grew the lettuce, is not agricultural labor. The Supreme Court of Arizona, in the case of *Melendez v. Johns* (76 Pac. (2d) 1163), had previously held labor of this kind to be agricultural in nature.

(d) In the case entitled "In the Matter of the Growers-Shippers Vegetable Association et al.," the issue was presented whether the labor used in packing lettuce grown in Salinas Valley, Calif., employed and paid for by the farmer who grew the lettuce was agricultural in nature. The alleged unfair labor practices involved in that case grew out of the lettuce strike called during the harvesting season of the highly perishable crop by the Agricultural Workers' Industrial Union, Local 18211, a communistic-controlled

organization (vol. 1, p. 99, U. A. R.). The case was tried in May 1936, but the Board has failed to pass upon the issue up to this time.

5. LABOR USED IN THESE CASES IS CLEARLY AGRICULTURAL LABOR

In each of these cases the uncontradicted evidence showed that the work done in the packing house was previously done by the farmer on the farm as an incident to the growing and harvesting of his crops. In the three citrus cases a number of small farmers had combined into a cooperative citrus association in order to insure uniformity of grading and to reduce the pro rata costs of this work to the farmers. The individual farmer could not afford to install an individual packing house on his own ranch. In the lettuce cases the growers were packing their own products in their own sheds. The laws of the State and good commercial practice require that fruit and vegetables be properly washed, graded, and packed before they are sold, and the farmer cannot realize anything for his product until it is so packed. The packing houses are not separate commercial ventures in which the farmers are engaging, but they are an integral and necessary part of the producing and harvesting of their crops. The individual farmer's investment in the packing house is only about 4 percent of the investment in their respective groves.

The cooperative association is the agent of the grower in doing the picking, washing, and packing of the fruit, and merely holds legal title to the fruit so that it may be handled for the account of the farmer. From the funds received from the sale of the fruit is deducted the actual operating costs, including the labor costs, and the balance is paid pro rata to the farmers. The labor is thus paid by funds belonging to the farmer. In these three citrus cases the packing house only picks, washes, grades, and packs the fruit. The selling is done entirely by a separate organization.

The oranges, grapefruit, or lemons are merely picked, washed, graded, and packed, and when the work is complete the fruit is still in its raw or natural state. The fruit of all the members is pooled together, but the identity of the farmer's fruit is retained in the pool. The affairs of the association are conducted by a board of directors selected by the farmers from their own number. There is a general practice for the male labor used in the packing house during the packing season to be interchanged and used on the farm at other times. The packing-house activities have always been considered as agricultural in nature, and the term "agricultural labor" has a general and accepted meaning among the farmers to include these workers.

6. CONGRESS HAS ALREADY HELD SUCH LABOR AGRICULTURAL

The Congress has already held the labor of a nature involved in these cases and covered by the suggested amendment to be agricultural in nature. Section 3 (f) of the Fair Labor Standards Act, in defining "agriculture" (which under 13 (a) (6) is exempt from the provisions of that act) covered the "cultivation, growing, and harvesting of any agricultural or horticultural commodities" and "any practices performed by the farmer or on the farm as an incident to or in conjunction with such farming operations, including preparation for market." In the cases before the Board the product is obviously being prepared by the farmer for market, but the Board has taken the position that because the farmers have grouped together in a cooperative association, the work is not done by the farmer. Furthermore, the provisions now found in 13 (a) (10) of the Fair Labor Standards Act covering the handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of any agricultural or horticultural commodity for market, or in making cheese, butter, or other dairy products within the area of production, passed both the Senate and the House, as a part of the definition of "agriculture" (vol. 81, pt. 7, p. 7876-C. R.; vol. 83, pt. 7, p. 7401, C. R.). However, as a matter of final draftsmanship, while the bill was before the conferees, the definition of "agriculture" was divided into two sections, and the part now in 3 (f) was left under section 2 of the act which is the "definition" section but referred to and exempted under section 13 (a) (6), while the other part now found in 13 (a) (10) was directly embodied in the exemption section. Mere change in form due to draftsmanship did not change the intent of Congress, however, in passing both as a part of the definition of agriculture. The National Labor Relations Board refuses to follow this congressional definition. The suggested amendment to the National Labor Relations Act is narrower than that contained in the Fair Labor Standards Act.

7. AN ANALYSIS OF THE SUGGESTED AMENDMENT

(a) The amendment is designed to exempt only the operations carried on in the districts where the farms are located from which the crops are produced or at points in proximity to such districts (but outside the major distributing centers), where reasonable available and adequate operating facilities are found for preparing the crops. This is clearly set forth in the last 13 lines of the amendment.

(b) The operations exempted are those intimately connected with the harvesting of the crops and which are generally considered to be agricultural in nature.

The first 16 lines of the amendment cover the operations done on the farm or by or for a farmer in connection with or incidental to the farming operations. These are practically the same exemptions as found in 3 (f) of the Fair Labor Standards Act.

The operations contained in subsections 1 to 15, inclusive, cover those operations done off the farm but within close proximity to the farming district which are first necessary to put the product in

shape for marketing. These exemptions are narrower than those found in section 13 (a) (10) of the Fair Labor Standards Act of 1938.

In subsection (1) of the proposed amendment to define agricultural labor the operations are limited to the preparation in their raw or natural state, drying, freezing, and canning for market from their raw or natural state of fresh fruits and vegetables. This does not cover any processing except that necessary in the canning of the products as they come from the farm, and does not cover recanning and many other operations that are carried on with reference to fresh fruits and vegetables but which change the character of the product and are not so intimately related to the harvesting operations. The first canning of these highly seasonal and perishable crops as they come from the farm during the harvesting season by canning establishments located in the farming districts directly affects the farmers' income from these crops and offer the only market for large quantities of such crops.

Subsection (2) is limited to ginning and compressing cotton. Cotton gins are usually located in the rural areas near the farms and are highly seasonal in operations and employ labor engaged in other seasons of the year in other farm work. Compressing operations are limited in extent.

Subsection (3) is limited to those operations normally done in preparing the tobacco before it is turned over to the tobacco companies.

Subsection (4) relates to the handling of honey in its raw or natural state only.

Subsection (5) is limited to those things done with forage, fiber, or miscellaneous crops before they enter commercial channels.

Subsection (6) is likewise related to those operations on grains, beans, or peas of all kinds and seeds necessary to prepare them for the market in their raw or natural state before they enter the channels of trade.

Subsections (7) and (8) cover certain operations in the handling of milk, cream, and of making butter, whey, and other dairy products as are necessary to prepare the farmer's products for movement into the channels of trade.

Subsection (9) covers merely the receiving, grading, and packing of eggs.

Subsection (10) covers only hatching operations of poultry, game birds, and wild fowls.

Subsection (11) covers merely the grading and packing of nursery and other horticultural stock.

Subsection (12) covers merely the shearing, grading, and bagging of animal fibers.

Subsection (13) covers only cleaning, grading, and packing of nuts in their raw or natural state.

Subsection (14) covers only the grading, local concentration, and purchase and sale of livestock for the producer. The clause "purchase and sale" covers only the persons involved in buying and selling of the livestock. This is the same class of persons exempted under the Fair Labor Standards Act as salesmen. No slaughtering or meat-packing operators are within the exemption.

Subsection (15) covers only the preparing in their raw or natural state of other agricultural or horticultural commodities.

In all cases the amendment exempts only such handling, storing, or refrigeration as is incidental to the operations specifically exempted in any of the subsections 1 to 15, inclusive.

8. THERE IS NO NEED FOR REGULATION OF AGRICULTURAL LABOR UNDER THE NATIONAL LABOR RELATIONS ACT

There is not found in agriculture the same strife between the employer and employee as is found in great industrial operations. The reasons for lack of labor strife in farm operations are many. Agricultural labor does not live under the same conditions as industrial labor. Living in smaller communities and upon farms, they have a higher standard of living, with cheaper rents, light, heat, and civic costs.

The habits and customs of agriculture of necessity have been different than those of industry. The farmers and workers are thrown in close daily contact with one another. They, in many cases, eat at a common table. Their children attend the same school. Their families bow together in religious worship. They discuss together the common problems of our economic and political life. The farmer, his family, and the laborers' work together as one unit. In the times of stress, in the handling of livestock or perishable agricultural commodities, of impending storms, of pest infestation and control, of livestock epidemics, and at many other times the farmer and laborer must stand shoulder to shoulder against the common enemy. This develops a unity of interest which is not found in industry. This unity is more effective to remove labor disturbances than any law can be.

These habits and customs of agriculture should not be disturbed by regulations designed for industry. Such an attempt would violently dislocate the entire structure of agriculture. Agriculture does not fit into the mechanized operations and regulations necessary to industry and any such attempt will produce far greater problems than now exist. The time of the largest employment of agricultural labor is during harvesting seasons and at that time when only a slight delay may cause a ruin of the entire year's work, there is no time for the farmer to stop and bargain with union representatives. The farmer is at enough disadvantage in dealing with labor at that time, without having the Labor Board as a proponent of the union, threaten him with the filing of a complaint, hearings, fines, and orders.

Agricultural labor is seasonal, widely scattered, closely connected with the family of the farmer, and unskilled.

A comparison of the number of farmers employing labor with the number of laborers employed by such farmers, shows that equality of bargaining power already exists, as there are as many employers as employees. Forty percent of the population of these United States live and obtain their livelihood within rural areas. There are 33,000,000 persons actually living upon the 6,000,000 farms of the country. Ten and one-half million of this farm population consists of those engaged in productive operations of these farms. Out of this number, for each person whose only direct interest is that of a wage earner, there are three persons who contribute both capital and labor to these productive operations (Social Security Bulletin, vol. 1, No. 6, p. 19). The need for collective bargaining does not exist where one employer has to deal with only one or two employees. There is no mass hiring of labor in agriculture such as is found in industrial operations, and where mass hiring does not take place, there is not likely to be any discrimination in regard to hire or tenure of employment. Where a few persons are employed on a farm or in a packing shed handling farm products in rural communities there is very little likelihood of any labor dispute arising which needs collective bargaining as a means of settlement. In the cooperative packing houses where a number of farmers combine to have their work done together, there are usually about two employees for each farmer member, many of which employees are farmers or connected with the farmer's family.

9. REFERENCE TO THE NATURE OF U. C. A. P. A. W. A.

For a statement of evidence showing the communistic character of the United Cannery, Agricultural, Packing and Allied Workers of America Union, a C. I. O. affiliate, reference is made to volume 1, page 99, and volume 3, pages 1969, 1998, 2184, of the Investigation of Un-American Propaganda Activities in the United States, hereafter referred to as Un-American activities report for short. For evidence showing the communistic activities of Donald Henderson, president of the union, see volume 1, pages 99, 872, 886, 901, 922; volume 3, page 2177; and volume 1, page 457, U. A. R.; for evidence of the communistic activities of George Wolfe, its international vice president, see volume 1, pages 100 and 125, U. A. R.; for evidence showing the communistic activities of Lief Dahl, the organizer for New Jersey, see volume 1, page 100, U. A. R.; for evidence showing the communistic activities of Jose Hernandez, Marcella Ryan, Jack Beralla, and Pat Callahan, Pacific coast organizers, see volume 1, pages 131-132, U. A. R.

Of course, the efforts of such an organization as the United Cannery, Agricultural, Packing and Allied Workers of America, its officers and organizers, to control the food supplies through a control of agricultural labor is opposed by the farmers. The real issue is not the wage or working conditions of the laborers. The real issue is one of gaining control of the food supplies at their source, even though the farmers' crops are destroyed. With this type of organization fomenting trouble and producing the evidence, and with the National Labor Relations Board supporting the union in its contentions, agriculture faces a grave, immediate, nationwide crisis. The farmers are fighting to save their farms against this insidious, ruinous procedure.

The Communist Party is exceedingly frank in its aims regarding agriculture. They say:

"We have nothing to hide. We are merely carrying out the details of a program prescribed by the Communist International to unseat the existing system of government and substitute a control similar in principle and operation to that of Soviet Russia. The workers no longer believe in the advice handed out by William Green, the head of the A. F. L., that they should not strike at a crisis because public sentiment would be against them. * * * This illustrates the reason we follow the California crops." (Vol. 4, p. 1954, U. A. R.)

10. WILL INCREASE AGRICULTURAL COSTS

To bring agriculture under the jurisdiction of the National Labor Relations Board will directly or indirectly increase labor cost to agriculture. The increased cost will arise either from inefficiency, direct wage increases, or loss of crops by strike, or through labor jurisdictional disputes. No valid labor strife now exists in the agricultural field, but experience has shown that such strife is likely to arise if certain labor organizers, supported by the agencies of the National Labor Relations Board, set out to gain control of agricultural labor and agricultural production.

Under the depressed price structure of agricultural commodities, any added labor costs cannot be passed on to the consumer, but must be borne by the farmer and will further reduce his purchasing power. It has long been recognized that buying power of the American farmer is far below the parity of income required for his survival. Agriculture is subject to the vagaries of nature and has no effective control over the price of its products.

Agriculture cannot effectively compete for its fair share of national income. It is subject to the control of supply and demand. Industry generally can regulate its supply to demand. Through the additional bargaining power given labor under the National Labor Relations Act, labor is now better able to protect its rights. Agriculture is thus required to compete with industry and with labor, both of which are better able to control the supply of that which they sell; consequently agriculture is placed in the position of not being able to maintain its proper place along with other major groups in our modern economic structure. To add to this, the burden of regulation under the National Labor Relations Act will still further increase maladjustments now suffered by agricul-

ture. The national buying power is not increased by taking money from the farmer and giving it to the laborer. Such process merely penalizes the farmer for the benefit of labor.

LIST OF PERSONS IN ATTENDANCE AT CONFERENCE IN HOTEL RALEIGH, WASHINGTON, D. C., FEBRUARY 9 AND 10, 1939, TO CONSIDER AGRICULTURAL EXEMPTIONS IN FEDERAL WAGE AND HOUR ACT

E. A. Beamer, Blissfield, Mich., representing National Livestock Marketing Association, Chicago, Ill.

N. C. Williamson, president, American Cotton Cooperative Association, 535 Graner Street, New Orleans, La.

C. B. Moore, secretary, Western Growers, 1231 East Seventh Street, Los Angeles, Calif.

Fred W. Read, California Fruit Exchange, postoffice box 2038, Sacramento, Calif.

Ivan G. McDaniel, Agricultural Producers' Labor Committee, 642 Title Insurance Building, Los Angeles, Calif.

Leon Todd, secretary, Northeastern Poultry Producers' Council, 1 West State Street, Trenton, N. J.

J. A. Burch, Weslaco, Tex., representing Texas Citrus Shippers' Association, Vegetable Shippers' Executive Committee, Texas Rio Grande Valley Citrus Association, Texas Citrus Fruit Growers' Exchange.

W. E. Spencer, Agricultural Producers' Labor Committee (California Citrus), Whittier, Calif.

Samuel Fraser, International Apple Association, 1108 Mercantile Building, Rochester, N. Y.

E. J. Lawless, Jr., Harrisburg (Pa.) Northeastern Federation of Egg and Poultry Cooperatives.

Herbert D. Copeland, secretary, National Poultry Producers' Federation, Anacostia, D. C., route 4.

Elmer W. Wene, Northeastern Poultry Producers' Council, Vineland, N. J.

Porter Hardy, Jr., Farm Bureau, Churchland, Va.

Frank App, president, New Jersey Farm Bureau; president, Northeastern Vegetable Growers' Council, Bridgeton, N. J.

H. H. Nuttle, Maryland Farm Bureau, Denton, Md.

Hiram W. Woodward, 1210 South Lakewood Avenue, Baltimore, Md., National Cooperative Council.

E. G. Grime, Florida Citrus, Lakeland, Fla.

C. E. Lindsey, Florida Citrus, Lakeland, Fla.

L. P. Kirkland, Florida Citrus, Auburndale, Fla.

S. L. Holland, Florida Citrus, Barton, Fla.

Muri E. Pace, Florida Citrus, Orlando, Fla.

R. W. Blackburn, secretary, A. F. B. F., Chicago, Ill.

Hugh F. Hall, A. F. B. F., Munsey Building, Washington, D. C.

Donald Kirkpatrick, A. F. B. F., 608 South Dearborn Street, Chicago, Ill.

Edward A. O'Neal, president, A. F. B. F., Chicago, Ill.

Herbert P. King, New York State Farm Bureau, A. F. B. F., Trumansburg, N. Y.

Charles W. Holman, secretary, National Cooperative Milk Producers' Federation, 1731 I Street, Washington, D. C.

H. D. Allebach, National Producers' Committee of Evaporated Milk, 36 South State Street, Chicago, Ill.

W. P. Davis, National Cooperative Milk Producers' Federation, 1731 I Street, Washington, D. C.

Hoffman, Interstate Milk Producers Cooperative, Philadelphia, Pa.

Fred H. Sexauer, Dairymen's League, National Cooperative Council, New York City.

R. J. Anderson, Dairymen's League, National Cooperative Council, New York City.

Charles W. Wilson, National Cooperative Dairy Producers' Federation, 1731 Eye Street, Washington, D. C.

B. B. Derrick, secretary-treasurer, Maryland and Virginia Milk Producers Association, Inc., Washington, D. C.

G. Charles Stone, executive secretary, Maine Potato Growers and Shippers Committee, Inc., Presque Isle, Maine.

J. B. Wilson, National Wool Growers Association, Salt Lake City, Utah.

Charles M. Kearney, National Beet Growers Association, Morrill, Nebr.

C. J. Bourg, 510 Union Trust Building, Washington, D. C. (Representing American Sugar Cane League, Farmers and Manufacturers Beet Sugar Association.)

O. M. Kile, International Baby Chick Association, National Press Building, Washington, D. C.

Donald Kane, National Cooperative Council, National Press Building, Washington, D. C.

Richard P. White, executive secretary, American Association of Nurserymen, 636 Southern Building, Washington, D. C.

PROCESSING TAX ON CERTAIN VEGETABLE OILS—AMENDMENT

Mr. CONNALLY submitted an amendment intended to be proposed by him to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which was referred to the Committee on Finance and ordered to be printed.

TRUST INDENTURES AND REGULATION OF SALE OF SECURITIES—AMENDMENT

Mr. HERRING (for himself and Mr. TOWNSEND) submitted an amendment intended to be proposed by them to

the bill (S. 477) to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT—COTTON

Mr. McKELLAR. I offer an amendment intended to be proposed to the agricultural adjustment bill which was introduced by the Senator from South Carolina [Mr. SMITH], being Senate bill 1303. I ask that the amendment may be printed, printed in the RECORD, and referred to the appropriate committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment was referred to the Committee on Agriculture and Forestry, ordered to be printed, and printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. McKELLAR to the bill (S. 1303) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to cotton: Insert at the proper place in the bill the following:

"That notwithstanding any other provision of law the Commodity Credit Corporation is hereby authorized to dispose of commodities held as security for loans made to producers by allowing the producers to redeem such commodities upon payment of the market value thereof as determined by the Corporation less such amounts as the Corporation may determine as proper compensation to producers for withdrawing the collateral commodities and assisting in the sale of same: *Provided*, No cotton shall be released prior to February 1 nor subsequent to July 1 of any calendar year."

SEVENTY-FIFTH ANNIVERSARY OF KNIGHTS OF PYTHIAS—ADDRESS BY SENATOR CONNALLY

[Mr. DAVIS asked and obtained leave to have printed in the RECORD the address delivered by Senator CONNALLY on the occasion of the celebration of the seventy-fifth anniversary of the founding of the Knights of Pythias, which appears in the Appendix.]

WASHINGTON BIRTHDAY ADDRESS BY SENATOR BYRD AT ALEXANDRIA, VA.

[Mr. BAILEY asked and obtained leave to have printed in the RECORD the address on George Washington delivered by Senator BYRD on February 22, 1939, before the Alexandria-Washington Masonic Lodge, which appears in the Appendix.]

ADDRESS BY SENATOR JOHNSON OF COLORADO AT DEMOCRATIC CONVENTION, FLINT, MICH.

[Mr. BROWN asked and obtained leave to have printed in the RECORD the address delivered by Senator JOHNSON of Colorado at the Democratic convention held in Flint, Mich., last week, which appears in the Appendix.]

ADDRESS BY O. L. BROWNLEE AT SOUTH DAKOTA LEGISLATIVE DINNER

[Mr. GURNEY asked and obtained leave to have printed in the RECORD the address delivered by Mr. O. L. Brownlee on the occasion of the South Dakota legislative dinner at Pierre, S. Dak., February 16, 1939, which appears in the Appendix.]

NEUTRALITY VERSUS INTERVENTION—ARTICLE BY REV. JOSEPH F. THORNING

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an article by Rev. Joseph F. Thorning entitled "Neutrality Versus Intervention," published in the January 15, 1939, issue of Spain, which appears in the Appendix.]

RESOLUTIONS OF NEW JERSEY FARM BUREAU

[Mr. BARBOUR asked and obtained leave to have printed in the RECORD certain resolutions adopted by the Twentieth Annual Convention of the New Jersey Farm Bureau at Trenton, N. J., January 25, 1939, which appear in the Appendix.]

THE ANTHRACITE INDUSTRY

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial from the Philadelphia Inquirer of February 19, 1939, entitled "Teamwork Needed to Save Anthracite," which appears in the Appendix.]

The VICE PRESIDENT. The routine morning business is concluded.

AMBASSADOR JOSEPHUS DANIELS

Mr. CHAVEZ. Mr. President, the morning press carried the story that a Member of the other body of Congress severely criticized Hon. Josephus Daniels, our Ambassador to Mexico, and asked for an inquiry regarding his official conduct.

I cannot see anything unreasonable in Congress making inquiry from American representatives in foreign countries; but the American characteristic of fair play should impel us to wait until the facts are ascertained concerning the kind of service rendered by our representatives before subjecting them to harsh accusations. I feel confident that an account of Ambassador Daniels' work in Mexico and his dignified and humane efforts in protecting American interests in Mexico would satisfy any fair-minded body of inquirers.

Without going into the details of his work, I can in good faith say that from personal observation my opinion is that Ambassador Daniels has rendered valuable service to the United States. Of course, he is not of the arrogant or the garrulous type; but he represents the best that is American. He has made tremendous progress under the most trying circumstances. He is a kindly gentleman, who tries to understand the psychology of the people of the country to which he is accredited. Even in matters pertaining to religion he has taken a personal interest, and through his efforts the conditions of the churches, including the Catholic Church and its millions of worshipers, are better—not so good as we should and do desire, but, after all, there is only one Uncle Sam.

At another time I shall discuss our relations with Mexico. For the present suffice it to say that I wish we had more men of the God-fearing attributes, the heart, and the Americanism of Josephus Daniels.

ORDER OF BUSINESS

The VICE PRESIDENT. The consideration of the calendar under rule VIII is in order.

Mr. BARKLEY. I ask unanimous consent that the call of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

COMMODITY CREDIT CORPORATION—EXPORT-IMPORT BANK

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of House bill 4011, which, I may explain, is identical with Senate bill 1084, already reported by the Banking and Currency Committee of the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from New York.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, which was read, as follows:

Be it enacted, etc., That (a) section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (b) section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (c) section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by inserting before the period at the end of the last sentence thereof a colon and the following: "Provided further, That the Export-Import Bank of Washington shall not have outstanding at any one time loans in excess of \$100,000,000, the capital for which the Reconstruction Finance Corporation, when requested by the Secretary of the Treasury with the approval of the President, may continue to supply from time to time through loans or by subscription to preferred stock"; and (d) section 4 of the act approved March 8, 1938 (52 Stat. 108), is hereby amended by striking from the first sentence thereof "\$500,000,000" and inserting in lieu thereof "\$900,000,000."

Mr. KING. Mr. President, I should like an explanation considerably in detail of the measure, the changes which it makes in existing law, the additional obligations which it imposes upon the Federal Government, and, generally, the changes proposed in the policies now pursued.

Mr. WAGNER. Mr. President, the changes are rather simple.

The bill before us deals with two subjects—the Commodity Credit Corporation and the Export-Import Bank—and proposes to continue the lives of these two instrumentalities of Government until June 30, 1941.

In addition to extending the life of the Commodity Credit Corporation, the bill increases from \$500,000,000 to \$900,000,000 the authority of that Corporation to issue notes, debentures, or similar obligations. That amount is estimated by those who are informed upon the subject as the sum necessary to enable the Corporation to make loans under the authority and mandate of the Agricultural Adjustment Act of 1938.

Under the Agricultural Adjustment Act of 1938, as to cotton, corn, and wheat, the Commodity Credit Corporation has no discretion in making loans. It is directed by Congress to make loans when application is made, the price to be fixed by the Department of Agriculture, and to be between 52 and 75 percent of parity. I call the attention of those who have criticized the loans which have been made by the Commodity Credit Corporation upon cotton, wheat, and corn to the fact that this is a mandatory provision, and that their criticism must be directed against Congress and not against the Commodity Credit Corporation. Congress has said, "You must make these loans," and has prescribed the terms and conditions under which the loans are to be made.

If there is a question as to whether that mandatory provision should exist, an amendment on that subject should be directed to the Agricultural Adjustment Act and not to any act with reference to the Commodity Credit Corporation.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

Mr. WAGNER. Yes.

Mr. VANDENBERG. Is that the sole function of the Commodity Credit Corporation?

Mr. WAGNER. No. It makes loans on all agricultural products. There are other products included, but the major portion of the loans—I think about 90 percent of the loans—are made on cotton, corn, and wheat. I will read to the Senator the list of the products upon which loans have been made:

Butter, corn, cotton, dates, figs, hops, peanuts, pecans, prunes, raisins, tobacco, turpentine, resin, wool, mohair, and wheat.

Mr. VANDENBERG. What I wanted to ask the Senator was whether the necessity for increased loaning capacity is due to the mandatory loans or to the discretionary loans.

Mr. WAGNER. Primarily to the mandatory loans, because, as I have said, I think 90 percent in amount of all the loans made have been made to the producers of cotton, corn, and wheat, which are the mandatory products enumerated in the Agricultural Adjustment Act.

Mr. VANDENBERG. Will the Senator state the total of those loans at the moment?

Mr. WAGNER. The total of all loans?

Mr. VANDENBERG. Of both the mandatory loans and the discretionary loans.

Mr. WAGNER. If we take into consideration both actually disbursed loans and commitments the loans amount to \$747,448,000.

Mr. VANDENBERG. And that amount is divided how as between discretionary and mandatory loans? What proportion of the \$747,000,000 is in the mandatory-loan category?

Mr. WAGNER. In the case of cotton, there are outstanding loans and commitments to the extent of \$560,000,000. I am giving approximations. Does the Senator want the exact figure?

Mr. VANDENBERG. No; the round figures will be sufficient.

Mr. WAGNER. I think I had better give the exact figures: Cotton, \$560,323,741; corn, \$90,466,198; wheat, \$40,135,797.

Mr. VANDENBERG. Those are all mandatory loans under the other statute? Is that correct?

Mr. WAGNER. Exactly.

Mr. VANDENBERG. Does that mean that the Commodity Credit Corporation has already made loans in excess of its authority?

Mr. WAGNER. In excess of the amount of debentures it was authorized to issue. The Senator undoubtedly has reference to the \$147,000,000 over its combined capital and borrowing power for which the Commodity Credit Corporation obligated itself, or made commitments. That came about at a time when Congress was not in session. The \$500,000,000 authorization had been exhausted; but there was a mandatory provision of law by which Congress, if I may repeat, said to the Commodity Credit Corporation, "These loans must be made." We were then in a critical situation. The Senators representing the cotton States can explain that situation better than I can. They are better informed about it. We had a 19,000,000-bale cotton crop, and the situation was very serious. If the loans had not been authorized the cotton would have been thrown upon the market, and we should undoubtedly have had a serious crisis throughout the South, with major repercussions throughout the country.

So the Reconstruction Finance Corporation obligated itself to take up any commitments in excess of \$600,000,000 which the Commodity Credit Corporation had made and upon which funds were demanded. That is how the \$147,000,000 obligation was incurred. In the first place, it was an obligation which the Commodity Credit Corporation incurred in carrying out the direction of Congress, and second, it was a very wise thing to do under the serious circumstances presented.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. McNARY. I recall discussing this feature of the A. A. bill when it was before the Senate last year. I think the Senator and I engaged in a discussion of the matter on the floor of the Senate. I understand the figure was given as \$560,000,000 as having been loaned to the cotton producers.

Mr. WAGNER. Yes.

Mr. McNARY. What I am inquiring is, What was the average loan on cotton per pound?

Mr. WAGNER. It differed in different periods. In this connection I may say that the Senator could not have had the discussion with me, because this is the first time I have attempted to speak with any authority upon this subject. Probably the Senator had the discussion with one of those better informed about cotton.

Mr. McNARY. I remember going into the matter. The point I was making at that time, and am making now, is that in my estimation the per-pound loan on cotton quite exceeded its market value at the time the loan was made, and that is the question on which I wanted information.

Mr. CONNALLY. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. CONNALLY. Let me ask the Senator from Oregon whether it is not true that under the Farm Act, and the administration of the act, the Secretary fixed the loan basis, or the Commodity Credit Corporation fixed it?

Mr. McNARY. It is based on 52 percent of parity.

Mr. CONNALLY. It was fixed also on a basic acreage of cotton.

Mr. McNARY. But loans were made some time prior to the enactment of this law, all of which were made at about 12 cents per pound on an 8-cent per pound market. Wherever the authority may rest, and by whomsoever errors of judgment may have been made, the question I am asking is, What was the average loan per pound as compared with the average price per pound at the time the loan was made?

Mr. CONNALLY. I am not aware that any loan was made at 12 cents when the market price was 8 cents.

Mr. McNARY. I remember discussing the matter at length here last year when it was before us.

Mr. WAGNER. I have just been informed that there was only one instance prior to 1938 when the loan price exceeded the market price of cotton—and that loan was liquidated at 100 percent with no loss to the Commodity Credit Corpora-

tion. I am quite willing to enter into this discussion—perhaps it is pertinent—but I believe we should defer these questions as to whether the loans should be made at all, and at what prices they should be made, to a discussion of amendments to the Agricultural Adjustment Act. That is the law which prescribes, first, what loans are to be made, and second, the prices at which they are to be made.

Mr. McNARY. I appreciate all that, but this is a pertinent inquiry. It has no reference to the value of the pending measure. I can go to the Department and get the information, but I assumed the Senator had the information. If the Senator has not the information, then I shall be glad to go to the Department.

Mr. GEORGE. Mr. President—

The PRESIDING OFFICER (Mr. McKELLAR in the chair). Does the Senator from New York yield to the Senator from Georgia?

Mr. WAGNER. I yield.

Mr. GEORGE. Let me say to the Senator from Oregon that the first and only 12-cent cotton loan was made in 1934. At the time that loan was made, fixed at 12 cents, the market was at 12 cents, or approximately 12 cents. The loan may have exceeded the market value of the cotton slightly. I think, perhaps, it might be fair to concede that it did exceed the actual market value of the cotton. But I may say to the Senator from Oregon that that loan has been liquidated 100 percent.

Mr. McNARY. The Senator does not need to defend the proposition. I entertain a very profound sympathy for the cotton growers; but I do recall graphically that last year, when we were discussing this matter, some loans had been made on a 9-cent cotton price level at a 12-cent loan level. That was a matter of administration. It may be charged to error of judgment, or it may be that we have acted unwisely in placing too high a percentage on the parity price. What I am seeking to find out—and I thought the able Senator from New York might have the information—is what has been the average loan per pound as contrasted with the average price per pound. If the Senator has not the information, well and good.

Mr. GEORGE. I was about to say to the Senator that the only loan which exceeded the market value was the 1934 loan, which loan has been liquidated 100 percent. The second loan was made on a basis of 9½ cents a pound, which was not above the market. The present loan was made on a basis of 8.3 cents per pound, which was not above the market at the time it was made. But, of course, that loan was made under the mandatory provision of the Farm Control Act, which the Congress passed in 1938.

Mr. McNARY. But the Senator will well recall that last year I expressed sentiments of criticism of the provisions carried in the bill which added a cent and a half on the loan privilege over and above the market price; and while that provision was written into the bill, I appreciate what was done. I am willing to take my proportion of the blame, although I opposed the action; but that is the law. What I am trying to obtain now, without any defense being made of the act, is some information which ought to be available, and I excuse the Senator from New York and the Senator from Georgia, and shall obtain the information from the Department.

Mr. GEORGE. I myself am not able, and I presume the Senator from New York would hardly be able, to give the figures as to the average loan made upon the cotton during the several years, or marketing seasons, because the loans varied from year to year, and the quantity of cotton actually loaned upon or advanced upon likewise varied from year to year. What I was trying to point out was that the only loan made on cotton above the market has been fully liquidated, and that the present loan was made under the mandatory provisions of the Farm Act which we passed.

Mr. WAGNER. I have the figures as to the average price paid, and since the Senator has inquired about it, I should like to read the figures into the RECORD. By the way, they

include also the accruals of interest and the storage charges to date, which raise the sum somewhat.

In 1934 and 1935 it was 15 cents, plus.

Mr. KING. The loan was on a basis of 15 cents?

Mr. WAGNER. The loan price, and that includes accrued interest, plus storage charges to date, figured on the pound basis. In 1937 and 1938 it was 9 cents plus. In 1938 and 1939 it is 9 cents plus. Those are the average loan prices, about which the Senator asked, but they include storage charges and accrued interest.

Mr. McNARY. The Senator does not mean that was the average price for cotton. It was the average loan per pound.

Mr. WAGNER. Yes; the average loan per pound.

Mr. McNARY. Of course, as incidental factors in all charges, storage and insurance must be taken into account, and sometimes depreciation.

Mr. WAGNER. Yes.

Mr. McNARY. I think that if the Senator follows that through he will find in each of those instances the price level was considerably under the loan level.

Mr. WAGNER. As I recall, Mr. Jones testified before the committee that there was only one case prior to 1938 in which the loan price exceeded the market price of the cotton.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. BARKLEY. In connection with this discussion, I do not recall that last year during the consideration of the agricultural bill there was any suggestion that a 12-cent per pound loan be made in 1938. There had been a previous loan of 12 cents, to which the Senator from Georgia has referred, which has been liquidated.

I recall that last year a number of Senators from the cotton States approached the Secretary of Agriculture and the President urging a 10-cent commitment on cotton, but that was not allowed. The Department would not go above 9 cents, which, as I understood, was to include the charges referred to by the Senator from New York. So that the average net loan on the cotton itself, I think, was thereby reduced to about 8.3 cents per pound, which was, as the Senator from Georgia has said, not above the price at the time the loan was made. It may be above the price cotton sold at later, but there was no loan above the price at the time the loan was made, as I understand it, with one exception, in which case the loan has been liquidated.

Mr. TAFT. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. TAFT. Is it not true that in March a year ago it was found that the Commodity Credit Corporation had a deficit of \$92,000,000 on the inventory of the stuff they then owned?

Mr. WAGNER. Yes.

Mr. TAFT. And that since then the Treasury has had to pay them the sum of \$92,000,000 in order to make good the impairment of their capital through their loans?

Mr. WAGNER. That was also done as a result of an act we passed last year.

Mr. TAFT. Is it not also true that today there is an additional deficit of \$20,000,000 by reason of these loans?

Mr. WAGNER. Yes.

Mr. TAFT. Which the Treasury will be obligated to make up under the law to which the Senator referred?

Mr. WAGNER. That is true.

Mr. TAFT. Does the Senator know whether that loss occurs from the loans on cotton particularly?

Mr. WAGNER. Almost exclusively, I am told.

Mr. TAFT. Does the Senator know how many bales of cotton the Government in effect owns by reason of the loans?

Mr. WAGNER. Eleven million bales, I understand.

Mr. TAFT. Eleven million bales?

Mr. WAGNER. Yes. The Senator does not mean that the Government "owns" them.

Mr. TAFT. I said "in effect owns," because that is the situation.

Mr. WAGNER. The Senator may use his own language. As a matter of fact, they are not owned by the Government.

The title is not in the Government and never will be unless there is a subsequent foreclosure on the loans.

Mr. KING. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. KING. As I understand the Senator, it is obvious that a measure was passed, probably under the whip and spur of various organizations, which compelled the making of loans in excess of what was prudent and just, and which has resulted in a large deficit, and probably will increase the deficit. The Senator has said we ought to address ourselves perhaps to the modification of that law. Why should we not pretermit a discussion of this matter; why should we not postpone discussion until we amend the present law? So far as I am concerned, I shall not vote for this bill to increase the authority of the Commodity Credit Corporation when no limits whatever are placed upon the obligations which the Government assumes, and which will undoubtedly compel loans to be made which will result in further deficits than we have, all of which will have to be paid out of the Treasury of the United States.

Mr. WAGNER. That question should come up when we consider legislation dealing with the Agricultural Adjustment Administration. There are Senators who will probably defend the provisions of that measure. I wish to say that I did not participate in the discussion concerning that legislation last year. I did not feel well enough informed to participate in it. But the Senate and the House were persuaded, and decided by an overwhelming vote, that the loans in question ought to be made to protect the cotton and other agricultural producers.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. WAGNER. I will yield when I have completed my statement. Congress last year undoubtedly decided that the loss, even if there should be a loss upon these loans, would be very much less if the loans were made than the economic loss to the country at large from throwing a huge crop surplus upon the market. I may say that my own State of New York has not been substantially benefited directly by the activities of the Commodity Credit Corporation. But in matters of this kind I never have, and never will, assume a provincial attitude. The economic welfare of large groups of the population is of national concern and justifies action by the National Government in the general interest. I think, therefore, the Commodity Credit Corporation acted wisely. If any other attitude had been taken, I think we would have been presented with a critical economic situation, challenging both the Senate and the House for solution.

Mr. ADAMS. Mr. President, will the Senator now yield for what will be partly an inquiry and partly a statement?

Mr. WAGNER. I yield.

Mr. ADAMS. As a humble member of the committee of which the Senator from New York is chairman, the Committee on Banking and Currency, I concurred somewhat reluctantly in the favorable reporting of this bill.

Mr. WAGNER. The Senator is a very well-informed member of the committee, I will say.

Mr. ADAMS. I thank the Senator. I concurred reluctantly in the favorable reporting of this bill. I wish to point out that I cannot concur in the statement that the law makes necessary or mandatory the making of loans in excess of the funds provided by Congress. It is true the law does direct the making of loans, but necessarily, in my judgment, the limit upon the making of the loans is fixed by Congress. Congress provided that the Commodity Credit Corporation should have a borrowing capacity of \$500,000,000 and gave them a capital stock of \$100,000,000, so that they had \$600,000,000 which they could loan. To me that meant that a limit was set. The loans are made mandatory, but within the financial capacity of the organization. I was willing to have the limit raised, because I do not believe that loans are mandatory beyond the financial capacity of the organization. So I do not want to allow the statement to stand without any protest that loans are mandatory regardless of the capital, regardless of the lending capacity of the Commodity Credit Corporation.

Mr. WAGNER. I know exactly the attitude of the Senator, because he expressed it with great clarity before the committee. Mr. Jones defended his position on the ground that

this critical situation was confronting the Commodity Credit Corporation; that Congress was not in session, so that no authorization could then be sought to increase the \$500,000,000 to the sum needed; and that since the mandatory provision directed the making of these loans, and he felt the R. F. C. had legal authority to make the commitment which it did make, he met the crisis in that way. He contends—and I think there can be no disputing his position—that the R. F. C. violated no law in making the commitment which it did make.

Mr. ADAMS. Mr. President, my understanding of Mr. Jones' interpretation of the situation is that there was no excess loan made. Mr. Jones says that what the R. F. C. did was not to make loans but to buy the paper held by the Commodity Credit Corporation, and bought it from the Commodity Credit Corporation without any endorsement or guaranty from the Commodity Credit Corporation. In other words, if any criticism is to be made it should be based upon the R. F. C.'s purchase of what might be called commercial paper secured by cotton loans. But I think they recognized the limit placed upon the Commodity Credit Corporation of \$500,000,000, plus its capital stock, and that they did not go beyond that in the making of actual loans. They evaded it by a legal process within the powers of the R. F. C.

Mr. WAGNER. As a matter of fact, there was no actual disbursement made by the R. F. C. in connection with its commitment. The R. F. C. simply obligated itself to purchase the notes if they were actually presented for payment, but as a matter of fact there was no actual disbursement made; the Commodity Credit Corporation itself has only disbursed \$360,000,000 of the \$600,000,000 available to it.

Mr. ADAMS. I think if criticism is made of the R. F. C., it should be based on an item which does not appear on the statement, that they did commit themselves, according to the testimony before the committee, to make certain loans or certain purchases which were not actually made. They have some \$300,000,000 of commitments which do not appear on the statement, which they could not carry out unless they were able to market with the R. F. C. loans which they hold, or unless the loans were paid.

Mr. SHIPSTEAD and Mr. KING addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. WAGNER. I think the Senator from Minnesota was asking for recognition first.

Mr. KING. Mr. President, will the Senator from Minnesota yield to me so that I may ask a question?

Mr. SHIPSTEAD. Yes.

Mr. KING. Mr. President, will the Senator from New York yield to me?

Mr. WAGNER. I yield.

Mr. KING. I confess that I am greatly shocked to learn that any organization of the Government would pay out money when no appropriation had been made. This organization apparently had a limitation placed upon its capital, and it seems to me that if it had expended money beyond that limit—

Mr. WAGNER. It did not pay any money that it was not authorized to pay.

Mr. KING. My understanding is that there is a deficit here, as indicated, of \$92,000,000, and then another deficit of \$20,000,000, which someone will have to pay.

Mr. WAGNER. The deficit occurred because there was a loss upon the loans made on cotton, and those loans were made by authority of law, and by the direction of Congress. They are unrealized losses, I may say, estimated on the basis of the market price of the cotton today. It may well be that at sometime in the future there may not be an actual loss at all, but there was no violation of the law in connection therewith. That was all done in accordance with law.

Mr. KING. I understood the Senator to say that if we had any quarrel it ought to be with the law because there was a law which made it mandatory to purchase cotton and other commodities.

Mr. WAGNER. Not to purchase, but to make loans with certain commodities as collateral.

Mr. KING. Well, to make loans. And if there is no provision made for the loans, obviously that authority was nugatory. The law carried no obligation to make the loans when there was no provision made for them.

Mr. WAGNER. I think the Senator has misunderstood.

Mr. KING. I hope I have misunderstood.

Mr. WAGNER. The Senator rarely ever does misunderstand anything. But this loan was not made in violation of any law. To the contrary, it was made by direction of law. The loss arises when you estimate the difference between the price of cotton on the market today and the loan price per pound. If the Commodity Credit Corporation were required to go upon the market and sell the cotton today it would suffer a loss. But they are not required to go upon the market and sell it today, and so the loss is only an estimated loss, an unrealized loss. If cotton goes up sufficiently it may not be an actual loss at all. But nobody contends, I am sure, that there was any violation of law at all in the making of that loan. On the contrary, it was made in accordance with law.

Mr. KING. I was addressing myself to the proposition made by the Senator a few moments ago as I understood it, namely, that a law was passed which required the purchase of certain commodities. If the Congress made no provision for the furnishing of money for those loans, obviously those who were authorized to make the loans had no business to make them when there was no money available. If they made loans and incurred obligations, then it seems to me they violated the law. I propose to offer an amendment to this bill providing that no loans shall be made in excess of the capital which is provided now or has been in the past for the Commodity Credit Corporation.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. SHIPSTEAD. I see a provision in the bill that certain funds may be used to make loans or with which to purchase preferred stock. Would that be preferred stock in the Import-Export Bank?

Mr. WAGNER. What provision is the Senator referring to?

Mr. SHIPSTEAD. On page 2, beginning in line 6, it says:

The Treasury, with the approval of the President, may continue to supply from time to time through loans or by subscription to preferred stock.

Mr. WAGNER. That has to do with the Export-Import Bank, I may say to the Senator.

Mr. SHIPSTEAD. That is preferred stock in the Export-Import Bank?

Mr. WAGNER. The R. F. C. now owns \$45,000,000 of preferred stock of the Export-Import Bank. That is not the proposition we are discussing now.

Mr. SHIPSTEAD. What I want to know is, What stock will be purchased by the Commodity Credit Corporation by reason of the increased funds asked for?

Mr. WAGNER. The preferred stock of the Export-Import Bank will be purchased by the Reconstruction Finance Corporation, not by the Commodity Credit Corporation. This matter has no relation at all to the Commodity Credit Corporation. The provision referred to by the Senator from Minnesota relates to the Export-Import Bank.

Mr. SHIPSTEAD. Could the increased funds be used to make more loans or to increase the amount of loans? What is the purpose?

Mr. WAGNER. Of what? Of the preferred stock?

Mr. SHIPSTEAD. No; of the increased capital, the increased amount of debentures they may issue.

Mr. WAGNER. The purpose is to enable the bank to make more loans. The other provision of the bill relates to the Export-Import Bank. We are now providing that their loans may not exceed \$100,000,000 under the law; but they must have the capital with which to do business.

Mr. SHIPSTEAD. Yes.

Mr. WAGNER. The way they secure the capital is by selling their preferred stock to the Reconstruction Finance Corporation.

Mr. SHIPSTEAD. And the purpose is not to meet any losses?

Mr. WAGNER. No. As a matter of fact, the Export-Import Bank is so far a profitable enterprise.

Mr. BARKLEY and Mr. VANDENBERG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New York yield; and if so, to whom?

Mr. WAGNER. I yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, returning to the point raised a moment ago by the Senator from Utah, what has happened is that the value of the securities upon which the loans were made has declined, so that if the securities were liquidated by sale there would be a loss; but at present it is only a paper loss. The fund operates as a sort of revolving fund. Of course, it is assumed that loans will be made, and collected. A bank may have \$1,000,000 in deposits, and during the year it may make loans of five times that amount, because the fund operates as a revolving fund.

The bank lends and collects back, and makes more loans. That is what may happen under the Commodity Credit Corporation and the Export-Import Bank. The increase in capital stock is for the purpose of attempting to furnish credit by which we may facilitate the exportation of the surplus products of American producers, and try to recapture some of the trade which, without credit, we may lose, some of which we have already lost.

So long as private lending agencies are not in a position to make loans, or for any reason do not make loans to facilitate and finance the exportation of American products, it is desirable that that credit be provided. If it had not been for the lack of credit from a financial standpoint in private institutions, there never would have been any reason for the creation of the Reconstruction Finance Corporation, the Home Owners' Loan Corporation, or any of the other lending agencies which were created and have operated under the jurisdiction of the Government.

Mr. WAGNER. I may say to the Senator from Kentucky that the Senator from Utah had in mind only the operation of the Commodity Credit Corporation, not the Export-Import Bank.

Mr. KING. Yes.

Mr. BARKLEY. The same principle applies.

Mr. WAGNER. The same principle applies, except that there have been no losses either realized or unrealized in connection with the Export-Import Bank.

Mr. BARKLEY. In addition to the mandatory provisions with respect to loans, in connection with the operations of the Export-Import Bank, I happen to know, in regard to tobacco, that the Export-Import Bank has been not only very helpful, but it has been a lifesaver in facilitating the exportation of surplus and unsalable quantities of tobacco, which could not have been financed without the operation of the Export-Import Bank. The producers have been able to sell large quantities of tobacco which had been held over the market for years, largely for the benefit of tobacco co-operative organizations in the production and sale of tobacco. I happen to know that without the Export-Import Bank it would have been practically impossible to finance the sale of large quantities of surplus tobacco which were wanted in foreign countries, but the sale of which nobody else could facilitate or finance.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. VANDENBERG. If the Senator is correct in his interpretation that certain loans are mandatory, and the Senator from Colorado [Mr. ADAMS] is incorrect, what happens if the mandatory necessities—

Mr. WAGNER. May I interrupt? I do not think the Senator from Colorado took the position that the Agricultural Adjustment Act did not have in it a mandatory provision to make loans on certain commodities.

Mr. VANDENBERG. No; but that the loans were limited by the other act of Congress.

Mr. WAGNER. That the loans were limited by the authorization to issue notes and debentures of the Commodity Credit Corporation.

Mr. VANDENBERG. What I want to know is, if the Senator from New York is correct, what will happen this year if the mandatory requirement passes \$900,000,000? Where will the money be obtained?

Mr. WAGNER. Loans will be made by the Commodity Credit Corporation up to \$900,000,000.

Mr. VANDENBERG. What will be done if there is an additional necessity?

Mr. WAGNER. I am not a clairvoyant. I cannot anticipate every kind of crisis which may confront the different agencies of the Government. Let me say to the Senator that there may be some conflict between the Agricultural Adjustment Act, which says, "You must make these loans," and the authority given to the Commodity Credit Corporation to issue debentures or other obligations with Government guaranty. I am not so sure that the loans are limited. Rather, only the Corporation's right to issue its own obligations is limited. The funds for the loans may come from the issue of its obligations, but there is no provision which says that the loans are limited to the amount which may be secured by issuing debentures or other obligations.

The Commodity Credit Corporation was confronted with a crisis. It was unable to issue any further debentures, and therefore had no money with which to carry out the mandate of Congress contained in the Agricultural Adjustment Act of 1938. Therefore, the Reconstruction Finance Corporation, which has the right to make such commitments, carried out that mandate.

If the situation was dealt with unwisely there is nothing we can do about it now. I think the action was wise. I should not have wanted to take the responsibility of compelling the producers of cotton, corn, and wheat to throw their products upon the market and bring ruin to large sections of the country. That was the situation which confronted these agencies of the Government.

It is easy enough for us to talk now; but under the circumstances I think they did the wise thing. As between inviting a terrific crisis and using an indirect but entirely legal method of making the loans, I say they did the wise thing.

That is the only explanation I can make to the Senator, and he may make the most of it.

Mr. VANDENBERG. Mr. President, I have not asked the Senator for an explanation of what happened, and I have not asked him to enter the realm of clairvoyancy, unless all such appropriations are clairvoyant in that they do not mean what they say. What I am inquiring is, Does the \$900,000,000 limitation mean what it says?

Mr. WAGNER. It does.

Mr. VANDENBERG. Or are we again confronting the possibility of something else?

Mr. WAGNER. It means exactly what it says. It means that beyond \$900,000,000 the Commodity Credit Corporation may not issue its debentures or other obligations for the purpose of securing funds.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. TAFT. The last time the Reconstruction Finance Corporation came to the aid of the Commodity Credit Corporation—

Mr. WAGNER. Came to the aid of the producers.

Mr. TAFT. Came to the aid of the Commodity Credit Corporation.

Mr. WAGNER. Came to the aid of the producers. Do not misstate the facts. It came to the aid of the producers who needed the loan. That is what happened.

Mr. TAFT. Is it not true that the Reconstruction Finance Corporation entered into a contract with the Commodity Credit Corporation to buy from it \$150,000,000 of its loans if it became necessary?

Mr. WAGNER. One hundred and forty-seven million dollars.

Mr. TAFT. Because of the excess over the \$600,000,000.

Mr. WAGNER. That is correct; the amount is \$147,000,000.

Mr. TAFT. If the Commodity Credit Corporation finds that it wishes to exceed the limit of \$900,000,000 which we are now fixing, it may again go to the R. F. C., and, so far as I can see, there is no reason why the R. F. C. will not again make a loan to it. So, from my point of view, one reason for voting for the limitation is that it does not mean anything anyway, so long as the Reconstruction Finance Corporation can lend all the money it chooses on this kind of loans. Therefore it makes no difference whether the limitation is \$500,000,000, \$900,000,000, or a couple of billion dollars, so far as I can see.

Mr. WAGNER. If the Senator wishes to amend the act so that the Commodity Credit Corporation may no longer make loans to agricultural producers, he has the privilege of offering that amendment. If that is his view, he has a perfect right to incorporate or to attempt to incorporate that provision in the law by offering an amendment to this particular legislation.

Mr. TAFT. I was not even suggesting that. I was discussing the question whether or not the limitation of \$900,000,000 means anything. So long as the Reconstruction Finance Corporation has unlimited power to lend, such a limitation would not mean anything. That is the point I am trying to make, and I think the Senator admits it.

Mr. WAGNER. I will speak for myself.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. WAGNER. I yield.

Mr. MILLER. It does make a difference whether or not the borrowing authority of the Commodity Credit Corporation is increased from \$500,000,000 to \$900,000,000. It is true the Commodity Credit Corporation Act does not contain any limitation on the right of the Corporation to make loans, but it does contain a limitation on the amount of money it may borrow on the credit of the United States. On the R. F. C. there is at present no such limitation. Why take two bites at one cherry? If we are going to continue to make these loans, why not give the Commodity Credit Corporation the right to pledge the credit of the United States and borrow the money, instead of going through the back door and obtaining it from the R. F. C.? It is a money-saving proposition to increase the borrowing authority of the Commodity Credit Corporation, unless it is desired to make two operations of one.

Mr. TAFT. In the main, I am in favor of it, and voted for it in the committee. I am merely saying it does not mean anything, for the power is already there.

Mr. WAGNER. Mr. President, I have not yielded to the Senator from Ohio. I yielded to the Senator from Arkansas.

Mr. TAFT. I beg the Senator's pardon.

Mr. MILLER. Mr. President, increasing the authority does mean a saving of money, because the borrowing is then made direct instead of through the R. F. C.

Mr. WAGNER. Mr. President, frankly, I prefer to have the Commodity Credit Corporation limited, so far as practicable, to the amount which it is authorized to obtain by the sale of notes, debentures, or other obligations. But we cannot anticipate every kind of crisis that may occur; we have to consider human beings in certain situations and the possible distress of our citizens.

I think I have said about all I care to say regarding the provisions of the bill relating to the Commodity Credit Corporation and will now discuss the other feature of the measure.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Utah?

Mr. WAGNER. I yield.

Mr. KING. I confess that I am somewhat confused as to the meaning and implications of the measure before us. As I understand, loans have been obtained through the R. F. C. Would it not be a satisfactory arrangement to provide that no loans shall be sold to or purchased by any other governmental agency? I do not think that the R. F. C. should buy

the paper and loans of this organization. Let this organization stand on its own foundation.

Mr. WAGNER. The R. F. C. is a very important instrumentality of our Government. I think all Senators on both sides of the Chamber concede that it has so admirably discharged its functions that nobody would want to interfere with its present borrowing or lending power. The suggestion made by the Senator from Utah, if adopted, might so limit the power of the R. F. C. that the very important and salutary functions which it is now exercising might be destroyed. I should not want to take that responsibility.

Mr. President, the other provision of the bill extends the life of the Export-Import Bank, the purpose of which is to help the businessmen of our country, in a very small degree, to sell their products abroad by aiding them in the financing of such transactions. It is important to businessmen, though not a major factor. Last year, as I recall, the value of all our exports was somewhat in excess of \$3,000,000,000. This bank is permitted under this law to extend credit only up to \$100,000,000, and I think only about \$50,000,000 of that sum has already been lent or committed. It therefore becomes apparent that the bank is not a very large element in our foreign trade.

The bank was created in 1934 by an Executive order. It was created primarily to foster trade with Russia after Russia was recognized by the United States. It was anticipated that with the aid of the Export-Import Bank we would be able to secure a great deal of business in the Russian market. However, that was not forthcoming at that time.

In order to clear up any misunderstanding which may exist, let me say that there were at one time two export-import banks. The second one was organized primarily to assist in the transactions in which silver was minted for the Cuban Government. The only operation performed by the United States was the rendering of the service of minting the silver. All but one of those transactions have been concluded; the equivalent of the silver delivered to Cuba and paid for as delivered. The Second Export-Import Bank has been liquidated and is no longer in existence.

The other bank, the Export-Import Bank, has about \$25,000,000 in loans outstanding, and has commitments to lend about \$26,000,000 more, the two together making, approximately, \$50,000,000. Of course, the commitments may not be taken up. In many instances after the Export-Import Bank had agreed to aid in the financing of a particular transaction the businessman or businessmen involved secured credit from other sources and the Export-Import Bank was not called upon to aid.

The simplest way to explain the operation of the Export-Import Bank is to cite a typical transaction in detail.

An American manufacturer approaches the bank, asking it to agree to furnish him the credit necessary to enable him to sell to a foreign purchaser. If the bank makes the commitment, and if the sale goes through—and only about one-half of the sales on which the bank makes commitments are consummated—the manufacturer delivers the commodities to the foreign purchaser and transmits the invoice to a bank in the foreign country, usually through a New York bank. The foreign bank guarantees the obligation of the foreign purchaser, and the American manufacturer takes the guaranteed note to the Export-Import Bank. If the amount involved is small, the bank will lend the amount, holding the American manufacturer responsible for the payment. In such a case the bank has the obligation of the foreign purchaser, the guaranty of the foreign bank, and the endorsement, with recourse, of the American manufacturer to protect it.

In some of the larger transactions the bank will take a "participation" in the transaction; that is, it will accept the endorsement of the American manufacturer for a portion of the amount of the invoice "without recourse," relieving the American manufacturer of any liability as to that portion. Ordinarily the bank's participation in such transactions is about 50 percent.

The bank has been singularly successful. Although it has lent \$61,500,000 since its creation, it has suffered no loss on any of the loans to date, and only two are in arrears—a \$700,000 loan on tobacco sold to the Spanish tobacco monopoly, of which all but \$37,000 has been repaid, and payments on an \$800,000 loan on railway equipment sold to Mexico, of which \$417,000 has been repaid, and on which further payments are only 1 month in arrears. All other loans were paid on time or are currently up to date.

The bank has earned sufficient to make up dividends on its preferred stock which had accrued in the 18 months after its creation when it did not operate, as well as to meet current dividends and operating expenses.

I think it is very important to continue the operations of this instrumentality if the Government is to give even a small portion of aid to our exporters in winning foreign markets.

We are particularly concerned with the trade in Latin-American countries. Due to superior credit terms and subsidies given by other countries, we are now in a very serious situation in the South American market. The Foreign Minister of Brazil is now in Washington. He stated the other day that Brazil was very friendly to the United States and would prefer to buy American commodities, but that if Brazilian businessmen received better terms in the purchase of commodities from other countries, we were bound to lose that market. We are in competition particularly with Germany. That is shown by a statement of applications made to the Export-Import Bank for credits which were canceled because the orders went to other countries.

Mr. REYNOLDS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. WAGNER. Yes.

Mr. REYNOLDS. The Senator a moment ago made mention of the fact that a representative of the Brazilian Government is in Washington at the present time.

Mr. WAGNER. I said that he made a statement in the press yesterday with reference to the credits given to the businessmen of his country by other countries, which embody better terms than those offered by American exporters; and that therefore there is danger of our losing our very desirable foreign trade in his and other South American countries.

Mr. REYNOLDS. In reference to that matter, I should like to ask the Senator if it is not a fact that the United States has loaned to the countries of South America more money than any other country has loaned?

Mr. WAGNER. I am not now speaking of loans to governments. I am speaking of transactions with individuals in another country by individuals in this country, similar to several cases which I am about to discuss.

Mr. REYNOLDS. I should like to ask the Senator if it is not a fact that American investors or capitalists have rendered more financial aid to the republics to the south of us—that is to say, in Central America, South America, and the West Indies—than has been rendered by the investors or capitalists of any other country in the world, with the exception of the amount of money advanced by private capital in Great Britain to the nationals of the Argentine.

Mr. WAGNER. The Senator is now speaking of the 1920's, not of today?

Mr. REYNOLDS. No; I am speaking of the past 10 years.

Mr. WAGNER. I am not able to answer that question accurately. In the 1920's we certainly did.

Mr. REYNOLDS. We did.

Mr. WAGNER. And I hope that experience never will be repeated.

There is not any such danger here. In the first place, we are dealing, not with the purchase of the securities of foreign governments, but with Mr. A. of the United States, selling some cotton, locomotives, or something else, to Mr. B. of Brazil. The Export-Import Bank merely aids our manufacturers in financing transactions of that kind.

Mr. REYNOLDS. But is it not true that in connection with loans to be made by American capitalists to the respec-

tive countries of South America, where we are strenuously endeavoring to cope with problems which have been made there by our competitors, Germany and Italy, we should take into consideration the financial condition of the particular countries, and ascertain whether or not any bonds of those countries remain unpaid in this country as to interest or principal?

Mr. WAGNER. I thought the Senator had misunderstood me. I am not talking about the securities of foreign governments at all. I am talking about mere business transactions.

Mr. REYNOLDS. That is what I am talking about.

Mr. WAGNER. If we are interested in these foreign markets, we must do one thing or another. Either we are going to secure the foreign markets or we are not. If we want to win these markets in other countries, we shall have to compete with other nations, and our terms, so long as they are safe, must be such that they will meet those of other nations. The Export-Import Bank, so far, has made no loans which, in my judgment, have not been sound. All but two of them have been repaid or are currently up to date in payments.

If we are to invade these foreign markets and win them, as we all want to do, we shall have to compete with the other countries and try to meet their terms. That is what I am asking. I am not talking about the Government of Brazil or any other government floating bonds or other securities in this country, to be purchased by our citizens. That is an entirely different subject; and as to that the Senator and I are not in disagreement.

I desire to give some instances in which we have lost trade to other countries.

Here is an application by the American Locomotive Sales Corporation. The country is Brazil. The commodity is locomotives. The commitment was \$103,000, and the business went to Germany.

Mr. TAFT. Mr. President—

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. WAGNER. Yes.

Mr. TAFT. Will the Senator from New York state what proportion of the total commitments and loans outstanding today are to foreign governments, or to companies entirely owned, 100-percent owned, by foreign governments?

Mr. WAGNER. I do not know. There has been some question as to whether the Chinese loan is in that category. Incidentally, the Senator from Ohio knows about that loan. He is thoroughly informed upon all of these subjects, and he knows the answers to most of the questions he asks. I want to pay him that compliment.

Mr. TAFT. If the Senator will yield, then I shall be glad to make the statement.

Mr. WAGNER. The Senator from Ohio may do so in his own time. As a matter of fact, I was just coming to that subject. The Senator probably has in mind the transaction in China or the one in Mexico.

Mr. TAFT. Is it not true that of a total of \$50,000,000 of loans and commitments outstanding today, one-half, or \$25,000,000, is a commitment to the Government of China?

Mr. WAGNER. It is a commitment, not a loan.

Mr. TAFT. A commitment?

Mr. WAGNER. There is an American corporation which it is said is controlled by the Chinese Government—I am not in a position to say whether it is or not—which makes purchases in this country, as I understand. If I am inaccurate in what I say, the Senator from Ohio will correct me. Then the purchase price of the particular commodity is guaranteed by a Chinese bank, 50 percent of the stock of which, I understand, is owned by private citizens in China, and 50 percent by the Chinese Government. So I think, strictly speaking, the Senator cannot say that that is altogether a commitment to the Chinese Government.

So far as that loan is concerned, however, no product at all has been sold under the commitment; and as a request comes for the purchase of a particular commodity, the Export-Import Bank will then pass upon the question whether the credit ought to be extended in that particular instance.

Mr. TAFT. Of the balance, about \$6,000,000 is loaned to the Government of Haiti; is it not?

Mr. WAGNER. Perhaps that is so. I am not clear as to whether that is the amount loaned to the Government of Haiti. I have not the record of that transaction.

Mr. TAFT. The loan was made for internal improvements.

Mr. WAGNER. But, as a matter of fact, what happened was that an American manufacturer sold commodities there, and the amount due is for those commodities. There is no doubt it will be paid. Haiti is not in default on any of its debts, if the purchase was made by the Government of Haiti.

Mr. TAFT. Was there not a time when we had to send marines to Haiti and take over the customs in order to make them pay their debts?

Mr. WAGNER. Yes; there was such a time, but that time is gone.

Mr. TAFT. Has the Senator any assurance that we shall not have to do it again if we want to get back the \$6,000,000?

Mr. WAGNER. Yes.

Mr. TAFT. What is that assurance?

Mr. WAGNER. Because we have adopted the "good neighbor" policy, and we no longer police these countries. They are independent and run their own governments.

Mr. TAFT. The Senator means, does he not, that we do not collect our debts from them?

Mr. WAGNER. No; Haiti is not in default on any of its debts. I do not want to discuss that question, because the American people approve the "good neighbor" doctrine. They do not approve the practice of sending our marines to a foreign country to collect the debt of some individual.

Mr. TAFT. Neither do I.

Mr. WAGNER. I will say to the Senator that that took place under another administration, but that time has gone.

Mr. TAFT. Without marines, however, have we any assurance that we shall ever collect this \$6,000,000 from Haiti?

Mr. WAGNER. Of course we have.

Mr. TAFT. What is that assurance?

Mr. WAGNER. Because Haiti is an honorable country, and it will meet its obligation, if the loan was to the Government. I am not sure the Senator is correct that it was the Government of Haiti which took the loan.

Mr. KING. Mr. President, will the Senator yield?

Mr. WAGNER. Yes; I yield.

Mr. KING. I dislike to get into this controversy, but I disagree with my distinguished friend from Ohio. I am familiar with the situation in Haiti. It is true that we sent marines there during the World War. We ought not to have done so. My party, the Democratic Party, in my opinion was responsible for a very great error in sending marines there, but we did not send them there for the purpose of collecting debts. Haiti did not owe us anything. The view was entertained by some of our military commanders that Germany would use the northern ports of Haiti as submarine bases, and there was some controversy down there. A revolution occurred and the president was killed. We sent marines there for fear France or Germany might interfere in the governmental activities of Haiti, but Haiti did not owe us. She owed France at that time a considerable debt, upon which she had always paid the interest.

Haiti today, in my opinion, is solvent, and we need have no fear regarding repayment of a loan to her, although I am not in favor of our Government's loaning money to any other government, or to any person, for that matter, except under some domestic conditions here which might warrant it. But so far as Haiti is concerned, she will meet her obligations, and we did not send marines there to collect a debt.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WAGNER. Let me say to the Senator that I do not desire to get into a discussion of the responsibility of this government or that. I have inquired about the Haiti loan; it is paid right up to date. Some of our manufacturers sold some commodities in Haiti which went into the building of roads and other public improvements. As to whether marines will go there at some time in the future, I do not think that is pertinent to the pending matter, and I want to try to stick to my subject.

Mr. TAFT. Will the Senator yield?

Mr. WAGNER. I yield.

Mr. TAFT. Are there any other loans to foreign governments, or to corporations wholly owned by foreign governments?

Mr. WAGNER. I do not recall one. The Senator may have one in mind.

Mr. TAFT. Is there not a loan to the Mexican Railway, a corporation owned entirely by the Government of Mexico?

Mr. WAGNER. Yes; but I understood that the bank which guaranteed the loan was not owned entirely by the Mexican Government. But if the Senator is sure about it, I will take his word for it.

Mr. TAFT. Is there a loan to the Government Bank of Poland, owned by the Polish Government?

Mr. WAGNER. No. We sold to some spinners over there a considerable amount of cotton, payment for which has been guaranteed by the Bank of Poland. I understand that obligation is being paid right up to date.

Mr. TAFT. Are there any loans to governments to whom loans cannot be made under the Johnson Act?

Mr. WAGNER. Oh, no; there has been no violation of either the Neutrality Act or the Johnson Act.

Let me continue now with the information about some of the trade we lost because we could not meet the terms of our competitors in the South American market. I am glad the Senator from South Carolina, the expert on cotton, is now in the Chamber.

Mr. SMITH. Mr. President, I should like to make an inquiry of the Senator at this time, because I have to leave the Chamber in a moment. Since the question of the Johnson Act has been brought up, does not the Senator think we have gotten ourselves into the condition we are in from an export standpoint largely by virtue of that very act?

Mr. WAGNER. The Senator is an expert upon these questions, and I am not, so I should like to have the Senator make his own statement, because no one knows more about that subject than he does.

Mr. SMITH. The only statement that is necessary to be made is that under the Johnson Act our Government cannot lend any money to a government that is in debt to us, and all of them are in debt to us. That is the situation.

Mr. VANDENBERG. Not in debt to us—in default on their debts to us.

Mr. SMITH. Oh—

Mr. VANDENBERG. That is a little different.

Mr. SMITH. The Senator may use such terminology as he sees fit to employ, but every farmer feeds his stock three times a day. Now we have the reverse of that proposition, we will not lend anyone any money with which to buy our goods and pay us for them. We have just sense enough to be the fools we are. [Laughter.]

Mr. WAGNER. Mr. President, I wish to conclude, and I should like to read these other cases of commitments made by the Export-Import Bank where the American manufacturer failed to get the business.

The United States Pipe & Foundry Co., of Burlington, N. J. Country, Mexico. Commodity, pipe. Commitment, \$125,000. Business placed outside of the United States.

Pullman-Standard Car Export Co., of New York. Country, Brazil. Commodity, freight cars. Commitment, \$540,000. The business went to Belgium because we could not meet their terms.

Harley-Davidson Motor Co., of Milwaukee, Wis. Country, Turkey. Commodity, motorcycles. Commitment, \$100,000. Business placed outside of the United States.

Caterpillar Tractor Co., Peoria, Ill. Country, Turkey. Commodity, tractors. Commitment, \$452,000. Business placed in Czechoslovakia because we could not meet the terms.

These large business interests in this country very much favor the Export-Import Bank. Their only complaint is that there is too great a limitation upon it.

The J. G. Brill Co., Philadelphia, Pa. Country, Argentina. Commodity, railroad equipment. Commitment, \$450,000. Business placed outside of the United States after the application was made and an effort made to get the business.

Pullman-Standard Car Export Co., of New York. Country, Brazil. Commodity, railway cars. Commitment, \$1,761,000. Business went to Germany.

The Willamette-Hyster Co., Portland, Oreg. Country, Turkey. Commodity, standard winches. Commitment, \$15,700. Business went to Germany.

Gillespie & Co., of New York. Country, Brazil. Commodity, industrial products. Commitment, \$600,000. Business placed outside of the United States.

Caterpillar Tractor Co. Country, Turkey. Commodity, industrial products. Commitment, \$1,000,000. The business went to Czechoslovakia.

I am just giving these as instances in which we were not able to compete with these other countries in the extension of credit. There was no question about the merit of our commodities at all.

We merely desire to continue the life of the bank. As a matter of precaution, just as the House of Representatives has done, we are limiting its operation to not more than \$100,000,000.

I do not know of anything else I need to say upon the two bills.

Mr. ADAMS. Mr. President, will the Senator permit me to make a suggestion?

Mr. WAGNER. Certainly.

Mr. ADAMS. There were furnished us at the hearing of the Banking and Currency Committee three sheets containing the financial story of the Commodity Credit Corporation, one a balance sheet, one a statement of commitments and the amounts involved, and the third the actual disbursements. I suggest that they be put into the RECORD.

Mr. WAGNER. I ask that these statements be included in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Commodity Credit Corporation balance sheet, Feb. 1, 1939

ASSETS	
Cash on hand and on deposit	\$149,704.83
Cash collateral on deposit with R. F. C.	\$14,505,570.32
Accrued interest	367,641.38
Commodity loans	\$360,296,170.19
Accrued interest	6,248,244.12
Less: Reserve for losses	366,544,414.31
	74,289,160.05
1937-38 cotton collateral purchased	292,255,254.26
1937-38 corn pool	52,106.41
Miscellaneous receivables	10,124,273.14
Claims in process of settlement	64,756.01
Advanced to employees for travel	28,254.93
Equipment, fixtures, and furniture	450.00
	50,981.11
Total assets	317,598,997.39
LIABILITIES	
Notes payable:	
Series C collateral trust notes	\$206,174,000.00
Interest payable	396,114.73
First issue \$100,000,000	\$206,570,114.73
Interest payable	10,000,000.00
	3,561.64
	10,003,561.64
Miscellaneous payable	216,573,676.37
Suspended credits unallocated	1,257.32
Eastern Dark Fired Tobacco Association—cash collateral	972,570.79
	51,492.91
Capital stock	\$100,000,000.00
Operating deficit	\$19,996,244.68
Less: Amount from appropriation of \$94,285,404.73 necessary to offset deficit	19,996,244.68
	100,000,000.00
Total liabilities	317,598,997.39

NOTE: Pursuant to the act of Mar. 8, 1938 (Public. No. 442, 75th Cong.), \$94,285,404.73, the amount necessary to restore the capital impairment, based on a valuation of the assets as of March 31, 1938, was appropriated. Of this amount, \$19,996,244.68 is treated in this balance sheet as a capital item to offset the operating deficit, which includes losses on loans liquidated. The balance of \$74,289,160.05 is carried as a reserve for losses in liquidating the outstanding loans.

COMMODITY CREDIT CORPORATION

Commodity Credit Corporation, since its organization, pursuant to Executive Order No. 6340, dated October 16, 1933, has made loans on agricultural commodities in connection with programs of the Department of Agriculture. Such loans are functioned through the facilities of the Reconstruction Finance Corporation under an agreement providing for reimbursement of expenses incident to the loans. Prior to May 2, 1938, Commodity Credit Corporation borrowed funds required in addition to its capital from Reconstruction Finance Corporation and through issue of collateral trust notes, on the security of the commodity loans. Since that date necessary funds have been borrowed through issuance of notes guaranteed by the United States, such notes being issued pursuant to the act of March 8, 1938 (Public. No. 442, 75th Cong.). From the date of organization through February 1, 1939, loans disbursed by Commodity Credit Corporation and by lending agencies, under a purchase agreement, have aggregated \$1,284,931,553.12. Repayments have aggregated \$537,483,350.17, leaving outstanding loans as of February 1, 1939, of \$747,448,202.95. A statement of disbursements, repayments, and outstanding loans for each commodity, together with the collateral remaining pledged, is given below:

Commodity	Disbursements ¹	Repayments ²	Outstanding ³	Collateral pledged ³
Butter	\$30,210,810.62	\$10,490,926.04	\$19,719,884.58	80,292,146 pounds.
Corn	245,528,329.25	155,062,131.09	90,466,198.16	159,475,336 bushels.
Cotton	908,536,279.99	348,212,538.47	560,323,741.52	11,014,835 bales.
Dates	61,302.00	61,302.00		
Figs	213,351.33	94,027.40	119,323.93	4,914 tons.
Hops	1,394,627.62		1,394,627.62	7,035,156 pounds.
Peanuts	12,207,271.31	7,154,475.70	5,052,795.61	81,599 tons.
Pecans	206,524.63	5,116.92	201,407.71	2,292,759 pounds.
Prunes	2,653,229.20	2,358,207.89	295,021.31	20,007 tons.
Raisins	3,685,303.52	1,317,000.00	2,368,303.52	99,920 tons.
Tobacco	9,559,674.46	4,811,824.53	4,747,849.93	31,755,191 tons.
Turpentine and rosin	19,234,528.21	5,998,882.47	13,235,645.74	9,953,778 gallons of turpentine.
Wheat	40,775,960.59	640,162.68	40,135,797.91	69,134,694 bushels.
Wool and mohair	10,574,360.39	1,276,754.98	9,297,605.41	58,687,957 pounds.
Total	1,284,931,553.12	537,483,350.17	747,448,202.95	

¹ Disbursements to producers and commitments to banks and other lending agencies.

² Includes a balance of \$14,370,462.68 on cotton loans and \$1,019,748.01 on corn loans charged off after liquidation of collateral.

³ Includes loans held by banks and other lending institutions which Commodity Credit Corporation has agreed to buy.

Based upon the valuation of assets made by the Secretary of the Treasury as of March 31, 1938, pursuant to the act of March 8, 1938 (Public. No. 442, 75th Cong.), losses on commodity loans aggregated \$92,422,740.32. In addition to such losses, administrative expenses totaled \$1,862,664.01, making a deficit as of March 31, 1938, of \$94,285,404.73, which amount was restored by appropriation authorized by the act of March 8 referred to above.

With the exception of the amounts charged off as shown above, the amount appropriated to restore the capital is not considered in the above statement and is carried as a reserve against outstanding loans.

Disbursements and repayments on commodity loans, Commodity Credit Corporation, Feb. 1, 1939

Commodity	Disbursements	Repayments and charge-off	Outstanding	Collateral
Butter	\$30,210,810.62	\$10,490,926.04	\$19,719,884.58	80,292,146 pounds.
Corn	165,369,155.23	155,062,131.09	10,307,024.14	18,610,186 bushels.
Cotton	623,616,133.71	348,212,538.47	275,403,595.24	4,919,012 bales.
Dates	61,302.00	61,302.00		
Figs	213,351.33	94,027.40	119,323.93	4,914 tons.
Hops	1,394,627.62		1,394,627.62	7,035,056 pounds.
Peanuts	12,207,271.31	7,154,475.70	5,052,795.61	81,599 tons.
Pecans	206,524.63	5,116.92	201,407.71	2,292,759 pounds.
Prunes	2,653,229.20	2,358,207.89	295,021.31	20,007 tons.
Raisins	3,685,303.52	1,317,000.00	2,368,303.52	99,920 tons.
Tobacco	9,559,674.46	4,811,824.53	4,747,849.93	31,755,191 pounds.
Turpentine and rosin	19,234,528.21	5,998,882.47	13,235,645.74	9,953,778 gallons of turpentine.
Wheat	27,532,856.96	640,162.68	26,892,694.28	49,226,574 bushels.
Wool and mohair	1,744,751.56	1,276,754.98	467,996.58	2,836,458 pounds.
Total	897,779,520.36	537,483,350.17	360,296,170.19	

Does not include loans held by banks and other lending agencies under contract to purchase.

Mr. VANDENBERG. Mr. President, I wish to offer an amendment, on page 2, line 4, after the word "loans," to add the words "or other obligations."

I think it is pretty generally agreed that the complete external opportunity which this Export-Import Bank should be permitted to confront in respect to the extension of credit is \$100,000,000. Obviously, without a limitation the bank could be used as an instrumentality in connection with the foreign policy, virtually in the nature of American sanctions. I know how the very distinguished Chairman of the Reconstruction Finance Corporation, Mr. Jones, feels about this matter, and I know that he wants this limitation to be a reality. I think the limitation grows perhaps out of a conference which we had upon the subject. But if it is to be a limitation, it should be a real limitation and should be comprehensive. The word "loans" is not comprehensive. The Export-Import Bank could have other commitments than loans. It could have discounts, it could sell its paper to the Reconstruction Finance Corporation and be rid of a loan so far as the loan as such was concerned.

We know from the story we have heard this morning respecting the Commodity Credit Corporation how these matters may be handled to circumvent the limitation.

Mr. WAGNER rose.

Mr. VANDENBERG. I do not say that invidiously.

Mr. WAGNER. So far as I am concerned, I see no objection to the amendment.

Mr. VANDENBERG. I was sure the Senator would not object.

Mr. WAGNER. I do not think the Senator's apprehension is well founded; nevertheless, if he is concerned at all, I see no objection to including the words he suggests.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, line 4, after the word "loans," it is proposed to insert the words "or other obligations."

Mr. BARKLEY. Mr. President, I am not objecting to the amendment, but I wish to make an inquiry. The loans there referred to are loans which are supposed to be made by the Export-Import Bank itself, resulting in obligations to it.

Mr. VANDENBERG. That is correct.

Mr. BARKLEY. It does not mean obligations which may be incurred to the Reconstruction Finance Corporation or any other body. Is it intended that this amendment shall work both ways, that there shall not be more than a hundred million dollars outstanding in loans to the Export-Import Bank and by the Export-Import Bank at the same time?

Mr. VANDENBERG. The thing is complementary; it works both ways, and it is supposed to work both ways.

Mr. WAGNER. Mr. President, should not that read "loans or other obligations outstanding at any one time in excess of a hundred million dollars"?

Mr. BARKLEY. Let me ask if this situation might arise: A limitation is placed upon the amount of money this bank can have outstanding in loans by it at any one time?

Mr. VANDENBERG. That is correct.

Mr. BARKLEY. Suppose it might, while that much money is outstanding in the form of loans, have other commitments which it could make in the way of loans provided it collects back part of this \$100,000,000 that is outstanding in the way of loans.

In the meantime, in order to be able to carry out such a program, it might make application for the advancement of a certain amount of money by the Reconstruction Finance Corporation, and the two would check each other off. Would they be denied the right to do that, under this amendment?

Mr. VANDENBERG. I would say it has no application to the loans the Export-Import Bank makes externally.

Mr. BARKLEY. I think it ought to be made clear that that is what its effect could be.

Mr. VANDENBERG. It could not be anything else, in my judgment.

Mr. BARKLEY. The loans referred to in the bill undoubtedly are loans this bank makes.

Mr. WAGNER. Loans the Export-Import Bank makes; yes.

Mr. VANDENBERG. That is correct.

Mr. WAGNER. What is the exact language proposed?

Mr. VANDENBERG. After the word "loans" to add the words "for other obligations."

Mr. BARKLEY. I suggest that after the word "obligations" the words "to it" be added.

Mr. VANDENBERG. Very well, "obligations to it."

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The CHIEF CLERK. On page 2, line 4, after the word "loans," it is proposed to insert the words "or other obligations to it."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TAFT. Mr. President, I should like to make a short statement as to why I am in favor of the bill, in spite of some criticism which I think can be made of it. I voted for the bill in the committee.

So far as the Commodity Credit Corporation is concerned, it seems to me to be a very unsound policy to continue the making of loans after loans have already been made on 11,000,000 bales of cotton. I agree with the Senator from New York that that is a question of policy. Congress has adopted the policy, and until Congress changes it, I am willing to go along and provide the capital to make the loans.

So far as the Export-Import Bank is concerned, I feel that the bank has been used more as a means of effectuating purposes of foreign policy than it has for its real purpose of financing American exports abroad, and, if it were not for the limitation of \$100,000,000, I certainly would oppose the bill, or at least offer an amendment that no loans should be made to governments; but since the amount that can be loaned is small, and since I see no great danger in pursuing it, I am willing to continue the powers of the Export-Import Bank.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.

Mr. GEORGE. Mr. President, I merely wish to make a brief observation. A question arose earlier in the debate with respect to the loans made upon cotton, as well as perhaps upon other farm products. It will be found that the first cotton loan was 12 cents a pound, which was made on the basis of $\frac{3}{8}$ -inch Middling grade cotton. Subsequent loans were made at a lower figure.

When the Senate had under consideration the Farm Act of 1938 it will be recalled that we debated at some length the provisions which required loans to be made on the basic commodities covered by that act or dealt with by the Farm Control Act. It will be remembered that lending was made mandatory so far as cotton, wheat, and corn were concerned when the market price fell below a certain percentage of parity.

In the case of cotton the present loan rate was fixed at 8.3 cents on Middling $\frac{3}{8}$ -inch cotton. Of course, the loan actually runs as high as 9 cents or slightly above on certain staples, grades, and lengths of cotton; but the basis of the loan is 8.3 cents, which is almost 52 percent of the parity price of cotton. So, the loan was fixed practically as low—not quite, but practically as low—as it could have been fixed under the law.

The question has now arisen whether the Commodity Credit Corporation exceeded its power and authority. It seems to me that a careful reading of the provisions of the Commodity Credit Corporation Act which grant it the power to make loans must lead to the conclusion that it has the power to make them, whether or not it has the money with which to do so.

I merely wanted to make this statement with reference to the Commodity Credit Corporation's transactions in cotton, but the same thing might be said about corn. I think if some of our friends will examine the corn-loan figure they will find that it is slightly above the market price of corn. Perhaps the same thing is true of wheat.

Mr. President, in this connection I wish to call attention to the fact that the loans made upon farm products, cotton, wheat, or corn, must be fixed at a certain time. That is to say, the loan must be made effective on a certain date. In the very nature of things the loan could not follow the market down and up, and nobody ever contemplated such a thing. When once the loan is fixed upon wheat, if thereafter the market should go down, it would manifestly be unfair to the producers of wheat to reduce the loan to the wheat farmers who were not able to deliver their wheat on the market on the very day when the loan was fixed. So, even when in 1934 the cotton-loan figure was fixed at 12 cents a pound, it was very little above the market, but there were, of course, variations in the market price thereafter. But the Government could not make fish of one cotton producer and fowl of another by reducing that cotton loan as the market went up or down during the cotton-marketing season. The same thing may be said of wheat. The same thing can, of course, and should be said of corn.

Mr. President, I think the Commodity Credit Corporation is not subject to any just criticism in making loans which at the present time do exceed in amount the \$500,000,000 plus the \$100,000,000 capital, because the Congress, in the Farm Act of 1938, morally at least, authorized any loan which would be necessary to protect the wheat growers, the corn growers, and the cotton growers. There is the authorization. The Commodity Credit Corporation was simply faced by a technical limitation, or a substantial limitation, if it is desired to put it that way, upon its own power to issue its own obligations, its notes, its bonds, its debentures, in order to get the money with which to comply with the congressional mandate. Here is the Reconstruction Finance Corporation, which was not created under the present administration. It had its origin under the preceding administration, but it has served the country well in a period of great crisis.

The Reconstruction Finance Corporation has the power to buy notes in the open market. It has the power to buy obligations, mortgages, if it wishes to do so. It has done so. The R. F. C. undoubtedly had the power, as I think, to buy the notes of the Commodity Credit Corporation. If it bought those notes without endorsement, if those notes were transferred to it, or it was agreed that they were to be transferred to it without endorsement, or without guaranty whatever, it seems to me that the Commodity Credit Corporation might well have said, "If this be true, we are still within the limitations on our powers to issue debentures from which to obtain the funds to comply with the mandate of the Congress."

Mr. President, I am not submitting what I am saying, however, as a technical justification for what was done. I desire rather to put it upon higher ground. I think the Senator from New York is quite right in choosing the higher ground. Congress created the obligation. That is, the Congress issued the mandate. The Congress provided for mandatory loans to preserve the great farm products—cotton, corn, and wheat—dealt with in the Farm Act of 1938. The Congress promised the farmers of these staples that if the price of their products fell below 52 percent of parity the loan would be made. The authorization for the loan is in the act. There is technical and moral authorization for the loan in the act. Then when the loan was fixed at 8.3 cents a pound on cotton—as low as it could be fixed practically—and thereafter there was a fluctuation in the price of cotton, and the Commodity Credit Corporation, of course, was called upon to make larger loans on cotton, for instance, than was contemplated probably at the time the loan was authorized, what was the Reconstruction Finance Corporation to do? To what other agency could the Government appeal? What other agency had the power to make good the moral obligation of the Congress, the moral obligation to over 2,000,000 cotton farmers who had restricted their acreage, who had complied with the requirements of the law on the faith of the mandatory loans at least in part provided for in the Farm Control Act of 1938?

So, Mr. President, it seems to me the Reconstruction Finance Corporation might say: "Technically we can buy in

the open market, if we please, or from any Federal agency, if we please, its obligations or obligations payable to it. We can buy notes. We can buy loans. We can buy mortgages." And if the Reconstruction Finance Corporation stepped into that breach, the Congress not being in session, it seems to me that under all the circumstances there is not the slightest ground upon which the Reconstruction Finance Corporation can be subjected to any just or fair criticism.

I wanted to make that statement because I think the operations of the Reconstruction Finance Corporation and the operations of the Commodity Credit Corporation, for that matter, have been of untold benefit to the American farmers.

THE PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no further amendment to be proposed, the question is on the engrossing of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

THE PRESIDING OFFICER. Without objection, Senate bill 1084 will be indefinitely postponed.

STATEMENT OF SECRETARY OF THE TREASURY ON TAXATION

Mr. BARKLEY. Mr. President, this morning the Secretary of the Treasury, at his press conference, issued a statement concerning the matter of taxation. I have before me a memorandum of that statement. I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

MEMORANDUM ON THE SECRETARY'S PRESS CONFERENCE, THURSDAY, FEBRUARY 23, 1939

Frank Goodwin, of Central News, asked whether the Secretary could comment on the President's statement on taxes, made just as he was leaving for the Caribbean. The Secretary's reply was substantially as follows:

"We are studying taxes continuously. We have a large staff at work. I am very glad that the President made that statement. Speaking only for myself, the thing that bothers me is that businessmen I see have what I would call a 'what's the use' attitude about going ahead. I feel that that attitude is holding back normal business; that it is preventing businessmen from expanding their businesses and taking normal business risks. I sincerely hope that Congress will take a careful look at the tax law and see whether there are any deterrents that are holding back business and holding back businessmen from making future commitments. Businessmen ought to feel that the administration wants them to go ahead and take risks, and that the administration wants them to make money. Tax legislation should be of a nature that is not a deterrent to businessmen. We want them to make profits. After all, the President's message and his recent statement speak for themselves. I am merely saying how I feel personally. Of course, we must have additional revenue, but, in my opinion, the way to make it is for businessmen to make more money."

Asked whether he had any definite ideas for changes in the tax laws, the Secretary said he didn't want to be more explicit at this time. He added: "If Congress decides it will take a look we shall be glad to put our studies at their disposal. I hope they will."

Asked whether the Treasury had prepared any tax bill, the Secretary said that he personally had not seen any tax legislation for introduction at this session.

THE WORLD DAY OF PRAYER

Mr. DAVIS. Mr. President, recently the Senate adopted a resolution which provides that the Senate Chaplain shall offer prayer at the beginning of each day the Senate is in session. Under the old rule, prayer had been offered only at the beginning of each legislative day. Several months ago the distinguished senior Senator from West Virginia [Mr. NEELY] and I discussed this matter. As chairman of the Senate Rules Committee, he later submitted a resolution and asked for its adoption. It was agreed to unanimously.

In conference with the senior Senator from West Virginia, we agreed that although not all Members of the Senate might be present to hear the prayers, the regular institution of prayer should be faithfully observed, and that as a people we should continue our belief that God moves in the affairs of men, available for guidance and leadership.

Mr. President, tomorrow is the World Day of Prayer, and it seems appropriate that as we move from the inspiration which has come to us in the birthday celebration of George Washington, the Father of his Country, we should enter into the quiet spirit of the World Day of Prayer; for surely the

truest patriotism is the doorway to the world fellowship we seek. Our good will for our fellow men should begin at home, but it need not stay at home. All over the world today, in every land and sounded in every tongue, is the voice of prayer bidding men to cease from bloodshed and strife and turn their thoughts to nobler ways. This is my sincere hope and prayer as I bring this brief message.

Every day brings to my desk a flood of letters bearing the petition for peace. It seems that there is no limit to the number of men, women, and children who cannot rest until they have written of their abhorrence of foreign wars, and their desire that our beloved country shall keep the peace. This is an age of public opinion, and we want more, rather than less of it. I only wish I might have more hours to my day and some extra clerks in my office to help me with the great mass of mail which has kept coming in since the beginning of the Seventy-sixth Congress. I never saw anything to equal it. Yet I am glad that the messages bear the desire for more of good will and peace in the world.

On this, the World Day of Prayer, we should join with all thoughtful, reverent men and women everywhere who cherish these noble aspirations and warm sentiments. Let us continue to protect the eternal values of our public life which had their beginning in the lives of men who believed that religion is the true basis of democracy, and the only hope of lasting peace for our Republic.

The two most important problems now confronting our people are the unemployment of 12,000,000 persons and the position America must take in the realm of foreign affairs. The more critical of the two, and the one basic to both prosperity and peace, is unemployment. In recent years we have continually enacted emergency legislation which has fallen short of permanent value. There must be a program of industrial expansion and increased production. After all, it is the production of goods and services which creates wealth. Compared with the difficulties of war-torn Spain and China, our own troubles should seem comparatively simple. Here we have at our disposal everything necessary to create wealth and achieve a natural abundance. If our Government can subsidize the destruction of our national wealth, surely the procedure can be reversed, and industry and agriculture can be assisted in the maintenance of the abundance necessary to good times and reemployment.

Our people in the past have overcome greater difficulties than those which now confront us. With a true inspiration and a genuine faith in an all-wise Providence, America can again lift up her head and lead the world in flourishing activity.

Mr. President, our first duty in foreign affairs is to follow the teachings of George Washington. Let us not give lip service to the Father of his Country and forget his wise counsels. I believe our first duty as American citizens should be to refrain from taking any attitude which might involve our country in war. Let us keep America strong and at peace with ourselves and with the rest of the world.

Our unsolved problems of unemployment and relief still have first claim on our attention. Although my heart goes out in sympathy to every oppressed and needy group throughout the entire world, my first obligation as an American citizen is to devote myself to the utmost to the task of insuring that peace, good will, and full work opportunities for the unemployed millions of my fellow countrymen shall be established in our own land. I know of no problem in the world today that is so vital to world peace and international security as our own unsolved unemployment problem.

Mr. President, during the past week the splendid American Red Cross sent a shipload of wheat to the starving thousands of war-weary Spain. It had been sold by our Government as a surplus commodity at the nominal price of 1 cent a bushel and was transported free by our merchant marine. This food went not to the Loyalists or to the Insurgents as such, but to the Spanish people, a wonderful people, now needy and hungry. I am proud that our Red Cross and our Government cooperated in this mercy gift. We could do more. We should do more. However, I remind all our citizens of the fact that we were able to send this gift to the needy of Spain

because we had a surplus and not because we lacked it. While millions of wretched men and women in the far parts of the world, as well as in our own land, perish for lack of the fundamental necessities of life, it seems nothing less than a direct insult to the Almighty wantonly to destroy the gifts of food and clothing, the grain and the cotton, which have been made possible for us. I believe we shall some day be called to answer for these fundamental breaches of humanity and for these fatal errors.

Mr. President, it is not enough that we say we hate war. It is true that a great majority of the American people do hate war. We must continue to feel that way, and at the same time to do something constructive for the cause of peace.

As one who believes in good will and peace, I have introduced a Senate joint resolution, No. 47, seeking the authorization of the coinage of 1-cent pieces to symbolize peace. If this bill is enacted, it will mean that every cent piece in circulation in our land will be dedicated to peace. If every American penny is dedicated to peace, it ought to spell the difference between peace and war, so far as our country is concerned.

I hope that this joint resolution may become the law of the land. I hope that whenever a penny comes into the hands of our people they will think of it as a peace penny. Every cent in the United States Treasury will then be the agent of good will and peace. This is my sincere hope.

The peace penny will also mean that more pennies will be contributed to the institutions which seek actively to maintain peace in human relations. The school, the church, and the voluntary organizations in every field of American life will receive more because they are all devoted to the cause of peace.

INDEPENDENT OFFICES APPROPRIATIONS—COMMUNICATION FROM DIRECTOR OF THE BUDGET

Mr. BYRNES. Mr. President, I wish to say for the RECORD that a day or two ago, during the discussion of the independent offices appropriation bill, I stated that the Director of the Budget had failed to reply to a communication from the chairman of the Senate Appropriations Committee. I am informed that since that time the Director of the Budget has replied to the communication directed to him; and while I have not had an opportunity to read the letter, I understand that the chairman of the Appropriations Committee will offer it for the RECORD. I merely wish to advise the Senate that the Director has responded to the communication and in his letter has stated that his reason for not replying at an earlier date was due to his absence from the city.

ORDER FOR ADJOURNMENT AND AUTHORIZATION FOR REPORT AND SIGNING OF BILLS, ETC.

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon on Monday next, and that in the meantime all committees may be permitted to report bills, resolutions, and nominations; that the Vice President may be authorized to sign any bills that may become ready for his signature; and that the Secretary of the Senate may be authorized to receive messages from the House of Representatives.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

EXECUTIVE CALENDAR

Mr. BARKLEY. Mr. President, we have a very small executive calendar of diplomatic and postmaster nominations. I ask unanimous consent that, as in executive session, the nominations in the Diplomatic and Foreign Service, and the nominations of postmasters, may now be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3743) making appropriations for the Executive Office

and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1940, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and Mr. WOODRUM of Virginia, Mr. JOHNSON of Oklahoma, Mr. FITZPATRICK, Mr. HOUSTON, Mr. STARNES, Mr. WIGGLESWORTH, Mr. DIRKSEN, and Mr. CASE were appointed managers on the part of the House at the conference.

THE UNEMPLOYMENT PROBLEM AND IMMIGRATION

Mr. REYNOLDS. Mr. President, on the evening of February 14, I listened to an outstanding address delivered by our colleague from the State of Connecticut [Mr. MALONEY], pertaining to the unemployment situation in our country today and reflecting upon that condition which has existed for a number of years past. The subject of his address was Returning Men to Work. Frankly, I know of no more interesting subject at the present time, for the reason that, as we all know, today in the United States 12,000,000 men and women are out of employment and are seeking employment. After having listened to the address of the Senator from Connecticut on the evening of February 14, the following day I made inquiry of my distinguished colleague as to whether or not he was provided with additional copies in order that I might obtain one. He furnished me a copy. There are several statements in his address which I am desirous of reading to Members of the Senate, because I think those statements are entirely pertinent and important in this period of unemployment in the United States.

I have selected this subject—

That is to say, the subject of returning men to work—because it seems to me that almost all of the troubles of our country, and the world, arise from the fact that millions of men are unemployed.

For a number of years many millions of men in the United States, most of them heads of families, have been without steady employment. Among the masses of unemployed are young men and women, fortified with a splendid education, who have yet to get their first job.

No one can say that we have made progress toward a correction of the distress of unemployment. Take the Government relief program away from the country—abandon the policy which we have practiced—and we are right back where we were in 1932 insofar as unemployment is concerned.

I may add, Mr. President, in reference to this problem, that, from all indications, it does not seem to me that we are going to bring about employment for the unemployed outside of a war, but I wish to say in this connection that I would rather continue to have millions upon millions of unemployed men and women than to have our country become involved in another bloody war.

The Senator from Connecticut continued:

Distasteful as it sounds and is, existing conditions mean that approximately one-third of our population is without employment, or at least without employment in private industry.

One-third of the people of the United States of America today are without employment, despite the fact that since the spring of 1932 we have expended billions of dollars in an earnest effort to provide employment for the unfortunate men and women who today are walking the streets in search of honest work. Unemployment, therefore, is, indeed, a mammoth problem. As a matter of fact, it is difficult for any of us to make suggestions as to methods and means by which relief for the unemployment situation may be provided. More than one-third of the people of America are out of employment, despite the fact that 3,000,000 of our people are on the relief rolls, and, in addition to those 3,000,000, there are 4,000,000 people in the United States who are working either for the Government of the United States or for the respective State governments of the 48 Commonwealths of the Union or for the political subdivisions of those Commonwealths. That to me is an appalling situation, and it becomes increasingly distressing when we reflect upon the statement of fact that 80 percent of all the unemployed in all the

world are to be found within the confines of the United States of America.

With 3,000,000 upon the pay rolls of the Government because of contributions it has made to provide work—3,000,000 unfortunate and God-fearing and deserving men and women on the W. P. A. pay rolls—it is indeed appalling to my mind to find American citizens who are asking that we let down our immigration bars and permit millions from foreign shores to come to the United States in face of the fact that today we have more than 12,000,000 men and women out of employment. For the life of me, Mr. President, I cannot understand how anyone being interested in the 12,000,000 unemployed American men and women can advocate opening wide the gates of immigration in order that people from foreign shores may be permitted to come here and compete with American citizens who are already holding jobs and to vie with the unemployed who are seeking jobs; and, unfortunately for American citizens, it appears, and I think can be proved, that the great majority of those who today are coming to the United States from foreign countries are provided with jobs the minute they arrive here, whereas many Americans who have been out of employment for years cannot get jobs. I wish to state again that I think we should close the immigration gates of this country, certainly for the next 10 years, or until such time as every man and every woman of the 12,000,000 now unemployed has been successful in obtaining a job.

Let us see about this. I am indebted to my colleague from Connecticut for the very fine address delivered by him on the evening of February 14. I wish to bring to the attention of the Senate a newspaper article which appeared in the New York World-Telegram of the issue of Thursday, February 9, 1939. The article to which I refer is on the front page of the aforementioned newspaper. The headlines read as follows:

FOUR THOUSAND WOMEN KEEP VIGIL FOR 12 JOBS—SLEEPLESS NIGHT OVER, THEY REGISTER; GIRL FAINTS IN CRUSH

Upward of 4,000 women answered dramatically today the question: "Would the unemployed and the relief recipients take a job if they could get one?"

From the thousands who filed through the Two Hundred and Forty-fourth Coast Artillery Armory, 12 will be rewarded with the prize all are seeking—a job at \$18.47 a week, washing test tubes, cleaning cages of rats and guinea pigs, and scrubbing floors and sticky benches in the laboratories of the New York health department.

At the head of the weary line, which finally began to move at 9 a. m., were several hundred women of all ages whose red-rimmed eyes and rumpled clothing testified that they had spent a sleepless night.

Think of it, Mr. President. Four thousand hungry, undernourished, unfortunate American women in line, seeking jobs paying only \$18.47 a week.

GIRL FAINTS

One girl fainted during the morning rush, but there was no disorder.

The municipal civil service commission, which knows better than anyone, perhaps, how eager the jobless are for work, had made fore-sighted arrangements for today's registration.

According to law, it is first come first served for such menial jobs as laboratory assistants. After the registrations, the first 12 women who can pass physical examinations and who can read, write, and speak English will get the jobs. But the list made up today will be kept for 4 years, and from it may be selected a few women to replace those who leave civil-service jobs as scrubwomen.

ARMORY ENGAGED

Having seen several hundred men scramble and riot a few weeks ago when registrations were taken at the municipal building for porters' lists, the commission engaged the armory.

The line outside the armory started forming at 8 a. m. yesterday. The first ones, sitting outside in chairs furnished by the Salvation Army, kept their places until late afternoon.

At 4 p. m. yesterday, when the doors of the armory were opened so that the applicants would not have to wait all night in the cold, there were approximately 100 women present.

THE LINE GROWS

Throughout the night the line grew. There were old women, dressed in little better than rags—

These were American women, Mr. President—and smart youngsters from college.

American college boys and girls, Mr. President.

By midnight 239 had checked in and been assigned places in line.

They were permitted to sit in the balcony of the armory, and there they passed the night, wrapping themselves in their coats, chatting aimlessly, trying vainly to sleep.

And, I add, or perhaps to keep warm.

At daybreak there were 600 women signed in at the armory and 30 more waiting in the line outside.

At 8:15 a. m. the armory was full. There were 1,500 women inside. The early birds got seats on the benches and chairs. The later arrivals stood in numbered lines stretching across the armory floor.

At exactly 9 a. m. the line began to move.

The first woman to sign up was she who had given her name to reporters yesterday as "Mrs. Lily Heffernan." She disclosed that she was in reality Mrs. Frances Culhane, and for reasons of her own she wanted to keep her address to herself.

WOMEN QUESTIONED

Reporters walked up and down the lines, questioning women at random. Some were uncommunicative, others wanted to tell their stories.

A pretty blond, who seemed to be in her early thirties, said she was the former Juanita Clark, once of the Ziegfeld Follies.

"You'll probably find clippings about me at your office," she said. "Now I'm Mrs. Gladys Sonnenberg, of 117 West Ninety-second Street.

"I need the money, and I've looked around everywhere for a job. I've had four jobs offered me recently, but the best one paid only \$12 a week, and there was no future in it."

TWO APPLICANTS FROM SOUTH

Two girls, who had come from Atlanta 4 months ago, seeking their fortune in New York, said their savings had run out. They were Ida Rosen, 21 and red-haired, and Ruth Livingston, also 21, a blond.

Several of the younger women said they were college graduates, and there were half a dozen girls from Hunters College, hopeful of being selected for the jobs by the time they graduate.

LOOKING TO THE FUTURE

Think of a situation of that sort. Picture it in your mind, Mr. President. Here are young American girls, college students, some of whose parents no doubt are making sacrifices daily in order that they may provide opportunity in the form of education for their children; and these girls in college, recognizing the plight of America today, are leaving the classrooms, leaving their respective colleges, and going to New York, where they saw these jobs advertised, with the hope that finally, when they finish, they may not experience difficulty in finding employment.

Several of the older women spoke of their grandchildren. Those who were willing to talk at all invariably stressed the fact that they were in need of work because they were widows or women whose husbands were ill.

CHANCES FOR JOBS

Even those at the end of the line were hopeful, though Paul J. Kern, president of the municipal civil service commission, said he expected to fill all of the jobs now available from the first 150 applicants.

The applications were taken at the rate of 400 an hour by the 20 clerks, 2 notaries, and 3 fingerprint experts who composed the civil-service staff.

A notary fee of 25 cents was collected from each of the applicants. Those who did not have the money were permitted to sign up anyway, with the understanding that they would pay later. There also will be a fee of \$1 for the physical and literacy examinations, which will start some time next week.

CRITICIZES LAW

Mr. Kern took occasion to criticize the law which requires that the applicants be chosen in the order of their qualification. He said that he would recommend an amendment to permit applicants to be chosen competitively or by lot.

Throughout last night police were stationed at the armory to preserve order.

COAST ARTILLERY PRACTICES

On the floor of the armory during the evening there were practice maneuvers of the Two Hundred and Forty-fourth Coast Artillery, a few tennis matches, and two basketball games.

The entertainment ended at midnight. From then on the vigil grew less interesting, but because of the anxiety of waiting few of the women got any sleep.

Mr. President, here on the second page of the New York World-Telegram are reproductions of some photographs that were snapped in the armory that night, and above those photographs I see the printed words:

Women sleep all night in armory as 4,000 seek 12 jobs.

In the face of our 12,000,000 unemployed, in the face of the fact that we have here a statement through the press to the effect that the unemployment situation is so distressing that 4,000 American women, among whom are numbered college girls, are seeking a mere thimbleful of jobs, 12 jobs, there are American citizens who are asking that we receive here those from foreign shores who seek an asylum in this land of ours.

By the way, Mr. President, I wish to mention the fact that there has been introduced in this Congress by my distinguished colleague, the senior Senator from the Empire State of New York [Mr. WAGNER] a bill providing for the admission to the United States of America of 20,000 children, refugees from Germany.

Mr. President, I desire to state to you and to the fathers and mothers of America that I am going to fight with all my might the passage of that bill. If the press desires so to do, if the editorial writers of the country desire to attack me, describing me as being heartless and cruel, I do not care.

I wish to state that I do not care what the press says about me and my attitude on these matters so long as I may bring those subjects to the attention of the American people.

I now take the opportunity to state that I propose to fight the passage of that bill, and I will tell the Senate why. I propose to fight the bill because if we permit 20,000 refugee children, all of them under the age of 14, to come into the United States, under the terms of the bill, those 20,000 children 5 years from now, according to my information, will have attained to the age of 19, and those 20,000 children at the age of 19, boys and girls, will be seeking jobs in this country which belong to the sons and daughters of American fathers and mothers.

I have just read to the Members of the Senate an article from a New York newspaper describing how 4,000 poor, undernourished, underfed, hungry American women were seeking 12 little jobs paying \$18 a week, and amongst the 4,000 were college girls 18 and 19 years old. My heart goes out in sympathy to the refugee children, but, I repeat, my heart beats in sympathy first for American sons and daughters in preference to the children of fathers and mothers of any other nation in the world. If we permit them to come into this country, we are simply providing competition for the sons and daughters of American mothers who at that time likewise will have attained to the age of 19.

Mr. President, that is not all. If we permit that wedge to enter into the immigration laws of this country—and it will be a wedge—we will find that within a few years the fathers and the mothers of those refugee children will be seeking admission to the United States, because they will want to reunite here on our shores. That today is one trouble with our immigration laws, and the great trouble.

A man is here and his wife is over in Europe, or a man is here and his family is back yonder, and it is said that we who are fighting to protect the American people and to close securely the immigration gates are cruel because we will not permit the wife and the children of a man here to reunite with him upon American shores. I say it is not cruel. If I may be pardoned a personal reflection, I say it evidences good sense. We say to those people, reassemble, reunite, on the shores from which you came. To permit 20,000 children to come into the United States will provide an entering wedge, and there will be another request to reunite here 20,000, 30,000, or 40,000 aliens.

Senators, we have arrived at the time when the people of the United States have to begin to think about their problems here at home. We have arrived at the time when the American people are demanding that we look after their interests, and not wander over the earth spending all our time and thought on those who reside outside of continental United States.

I see here today honoring me with his presence at this hour the junior Senator from Texas [Mr. CONNALLY], and I am reminded that recently the members of the General Assembly of the Lone Star State of Texas had something to say in regard to the enforcement of the immigration laws of

this country. In his State the people are thoroughly exercised about the matter. They have been greatly troubled, attributable to the fact that Texas is bordered by the Rio Grande, beyond which are 16,000,000 or 17,000,000 Mexicans. I am reminded that one day not so very long ago, in 1935, I was in the city of San Antonio, which has a population of about 300,000, and of that number about 150,000 are Mexicans. I was traveling on a Sunday through a park and saw a man standing on a goods box delivering a speech in Spanish. I inquired what he was talking about, and was told that he was raising hell because the W. P. A. was not paying him enough. [Laughter.]

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER (Mr. LEE in the chair). Does the Senator from North Carolina yield to the Senator from Texas?

Mr. REYNOLDS. I am glad to yield.

Mr. CONNALLY. I suggest to the Senator that the same thing is occurring in many other sections of the country, in many places other than San Antonio, Tex.

Mr. REYNOLDS. Certainly; it is occurring all over the country.

Mr. CONNALLY. I may also say to the Senator that many of the people in San Antonio who are of Mexican blood are native-born citizens—

Mr. REYNOLDS. I understand that.

Mr. CONNALLY. San Antonio being a very old city, one of the earliest settlements in the Southwest.

Mr. REYNOLDS. San Antonio is, of course, one of the most interesting and historical cities anywhere in the United States, the seat of the Alamo, and a very beautiful city, incidentally. I always like to be provided the opportunity of refreshing myself, historically and otherwise, by paying a visit there, but principally I like to be refreshed by finding myself in the State so ably represented by the handsome and gracious Senator from one of the greatest Commonwealths in the United States. [Laughter.]

Mr. CONNALLY. Mr. President, I had intended to interrupt the Senator, but after that brilliant burst of language, gallant even if not accurate, I would not in any wise consume any of the time of the Senator from North Carolina. I rose to advert to the fact that, while the Senator delights to refresh himself when he comes to San Antonio, we are always very happy, our Commonwealth feels greatly honored, when we have the privilege of entertaining the distinguished and eloquent Senator from North Carolina.

Mr. REYNOLDS. I am very grateful to the Senator. It is so very rarely that I hear anything nice about myself that the Senator's words are music to my ears. [Laughter.]

Mr. President, since I have mentioned Texas, I may say that I happen to have in my hand a clipping from the Weekly Dispatch of San Antonio—that delightfully interesting and historical city—of January 13, 1939. A convention of printers was held in that city. I like printers very much. I have found that in my State of North Carolina those who do the mechanical work of making up newspapers are always for me, while the editors are always against me; but I thank Heaven there are more printers than there are editors, so that I may add that I have fared very nicely.

I wish to read a resolution adopted by the printers at the State convention which took place in the Senator's State:

RESOLUTION

Whereas Senator REYNOLDS, of North Carolina, has drafted a bill to be presented before Congress intended to suspend all immigration to this country for a period of 10 years "or until every unemployed American is back at work," and also is preparing measures to deport every alien criminal in America and to require compulsory registration and fingerprinting of aliens; and

Whereas in June 1938 there were 443,196 war veterans registered with employment offices and seeking jobs; and

Whereas this local deems it essential that every effort possible be directed to relieve the unemployment situation in this country; and

Whereas the immigration of aliens to the United States causes not only the swelling of the unemployment ranks, the increase in crime, the lowering of the American standard of living, and the spread of isms foreign to this country: Therefore, be it

Resolved by San Antonio Typographical Union, No. 172, in session assembled this 8th day of January 1939, That this local

heartily endorses Senator REYNOLDS in his efforts to introduce legislation to curtail immigration; and be it

Resolved, That telegrams be sent to our Senators and Representatives in Congress urging them to help and support the Reynolds bill; and be it further

Resolved, That a copy of this resolution be sent to the Typographical Journal for its publication, to the Weekly Dispatch, the San Antonio Express, San Antonio Evening News, and the San Antonio Light, and that our delegates to the San Antonio Trades Council and the Allied Printing Trades Council be instructed to present this resolution before their respective bodies. That a copy be sent to the legislative committee of the American Federation of Labor, and the legislative representative of the Texas State Federation of Labor, and to Senator REYNOLDS, of North Carolina.

I thank the gentlemen of the Typographical Union affiliated with that local in San Antonio, Tex., for their very complimentary remarks embodied in the resolution which I have happily been privileged to bring to the attention of the Members of this body.

Mr. President, reflecting upon the portion of the resolution I have just read in reference to aliens on our shores, thinking again of the troubles we are experiencing in this country, and particularly since we read a great deal about the meeting held night before last in New York, I wish again to remind the Members of this body that the political battleground of the "isms" of the world today is right here in the United States of America. The political battleground of the "isms," the foreign "isms" of the world, is right here, and the battle is now raging. Let us see: Since July 1936, when the revolution in Spain began, ancient Spain, historic Spain, beautiful Spain, has been a physical battleground, and the battle has been waged on the one hand by the Communists of Russia and on the other hand by the Fascists and the Nazis of Germany and Italy. Everyone knows that to be a fact. Ask any newsman who has just returned from abroad and what will he tell you? Make inquiry of anyone who knows, and what will he tell you? He will tell you that the physical battleground of the "isms" of the earth since July 1936 has been on the soil of Spain. But when we step across the wide expanse of the blue waters of the Atlantic we find that the political battleground of the "isms" of the world is here in the United States of America.

Night before last there took place in the city of New York a meeting of those constituting the "bund," and if we are to believe the press reports there were sandwiched into Madison Square Garden more than 27,000 persons who had paid an admission fee of \$1 each. Those persons are members of the Nazi "Bund"; they are members of the Fascist "Bund." We are told by the press that outside of that mammoth hall, Madison Square Garden, 20,000 or more Communists, enemies of those in the meeting, were rioting. That was a meeting which was held in the city of New York, and I dare say, and I am ashamed to say it, that it would be difficult to hold a meeting spontaneously in any city in the United States to discuss nothing but Americanism, and get 27,000 people to attend, even if no admission charge were made.

This morning I had a conference in my office in the Senate Office Building with gentlemen who represent the largest patriotic societies in America, and those who represent one organization of the heroes of the World War, our war veterans. We were discussing the matter which I have seen fit to discuss here today, and I made the statement to them that, in my opinion, the more than 150 patriotic societies of America had done a great deal for our country, but the difficulty was that we, you and I, who are affiliated with the fraternal organizations which stand for Americanism, pull down the windows and close the doors, and we puff, and blow, and sweat, and talk Americanism and patriotism, but we waste that energy upon those who are affiliated with us in those fraternal organizations. I suggested that what we need today is a public forum where the more than 150 patriotic societies of America may defend America and uphold American principles and traditions.

I wish to state to the Senate that within the past several weeks I have received many thousand letters from people all over the United States who favor the program in which I am interested and which I am discussing in the Senate of the United States. I have received so many such letters that I

thought it would be a marvelous opportunity to assemble, to band together, the patriots of America who were desirous of saving America for Americans. So I reached into the air, so to speak, and I brought forth the word "vindicators," meaning those who defend, and I have employed the word "vindicators" in description of this mass national American movement, because I feel that today America of all times must be defended and that Americanism and American patriotism must be brought to the fore.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. I wonder if the Senator would include among the patriotic societies those societies, organized and based on foreign propaganda, that want to save the world, and if he would include among the patriotic societies those groups that are always extending their hands across the sea.

Mr. REYNOLDS. The Senator has propounded to me a question which for the moment perhaps would prove a little embarrassing, for the reason that I have made it my policy throughout my life never to refer to anyone at all if I cannot speak good of him. Consequently, I should rather not have anything further to say about that matter. Those who believe in reaching hands across the sea are in opposition to those with whom I find myself in accord, who stand for America first, and who are desirous first of keeping the United States out of war by staying clear of any foreign entanglements or embroilments, by attending to our own business and keeping our noses out of the domestic affairs of other nations, by providing an adequate national defense for defense only, and providing neutrality laws which will be properly administered so that we will not get into war. That is No. 1.

No. 2. To register and fingerprint every alien in America, in order that we may know how many aliens are within the confines of the United States, where they are, and what they are doing here, so that if we were to become involved in war that information would be available, for every alien would be a potential spy or enemy in case we should become embroiled in war. The Senator knows that those potential spies and enemies, boring from within like termites, which cannot be seen or heard, would be more destructive and detrimental to the United States in war than would the cannons of the enemy, for cannons could be located by our aviators.

No. 3. Do not permit a single immigrant to come to this country within the next 10 years, or until such time as every American is employed.

No. 4. Banish all the foreign "isms" in this country, and let us hear a little something about Americanism.

Returning to the subject of the conversation I had this morning with representatives of the soldiers of the World War and the representatives of other patriotic organizations, I am ashamed to say that when we were discussing the proposal to hold a mammoth meeting in the city of Washington to demonstrate that the American people are interested in Americanism, and offset some of the tremendously large meetings held in other sections of the country, we were afraid we would not now find the people sufficiently interested in the question of immigration, in the matter of keeping America out of war, or in the spirit of Americanism, to bring about the attendance at such a meeting of half as many people as attended the meeting held Tuesday night in the city of New York.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. CONNALLY. Will the Senator tell us why we do not deport from this country those aliens who do not take out citizenship papers, and who violate or who are supposed to have violated our laws? Is the law defective?

Mr. REYNOLDS. I should say to the Senator that the machinery of operation is not properly oiled. I know the Senator from Texas was extremely interested last year and the year before in the question of deporting from this country alien criminals who were being held here. The Senator

will recall that we had before us the names of more than 3,300 criminal aliens who had been arrested, who were under bond, who were being forcibly detained here, when in truth and in fact they ought to have been sent back where they came from.

They were detained here because the Department of Labor said, "These people should not be deported. By so doing families will be broken up."

Those cases were described as hardship cases. I went to the Department of Labor and personally asked the man in charge to pick out for me 25 or 50 of the so-called hardship cases. I did not want to pick them out myself, because if I had done so some Member of this body would say that they were the worst cases, and that I had gone there and selected them. I had them picked out and I discussed every one of those 50 cases on the floor of the Senate. I showed that in 9 out of 10 cases which were handed me by the representatives of the Department of Labor the Department was holding criminals in this country in violation of the laws which Congress had enacted. I found that 9 out of every 10 were cases of criminals with bad records. If any Senator disputes my statements, I shall be very happy within the hour to send to my office and obtain pamphlets containing the typewritten records which I compiled at that time.

Mr. President, I am happy to see some Members of this body interested in this subject. I know that the American people will be happy to learn that the Members of this body are interested in this subject, because it is fundamental to our present and future happiness.

In speaking of those who come to this country, I recall that last fall I visited 13 or 14 countries in Europe, and while traveling in England, France, Spain, Italy, Algeria, Greece, Bulgaria, Rumania, Yugoslavia, old Hungary, and Czechoslovakia, I made inquiry about the things in which I am interested, and in which I know Senators are interested, in connection with the question of immigration. I recall that while I was in Sofia, the capital of Bulgaria, I talked to one of our representatives there. I was making inquiry everywhere as to the type of persons who were trying to gain admission to this country, or to return to this country.

Do not misunderstand me. Let me make myself clear. I think any man who comes from foreign shores to this country, and who voluntarily makes application for and is granted American citizenship, may be just as good an American as you or I. He is an American by choice. We are Americans by birth.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. MINTON. I understand that Mr. Fritz Kuhn, the head of the German Bund, came to this country of his own choice and took out citizenship papers. Does the Senator consider him a good American citizen?

Mr. REYNOLDS. Of course there are exceptions. I am speaking generally of the American people. We know that those who have come to the United States and have been naturalized have contributed greatly to the progress of America. I do not consider any man a 100-percent American citizen who preaches anything but the fundamental doctrines of Americanism.

Mr. MINTON. Of course we will all agree with the Senator's ideas about the foreigner. What does the Senator think about the Americanism of American citizens who join the bund? I hope the Senator will discuss that question.

Mr. REYNOLDS. I will say to the Senator that I cannot picture in my mind any American citizen interested in the continued progress of this country affiliating with any organization which does not stand 100 percent for the principles of the United States of America. I am glad the Senator from Indiana brought that question to my attention. In cities all over the United States we find those who are bringing to the forefront the doctrines of the nations from which they come, whereas the mammoth meetings in the country should be held for the purpose of dealing with the problems with which we

are today confronted, all of which are the problems of America, involving the spirit of American patriotism.

I wish to repeat what I stated a moment ago, that we have largely lost sight of Americanism. When we pick up a newspaper, what do we find? We find that many of the articles contributed to the editor in the public forum interest themselves in subjects having to do with the affairs of nations abroad.

A moment ago I spoke of being in Sofia, and making inquiry everywhere as to the type of persons who wish to come to America, or to return to America. One representative of the diplomatic corps in Sofia told me about a man who had come to him in an effort to return to the United States. The case was so ridiculous that I asked the official to prepare for me a memorandum of the case, which he did. Here it is. This is a memorandum of a conversation between the applicant and the consul:

The conversation which took place yesterday was about as follows:

APPLICANT. I want a visa to go back to the United States. When I was deported, the inspector told me I could apply for a visa after about a year.

CONSUL. Why were you deported?

APPLICANT. For entering the United States illegally.

CONSUL. When was that?

APPLICANT. In 1912. I was just a boy.

CONSUL. If your entry into the United States took place as long ago as 1912, there must have been some additional reason for your deportation now.

APPLICANT. I think it was because they heard of that \$475.

CONSUL. Tell me about that.

APPLICANT. Well, one night we had a few drinks and went up to the sixth floor of the — Hotel, where we played a game, and one of the boys said I stole \$475. I was indicted for it [exhibiting newspaper clipping], but they told me that the case would not come up for trial if I agreed to being deported.

CONSUL. But if the case did not come to trial, there must have been still some further ground for deportation.

APPLICANT. I think that in their investigation they found out about my trips to Canada and back.

CONSUL. What did you go to Canada for?

APPLICANT. I was doing a little smuggling in narcotics.

CONSUL. I think it will be better for you not to try to go back to the United States. It would be better to find a job here. What is your trade?

APPLICANT. Well, I never had any trade exactly. I can drive a car very well, but the local authorities refuse to give me a license because I have not the necessary education.

CONSUL. But you speak very good English and give the impression of being quite well educated.

APPLICANT. Yes; but that was all in the United States. For 3 years I had regular lessons and lots of time to study. That was while I was doing time in the — State Penitentiary.

CONSUL. What was that for?

APPLICANT. I got 3 years for grand larceny.

CONSUL. Then it is out of the question that you could be readmitted to the United States.

APPLICANT. But what about my little boy? I left him there.

CONSUL. Who is taking care of him now?

APPLICANT. His mother, but we are divorced, and the judge said that because the mother was not a woman of good character, he gave the custody of the child to me. My wife is a bad woman, and I want to take care of the boy myself. [Exhibited copy of divorce decree.]

CONSUL. I think that the authorities would not consider that as sufficient grounds to readmit you. Have you any other claims?

APPLICANT. Well, what about my other wife?

CONSUL. You mean that you married again after your divorce?

APPLICANT. No; it was before, but we never bothered to be divorced, and I do not think that the authorities found out about it.

That fellow wants to return to the United States!

A moment ago I made mention of young girls in college, who are still attending classes and who know that the unemployment situation is troublesome in this country, joining a throng of 4,000 women seeking 12 jobs. They went to college hoping that when they graduated they would not have such a hard time obtaining jobs. Today we have cases of mothers and fathers spending their last dollar to send their sons and daughters to college to become professional men and women. The outlook is very discouraging to them.

I wish to read a few letters which I have from time to time clipped from the newspapers. I have before me a letter which was published in the New York Herald Tribune of February 19, 1939, on the subject of the future of refugees. I think it is a very sensible communication. The correspondent says that in due time the refugees will compete in the struggle for jobs. I will read what the writer of this

communication says. His name is George Acker, of Little Ferry, N. J., and his letter is dated February 14, 1939:

LITTLE FERRY, N. J., February 14, 1939.

TO THE NEW YORK HERALD TRIBUNE:

I have read with great interest your editorial anent the child refugees, and, though I am in full agreement that their lot is an unfortunate one, I, nevertheless, cannot help but comment on a few corollaries that would follow the admission of 20,000 foreign children into this country.

These children would not compete in American labor markets—not now. But in 5 years they will create quite a problem for the American-born child, who will then find himself competing for his heritage. The bill introduced by Senator WAGNER would simply allow these refugee children to be brought in by those already willing to receive and support them. Who are these people? Are they unaware of the fact that there are thousands of children in our own United States who are in need of succor, or aren't these philanthropic-minded persons interested in the needs of American children?

It seems to me that people grow hysterical about the unfortunates of other countries and at the same time are cold and aloof to the needy of their own land. Perhaps this is due to the fact that far greater publicity is given to the unlucky somewhere else. It puffs up the national ego to point out how badly those of other nations are faring, and we feel very magnanimous when we give assistance; our philanthropies have flowered from the flooded wastes of China to the battle-scarred fields of Spain, but we have been so busy taking care of these flowers that the few seeds sown in our own backyard have dried and withered.

There still are millions of unemployed in the United States, and thousands of children of the unemployed, children who have quite as much need of help as do the children who are not wanted in Germany. While we must sympathize with these poor youngsters, we must not lose sight of the fact that our first thought should be to our own, that charity begins at home.

There are many, many orphans in our own country, children who have not even the memory of their parents. And the ragged children in the slums of our large cities and in the shacks and hovels of our more rural sections.

Every liner arriving from Germany disembarks refugees on our shores. By various interpretations of the laws, by this means and that, thousands of these people in excess of the quota have been allowed to enter our country. Of course, every one of them has a job awaiting him and so does not become a burden to us; but the man whose job he has taken finds himself on relief! I cannot believe that the jobs were especially created for the incoming refugees; if that is true, why weren't the jobs created years ago for the unemployed American citizens?

You cannot get around it; either the jobs these refugees are getting means an unemployed American for every employed refugee or else it means that jobs can be created for refugees but not for our native sons.

GEORGE ACKER.

Mr. President, referring to the fact that there are hundreds upon hundreds of refugees, professional men and women, doctors, lawyers, dentists, and nurses coming into this country from foreign shores to supplant our own professional men and women, I ask that an article entitled "Refugees Unlimited," in the February issue of a monthly magazine published at Rutherford, Va., Medical Economics, and having a circulation of 130,000, be made a part and portion of my remarks. It deals with the subject of the influx of the thousands of professional men and women, nurses, lawyers, doctors, and dentists who are coming from other sections of the world to the United States to compete with our own professional men and women.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Without objection, the article will be printed in the RECORD.

The article referred to is as follows:

REFUGEES UNLIMITED

(In the preparation of this article many private, professional, and governmental agencies were consulted. Consequently the opinions presented here are not those of any single organization or individual. Following is a partial list of the sources contacted: United States Department of State, Self Help for German Emigrés, Inc., United States Immigration Service, emergency committee in aid of displaced foreign physicians, 47 United States consulates abroad, Boston committee on medical emigrés, medical society officers or medical examiners in Alabama, Colorado, Georgia, Illinois, Minnesota, Missouri, New Jersey, New York, Pennsylvania, and Tennessee.)

Today, through American ports of entry, flows a steadily mounting stream of foreign doctors.

Fleeing the oppression of dictators or economic hardship they are coming in droves from Germany, Austria, Spain, Czechoslovakia—even Canada—to hang up their shingles in the land of the free and home of the private patient.

Waiting to welcome them are the newspaper "sob sisters," whose livelihood has long consisted of drumming up pity and custom for the downtrodden; sympathetic immigration officials, to give some of them preference in the quotas; amenable boards of regents, to grant them licenses without examination; crusading labor lead-

ers and some two dozen or more refugee organizations devoted to finding a place for them in an already overcrowded profession.

Needless to say, no such advantages exist for the American practitioner. No newspapers publicize his economic oppression. There are few spokesmen for the Americans forced out of practice by tactics regarded on this side of the water as unethical. And as for medical societies with the temerity to inquire into the indiscriminate licensing of alien M. D.'s, they may be disposed of, as was at least one, with the rejoinder of State officials that it is "none of their business."

Nevertheless, facts gathered by Medical Economics indicate a growing belief that the problem of alien competition is very much the profession's business. Investigators for this magazine, who interviewed members of licensing bodies, leaders of organized medicine, individual doctors, immigration officials, many refugees themselves, as well as the bodies organized to aid them, found the consensus of opinion to be as follows:

American doctors sympathize with the plight of colleague victims of European discrimination. At the same time, they feel that the traditional generosity of American medicine should not be strained to the point where it would sacrifice our economic security for theirs. They would not, in a word, let sympathy interfere with good judgment.

In contrast with other nations, several physicians declared, the United States has already been overgenerous in accepting alien practitioners. Were the situation reversed, they ask—with American doctors becoming refugees from the United States—would they be permitted to set up practice in foreign countries on the basis of their American qualifications?

They would. But only in Morocco, Siam, Ethiopia, or Iraq! Strange as it may seem, none of the other 43 nations (all European countries included) surveyed by Medical Economics would even consider licensing citizens of the United States in this way.

Exactly how great a rise has taken place in medical immigration during the past few years is not known, as Government figures are not analyzed to a point of specifying doctors of medicine. However, the influx of professional men in general is reported by the United States Immigration Service, as follows:

1935.....	2,277
1936.....	2,588
1937.....	4,162
1938.....	5,463

The Immigration Service is also authority for the statement that during the past 4 years, 1,008 M. D.'s have entered the United States from Germany and Austria alone. From Europe generally, a leading refugee organization estimates, the immigration rate is now 1,000 physicians each year!

It must be remembered that medical refugees from what was formerly Austria have not yet affected immigration totals to any great extent. They account for only 10 percent of the combined infiltration from Germany and Austria during the past 4 years. Already, though, because of political conditions abroad, the number who are coming to the United States has begun to multiply rapidly.

The growth in immigration is reflected by the steady yearly rise in the number of foreign medical-school graduates being licensed (though an increasing percentage of Americans are among the 1930-36 groups). Of 167 who were examined in 1930, some 44.9 percent failed; in 1937, 919 were tested, with only 30.7 percent failing. This decline in percentage of failures was effected gradually in the years between, pointing to this significant fact: That while foreign-trained applicants have increased each year, the proportion of failures has declined.

There is little sign of relief on the horizon. Instead, the prospect seems to be growing darker. An A. M. A. official in close touch with the situation predicts gloomily that 1939 compilations will disclose another 30 to 40 percent advance over 1938's high-water mark in licenses issued to foreigners.

Little hope is held of any natural decline in the volume of refugees seeking admission to the United States. Quite the contrary. For present indications are that the main wave of foreign physicians has not yet been set in motion. German sources informed Medical Economics some weeks ago that their country's remaining Jewish doctors were to be deprived of the right to practice on December 1 last. Whether this crippling blow was struck could not be confirmed before publication. At any rate, in view of recent Nazi declarations, it does not seem to be far off. It is generally accepted, moreover, that the same fate awaits Austria's Jewish profession, which would bring the total of possible emigration from Europe to figures estimated at more than 10,000.

The anti-Semitic wave is spreading eastward with Hitler's ambitions. Danzig, theoretically a "free city," recently liquidated its entire Jewish profession at one fell swoop. Czechoslovakia, Rumania, and Hungary are all tightening the net of economic restrictions about their physicians in the same manner as did the Nazis in the early days of their regime. Topping this off is evidence that the number of Canadian graduates settling down to American practices is growing steadily.

In the next 5 years, therefore, as many as 15,000 foreign doctors may be seeking locations in lands other than their own. Where will they go?

Not to France. The French Government has served notice to an American medical refugee committee that while it will accept alien physicians as residents, they cannot practice.

Nor to England. As a result of protests by the British Medical Association, the Royal College of Surgeons, and the Medical Practi-

tioners' Union, England has, temporarily, at least, clamped down the lid. The British Home Office, after admitting 50 refugee physicians in 1938, now feels that England has done her duty.

Certainly not to Italy, where Mussolini is just opening an anti-Semitic campaign. The Italian Government, speaking through the newspaper *Tevere*, has already warned Jewish physicians that, since they are "doubly strangers in Italy and * * * enemies of fascism," they will find no welcome there.

Although Russia's size, plenitude of patients, and communistic utterances about "sharing" would seem to make it the ideal haven, the U. S. S. R. has been conspicuously uncooperative in inviting physicians from outside to settle within its boundaries. It is natural, then, that the United States, with its much-publicized freedom and promise of a good living, should seem a godsend to foreign doctors. In Germany, at least (source of most present emigrés), the idea of migration to this country has been openly encouraged. The Hitler press has expressed its vexation loudly and often that they won't take more refugees. Furthermore, unwanted recent graduates of German schools have been denied their diplomas until they can leave the country.

These factors lead to the natural question: Could we absorb as many as, say, 15,000 practitioners in the next few years?

Obviously not. The absorption of so many alien doctors, if attempted, would be a step toward wholesale economic suicide. It would mean the loss of millions of our present patients.

As an example of what could happen, alarmed physicians are pointing to what has happened in New York. Because of its liberal licensure program, this State has been, in the words of Dr. Harold Rypins, secretary of its board of medical examiners, a "dumping ground" for foreign doctors. In the 5 years preceding January 1, 1937 (before the real influx began), the Empire State admitted 961 foreigners to practice, lifting the local medical population 4 percent. Of these, 482, or more than half, were allowed to practice by endorsement. And this, although examination was required of graduates of all medical schools in New York State.

As a result, the local board of examiners proposed, in 1936, to stem the tide. They ruled that examinations were to be mandatory for all.

The fear of being barred, however, actually stimulated immigration. Foreigners rushed to register before the dead line—by telegram, letter, and even cable. Meanwhile, those who had gained admittance had entrenched themselves by organizing and enlisting the support of many powerful American laymen. Defended by such brilliant legal talent as Samuel Untermyer, they were finally able to resist the board's ruling. In the State supreme court on October 15, they won an outstanding victory by securing an order (since appealed) which restrained the board of regents from requiring some 100 of them to take examinations. The board of regents, it was declared, could not void that part of the law allowing licenses to those who can prove completion of a course in a reputable medical school and a practice of 5 years.

This created an almost pitiable condition in certain sections of the State. At its last meeting, the house of delegates of the New York State Medical Society passed a resolution asking equal rights with foreigners. Before the same assembly, Dr. James F. Gallo, of Herkimer, N. Y., lambasted foreign competition in an account of an allegedly typical case:

"In New York City," he declared, "over 300 doctors are on relief or are given work by relief to keep them from starving. * * * A physician in one of the small villages along the Hudson River had been gaining a good livelihood for himself and family * * * living well and providing for the future. * * * This young man, native-born and educated in the United States, was compelled to leave because he could not compete with the unfair practices of a foreign physician."

Other aroused New York practitioners lay still greater complications to the newcomers. In small communities throughout New York State, they say, medical refugees have evidently "mistaken the torch in Miss Liberty's hand for a dollar sign." One American physician charges the most unscrupulous, or most desperate, of them with converting their offices into "mass production" clinics, featuring "snap diagnoses" and "that prescription," and cutting fees to as low as 50 cents a visit. Some, not averse to unethical advertising, are said to have distributed handbills in mail boxes of other doctors' patients. These, it is asserted, read as follows:

Office visits.....	50c
Fluoroscopic examinations.....	50c extra
Maternity cases (at home).....	\$10

Since these men don't belong to medical societies, they are more or less outside organized medicine's sphere of influence. About the only method one Long Island medical association could propose for controlling abuses was to vote that foreign nonmembers be presented with copies of the Code of Ethics. Protests to State officials have proved unavailing, the latter passing responsibility for their policy to an agreement with the Department of Labor.

Many of the American physicians interviewed doubted whether refugee doctors, accustomed to the European regimen of compulsory health insurance, could adapt themselves to this country's standards of private practice. Some even see in the foreign influx an active group of backers for the Federal Government's socialized health plans. As one New York medical society president declared, the refugees would like nothing better than being assured of \$2,000 or so a year—at the expense of Americans who have worked all their lives to build up practices.

Doctors, apparently, are not the only sufferers. Damage is allegedly being done to the foreigners' patients by hasty diagnoses and radical surgery carried on in "border line" sanitariums, a natural haven for unaccepted aliens.

"In these institutions, which are glad to fill their beds," one doctor said, "they can attempt all kinds of surgery, without ever having seen them done. Who is to stop them? Not the staff, because in such institutions there isn't any."

These abuses have occurred among the licensed practitioners. Other men, having failed to obtain licenses, are purportedly practicing without supervision of any kind. Because of their scanty personnel, State boards cannot keep a close check on such law-breakers. Particularly is this so in the larger cities.

In inland States, alien M. D.'s have as yet made no great inroads. Nevertheless, letters of protest pouring in daily to medical societies indicate that the pressure of foreign competition may soon become Nation-wide. Concerning the influence of refugee doctors in Chicago, St. Louis, and other midwestern cities, one practitioner says, "Hardly a physician I talk to does not know of a foreigner who has recently moved into his neighborhood to compete with him."

In Iowa, a wealthy physician has aroused the angry comment of colleagues by sheltering no less than nine medical refugees in his home and trying to make room for them in the community.

Of New Jersey's 79 most recent licentiates, 34 are refugees. In Massachusetts, the situation has become such that the State medical society is considering a proposal which demands full citizenship of all practicing physicians.

Repercussions are heard even in isolated States like Texas, where the board of examiners recently rejected 21 alien applicants because of uncertain qualifications. And in Missouri, where a prominent medical man has spread this appeal for legislation against foreign competition:

"Why should they enjoy the protection and advantages of Missouri and force our own people to move elsewhere? The irony of it is that these aliens are coming from countries that have made it absolutely impossible for our citizens to enter and practice. * * * It is 'heads I win, tails you lose.' Next year it (the influx, now mainly German) may be made up of Italians, Russians, Spaniards, Frenchmen, and Englishmen."

Unquestionably, the incoming foreigners are receiving a certain amount of patronage from Americans in high places. In New York City, some of their most enthusiastic sponsors have been Park Avenue specialists. This is explained by one leader of organized medicine as follows:

"These specialists live largely on consultations sent them from doctors in more modest communities. The more physicians, foreign or otherwise, they have on the string, the better. In return for backing, aliens will send the specialist their consultation work."

Most medical authorities questioned were largely of the opinion that the quota of foreign doctors should be restricted. The point of difference was how this should be done.

One group, anxious to be fair to distinguished colleagues from abroad, suggested that the less competent be weeded out on the basis of educational records. But this is a lot more difficult than it sounds. A European diploma may not be worth the paper it is printed on. Medical students are not permanently "flunked out" in Europe as in the United States. Instead, if the student fails, he simply studies more and keeps taking exams until he finally squeezes by. Thus, many of the lower 25 to 30 percent systematically eliminated in this country would succeed in becoming physicians in Europe. On the other hand, the superior European doctor, for political reasons, may be unable to obtain credentials to prove that he even attended medical school.

A proposal is that practice in the United States be limited to American citizens—a requirement already pertaining in several States. This is the official recommendation of the A. M. A. house of delegates. At the time it made the recommendation, the house contemplated full naturalization, which calls, among other things, for 5 years' residence in this country. But, so far, State boards are inclined to interpret "citizenship" merely on the basis of evidence that first papers have been taken out. This, of course, is a formality consuming only a few minutes' time. Another objection to the 5-year residence rule is that it would probably cause crowding in technical fields allied with medicine, in which the foreigner would seek to support himself until he became eligible for practice.

A third group maintains that the problem is one of distribution rather than exclusion. One adherent of this theory holds that—

"The United States is big enough for us all. The trouble is that only a few States will admit the refugees to practice. This aggravates the problem by concentrating them in a few centers. If all the States were to adopt an 'open door' policy, the refugees would be spread evenly throughout the country. This would result in mutual benefits: Provide practice for the doctors and doctors for communities needing them."

Followers of this line of thinking would have the State boards of regents grant provisional licenses to foreigners. The boards would assign each man to a community requiring a doctor. If he refused to go, he would forfeit his license.

Although this plan shapes up well on paper, many doubt its practicality. For one thing, that the United States is "big enough for us all" is a moot point. Others believe that forcing a physician to accept a location smack of the dictatorship in lands from which many of the aliens have fled.

Some believe the problem could be simply solved if the Department of Labor would fix the number of physicians admissible under the quota. Even should the Immigration Service consent to this, which is almost unimaginable, the chances are that this limitation could not be strictly enforced.

No ready-made solution seems to fit the problem. Meanwhile, foreign competition streams down the gangplank.

Mr. LUNDEEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Minnesota?

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. I am glad the Senator has brought up the subject of refugees. Sometime ago, if the Senator will permit a brief interruption, I made a statement in which I voiced opposition to the admission of refugees into this country, especially in view of the unemployment situation. There are, however, many people in the United States who desire to put refugees first and Americans last, who desire to take care of refugees and aliens, and, if there is anything left for native Americans, very well. I believe in the policy of America and Americans first, and then, if there is anything left for aliens and refugees, very well. I believe we should take care of our own people first, and I am glad to hear that policy voiced on the floor of the Senate.

Mr. REYNOLDS. I thank the Senator from Minnesota very much for his contribution to my observations. In connection with what he has said, I may add that I have suggested that the American people now, of all times, as a whole, from coast to coast and from north to south, should adopt this slogan: "Our citizens and our country first." But, as the Senator from Minnesota has said, in a great many sections of the country it appears that some American citizens are providing jobs for refugees first. That is taking place every day in the city of New York. I have an article from one of the larger New York dailies in respect to some refugees who came here and who 2 days after they had landed were taking the jobs of American citizens.

Mr. LUNDEEN. Mr. President, will the Senator permit me to interrupt him further?

Mr. REYNOLDS. I am glad to yield.

Mr. LUNDEEN. I am informed that not only will some employers give jobs to refugees first, but they will really displace Americans now having jobs, put them out of their positions, and replace them with refugees who cannot even speak the English language.

Mr. REYNOLDS. That is true. Let me say in this connection that I have been informed that one of the largest department stores in the city of New York giving employment to hundreds of American men and women had made arrangements to discharge about 8 out of every 10 of those clerks in order to make room for some refugees who were coming to the United States. The poor men and women who were employed in that store raised so much hell about it that the store executives became afraid to take the action and backed down.

In reference to that, I will say to the Senator that I am going to make very diligent inquiry as to the truth or falsity of that statement, and whatever truths I learn about it I will expect to provide the Members of this body upon the floor of the Senate the knowledge I obtain, for I think any individual, organization, corporation, or association in this country that will even contemplate discharging Americans from employment in order to make room for aliens from across the sea ought to be exposed to the American people.

In reference to the matter of the doctors, which I mentioned a few moments ago, I have here a clipping from the New York Herald Tribune of January 29, 1939, the headline of which reads:

Four hundred and forty-one out of one thousand and sixty-three alien doctors—

Listen to this—

fail in tests for State licenses.

Two hundred and ten of those rejected in New York in 1937-38 are from Germany and 35 from Austria; only 5.5 percent of those from schools in the State fail.

I ask that the newspaper article which provides this information in detail as to the number of foreigners from the respective countries of the world failing in the examinations be published in the RECORD as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of January 29, 1939]

FOUR HUNDRED AND FORTY-ONE OUT OF ONE THOUSAND AND SIXTY-THREE ALIEN DOCTORS FAIL IN TESTS FOR STATE LICENSES—210 OF THOSE REJECTED IN NEW YORK IN 1937-38 ARE FROM GERMANY AND 35 FROM AUSTRIA; ONLY 5.5 PERCENT OF THOSE FROM SCHOOLS IN THE STATE FAIL

ALBANY, January 28.—The State education department announced today that of the 1,063 foreign doctors who tried the 1937-38 medical examinations for licenses to practice in New York State, 441 failed to qualify. Among the unsuccessful candidates were 210 from Germany and 35 from Austria.

Candidates from abroad and the results of their tests were as follows:

Germany 422 candidates, 210 failures; Austria 112 candidates, 35 failures; Czechoslovakia 12, 9 failures; England 12, no failures; France 36, 14 failures; Hungary 12, 8 failures; Ireland 7, 5 failures; Russia 19, 9 failures; Scotland 88, 14 failures; Switzerland 181, 66 failures; Syria 2, no failures; Italy 103, 58 failures; Turkey 1, 1 failure; Cuba 2, no failures; Canada 62, 11 failures; Mexico 1, 1 failure.

The department disclosed that 1,836 prospective physicians took the 1937-38 tests. Besides the 1,063 from abroad, 468 were from New York medical schools and 285 from schools of other States. It added that 5.5 percent of the New York State educated doctors failed in the examinations and 24.9 percent of the candidates from other States were rejected.

Dr. Ernest E. Cole, counsel of the State board of regents, in test cases recently before the appellate division, third department, of two refugee German doctors who sought State medical licenses without examination, argued that endorsement of foreign physicians without examination would be discrimination against New York State's prospective doctors, who are obliged to pass the test in order to practice. The test cases referred to were those of Dr. Julius W. Levi and Dr. Paul Erlanger, both of whom failed in the 1938 examinations. The board of regents refused to endorse them.

Mr. LUNDEEN. Mr. President, will the Senator yield further?

Mr. REYNOLDS. I am glad to yield to the Senator from Minnesota.

Mr. LUNDEEN. Some time ago I arrived at the port of New York from the West Indies. On arrival I was informed by officials that the *Europa* was coming in that afternoon with 1,500 refugees. I am wondering if when he makes his investigation the Senator would be willing to investigate further and include the statement that 1,500 refugees were coming into this country in the midst of a period of great unemployment in the United States, of which we are all well aware. I said, "Well, what about these poor people; they will perish; they will not be able to get any work." Mention was made of certain officials in New York, and the reply was, "Oh, they have been promised employment within two weeks." I should like to be certain that native citizens of this country, those who have taken out their first papers, veterans of our wars who have marched under our flag in time of war, men who have been out on the industrial battlefields in America and suffered injury in industry, and their sons and daughters shall first be taken care of in the matter of securing jobs. It appears, however, that within 2 weeks after landing from the *Europa* as refugees 1,500 aliens were to be employed in the State of New York. I thought the Senator might be interested in that statement.

Mr. REYNOLDS. I thank the Senator very much.

In regard to the number of persons coming to the United States, I desire to state that I intend to make inquiry likewise in regard to the tourist visas that are issued. I am wondering how many persons have entered this country in the past 5 years under tourist visas and how many have actually gone out again. Senators understand that ours is the only country upon the face of the earth that does not keep close tab upon foreigners coming to it. Ours is the only one. We have the poorest immigration laws of any country in the world. There is one thing that I admire about Mexico. Mexico, just to the south of us, has some of the very finest immigration laws possessed by any country upon the face of the earth; and, by the way, I have suggested from time to time, in bills I have introduced here, that we should apply the quota system to the countries of Central and South America and the West Indies. The State Department, how-

ever, have said, "Oh, we ought not to do that." They have thrown up their hands in holy horror. They have said, "It will make them mad with us. We have the 'friendly neighbor' policy, the brotherly love policy."

I wonder if the State Department knows that every one of the countries to the south of us has finer, better, stronger immigration laws than we have here in the United States. How could they get mad with us for passing laws protecting us in the same way that they have already passed laws to protect themselves?

While I am on the subject of doctors and professional men, let me say, as the Senator knows, that the doctors all over the United States are having a hard time. I ask that there be published in the RECORD, as part of my remarks, an article from the Long Island Star-Journal of Wednesday, February 1, 1939, entitled "Speaker Warns Medical Group of Influx of Foreign Doctors."

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

The article is as follows:

SPEAKER WARNS MEDICAL GROUP OF INFLUX OF FOREIGN DOCTORS

Serious competition for medical practitioners in the United States unless the influx of European physicians to this country is not curbed or controlled was forecast last night by William Alan Richardson, managing editor of Medical Economics, before 250 physicians at the Medical Society Building, 112-25 Queens Boulevard, Forest Hills.

Richardson, whose topic was Refugees Unlimited, was a guest speaker at the monthly meeting of the Medical Society of the County of Queens, which was devoted to a discussion on medical economics.

Another speaker was Dr. George D. Wolf, author of *The Physician's Business*, who spoke on Current Economic Trends in Medical Practice. Dr. Joseph Wrana, newly inducted president of the society, spoke on the importance of harmony in the medical profession.

Richardson, speaking of the problem facing the medical profession in this country, revealed that approximately 1,000 European physicians arrive annually in the United States, with a potential influx of 15,000 physicians in the next 5 years.

SEES INCOME CUT

With the serious competition for established practitioners, Richardson said, it was questionable whether the number of incoming physicians from other countries could be absorbed without economic calamity as far as the American physician's income was concerned.

It was definitely unfair to the American-trained physician who is required to take rigid examinations in order to practice by allowing many European physicians to come here and practice without the necessary examinations, Richardson said.

The incoming physician problems was not so much the number of physicians, Richardson added, but the problem of proper distribution of European physicians. Mechanism for such distribution would have to be worked out.

Richardson suggested the possibility of limited medical practice to citizens only, which is already law in some States. The United States, he concluded, is a natural haven for European physicians because of the stringent rules already being applied in France, England, and Italy.

Tracing the development of the modern practice of medicine and its tendency toward the development of specialization in medicine or general practice, Dr. Wolf said there was an increasing interest of the Government in the practice of medicine and the outside agencies interested in public health.

OPPOSES CHANGE

The various medical systems which are practiced in European countries are not comparable to the achievements which we have in this country, Dr. Wolf added. "We believe that the people do not want any change in the medical system here," he said.

Dr. Wrana, in his first address last night since he was recently inducted head of the medical group, declared that "harmony in the medical profession is necessarily a most important attitude today."

"By harmony, I do not mean blind acquiescence to any proposal but an honest attempt to coordinate the activities of society for the common good, regardless of which individual or what faction institutes such a proposal," Dr. Wrana added.

Pressure group attacks, Dr. Wrana warned, "are threatening our very existence, and threatening the proper receipt of adequate medical care by the public." The most fearful of threats, the society head said, was that of compulsory health insurance, possibly patterned after the English system.

On the other hand, he said, hospital insurance has benefited not only the patient but the hospital as well.

Mr. REYNOLDS. I hope every American doctor in the United States will read the CONGRESSIONAL RECORD, as soon as it reaches his State, in reference to the competition which is confronting men of his profession all over the United States. I likewise hope the doctors will know that the Members of the United States Senate are doing our level best to protect

them against the invasion of foreigners which is occurring at the present time.

Mr. President, I have here three other clippings. One, entitled "Refugee Immigrants," is dated New York, February 1, 1939, and is signed by Mr. G. Gilder. Another, entitled "Arrivals of Refugees," is signed "Native Citizen," and is dated New York, January 27, 1939. Another is entitled "Every Immigrant 'An Error.'" It is signed by Victor E. Smith and is dated New York, January 30, 1939.

I ask that these articles be published in the RECORD as part of my remarks with reference to the influx of persons who unfortunately are now flooding our shores, or attempting to do so, at the time of all times when we need to bar persons from other parts of the world from coming here, so that they will not compete with our unfortunate laboring men who have not had any work for several years.

The PRESIDING OFFICER. Without objection, the articles will be printed in the RECORD.

The articles are as follows:

REFUGEE IMMIGRANTS

To the NEW YORK HERALD TRIBUNE:

The Herald Tribune is doing good and necessary service in printing letters such as the one from Mr. Joseph Larocque and one from Mr. Alfred Loomis the following day, both pointing out the danger of allowing our emotions to run away with our reason in the matter of the refugees now pouring into the country. The letter of "Native Citizen" is also significant, with its report of the number of refugees from Germany arrived on the *Manhattan*. Ten days ago I reached New York on a German steamer, nearly all of the passengers being German refugees, and wondered how many American citizens would have to be deprived of their jobs in order to furnish places for these aliens, for sooner or later that has to be done or they must become public charges. While in Germany I heard of Jews who were trying to get to Palestine in order to emigrate from there to the United States, and sorry as I was for their plight, the desire of all to come to America was not encouraging for Americans, considering the unemployed already here.

G. GILDER.

NEW YORK, February 1, 1939.

ARRIVALS OF REFUGEES

To the NEW YORK HERALD TRIBUNE:

According to reports in the news columns the other day, the United States liner *Manhattan* arrived from Europe with 919 passengers, of whom 740 (more than 80 percent) were German refugees. Other ships of late have been bringing in large numbers of refugees. Under what conditions are these refugees being admitted? Do they enter this country within the limits of the German and Austrian immigration quotas or on visitors' permits? What guaranty or assurance is given that they will not supplant American citizens in jobs or become public charges? With so many native and naturalized citizens out of work and dependent upon the bounty of the Government and State for mere sustenance, is not this great influx of aliens an alarming menace? Are the immigration laws being enforced to the letter without regard for race or creed?

NATIVE CITIZEN.

NEW YORK, January 27, 1939.

EVERY IMMIGRANT "AN ERROR"

To the NEW YORK HERALD TRIBUNE:

In your editorial Threat of Exile, you commended Miss Dorothy Thompson's phrase "sheer instinct for self-preservation." Aside from the vague, sentimental "preservation" argument, we should keep in mind that "self-preservation is the first law of nature." We cannot support the needy of the entire world. "Charity begins at home."

There are hundreds of thousands suffering unjustly in China and Spain, for example, far exceeding the numbers of Jewish refugees. Why should we single out the latter?

In fact, we should not be admitting a single immigrant under present conditions. When the present quotas were fixed we had no unemployed millions. With a standard of living and wage far above that of other countries, is it not criminal to be admitting tens of thousands who mean public charges—a tax and a toll direct or indirect? Every immigrant of today is illegally admitted, as well as an economic error.

VICTOR E. SMITH.

NEW YORK, January 30, 1939.

Mr. LUNDEEN. Mr. President—

Mr. REYNOLDS. I yield to the Senator from Minnesota.

Mr. LUNDEEN. If the Senator will permit me, there is another invasion of this country at this time of which I am sure the Senator is aware. It is an invasion of foreign propagandists and lecturers who are traveling up and down the land by the hundreds preaching their pro-ally doctrines, and

I presume pro-other combination doctrines as well, and endeavoring in every possible way to inveigle us by intrigue and innuendo into revamping and changing the old doctrines of the fathers of this country upon which America was founded and rewriting the foreign policy of the United States. They are trying to put us on a different basis. This invasion is proceeding along with the other invasion to which the Senator has referred, and I believe it puts America in peril.

Mr. REYNOLDS. I desire to say to the Senator in reference to that matter that a great many of the persons who are preaching "isms" here are telling us what to do and what not to do. I want to read a little pamphlet that was handed to me a few days ago. I desire to bring it to the attention of the Senate. Here the Communists are telling the Congress of the United States that we should not contribute by way of appropriation another dime to the Dies committee. The Communists are telling us how to run the country.

I shall take the time to read just a little of this pamphlet. It was issued by the New York State committee, Communist Party, 35 East Twelfth Street, New York City. By the way, before I forget it, I wish to remind Senators of the fact that the most astute propagandists in all the world are those who are employed by the Communists in this country. They have accomplished the most miraculous job ever accomplished by any propagandists since the creation of the world; and what is it? Why, the Communist propagandists have been so astute that they have succeeded in drawing the minds of the American public from Stalin and the Communist Party to Hitler and Mussolini. We never hear anything more about Stalin or the Communist Party. As I say, the Communists have succeeded in drawing the attention of the American people to Hitler and Mussolini.

Let us take just a minute to see what this pamphlet says. Here are members of the Communist Party issuing a pamphlet telling us how to run our country and saying that we should not put up a dime for the Dies committee. The pamphlet says:

Twenty-five thousand dollars of your money has already been spent! And \$150,000 more is being asked. For what? For the work of the Dies Committee on Un-American Activities. There certainly are un-American forces at work in this country, and Congress should investigate them and expose them before the American people. In fact, when Congressman DIES originally urged this investigation, he pointed to these un-American forces as follows:

"I am not inclined to look under every bed for a Communist but I can say to this House that there is in my possession a mass of information showing the establishment and operation of some 32 Nazi camps in the United States, that all of these camps have been paid for, that they claim a total membership of 480,000 * * * that in these camps men are marching and saluting the swastika." (CONGRESSIONAL RECORD, p. 9961.)

No sooner had the committee been organized than MARTIN DIES betrayed the confidence of those who had voted that he investigate the Nazi and Fascist organizations that are infesting our public life. He handled these Fascists with such generosity, in fact, that Fritz Kuhn of the Nazi Bund came out in support of DIES. Instead of exposing them, he turned his attention to sully the name of every progressive movement in America, including the New Deal, the trade-union movement, ex-Governor Murphy of Michigan, the Farmer-Labor Party of Minnesota, and all other popular movements.

"It is generally understood," Earl Browder recently wrote to all Congressmen, "that Mr. DIES, in the service of more sinister forces, is exploiting prejudice and ignorance in order to smear with the old 'red' brush all New Deal, labor, progressive, and liberal legislation, people and organizations."

I ask that the remainder of the pamphlet be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

DIES attacks the Communists and calls everyone a Communist who stands for the expansion of W. P. A., for collective bargaining, for democracy, and for national security through cooperation with other lands. Collecting as witnesses a miscellaneous crew of labor spies, political cast-offs, and generally irresponsible people, DIES has accepted and gotten spread on the front pages a lot of gossip and falsehood without any attempt to get those who testify to prove their statements. So disgraceful was this performance that President Roosevelt had to speak out against the tactics of the Dies committee.

President Roosevelt said: "Most fair-minded Americans hope that the committee will abandon the practice of merely providing a

forum to those who for political purposes, or otherwise, seek headlines which they could not otherwise obtain. Mere opinion evidence has been barred in court since the American system of legislative and judicial procedure was started."

As a fair-minded American you are entitled to know the truth about Fascist activity in America. But DIES is not entitled to squander your money in a political circus to serve reactionary ends. DIES devoted most of his time to misrepresentations about the Communist Party. As Earl Browder wrote in his letter to Congressmen, "DIES has not questioned a single authentic spokesman for the Communist Party who, far from being subversive and secretive, are openly carrying on democratic work in behalf of the majority of the American people, and can be reached daily by telephone, telegraph, or mail. He has not examined or put in the record a single reliable official document or publication of the Communist Party."

For the judgment of the fair-minded American we here want to submit to him two vital parts of the Constitution of the Communist Party.

1. "The Communist Party opposes with all its power any clique, group, circle, faction, or party which conspires or acts to subvert, undermine, weaken, or overthrow any or all institutions of American democracy whereby the majority of the American people have obtained power to determine their own destiny in any degree." (Art. IV, sec. 1.)

2. "The Communist Party of the United States of America is a working-class political party carrying forward today the traditions of Jefferson, Paine, Jackson, and Lincoln, and of the Declaration of Independence; it upholds the achievements of democracy, the right of life, liberty, and the pursuit of happiness and defends the United States Constitution against its reactionary enemies who would destroy democracy and all popular liberties; it is devoted to the defense of the immediate interests of workers, farmers, and all toilers against capitalist exploitation, and to preparation of the working class for its historic mission to unite and lead the American people to extend these democratic principles to their necessary and logical conclusions."

This is documentary evidence, of a kind that DIES refused to admit to his records, of the true nature of the Communist Party and its relationship to Americanism and American democracy. DIES is proved to be a vicious and malicious misleader of public opinion.

Yet now DIES has the brazenness to ask Congress for \$150,000 more to continue his side show. Every fair-minded American, from President Roosevelt to the humblest worker, is against wasting any more money on DIES. Rather than exposing the Fascists, DIES is working hand in hand with them to attack the New Deal and progressive forces. Do you want DIES to continue with this disgraceful exhibition? If you do not, then write at once to your Congressman telling him what you as a fair-minded American think about DIES and asking him to vote against any appropriation for DIES.

Do you want to learn more about the Communist Party? We shall be glad to send you, without any charge, a copy of the constitution and bylaws of the Communist Party, as well as a new booklet, just off the press, *The Un-American Dies Committee*, by Adam Lapin, Washington correspondent of the *Daily Worker*, and Earl Browder's latest work, *Social and National Security*. Use the coupon below.

☐ I want more information about the Communist Party.

☐ I want to join the Communist Party.

Name..... Address..... City..... Occupation.....

Mail this to the New York State Committee of the Communist Party, 35 East Twelfth Street, New York City.

Read the *Daily* and *Sunday Worker*—America's most exciting newspapers. Buy it at your newsstand.

Have you written to your Congressman about DIES? Do it now! Issued by New York State Committee, Communist Party, 35 East Twelfth Street, New York City.

Mr. REYNOLDS. So the Communist Party issues a pamphlet advising the American people and the Congress of the United States not to make a single dollar of additional appropriation for the purposes of the Dies committee, which, in my opinion, has done a great deal of good.

In connection with the audacity and the gall of these foreign groups expounding their foreign "isms," I desire to bring to the attention of the Senate a copy of the *Brooklyn Tablet*, of Brooklyn, N. Y., dated Saturday, January 28, 1939, entitled "Sound Truck Asking Freedom Barred in City. Communist Groups Object to Appeal by Americans."

The Communists have the gall and the audacity to object to a patriotic appeal being made by American citizens! If the Communists in this country love so well and think so much of the communist form of government, why do they not go back to Russia? I shall be the first one to cast my vote for an appropriation providing a sufficient sum of money to place on board ship all the Communists in the United States and send them back to Russia. But they would not take advantage of such an opportunity. They do not want to go back to Russia; they would not go back to Russia if

they had an opportunity to do so, and they know it. Yet now they are preaching their false doctrine, trying to subvert the fundamentals of the American Government and are not even willing to let Americans preach Americanism.

Let us see what this article says:

On Saturday, January 21, the American Christian Society to Combat Communism and Fascism put out a sound truck (sign and talk over sound system same as previous Saturday) at Forty-second Street and Fifth Avenue, Manhattan. The permit allowed those who had the truck to speak at the above corner and at Forty-second Street and Lexington Avenue from 12 noon until 7 p. m. on the above date and also every day this week, including this Saturday—at the same locations and at the same hours. On Saturday 5,000 persons congregated on the sidewalks, the majority of whom were well-organized Communists. These Communists spit on the American flag—

Listen to this:

These Communists spit on the American flag on display on both sides of the truck. They insulted men and women and the speaker on the truck, Timothy J. McCarthy, president of the organization, was not only insulted for hours but his life was threatened as well. Groups of two and three active Communist agitators circulated continually through the crowd, deliberately and intentionally arousing their cohorts until the results of their efforts occurred when one policeman guarding the left door of the truck was pushed aside and the door of the truck opened and Communists reached inside the car to drag out the speaker.

This was the president of a Christian society, a society of Christian American men and women, who thought they had the protection of the American flag, draped and pasted on both sides of the truck. But the Communists spit on the flag, and dragged this Christian American man out of the truck. The article states further:

Six policemen immediately rushed in and had to use physical force to keep the Communists away from the door of the car. One policeman had to be stationed at the rear of the truck to prevent the Communists from destroying the wiring of the sound system. Two Christian women and several Christian men were attacked physically by Communists (who well organized on this occasion greatly outnumbered Christian American citizens) and had to receive first-aid treatment. At 3 p. m., with only 20 policemen at the scene and at the height of the disturbance, Inspector Heitzman arrived on the scene and requested Mr. McCarthy to please desist from speaking over the sound system and to bring the sound truck to the station house on East Fifty-first Street to prevent a riot and to preserve human life.

Think of it, a truck draped with the American Flag attacked by 5,000 Communists, a truck occupied by Christian American men and women, in the heart of American civilization, Forty-second Street and Broadway, New York.

Mr. President, that answers the question. I say to those who are here this afternoon that, for the life of me, I cannot understand why the American people are not disturbed about this situation. I am doing my best to arouse them. I have the satisfaction in my own heart of knowing that I am doing all I possibly can to contribute my little bit toward saving America for Americans, and I say to each Senator that the time has arrived when, if we do not do something, the country will be taken over by those from foreign shores, just as we took it over from the Indians shortly after the arrival of Columbus on these shores in 1492.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 28 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Monday, February 27, 1939, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 23, 1939

DIPLOMATIC AND FOREIGN SERVICE

TO BE FOREIGN SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Niles W. Bond
William O. Boswell
Donald W. Brown

Charles R. Burrows
V. Lansing Collins, 2d
Arthur B. Emmons, 3d

Nicholas Feld
William N. Fraleigh
Fulton Freeman
John C. Fuess
Ogden H. Hammond, Jr.

Boies C. Hart, Jr.
Richard H. Hawkins, Jr.
Martin J. Hillenbrand
Delano McKelvey
Robert C. Strong

POSTMASTERS

IOWA

Clarence W. Stuart, Altoona.
Clarence N. Hildebrand, Belmond.
Willard L. Street, Center Point.
Richard Tomke, Clarion.
Albert E. Newell, Eddyville.
Gerry M. Hougham, Fort Des Moines.
E. Harold Gilreath, Grand River.
Asa Earl Boyer, Maquoketa.
Lee R. Evans, Mystic.
James B. McLaughlin, Preston.
Lulu M. Davis, Wauke.

MAINE

Guy W. Swan, Princeton.
Charlene F. Tebbetts, Readfield.

NORTH CAROLINA

Samuel B. Hovis, Bessemer City.
Clarence G. Pike, Fremont.
Fred W. Kluttz, Rockwell.

VIRGINIA

Elizabeth P. White, Sandston.

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 23, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most merciful God, in the name of our Master we pray. In His earthly life, by precept and example, He rebuked every excess and defect and became the source of hope and encouragement to restless and frail human nature. Oh, let His voice proclaim insistently today: "In the wilderness clear ye the way of the Lord and in the desert a highway for our God"—a highway of human dignity, human and moral worth, and of ennobling faith. We humbly pray Thee to come and cleanse the arteries of our Republic of all un-Americanism, break down all barriers of race and creed, penetrate the shadows that may be deep and engulfing, and subdue the relics of paganism. Heavenly Father, be with each one of us. The assailable place in our character, the weak link in the chain of our virtues, do Thou make strong and forge into enduring fiber. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 88. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for finding of fact and recommendations to the Congress;

S. 414. An act for the relief of the Indians of the Fort Berthold Reservation in North Dakota; and

S. 1115. An act for the relief of Lt. Malcolm A. Hufty, United States Navy.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of matters on the Speaker's desk, and any previous order heretofore entered, the gentleman from New York [Mr. CULKIN] may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON CLAIMS

Mr. MARTIN of Massachusetts. Mr. Speaker, I send to the Clerk's desk a resolution and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 104

Resolved, That WILLIAM A. PITTENGER, of Minnesota, be, and he is hereby, elected to the Committee on Claims of the House of Representatives.

The resolution was agreed to.

EXTENSION OF REMARKS

Mr. STEARNS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address delivered by me over station WFEA, at Manchester, N. H.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by my colleague the gentleman from Montana, Mr. THORKELOSON, last night.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. Evidently, there is not a quorum present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

[Roll No. 18]

Beam	Fernandez	McKeough	Sabath
Boykin	Ford, Leland M.	McReynolds	Schuetz
Byron	Goldsborough	Maclejewski	Schwert
Casey, Mass.	Gross	Maloney	Seger
Chandler	Harter, Ohio	Marshall	Shafer, Mich.
Creal	Hartley	Mason	Short
Culkin	Houston	Mitchell	Sullivan
Curley	Jarrett	Mouton	Sumner, Ill.
Daly	Jenks, N. H.	Murray	Summers, Tex.
Dies	Keller	O'Brien	Sweeney
Dingell	Kelly	O'Day	Thomas, N. J.
Disney	Kocalkowski	Osmer	Tinkham
Doughton	Lemke	Parsons	Wadsworth
Elliott	McArdle	Pierce, N. Y.	Winter
Evans	McDowell	Rabaut	Wolfenden, Pa.

The SPEAKER. On this roll call 373 Members have answered to their names, a quorum.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

THE LATE E. HART FENN

The SPEAKER. The Chair recognizes the gentleman from Connecticut [Mr. MILLER] for 1 minute.

Mr. MILLER. Mr. Speaker, it is with a feeling of sadness and regret that I announce to this House the death this morning of the Honorable Edward Hart Fenn, a former Member of the United States Congress from my district for a period of 10 years. Harry Fenn was a fine, a cultured gentleman, an able statesman, and a stimulating companion. His service to the people of Connecticut in the Sixty-seventh, Sixty-eighth, Sixty-ninth, and Seventieth Congresses was one of loyalty and devotion which should ever serve as an example to those of us who follow him here. As a fellow townsman of Harry Fenn's I am in a position to appreciate what a vacancy his death creates in our town of Wethersfield and in the State of Connecticut where his entire life was one of personal denial for public good. I admire the record of his career, the worth of his character, and I revere his memory.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I want to assure the gentleman from Connecticut [Mr. MILLER] that we Members on the Democratic side of the House who served with the gentleman from Connecticut, the Honorable E. Hart Fenn, are deeply grieved to learn of his untimely passing away. He was the chairman of the Census Committee, on which I served as the ranking Democrat for many years. I knew him most intimately and I can say without reservation that I never served with a more honorable, upright, conscientious gentleman in this House or elsewhere.

He was my friend and I believe he was the friend of every other Member of this body.

His memory will linger in our hearts. Peace to his ashes.

His life was gentle and the elements so mixed in him that nature might stand up and say to all the world: This was a man.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Speaker, I had the honor of serving for years in this House and on the Committee on Banking and Currency with the distinguished gentleman whose passing we deplore. His character and ability were of the highest order. His patriotism was as broad as the Nation, the sympathies of his heart were as broad as humanity. He loved the truth, he loved his country, he loved justice, he was faithful and devoted to the loftiest conceptions of public service. He was a great American, fully worthy of the honors he enjoyed. He leaves a stainless record that will be cherished through the years. His death is a loss to his native State and to the Nation.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, it was my pleasure to serve on the same committee with the late Representative E. Hart Fenn, whose death we regret and mourn today. I found him a man of sterling character, a man of great energy, and a highly valuable man to the Republic and to his State.

INDEPENDENT OFFICES APPROPRIATION BILL, 1940

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1940, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Virginia asks unanimous consent to take from the Speaker's table the bill H. R. 3743, the independent offices appropriation bill, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate. Is there objection?

There was no objection.

The Chair appointed the following conferees:

Mr. WOODRUM of Virginia, Mr. JOHNSON of Oklahoma, Mr. FITZPATRICK, Mr. HOUSTON, Mr. STARNES of Alabama, Mr. WIGGLESWORTH, Mr. DIRKSEN, and Mr. CASE of South Dakota.

N. L. R. B.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the morning papers call attention to the fact that, although we have had industrial strikes in the motor industry in Michigan for more than 2 years, another strike—a strike brought on by a conflict between two factions of the U. A. W. A.—has thrown somewhere between 17,000 and 23,000 men out of work.

The vast majority of these men have no grievance whatever against the employer. Their one outstanding desire is to continue at their jobs, to remain at work. Nevertheless, because those who assume to lead them, to act as officials in the union, are quarreling over who shall collect and distribute the dues of the workers, a strike is called.

The employer, entirely innocent, is made to suffer and thousands of employees are deprived of their right to work. There is no justice in such procedure. There is no excuse for such action.

The National Labor Relations Board, the national administration, are to blame for this disgraceful condition of affairs. We have had industrial strife in Michigan ever since the 30th day of December 1936. It has been almost continuous and to this day the National Labor Relations Board has failed to take the action which it might so easily have taken to end this chaotic situation, which is harmful to everyone concerned.

When will this House proceed to consider and intelligently amend the Wagner law?

Let me digress now and speak for a few moments on the amendment to the bill now before the House, returning later to this strike situation.

In this bill, as so frequently before, the President forces us to "take it or leave it."

It has been the policy of the New Deal administration—and I make a sharp distinction between the New Dealers and the Democrats—to combine vicious legislation with either bills which it is necessary to pass in order that the functions of government may continue, or some bill introduced with a high-sounding title appropriating money for a worthy purpose, thus combining the good and the bad; and the minority, being unable to eliminate the bad, is required to swallow the whole nauseous, obnoxious dose.

The President very well knows that practically everyone in the country, as well as those in Congress, are fully prepared to vote any sums needed for adequate national defense. He knows better than anyone else that his policies have proven to be an utter failure; that his mistakes are becoming more glaringly apparent to the people as a whole, and, showman that he is, he now seeks to distract our attention from his latest freak sideshow by warning us that the cages in the menagerie, confining the ferocious animals, have become so weakened that we are in danger of being devoured or at least badly mangled, unless we prepare ourselves for defense.

Talking about aggressor nations, permitting Ickes and others to indulge in name-calling tirades, he has our whole Nation jittery.

Under the guise of defense he proposes measures and means, of which Army and Navy officers, best qualified to speak and who are charged with our national defense in time of war, do not approve.

In addition, to carry out his blustering braggadocio on the stage of world affairs, there is inserted in this bill what the gentleman from Pennsylvania [Mr. DITTER] so well described yesterday as the initial outlay for the improvement of the national defense at Guam. As the gentleman from Pennsylvania [Mr. DITTER] said, Guam under no circumstances would be of material aid as an outpost for defense.

It will be but a source of irritation, a festering sore in our international relations. There is absolutely no excuse for beginning at this particular time to fortify it. The only apparent reason is to afford the opportunity to the President to use it for further bluffing purposes.

Apparently he is not only willing to "play politics with human misery," but he appears to be willing to engage in a name-calling, bluffing contest with Japan, with Mussolini, and Hitler, when every sensible thinking man knows that, if his bluff is called, the American people will either "eat crow" or send hundreds of thousands of their sons to die on foreign soil.

No Nero, no Napoleon ever had less regard for the welfare of his people than has this man at the present time.

Could a secret poll be taken of the House, it is quite likely that 75 percent of its Members would vote against the fortification of Guam. But party discipline, the sincere conviction on the part of a few that some incidental advantage might be gained from fortifying that island, may retain it in the bill.

If it is retained, the rest of us, although we honestly believe that its fortification tends to lead toward war, will be forced to vote for the bill as a whole, regardless of our convictions that millions of dollars will be wasted through it because, knowing the man in the White House as we do, knowing his vacillating policies, knowing that no one knows from day to day what he may do tomorrow, knowing that he has no regard for his promises, we dare not take a chance and leave our people unprepared for a war which he may aid in bringing to pass.

If millions of dollars be wasted because of the passage of this bill, it will be because of the President's instability, his inconsistencies, and his desire to "strut his stuff" on the stage of world affairs.

Time and again I have voted almost alone against the waste of the people's money; but for this bill I will be forced to vote, even though it retains the Guam item, for the reason that we have in the Executive Mansion at this time a man who so accurately fits the description of another President, uttered by Abraham Lincoln when he said:

His mind, taxed beyond its power, is running hither and thither, like some tortured creature on a burning surface, finding no position on which it can settle down and be at ease.

He knows not where he is. He is a bewildered, confounded, and miserably perplexed man.

The President is so perplexed, he has so completely lost sight of the fundamental rights which belong to American citizens here at home, that he permits thousands of honest workingmen to be deprived of the opportunity to earn the money not only to sustain them, to buy food, clothing, and shelter, the necessities of life, but to contribute toward the fortification of that outpost which lies 5,819 statute miles from San Francisco.

On July 5, 1935, the President approved the N. L. R. A., the purpose of which was loudly acclaimed to be to lessen the causes of industrial disputes which affected foreign and interstate commerce. He appointed a Labor Board. He patted the Senate Civil Liberties Committee, headed by his friend, LA FOLLETTE, on the back. He shook, in friendship, the hand of John L. Lewis, who turned loose his wrecking crews. He permitted his campaign managers to receive almost a half million dollars' contribution collected by levying tribute on the United Mine Workers, and in return he aided and abetted the communistic-controlled organizations in their assaults upon industry.

His Charlie McCarthy, Governor Murphy, acting in the interests of these communistic-controlled organizations, cost the taxpayers of Michigan millions of dollars and gave an exhibition of law defiance, disrespect for court orders, and approval of mob violence that has never before been witnessed in this country.

Murphy had the effrontery to go before the Senate committee, when he was appointed Attorney General, and claim that he had always been for law enforcement and against the sit-down strikes. This he did almost 2 years after, for 44 days, he had followed a course which indicated that he would not do anything to interfere with sit-down strikes, with the conduct of those Communists who were depriving citizens of their property and their liberty without due process of law.

He also presumptuously, apparently laboring under the impression that the people either do not read or cannot remember, made the absurd statement that the evacuation of the plants at Flint, the settlement of the sit-down strikes, were due to his efforts. As a matter of fact, after the citizens of Flint had endured and suffered under Murphy's methods for more than a month, they gathered themselves together and made it known to the Governor and his cohorts that law must prevail in Flint, and it was in view of their threatening action that the plants were evacuated.

Nor were the strikes settled. Not long ago Homer Martin made the public announcement that, although the unions had a contract with General Motors, there had been a thousand wildcat strikes. During the past 2 weeks Michigan police have time and again been called to quell violence caused by jurisdictional disputes among the members of the U. A. W. A.

For days the company has stood ready to bargain collectively with representatives chosen to represent automobile employees. The President of the United States, his Secretary of Labor, the National Labor Relations Board, are making no progress whatever toward the settlement of this great industrial strife which is taking place here at home.

Let me repeat what I said in the beginning, for the gravity of the situation will bear repetition.

The morning papers tell us that again at Detroit some 17,000 or more men are out of work because of the failure of the Wagner law and the National Labor Relations Board to operate intelligently and effectively.

Why is it that this Board has failed to call an election in the plants of the automobile manufacturers? Why is it that it has failed to hold an honest, fair election, so as to determine for that industry who shall be the representatives of the employees for collective bargaining? What is it waiting for?

Is it not fair to presume that the Board knows that if such an election were held the overwhelming majority would be against that faction of the C. I. O. dominated and controlled by the Communists, that faction which has contributed so liberally to the New Deal campaign fund?

Is it not true that the National Labor Relations Board, to use one of its own expressions, is a "company-dominated union"; is itself a "company union," a union under the control and domination of the New Deal chieftains?

How much longer will we, knowing that the Wagner law must be amended if industry is to continue to operate; if workingmen, about whose welfare we seem to be so solicitous, are to earn a livelihood, continue to remain inactive here in Congress?

What invisible force is it that is tying the hands of Congress; will neither bring from the Labor Committee a bill of its own nor report out the bill introduced by the gentleman from Missouri [Mr. ANDERSON]?

What has the Republican leadership to fear in this situation? There is no doubt whatever as to the sentiment of the country at large. It is all for the amendment of this law and for legislation which will not only protect the employer but which will give protection to the employee; which will administer the law fairly and in a judicial spirit.

This latest strike in Detroit proves once again the incompetency, the maladministration of Murphy, and the evident purpose of the N. L. R. B. to insist that, before men work they must pay tribute to Lewis, who, in turn, contributes to the New Deal.

NAVAL AVIATION FACILITIES

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

Mr. RICHARDS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICHARDS. I rise to ask whether or not under the rules of the House there is any binding agreement as to a limitation of debate on the proposed Guam amendment to this bill, which is to come before the House?

The SPEAKER. The Chair has been furnished with a copy of the proceedings entered under this alleged agreement. It appears that there was at least a gentlemen's agreement among Members on the floor with reference to a limitation of debate on the Guam item, of 30 minutes, but the Chair is advised that no official order was made. The Chair will state, however, that he thinks, properly, that the proceeding

heretofore has been to carry out tentative agreements made between the majority and minority leaders on a question of procedure.

Mr. RICHARDS. My only desire in raising the question is that I did not happen to be on the floor at the time, and I do not consider that I am bound by the agreement made, if the agreement was not made under the rules of the House, though if it were, of course, it would apply to the action taken whether I was present or not. It is my construction of the rules that that agreement could be made only in Committee and not in the House, by unanimous consent or otherwise.

The SPEAKER. The request with reference to the time of debate or the agreement, carried into an order, could be properly made either in the House or in the Committee of the Whole by unanimous consent.

Mr. VINSON of Georgia. Mr. Speaker, I think the Speaker's interpretation is correct as to what occurred between the majority and minority leaders, as recorded in the RECORD. There was certainly a gentleman's understanding that this morning the debate would be confined to the amendment to eliminate the Guam proposal from the bill, and that there would be 30 minutes of debate, 15 minutes to be consumed by the majority and 15 minutes to be consumed by the minority. I think in fairness to the subject matter and in fairness to everyone those 15 minutes should be divided equally between those in favor of the amendment and those in favor of the item in the bill on both sides of the House. Therefore I ask unanimous consent that the 15 minutes upon each side of the House be equally divided by the Chairman of the Committee of the Whole House between those for and those against the item.

The SPEAKER. Is there objection?

Mr. RICHARDS. I reserve the right to object. I am opposed to the Guam provision in the bill and therefore would like to speak at least 5 minutes on the subject. The agreement as outlined by the gentleman from Georgia would give us only 7½ minutes on this side of the House on the part of those opposed to the item.

Mr. VINSON of Georgia. And 7½ minutes on this side of the House to be used by those in favor of the item.

Mr. RICHARDS. Will the gentleman agree to give me 5 minutes in opposition to this item?

Mr. VINSON of Georgia. As far as this side is concerned, I am willing to give the gentleman the 7½ minutes, if he wants to take all of the time on this side of the House in opposition to the provision, the other 7½ minutes to be consumed by those of us who are in favor of it.

The SPEAKER. For the benefit of the RECORD, will the gentleman from Georgia kindly restate his request?

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the 30 minutes be equally divided between those for the item in the bill and those against the item in the bill, relating to the amendment offered by the gentleman from New Jersey [Mr. SUTPHIN], and that the time be equally divided on the respective sides by the Chairman of the Committee of the Whole between those for the amendment and those against the amendment.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

Mr. RICHARDS. Mr. Speaker, further reserving the right to object, of course, I want to be a party to carrying out all gentlemen's agreements on any subject, but I was not here at the time that agreement was made. I want 5 minutes of this time in opposition to this bill. Will the gentleman give me 5 minutes?

Mr. VINSON of Georgia. As far as I am concerned, the gentleman can have it. If I have the time, he is welcome to 5 minutes or 7½ minutes.

Mr. MAPES. Mr. Speaker, further reserving the right to object, as a matter of interpretation, I assume that the gentleman from Georgia means, when he says the time shall be equally divided by the chairman of the committee, he means the Chairman of the Committee of the Whole?

Mr. VINSON of Georgia. Certainly; exactly.

Mr. NICHOLS. Mr. Speaker, further reserving the right to object, first, I would like to propound a question to the Chair, whether or not if the unanimous-consent request made by the gentleman from Georgia [Mr. VINSON] were granted, would that mean that the House was then agreeing to a limitation of 30 minutes' time for discussion of this matter?

The SPEAKER. It would, in the opinion of the Chair.

Mr. VINSON of Georgia. We have already agreed to that.

Mr. NICHOLS. In answer to the gentleman from Georgia, I think I understood the Chair to rule that there had been no official agreement by the House as to a limitation of 30 minutes' debate.

The SPEAKER. The Chair stated that there was no official order made upon that question. Therefore, it reverts back to the question of the tentative agreement made between the leaders.

Mr. NICHOLS. Mr. Speaker, further reserving the right to object, it seems to me that a limitation of 30 minutes in which to discuss this all-important problem is a very short length of time. I am frank to say to the Chair that I do not know what parliamentary procedure to pursue in order to give the House an opportunity to say officially whether or not it wants to be limited to 30 minutes in this debate. If I am not out of order at this time, I would like to move that the time for debate on this amendment be not limited at this time.

The SPEAKER. The Chair thinks the motion of the gentleman from Oklahoma would not be in order.

Mr. NICHOLS. Then I shall object to the request of the gentleman from Georgia.

The SPEAKER. Objection is heard.

Mr. VINSON of Georgia. Mr. Speaker, I renew my motion that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4278, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair asks the indulgence of the Committee to say that the bill has been considered with the exception of section 1, and that at the time of adjournment there was pending an amendment offered by the gentleman from New Jersey [Mr. SUTPHIN], who is now recognized.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SUTPHIN. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. I presume the Chair has heard the parliamentary inquiry propounded in the House as to the limitation of time for the discussion of the Guam amendment. If I am not out of order, I move that the time for the discussion of the Guam amendment be fixed by the Committee of the Whole at 1 hour.

Mr. VINSON of Georgia. Mr. Chairman, I make the point of order that the gentleman's motion is not in order, for the reason that no debate has occurred on the amendment and the gentleman from New Jersey has been recognized. The time cannot be fixed until some debate takes place.

The CHAIRMAN (Mr. WHITTINGTON). The point of order is sustained.

Mr. NICHOLS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from New Jersey yield to the gentleman from Oklahoma for a parliamentary inquiry?

Mr. SUTPHIN. I decline to yield.

The CHAIRMAN. The gentleman declines to yield, and the gentleman from New Jersey is recognized for 5 minutes.

Mr. SUTPHIN. Mr. President, in continental United States we have a coast line of approximately 6,000 miles.

On numerous occasions, when our Navy officials have appeared before the committee, I have questioned them regarding the defensive preparations which we have made along that coast line. They have all admitted that our defenses should be improved.

In this bill we are asking for an appropriation of \$5,000,000 to improve Guam, more than 6,000 miles away from our coast line. That is approximately four times the distance from the eastern shores of North America to Europe. My friends, where do we get off, spending our money in the troubled Asiatic waters? When we invade the troubled Asiatic waters it may be considered to be meant as a provocative measure on our part. If you put your hand in a lion's mouth he may close on it sooner or later. I regret to disagree with my chairman on this measure, because I have always supported every defensive measure. I believe in making America impregnable to the attacks of any nation, but I can see no reason in the world why we should leave our coast lines and extend 6,000 miles to Asia.

I went to France in 1917. My good friend who spoke this morning, the gentleman from Connecticut [Mr. MILLER], was in my outfit at one time. I have seen men die for their country. I am never going to vote to send my boy or your sons to participate in wars on foreign soil. [Applause.]

Mr. Chairman, this is a serious matter we are considering here. What do you suppose we would think if Great Britain undertook to fortify Bermuda? Would we consider it an overt act, a hostile act? Think of these things, my friends. I believe we can avoid a great deal of trouble in the future if we adopt this amendment to strike out the provision for Guam. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that debate on the amendment offered by the gentleman from New Jersey [Mr. SUTPHIN] be limited to 30 minutes, 15 minutes to be controlled by the chairman of the committee and 15 minutes to be controlled by the ranking minority member, the time to be equally divided on the respective sides by the chairman and the ranking minority member.

Mr. NICHOLS. Mr. Chairman, reserving the right to object, will not the chairman of the committee, my friend from Georgia, agree to an hour?

Mr. VINSON of Georgia. Let me say to my learned friend from Oklahoma that for 2 days the entire committee has devoted its time to debating this one item. It is the only controversial item in the bill. Every member of the committee and every Member of the House is thoroughly posted on every argument that can be made for or against it except probably they have not had the benefit of the technical knowledge of our learned friend from Oklahoma.

Mr. NICHOLS. Now, let me say to my distinguished friend that I do not pose as a technician in this matter.

Mr. VINSON of Georgia. Neither do I.

Mr. NICHOLS. And I do not pose as having any secret knowledge of any fact that I am sure my friend the chairman of the committee does not have. Insofar as this question having been debated for 2 days, I have looked at the Record and have found much matter discussed during that time that did not pertain to Guam. The item is placed squarely before the House by this amendment, and I do not think the chairman of the Committee on Naval Affairs should object to an hour.

Mr. VINSON of Georgia. I may say to the gentleman from Oklahoma that no effort was made in the committee when the matter was under consideration in general debate to cut off anybody whatsoever. We have been free, frank, and candid and have let everyone give the country the benefit of his views.

Mr. Chairman, in the spirit of compromise, if it is satisfactory, I amend my request and ask for 40 minutes instead of 30 minutes.

Mr. RICHARDS. Mr. Chairman, reserving the right to object, will my distinguished and learned friend the chairman of the committee give me 5 minutes out of that time?

Mr. VINSON of Georgia. I shall be delighted to give 5 minutes to the gentleman from South Carolina.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, the proposal as to time is agreeable so far as I am concerned, but I question whether it is wise to have the time controlled by committee members. It has always been the practice in the past to have the Chairman recognize Members when time has been limited.

Mr. VINSON of Georgia. I am perfectly willing that the Chairman of the Committee of the Whole House on the state of the Union may control the time.

Mr. ROBSION of Kentucky. Mr. Chairman, reserving the right to object, a number of us have desired to speak on this important matter but have not been allowed time; yet other Members have spoken twice. All who wish to be heard on this item cannot be accommodated in 40 minutes. Unless the time is further extended, I shall have to object.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I shall object. This is too important a matter upon which to limit debate—the question of war or peace.

Mr. Chairman, I object.

Mr. VINSON of Georgia. Mr. Chairman, I move that debate on this amendment be limited to 40 minutes, to be controlled by the Chairman of the Committee of the Whole House on the state of the Union.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Georgia. Under the agreement the Chair will recognize Members on both sides of the aisle equally as between those for the amendment and those against the amendment?

The CHAIRMAN. The Chair will do its best in that regard.

Mr. MAGNUSON. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Washington is recognized for 5 minutes.

Mr. MAGNUSON. Mr. Chairman, I think it would not be amiss at this stage of the debate to get our geography a little straight on the question of Guam.

A great deal has been said by those opposed to this proposal. They have asked: What if Japan or some Asiatic power should fortify islands as close to continental United States as Guam is to Japan? Answering this inquiry let me say that since 1926 the Japanese Government have fortified and placed air bases the entire length of the Kuril Islands. These islands are north of the mainland of Japan. These islands are within 682 miles of the tip of the Aleutian chain in Alaska and are within 1,120 miles of Kodiak Island, the Unalaska base of this program.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MAGNUSON. Mr. Chairman, I decline to yield.

Mr. FISH. How far is it from any American city?

Mr. MAGNUSON. Mr. Chairman, yes, I do yield to the gentleman and will answer him that our most precious possession is Alaska, and there are American citizens living up there, too. [Applause.]

That is a fact which should be considered in view of the argument about the provocativeness of the Guam proposal.

Mr. Chairman, in listening for 2 days here to the gentleman from New York and to some of those on the opposition it might be believed that we were bringing into this House a founding child in the form of Guam. May I say to the gentleman from New York that the Navy maintained an air base in Guam from 1920 to 1931 and the bill providing for an air base in Guam was signed by Harding, Coolidge, and Hoover. We are not bringing in here a new policy. This is not new. The Navy has proposed Guam as an air base on many occasions. It is true that we are asking for more money, but we are asking for more money at a time when these improvements are consistent with aviation and its development.

In 1920 and in 1931 the Japanese Government was not doing anything in the Pacific. They were enlarging their

military establishments at home. We have every reason to go ahead with the development of Guam that has gone on since 1920 under the administrations from Harding, on.

Mr. Chairman, this was merely an innocent proposal to begin with, although some may not agree with me in that statement. It has been heralded to the world, written up in Japanese papers, that the United States is going to fortify Guam. If we reject this proposal, Mr. Chairman, if you know the Japanese character like I know it, they will herald to the world that here is the greatest country in the world, when we protest against the dredging of a harbor in order to enlarge and enhance our air lines, backing down again, as it did in the case of the *Panay* incident. They will herald to the world that when the Imperial Japanese Government state they do not like this idea, despite the fact that they have armed the Kuril Islands during this period, and they will say to China and to all those yellow people who are now under their foot over there, that here again is a great nation that merely wants to dredge a harbor 1,600 miles from Japan but afraid to do so because it might provoke them.

Mr. McCORMACK. Will the gentleman yield?

Mr. MAGNUSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is not the question of national defense a domestic policy? Would not the same argument apply against the building of any battleship? We are building up our national defense, having in mind potential enemies. This does not mean it is a threat to other countries. We are only concerned with our national defense, which is purely a domestic policy.

Mr. MAGNUSON. The gentleman is absolutely correct. May I say further that I do not think there is a man sitting in this House who wants to send his boy to war, but I think it is high time that we do give some consideration to America, American soil, and American defense. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies, and gentlemen, the bill before us proposes to authorize an appropriation of \$53,800,000 for certain naval construction. The immediate question now under consideration is the adoption of the amendment to strike from the bill the \$5,000,000 for the proposed improvement of the island of Guam. Because of the time allotted to me, I shall not have time to discuss this matter at length. I am opposed to fortifying Guam Island and the expenditure of the \$5,000,000 for that purpose, and, therefore, I shall vote for the amendment striking this sum from the bill. I oppose this naval development on Guam Island for what I consider a number of good and sufficient reasons.

In the first place, the highest authorities of the Navy agree that the fortifying of Guam Island is not necessary in promoting our national defense.

We have established in Hawaii our greatest naval, military, and air base, and when the plans are completed in the Hawaiian Islands our naval, Army, and air base there will be by far the most powerful in the country, and perhaps equal to any in the world.

The Hawaiian Islands are located in the Pacific Ocean, approximately 2,400 miles from the California coast. Our foreign policy has been built up on the proposition that the Hawaiian Islands should be and are our outpost in national defense in the Pacific Ocean.

Now, the island of Guam is approximately 3,800 miles west of the Hawaiian Islands, and approximately 1,400 miles from the shores of Japan. Guam lies within and is surrounded by 98 islands under the control of Japan. These are not fortified. The proposal to fortify Guam has stirred up a lot of resentment in Japan and a great deal of unrest in our own country. Japan considers such action as a threat to Japan. It is most unfortunate that this proposal should be made when world peace is so much disturbed and there is so much talk of war. In our opinion, this \$5,000,000 is only an initial expenditure at Guam Island. If it should be properly

fortified, it would require the expenditure of about \$150,000,000 more. It would be provocative of war between this country and Japan, and no one contends that this country could defend it against Japan in the event of war.

No navy or army could conduct successfully a major war with one of the great nations 6,200 miles from its shores. It simply cannot be done. In the case of any dispute between the United States and Japan they could take Guam Island, and then it would be up to us to spend, perhaps, billions of dollars and sacrifice many lives in an effort to retake it or submit supinely to the taking.

This Nation will have a deficit this year of approximately \$3,000,000,000, and perhaps \$4,000,000,000, for the fiscal year ending June 30, 1940, and the national debt then will be about \$45,000,000,000. We must borrow the money to provide this \$5,000,000 to improve Guam Island. I am opposed to borrowing the money for this purpose when, at the same time, we would be borrowing trouble.

There is no one on the floor of the House that contends that America could defend Guam fortifications 6,000 miles away from its shores.

Why create this discord between the United States and Japan, when in the event of war Japan could take Guam Island?

DANGER HERE—NOT OVER THERE

The President, in his recent message to Congress, devoted nearly all of it to foreign affairs, to dangers across the sea. He would have us believe that there is about to be another world war and we are bound to get into it.

The real danger to our country does not come from Japan or other countries in Asia, Africa, or Europe. The danger is not across the seas—it is here in the United States with our millions of unemployed, millions on relief, with continued increase in taxes, increased deficits, increased national debt, and the discouragement of agriculture, labor, and industry. This great army of unemployed and on relief and bad economic conditions and the threat to the credit of the Nation make up the real danger to your country and mine. [Applause.]

We should devote this money and other sums to the improvement of conditions in our own country and not spend unnecessary sums to provoke distrust among other nations.

FOLLOW WASHINGTON'S ADVICE

We heard read yesterday in the House of Representatives that wonderful document, Washington's Farewell Address to the American people, delivered in September 1796. He urged that we pursue a policy of friendship for all nations and entangling alliances with none—in other words, pursue a policy of neutrality. We have followed that policy through the years except we took sides in 1915 and 1916 and got into a world war in 1917.

President Roosevelt is pursuing the same policy that President Wilson pursued. He is taking sides in the controversies of the nations of Asia, Africa, and Europe. He now has aligned nearly half of the people of the world against the United States. This policy is bound to be hurtful and not helpful to the American people. He has caused, I believe, a substantial majority of the people to believe that we are drifting into another world war. A poll was recently taken of the Congress of Editors of the 48 States and District of Columbia. One thousand, one hundred and thirty-nine participated. One of the questions propounded was "Are we being eased into war?" Seven hundred and nineteen answered "yes" and 408 answered "no." Nearly two to one of the editors believe that we are being eased into another world war. The second question was, "Should the President promote military aircraft sales without War Department and congressional approval?" There were 225 "yeses" and 908 "noes."

We do not approve of the form of government in Japan, Italy, Germany, and many other countries, but we have no right to dictate their forms of government or pass upon their domestic matters. We certainly would permit no other nation to dictate to us our form of government or interfere in our internal affairs. Japan, Italy, and Germany have all

assured us time and again that they have no designs whatever against the United States. Japan, more than 7,000 miles from our shores and with a navy only two-thirds as large as ours, could make no successful attack on the Hawaiian Islands or continental United States. We have a Navy larger than the combined Navies of Germany and Italy. They could not come 3,000 miles and attack us, and no airplane has yet been devised that could fly from Japan, Germany, or Italy and bomb the United States and return to its base.

Furthermore, Japan, Italy, and Germany are surrounded by powerful enemy nations. Is there anyone so foolish as to believe that they would leave their own lands and shores neglected to come to the United States and seek a quarrel with us? Is it possible the administration, in talking about foreign wars and foreign affairs, desires to take the minds of the American people off of their own condition?

We must devote more time to our own affairs. We must create pay rolls to take the place of relief rolls. We must encourage our idle capital and enlarge production in agriculture and industry.

If we fortify Guam and make it our outpost of defense, we must change our foreign policy and have an army and navy big enough to police the world and in that way involve ourselves in foreign wars and have our boys die on foreign seas and in distant lands.

No nation will attack the United States. We can keep out of war by being neutral. Let us pursue the even tenor of our own way—mind our own business—and then we can devote some of these billions to improve conditions in our own country.

Nations cannot make war without war materials. Last year there were exported about 12,000,000 tons of scrap iron. Seven million five hundred thousand tons of this went to Japan for armaments and shells. Those who know say but for this immense amount of scrap iron received from the United States, Japan could not have made a successful war on China. We also sent Japan great quantities of oil, gas, and other necessary war supplies. We sent millions of tons of scrap iron to Italy and Germany for armament purposes. If we are in so much danger from these countries, why do we continue to strip our own country of its scrap iron and other war materials and send it to these nations? Whatever advantage of trade we may receive for these war supplies will be many times overcome on account of the billions that we are spending for fortifications and increasing our Army and Navy.

Therefore, Mr. Chairman, strongly believing in world peace and that this Nation should not enter another foreign war, I am unwilling to vote these millions of dollars to help provoke another war and at the same time borrow the money in order to borrow this trouble. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I dislike very much to disagree with my distinguished and able friend from Georgia, Mr. Vinson, chairman of the Committee on Naval Affairs, and, of course, I am not anxious to disagree with any member of that committee, and especially with those members on my own side of the aisle. However, this is a nonpartisan question. The Members on the Republican side are divided and the Members on the Democratic side are divided. The Republican members on this particular committee are divided and the Democratic members of the Naval Affairs Committee are not in accord on the question. I am not a member of the Naval Affairs Committee, but as a member of the Committee on Foreign Affairs of the House I cannot help but have great doubts as to the wisdom of including the Guam provision in this bill. Its inclusion would inevitably bring about changes in our foreign policy fraught with danger to our beloved country. I am against it and I hope it will be stricken from the bill.

Mr. Chairman, it has been implied here by some that possibly President Roosevelt, the great leader of the Democratic Party, is in favor of this provision. If so, we have had no

word to that effect. You will remember that on March 2, 1934, the President in delivering the only message he has sent to Congress on the subject of fortifications in the Far East stated that it is our aim and our purpose to withdraw from any fortifications and not to propose any new fortifications in the Philippine Islands.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Mississippi.

Mr. COLMER. It is said there is no intention to fortify this island, that the intention is merely to improve the harbor. I would ask the gentleman if he cannot see in this the danger that if we are merely going to improve the harbor we may be improving it for some nation over there to use against us later?

Mr. RICHARDS. I thank the gentleman from Mississippi. That is camouflage. Read the hearings and read the report. They reek with proof that this is the first step toward eventual fortification of Guam. The President of the United States has said there is no intention on the part of the United States Government to fortify the Philippines. Then, I would ask my friends on this side of the House, if that be true, how can the President or how can anyone consistently say that we should fortify Guam, because without fortifications in the Philippine Islands the defense of Guam would be absolutely impossible.

If you are in favor of fortifying a tiny island 5,000 miles from the United States in the name of national defense, vote to keep the Guam provision in the bill. If you believe, when you consult your common sense, that this island could be defended under any circumstances against a great eastern power, then vote to retain the Guam provision in the bill.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield at this point?

Mr. RICHARDS. I am sorry, I cannot yield.

If you are in favor of repealing the Philippine independence law sponsored by the Democratic administration, then vote to keep the Guam provision in the bill, because if you are going to fortify Guam it is the forerunner of the repeal of the Philippine independence act. Guam could not stand a day without the Philippines on our side.

If you believe in an alliance with some foreign power, vote to keep the Guam provision in the bill. If you believe in imperialism, retain this provision. If you believe in giving evidence of aggressive designs on the part of the United States against eastern powers, leave the Guam provision in here.

But if you do not believe in that, ladies and gentlemen of the House—and I particularly appeal to my friends on the Democratic side of the House, because I am afraid someone will rise here directly and say this is a policy of the Democratic administration, although we have no evidence that this is in line with any foreign policy of this Democratic administration—if you believe in arming for defense but not in spending one dollar to go into foreign seas, 5,000 miles away from home, to fortify a position we cannot hold and which is not necessary for the defense of our country, then strike the Guam provision out of this bill. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. MAY moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. MAY. Mr. Chairman, a great American once said, "Speak softly and carry a big stick." I want to revise that statement and say that my idea is that the time has come when we should "speak plainly and carry a big stick." The trouble has been we have not had the stick. Last year France and England were in the same position.

I have heard comments on the floor of the House about this country and that country. I pray today that my country may always be at peace with all the world, but my country, at peace or at war, first, last, and all the time. The way to have peace is to have our word respected.

The question presented here is plain and simple. There are men on the floor of the House—and I do not question

their good faith; there are many of them, of course—who feel that the fortification of Guam might be considered provocative by a certain other country. This bill does not propose or provide for its fortification. They talk about Japan being dissatisfied with what we do on Guam. Whose business is it, and when did it ever become the business of any other country in the world what America does with her own property and her own money?

Today we, as Members of the House of Representatives, ought to be standing shoulder to shoulder, man to man, without a dissenting voice on this question. Why should we listen to the protest of Japan or any other country about why or whether we should fortify Guam? Did not Japan disregard every sacred obligation of the treaty of 1922? Have they not closed the "open door" in China and told America to go straight to hell, in effect? Have they not fortified islands within 900 miles of the American shore? Have they not deliberately shot down into the sea an American vessel flying the American flag, the Stars and Stripes, and after doing that did they not assault our sailors? Have they not violated our rights in many places, and then sought to satisfy us with an apology? Oh, yes, Mr. Chairman, the time has come when we must be either Japanese or Americans. [Applause.] The time has come when American representatives of the bravest, the most patriotic, and the freest people on the face of the earth must take their stand for or against this country. The time has come when, I say to you, as far as I am concerned, and all I have in this world—my life and my liberty with it—the American frontier is wherever in this world the Stars and Stripes floats. [Applause.]

We face today this question: Which side will you serve? Which side do you choose? As far as I am concerned, we choose today to fortify our own islands whenever and wherever we please, and let the consequences follow, and to say to the world that it is a peace move; that we propose to have our flag respected in Guam and Manila, in Hawaii and in Panama, and in our every island possession, and that the might and the power of the American Government and its people are behind the proposal. [Applause.]

I shall vote against the amendment.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the motion of the gentleman from Kentucky [Mr. MAY].

Mr. Chairman, I wonder if I have to be a Japanese in order to oppose, as a Member of the House of Representatives, a part of a bill which provides for the fortification of the island of Guam. My distinguished friend from Kentucky says that now is the time to be Americans or Japanese. Well, I yield to no man alive in my patriotism to these United States, under whose colors I marched for long months in 1917 and 1918. Mr. MAY or any other Member of this House is any truer American than am I.

Whose business is it, says my distinguished friend from Kentucky, what America does with her possessions? Probably the business of no foreign land, but it becomes important business of the United States what we do with her possessions [applause], and when the time comes that doing something with a pin point in the outlying Pacific Ocean—if by doing that thing we might jeopardize the peace of the people of this Nation, then it is the business of the United States to do that thing only after mature consideration. [Applause.]

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I am sorry I cannot yield.

The word "fortification" is used by gentlemen discussing this subject when they refer to Guam, but in sane moments they tell us this is not a fortification, this is only the dredging of a harbor.

No one in this House is more interested than I am in the development of aviation, both foreign and domestic. I am perfectly willing that landing fields on water and land at Guam should be provided for civil and military and naval craft. I am not afraid that dredging the harbor at Guam is going to be a threat to Japan; I am only afraid of what will happen after the harbor is dredged at Guam and when the time comes really to fortify Guam. I am not afraid of this first step; I am afraid of the steps that will follow after this step is taken.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield only for a question.

Mr. RICHARDS. Does not the evidence show that high naval officials expect to come back later and ask for more money to fortify Guam?

Mr. NICHOLS. I am not sure, but that is my understanding.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. BARRY. This is supposed to be a defense item. If a were were actually started, would not this be a \$5,000,000 contribution to Japan, inasmuch as we could never defend Guam?

Mr. NICHOLS. In my judgment, the gentleman is right, and here is another reason I am against this proposition of dredging this harbor at Guam. Whatever money we spend there, if we ever have trouble with Japan, and God forbid that that should ever happen—but if we do have trouble with Japan, this is an outpost that we set up out there that we cannot possibly defend without the expenditure of millions and millions more of American dollars, and if we did defend it successfully we still have not accomplished anything; and if you put out there on that island a contingent of American soldiers and if the Japanese want to declare war on the United States the best way in the world for them to force us into war would be to sneak up on that island sitting out there by itself, not as big as the palm of your hand, and with Japanese troops and with the Japanese Navy kill some of our soldiers and we are immediately thrown into war, when there was never any sense of being there in the first place.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. HEALEY. Does the gentleman believe that the fortification of this outpost is indispensable or absolutely necessary to our scheme of national defense under present conditions?

Mr. NICHOLS. Why, of course not, and no gentleman supporting this Guam fortification will get on this floor and say that it is absolutely necessary and indispensable to our scheme of national defense.

No one has pointed out material benefit that will flow to the United States by the dredging of the harbor at Guam and no one will argue that the mere dredging of the harbor could in anywise materially increase our ability to defend the United States; and since this is the situation, does it not impress you, ladies and gentlemen of the House, that since the admitted benefits that will flow to the United States are so few that the great possible hazard by reason of a psychological condition that might grow up in the minds of the Japanese by making this first move toward the fortification of Guam, agree that the hazards far outweigh the benefits that could flow from this venture?

For myself, I am anxious that I do nothing which would give, first, my constituency and, second, my children reason to be able to justly accuse me of having done something while a Member of this body that contributed to conflict between this country and any other country, and certainly not Japan. As long as I am a Member of this body I shall never knowingly do anything which will encourage our Government in going to war. I shall never vote as a Member of this body to any more send the blooming youth of this land on to a foreign soil to spill their blood in battle.

Therefore, in this connection, I warn that we should proceed cautiously in doing anything that could be considered by any foreign power as a direct thrust from this Government toward another government, lest in the future we be compelled to over a long period regret acts of ours here done in haste.

Let us not spend this \$5,000,000 to dredge a harbor around a pen-point island 6,000 miles into the Pacific from the western coast of the United States. Rather than that let us take the \$5,000,000, spend it for the relief of the hungry, the unemployed, and the underprivileged of this country.

The CHAIRMAN. The question is on the motion of the gentleman from Kentucky that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The question was taken, and the motion was rejected.

Mr. MOTT. Mr. Chairman, I was very glad to hear the distinguished gentleman from South Carolina [Mr. RICHARDS] state so emphatically a few moments ago that this is not a partisan measure, and that statement has been made by others, including the chairman of the Naval Affairs Committee and the ranking Republican member of that committee.

This is an administration bill, it is true, but as a Republican member of the Naval Affairs Committee who is supporting the bill and each of the several items in the bill, I am glad to be able to say that never at any time in the 3 weeks of continuous hearings on this bill before the committee has one word been uttered which could possibly be construed as partisan or political. [Applause.]

There is honest difference of opinion on both sides of the aisle as to whether the Guam item ought to be included in the bill, and those who believe it should be included, as well as those who believe it should not be included, are sustaining their contentions from what they conceive to be patriotic motives alone and not from any motive of partisanship.

I think there has been a good deal of confusion here, and, as I stated yesterday on the floor, it would have been of great advantage to all had the entire membership of the House been able to hear the statements of the gentleman from California [Mr. IZAC] and the gentleman from Minnesota [Mr. MAAS], both of them naval experts, upon this item of Guam. Those two statements contained the whole argument in support of the proposal to develop the harbor at Guam. To me the case is entirely clear and the argument entirely convincing.

Many people are of the opinion that developing the island of Guam, as provided in this bill, will be extending our line of defense. There is no testimony in any part of the hearings which would support such opinion. The development of the harbor at Guam will not extend the Aleutian-Hawaii-Panama line at all. It will simply implement it, but most decidedly it will help us defend that line in event we should ever be called upon to defend it.

Guam is on the flank of Japan and, in the opinion of all the naval experts who have appeared before our committee, the reason the harbor of Guam should be made available for use, not only of commercial aviation and navigation but of our own naval seaplanes as well, is that from that point we will be able to scout an enemy fleet in event of an emergency. Unless this harbor is improved to the extent provided in the bill it can be used neither by the new type commercial clipper ships, which are now being built, nor by our own naval plans. The improvement, therefore, is valuable and desirable both for commercial and naval aviation.

The argument that the development of this harbor would be offensive to Japan may be effectively answered by two statements. The first is that if it is desirable, either from a commercial or military angle, or both, to make this improvement then it should be done whether Japan likes it or not. I should hate to think the American people had reached a state where they deemed it proper to ask the consent of a foreign nation for the development of one of our own possessions. The second answer is that there is nothing in this proposal which could possibly offend Japan. We have already authorized a naval base in Alaska much closer to Japan than Guam is, and Japan has made no protest. Japan has developed harbors for naval purposes in the Marshall Islands, which are much closer to Hawaii than Guam is to Japan, and we have made no protest. In my opinion, the argument that we should not develop Guam because Japan may not like it is ridiculous and groundless and indicates that those who make it have not thought the subject through.

Here is the principal advantage we will receive if we make the Guam harbor available for the use of our naval planes: We will be able from Guam to give information to our own fleet, wherever it may be placed in a time of emergency, that the enemy fleet is maneuvering. We can warn our fleet where the enemy is and what he is doing. That alone may assist us to a very great degree in the winning of a war, if war should

come to us from the Pacific. It may even be a decisive factor in the successful prosecution of that war.

It has been said that Guam cannot be defended. That, of course, is true, but it is beside the point. No one expects Guam to be defended for any length of time, and no one has said Guam could be defended against an attack in force. It may, however, by making the facilities there available for our own naval planes, be the means of holding up an attack on the United States or our outlying possessions for a week or even several weeks, and there are circumstances which you can all imagine wherein if we could hold up an attack on Hawaii for even 1 day, the expenditure at Guam would be a thousand times justified.

Now, those are the reasons, and all the reasons that have ever been given for the improvement of the facilities at Guam. And these facilities are not fortifications. That ought to be clear to everyone, because it was thoroughly thrashed out in committee and has been fully explained here on the floor. The statement of The Assistant Secretary of the Navy is definite upon that point. He stated to our committee, in answer to a number of direct questions, that this is an independent project, that it does not contemplate fortification, that it is earnestly to be hoped the international situation will never be such that the Navy Department may deem it necessary to recommend to the Congress the fortification of that island, and he declared most emphatically that the Department had no such intention at the present time and that no fortification of Guam is contemplated. [Applause.]

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. SHANNON. Mr. Chairman, I do not think it would be right for me to take up much of the time of this House today, after talking for 30 minutes yesterday. Hence I shall make my remarks brief.

I wish the speeches of the gentleman from Kentucky [Mr. MAY] and the gentleman from Oregon [Mr. MORR] had been made earlier in these discussions. Then perhaps we could have more plainly understood the "bushwa" we have been listening to ever since this question first came up.

When the naval aviation facilities bill came before the Naval Affairs Committee for hearing, 14 bases were recommended. The last on the list of recommendations was for the base at Guam; it was hidden away down at the end. But, Lord bless us, from the very first day of the hearings it was a case of the last being first; Guam was the one controversial question. Every witness who spoke on behalf of the Guam project said that the improvements were not being proposed for military purposes.

But when the gentleman from Kentucky spoke a while ago there was fight in every word that he said. Likewise, there was fight in what the gentleman from Oregon had to say. I know that many Members of this House would favor a fight whenever necessary, but I do not believe the great majority in this body believe in unnecessarily bringing on a fight.

FORTIFICATION OF GUAM A WAR GESTURE

Should this country go forward with these plans for the fortification of Guam, such an indiscreet act would immediately be accepted by one of the great aggressor nations of the world as a war gesture. Japan would undoubtedly point her finger at us and say: "You are the aggressor. You came more than 6,000 miles to fortify an island right on our shores."

If this project at Guam is as necessary as its proponents indicate, we will have to find Presidents William McKinley, Theodore Roosevelt, William Howard Taft, Woodrow Wilson, Warren Harding, Calvin Coolidge, Herbert Hoover, and even our present administration for the past 6 years, guilty of laches for failing to take notice of that grave necessity years ago. They did nothing and proposed nothing for Guam. Suddenly, out of the dark, somebody comes out at this late day and says: "You must improve Guam; you must fortify Guam; and you must do it without delay."

Why must we do without delay now that which was not found necessary before? I say it amounts to telling the

American boys, "It is necessary that you go to foreign shores and fight."

The American people do not want to fight anyone on the face of this earth. This is not a peace measure. It is a threat, and a threat that will take us into war if we do not stop it now.

In conclusion I want to say this: Some Members profess they do not see any military implications in this proposal. If they do not, then I will tell them that there is not a 15-year-old schoolboy in the United States today who does not know that this is a step in the direction of war. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HENDRICKS. Mr. Chairman, I realize that in the 3 minutes allotted to me there is not time enough to discuss an all-important subject such as this. I am inclined to vote for this \$5,000,000 for Guam, because I am getting sick and tired of having the Japanese sink our boats, insult our soldiers and our Army and Navy officers and our citizens, and then say, "We are very sorry." I am getting rather tired of finding them in the Caribbean Sea at this time, when we are having maneuvers, and I understand that two Japanese officials are vacationing in Puerto Rico at this particular time. I remember that one of our great Presidents said that the way to maintain peace is to speak softly and carry a big stick. Up to the present time we have been employing soft words, but not carrying a big stick. We see England in a difficult predicament now because she has been practicing disarmament and peace while other nations were arming, so it is my inclination to say to Japan that Guam is our island and that we will do with it as we darn please, regardless of what they think, but, on the other hand, just for the simple reason of provoking thought I want to ask a question.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. No; my time is too short. I understand that Admiral Leahy has said that we would have to have a great increase in our Navy to protect Guam.

I understand that Admiral Hepburn has said it would take \$150,000,000 to fortify Guam. It is my thought that we gave the Philippines its independence because we realized it was indefensible. Now, if that is true, why would we go over among 1,400 Japanese mandated islands and set up fortifications on Guam? I would like to ask that question, Mr. Chairman, simply to provoke thought.

Mr. VINSON of Georgia. The bill, in the first place, does not call for any fortification whatsoever.

Mr. HENDRICKS. Yes; but the Japanese and I disagree on that. You may say we did not give up the Philippines because we could not defend them, but I think we did. I also think we are fortifying Guam, and if we are not doing it now, what we are doing will lead to it.

The CHAIRMAN. The gentleman from Minnesota [Mr. MAAS] is recognized.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. MAAS. If it is not taken out of my time.

The CHAIRMAN. It can only be taken out of the gentleman's time.

Mr. MAAS. I do not yield, Mr. Chairman.

Mr. Chairman, we are making an awful, awful fuss about nothing. I really cannot understand why all this great excitement about whether we dredge a harbor in our own territory or not. Why all this talk that this is going to offend Japan? In the first place, what difference does it make if it does, if we have a right to do it and we should do it? We should not be concerned about the necessity of appeasing public opinion somewhere else when it could not possibly lead to war, whether it offended them or not. But it has not offended anybody in Japan. All the excitement about this thing and all the talk about the danger of leading to war is right here in this House. There is not any of it in Japan. There is no excitement in the Parliament of Japan about our dredging the harbor of Guam. The Navy Minister reported to the Japanese Parliament that not an additional nickel is going to be spent in Japanese military or naval preparations

because of what we may do in Guam. So that has nothing to do with it.

The whole excitement seems to be because the Navy is going to dredge this harbor. Many Members in opposition to Guam have said that if the Navy did not dredge the harbor they would not object to it at all. Apparently then, this very project is perfectly all right if it is a river and harbor project. Well, the island is a naval island. It is run by the Navy. Every bit of public works done on the island of Guam has been done by the Navy. There is no civil administration in Guam. The Governor is a naval officer. The dredging, therefore, is properly done by the Navy, as everything else in Guam is done by the Navy. All this talk about foreign implications in a proposal to defend some of our own territory. We are not going to put fortifications in Guam, but we are in a sorry state in this country when we are willing to say to the world that we will not hold inviolate any American territory anywhere. We have come to a low state when we are willing to appease the dictators by surrendering American territory without even a fight. Oh, I wonder what our forefathers who created this Nation would say about us, when we have come to the point that we are willing to surrender sovereign American territory without even a fight, because when you deny yourself the right to use any of your territory, you are surrendering it. Are we going to join hands with France and England in a program of appeasement to the dictators? They had to do it because of the people in France and England who would not permit them to prepare to defend themselves, and so they lost a war without even a fight in their own defense. Oh, yes, we can save our American boys from a fight. We can prevent this country from ever going to war, but at the price of surrender without even a fight; at the price of degradation; at the price of the loss of the American standards of living; at the price of slavery, which will be worse than war. [Applause.]

That has never been the American policy, and I hope to God we are not going to create it so today. Even England and France in their degradation had not sunk so low that they were willing to appease the dictators by giving away their own territory. Oh, they gave away territory, but it was somebody else's territory. [Laughter and applause.] Are you willing to give away American territory? Oh, this is all nonsense and bunk, this talk about dredging a harbor in Guam being a cause for war. The island is being dredged for two purposes.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I cannot yield in this short time I have. The island of Guam, with a dredged harbor, fortified or not, is not essential to the defense of this Nation. We will win a war if we get into one, but I will tell you if you Members of Congress today vote to prevent the dredging of a harbor which will permit the training of our pilots in the Pacific, which will permit the utilization of that harbor for our scouting planes so that we may know of the possibility of any enemy movement toward us, you are going to take a terrible responsibility upon yourselves, perhaps that of the loss of millions of American lives that will be needlessly sacrificed thereby. This island has commercial value in time of peace. It is essential, absolutely essential that we dredge this harbor if we are going to continue to operate our commercial airplanes across the Pacific. It is, on the other hand, highly desirable that we have it for training purposes for our Navy airplane pilots so that they may become familiar with those waters, air and weather conditions, and have available a suitable place from which scouting may take place if international conditions become critical.

Such activities will offend no one, unless some nation has hostile designs upon us.

Most of this great flurry of excitement about Guam offending Japan and being provocative is a result of deliberate pacifist agitation in this country.

Why is there always this violent protest in America itself every time a proposal is made to improve our own defenses?

Why is there this constant opposition to an adequate defense program in this country?

Defenses are never a threat to the peace of the world. Defenses cannot be provocative. Defenses cannot be objectionable to foreign countries, unless such foreign countries plan hostile activities against us. Therefore, are we not very foolish to be influenced by such protests?

You do not invade foreign lands with defensive scouting planes. But such scouting planes may make possible preventing a hostile navy from invading our territory by warning us in advance that such a foreign navy is on its way toward us. If we do not have such information, our Navy may be caught in a most unfavorable situation for defense against an attacking fleet; and our Navy under such circumstances may suffer defeat, even annihilation, resulting in a long disastrous war for us, with perhaps ultimate defeat.

I do not believe the United States can now be successfully invaded. I believe that even without Guam we will ultimately win a war if one is waged against us, but it may be a very long and tragic war, with the loss of untold millions of American boys, the destruction of American cities by aerial bombardment, and ruthless bombing of American women and children.

If war be forced upon us, let that war be fought as far from our shores as possible.

Let us provide every defense against invaders that we can.

By the way, when did defending one's self become considered as aggressive? When before has anyone ever interpreted defense as provocative? Such suppositions are utterly ridiculous. They show an astounding lack of understanding of bare fundamentals.

Even if we were to fortify Guam—and we are not—how could this be considered a threat to Japan, unless Japan has sinister plans in our direction in the Pacific?

We could not invade Japan with a fortified island. Yet even an unfortified Guam, with a properly improved harbor, might prevent Japan from attempting to attack Hawaii or the Panama Canal. Because scouting planes operating in Guam would detect a movement of the Japanese Navy in our direction and would put our fleet commander in possession of such vital information instantly. This would permit the American Navy to meet an oncoming fleet under the most favorable conditions for the success of such a naval engagement.

The success of such an engagement by our Navy would end the war and make unnecessary even mobilizing our Army.

This is so well known in Japan that the mere presence of American naval scouting planes in Guam will tend to reduce to the minimum even the danger of hostile activities upon the part of Japan. Under such circumstances I do not believe that the Japanese will risk the danger of the destruction of their fleet by an open engagement with ours.

The whole success of any possible naval attack upon a vulnerable spot in our defense system would depend upon the element of surprise and secrecy.

Developing a harbor at Guam will do more to prevent such a surprise move than almost any other single thing we can do.

If \$5,000,000 is spent on Guam, and it serves to reduce the likelihood of an attack and perhaps to prevent it, it will be the cheapest expenditure we have ever made in our history.

To sum it all up, the development of a harbor at Guam is essential to continued American trans-Pacific commercial aviation; it cannot, by the wildest stretch of the imagination, be construed as a threat to Japan or anyone else; it will provide a most valuable training stop for our naval aviators, who are the eyes of the Navy; and lastly, it will tend to stabilize conditions in the Orient, rather than to upset them, by making a naval attack upon the United States a very dangerous undertaking in the Pacific, by destroying the chance for a surprise naval attack. This in itself reduces to a further minimum the general danger of war in the American hemisphere, because no European powers would nor could successfully invade any part of the Americas without a joint simultaneous attack in the Pacific.

Therefore, improving the harbor at Guam is distinctly a defensive measure in the interest of preserving peace. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MICHENER] for 5 minutes.

Mr. MICHENER. Mr. Chairman, I do not intend to use all of the time allotted me. Of all the problems that will come before this Congress, none will outweigh in importance the question of our national defense. I voted for the Army defense bill the other day, and I hope to be able to vote for this bill today. With the light that I have, I cannot vote for the bill with the item concerning the island of Guam included.

None of the members of the Naval Affairs Committee contends that Guam is a national-defense project. We are assured that it is not, but that it is a commercial project, and that the dredging of the harbor, as provided in this bill, is for the betterment of commercial and air navigation. The chairman of the committee and, I think, all those familiar with the facts, who do not permit their emotions and their sentiments in behalf of the development of the branch of the military service in which they are interested to run away with them, have repeatedly impressed upon us that this is a "commercial" project and not a "national defense" proposal. I think the only exception to this position, so far as the debate shows, was the argument made by the gentleman from California [Mr. EATON], who pointed out that there was military value and advantage in spending this \$5,000,000 in the development of this harbor at Guam. All, however, are agreed that there is no thought at the present time of fortifying the island and attempting to make it a real national-defense asset. I cannot escape the conclusion, therefore, that in these times, when the Government is spending more money than it takes in, and when we must borrow this \$5,000,000 if we do dredge this harbor, my constituents do not want me to vote for the project. I say they do not want me to vote for the project; that is, unless it is essential to our national defense. And I repeat that there is no evidence, and I believe no contention, that this development is essential to our national defense at this time. Whether or not the development of this harbor should be considered by the Rivers and Harbors Committee or by the Naval Affairs Committee is beside the question for the moment. I repeat that if this is not essential to national defense, then we should eliminate it from the bill.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. GIFFORD. I want to inject this little thought: If the Japanese could so easily take it, as portrayed, why build it for them? This brings to mind some lines by Ogden Nash I read a while ago:

How courteous is the Japanese;
He always says, "Excuse it, please."
He climbs into his neighbor's garden
And smiles and bows and begs his pardon.
He bows and smiles a friendly grin,
And calls his hungry family in.
He smiles and bows a friendly bow:
"So sorry! This my garden now."

[Laughter.]

Mr. MICHENER. I thank the gentleman from Massachusetts for his contribution. However, injected into the bowels of my speech, I hope that your thoughts will not be diverted from the more serious aspect of this matter.

This is not a partisan question and should be decided entirely without prejudice, without feeling of emotion, without sympathy. The action we are about to take should be based on sound argument and logic, having in mind but one thing—that is, requisite, adequate defense.

The development of this harbor for commercial purposes may be most laudable. Yet there are many things that may be desirable which the country cannot afford at the present time. I doubt if anyone here would contend that the development of a harbor in the island of Guam for commercial purposes ranks in importance in any sense of the word with many of the economic problems now confronting us in the homeland. The taxpayers cannot pay for all things that are desirable. We must do first things first.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield to the distinguished gentleman from Missouri.

Mr. SHORT. How would the people of the United States feel toward any foreign power which would undertake to fortify Bermuda, Nassau, or Cuba?

Mr. MICHENER. Just exactly as every Member of this House would feel. They would regard it as an indication that that foreign nation intended to go farther in the Western Hemisphere than it had gone in the past—in short, as an act of aggression.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. RICH. Should this bill pass carrying the Guam item, would the gentleman think it was a national-defense item, an item that eventually would get us into war because we are preparing for it?

Mr. MICHENER. It might be very difficult to convince anyone that a project in a national-defense act was not for national defense, regardless of what we called it. I am afraid of the consequences.

Mr. Chairman, no objection whatever from any source throughout this more than 2 days of debate has been raised to any part of this national defense bill other than the beginning of the fortification of this island of Guam. Now, mighty few folks back home know where the island of Guam is. However, if they will take their world maps and start with San Francisco and go 5,400 miles to within 1,500 miles of Yokohama, Japan, they will there locate this small island 30 miles long and 6 miles wide. It came into the possession of this country as a result of the Spanish-American War. It is not so far distant from numerous other islands owned, controlled, and, we understand, to some extent fortified by Japan. The island is inhabited by approximately 20,000 persons.

It is generally conceded that our national defense requires an off-shore line of protection, and this begins with the Aleutian Islands way up yonder opposite our Alaskan shore, and extends down through Hawaii, the Samoan Islands, and the Panama Canal. Hawaii is 2,063 miles from San Francisco, and Guam is 3,337 miles west of Hawaii. In other words, we are going west of our present fortifications in Hawaii, 3,337 miles into the front dooryard of Japan, and there we are dredging a harbor, ostensibly for commercial purposes, but which can be fortified by carrying the improvements further. The gentleman from Missouri [Mr. SHORT] asked a very pertinent question when he inquired as to what our country would think if any other nation should attempt to develop or fortify a naval base on any of the many islands not farther from the United States in the Western Hemisphere than Guam is from Japan in the Eastern Hemisphere. You and I know what they would think. This Congress would be up in arms at once. The whole country would be satisfied that Japan had started to prepare for a war on the United States, or at least to be better prepared to meet the eventuality of any such conflict. For this country to take the Guam step at this time just does not make sense if we are trying to avoid war, remain at home, attend to our own business, and provide for defense to repel the attack of any aggressor. That is what the American people want, and they want no more. We can all talk about hating war and not wanting war, yet such an indiscreet act as going into the Orient and asserting our military power may bring us to the threshold of war. Why take the chance if it is not essential to our naval defense?

Many of us are very much opposed to the attitude of aggressor nations. We disapprove most strongly of Germany's attitude in Czechoslovakia, of Italy's attitude in Ethiopia, and of Japan's attitude in China. We do not believe in these things, yet our people are not willing and would protest against our taking any action in the Congress that would bring us into war with any of these nations, even though we are in sympathy with one side or the other in these respective conflicts. I just wish that every person in the country would reread George Washington's Farewell Address, to which we listened on February 22. It fits present-day conditions exactly, and I am sure that I am not in

error when I say that it speaks the sentiment of an overwhelming majority of the American people right now.

This proposed legislation—eliminating Guam—finds its genesis in the act of May 17, 1938, providing that the authorized strength of the Navy in naval vessels be increased by 20 percent, and in naval aircraft by 50 percent. Understand, this legislation we are considering today does not contemplate building additional battleships, cruisers, and airplanes. The purpose is to implement the additional naval vessels and the additional naval airplanes already provided.

I voted against the authorization of the additional battleships when the act of 1938 was up. I should do likewise today. However, I was one of the minority. The battleships and all the rest have been authorized and are going to be constructed. In these circumstances it would be not only unwise but decidedly silly to refuse to make this new, expensive equipment efficient. The purpose of this bill is to give maximum and necessary efficiency to our national defense, having in mind the act of 1938.

This bill embarks upon no new policy unless we decide to fortify Guam. All the experts tell us that the items in this bill, excepting Guam, are necessary for our national defense. I realize that Army and Navy officers and the Military and Naval Affairs Committees in this House are honest and sincere, but are apt to become enthusiasts and advocates rather than maintaining the judicial attitude that the House must assume in passing upon this great question. I have no quarrel with anyone who does not agree with me in these matters. We can all be patriotic, honest, and sincere, and yet not all agree on procedure, so far as our national defense is concerned. We are all agreed, however, that we want no more war; that we do not want to send our boys to any other country to fight other people's battles; and that we will spend whatever money is necessary, and provide whatever defense is necessary, to save our American democracy and protect our homes.

There have always been two groups in this body, when the expansion of our Navy is up for consideration, honestly differing in what essential national defense is. I have always insisted that we cannot definitely determine what adequate defense is until we know what our foreign policy is. I notice that Admiral Hepburn, in the hearings before the committee, stated that the naval authorities could not outline a permanent and static line of national defense so long as we have no permanent and static foreign policy. I do not see how we are going to have an absolutely definite foreign policy. Therefore, details of a national defense, so far as our far-flung interests are concerned, is a matter that cannot be at one time disposed of for all time.

Debate is about concluded and within the next few minutes we shall be called upon to cast a vote which in the minds of many of us may mean trouble, if not an excuse for war, in the Orient. The responsibility is ours. The consequences will inure either to the benefit or the detriment of our people. In this frame of mind, and in this solemn hour, let us not be swayed from what our best judgment and conscience tell us to do, regardless of whether this is an administration measure or an antiadministration measure. Our only rallying point when the roll is called should be around a desire for national defense and nothing else.

The CHAIRMAN. The Chair has thus far recognized all gentlemen requesting time except one. The Chair now recognizes for the remaining 5 minutes, the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I quite agree with the gentleman from Minnesota [Mr. MAAS] that there is no reason whatsoever for unseemly excitement about section 1 of this bill. If I wanted to justify this statement I would merely read the minority report. Every argument I would have to meet for this bill is met by the language of the minority report. The minority report states:

We recognize the right of the United States to establish military facilities in Guam.

We are attempting, and the committee is attempting, no such thing as that in this bill.

The minority report further states:

We recognize and approve the necessity of harbor improvement provided by this measure for the purpose of aiding commercial trans-Pacific aviation. Were this work done by the Army engineers after the Committee on Rivers and Harbors had passed a bill authorizing it we would have no objection to it.

In other words, the minority says it would be a fine thing if we did this with our right hand, but it is a terribly dangerous thing to do it with our left hand. [Applause.]

For the life of me I cannot understand why gentlemen on both sides of the aisle get excited, because we want in some fashion, in the most peaceable way in the world, to use a possession of ours. If the Army engineers under a bill brought in by the Committee on Rivers and Harbors were dredging a harbor at Guam it would be a fine thing. The minority would endorse it 100 percent; but if we do the usual thing, bring it in as a part of a naval bill—and this work is to be done under the direction and supervision of the Navy Department—then it becomes a very dangerous thing and is likely to take us into war with Japan or somebody else.

Mr. Chairman, in this Hall one morning at 3 o'clock a. m. I listened to a call of the roll that sent us to war. I pray God that such a time may never come again. One of the things that forced me to vote as I did that morning was that the German people under their leadership at that time believed that England, France, Italy, and the others allied with them would never be strong enough to subdue Germany. If America in 1914 and 1915 had been prepared, as we intend to prepare this year and in the years that are to follow, I believe, as one of the great columnists of this country stated a few days ago, that Germany would never have provoked a war at that time.

Mr. Chairman, this involves the expenditure of only a few million dollars. If we had expended a billion dollars or \$2,000,000,000, and if England and France had expended a few billion dollars before 1914, it would not have cost the United States \$26,000,000,000 to get out of that war, because, had we spent that money at that time, we would not have been in it.

As to this appeasement matter, may I say that the United States of America covets not a foot of land that belongs to anybody else on the face of this earth. We want no war with anyone, because they have nothing we want; but when it comes to a proposition of American policy, foreign or domestic, I do not care what you may say about implications, being a citizen of the proudest Nation on the face of the earth, I do not intend by my vote today to imply that I am in favor of asking any other nation in the world about America's foreign or domestic policy. [Applause.]

The CHAIRMAN. All time on the pending amendment has expired.

The question is on the amendment offered by the gentleman from New Jersey [Mr. SUTPHIN].

The question was taken; and on a division (demanded by Mr. VINSON of Georgia), there were—ayes 145, noes 129.

Mr. VINSON of Georgia. Mr. Chairman, I demand tellers. Tellers were ordered, and the Chairman appointed Mr. VINSON of Georgia and Mr. SUTPHIN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 193, noes 164.

So the amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment on page 2, line 6, to strike out "\$52,000,000" and insert "\$47,000,000."

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 2, line 6, strike out "\$52,000,000" and insert in lieu thereof "\$47,000,000."

The amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer another amendment, on page 2, line 12, strike out "\$52,000,000" and insert "\$47,000,000."

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 2, line 12, strike out "\$52,000,000" and insert "\$47,000,000."

The amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer the following amendment: On page 2, line 12, after the word "exceed," strike out the following language:

Provided further, That nothing herein contained shall be construed as authorizing the expenditure of more than \$5,000,000 at Guam.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 2, beginning in line 12, after the word "exceed," strike out the remainder of line 12, all of line 13, and the words in line 14 through and including "Guam."

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, pursuant to House Resolution 98, he reported the same back to the House with sundry amendments agreed to in the Committee on the Whole.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendments to final passage.

Is a separate vote demanded on any amendment?

Mr. VINSON of Georgia. Mr. Speaker, I demand a separate vote on the Sutphin amendment and on the amendments that I offered.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. SUTPHIN: Page 2, line 5, after "\$2,800,000," strike out "and Guam, \$5,000,000."

The SPEAKER. The question is on agreeing to the amendment.

Mr. VINSON of Georgia. Mr. Speaker, I demand the yeas and nays on the amendment.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 168, answered "present" 3, not voting 57, as follows:

[Roll No. 19]

YEAS—205

Allen, Ill.	Coffee, Nebr.	Gross	Luce
Allen, La.	Cole, N. Y.	Guyer, Kans.	Ludlow
Allen, Pa.	Collins	Gwynne	McDowell
Andersen, H. Carl	Colmer	Hall	McLean
Anderson, Mo.	Connery	Halleck	McLeod
Andresen, A. H.	Corbett	Hancock	McMillan, John L.
Andrews	Crawford	Hare	McMillan, Thos. S.
Angell	Crosser	Harness	Mapes
Arends	Crowther	Harrington	Marshall
Arnold	Cummings	Harter, N. Y.	Martin, Iowa
Ashbrook	Curtis	Hawks	Martin, Mass.
Austin	Darrow	Healey	Massingale
Ball	Dirksen	Heinke	Michener
Barden	Ditter	Hess	Miller
Barry	Dondero	Hill	Mills, La.
Barton	Douglas	Hinshaw	Monkiewicz
Bates, Mass.	Dowell	Hoffman	Moser
Bender	Dworshak	Holmes	Murdock, Utah
Blackney	Eaton, N. J.	Hope	Murray
Bolles	Elston	Horton	Nelson
Bolton	Engel	Hull	Nichols
Boren	Fenton	Hunter	O'Connor
Bradley, Mich.	Fish	Jenkins, Ohio	Oliver
Brewster	Flaherty	Jensen	O'Neal
Brooks	Ford, Miss.	Johns	Osmer
Brown, Ga.	Fries	Johnson, Ill.	Owen
Brown, Ohio	Fulmer	Johnson, Ind.	Pace
Bryson	Gamble	Johnson, Okla.	Peterson, Ga.
Buckler, Minn.	Garrett	Johnson, W. Va.	Pierce, Oreg.
Burdick	Gartner	Jones, Ohio	Pittenger
Byrns, Tenn.	Gathings	Kean	Plumley
Cannon, Mo.	Gehrmann	Keefe	Polk
Carlson	Gerlach	Kinzer	Powers
Cartwright	Gibbs	Knutson	Reed, Ill.
Case, S. Dak.	Gifford	Kunkel	Reed, N. Y.
Chapierfield	Gilchrist	Lambertson	Rees, Kans.
Church	Gillie	Landis	Rich
Clark	Gore	Larrabee	Richards
Clason	Gossett	LeCompte	Risk
Claypool	Graham	Lemke	Robertson
Clevenger	Grant, Ind.	Lewis, Ohio	Robison, Ky.
Cluett	Griswold	Lord	Rockefeller

Rodgers, Pa.	Simpson	Terry	White, Ohio
Routzohn	Smith, Ohio	Thill	Wigglesworth
Rutherford	Springer	Tibbott	Williams, Del.
Sandager	Stearns, N. H.	Treadway	Wolcott
Schafer, Wis.	Stefan	Van Zandt	Wood
Schiffler	Sumner, Ill.	Voorhis, Calif.	Woodruff, Mich.
Seccombe	Sutphin	Vorys, Ohio	Youngdahl
Secrest	Taber	Vreeland	
Shannon	Talle	Walter	
Short	Taylor, Tenn.	Wheat	

NAYS—168

Alexander	Edmiston	Lesinski	Satterfield
Anderson, Calif.	Ellis	Lewis, Colo.	Schaefer, Ill.
Barnes	Englebright	McAndrews	Schulte
Bates, Ky.	Evans	McCormack	Schwert
Beckworth	Faddis	McGehee	Scrugham
Bell	Fay	McGranery	Shanley
Bland	Ferguson	McLaughlin	Sheppard
Bloom	Fitzpatrick	Maas	Sirovich
Boehne	Flannagan	Magnuson	Smith, Conn.
Boland	Ford, Leland M.	Mahon	Smith, Ill.
Bradley, Pa.	Ford, Thomas F.	Marcantonio	Smith, Va.
Buck	Gavagan	Martin, Colo.	Smith, Wash.
Buckley, N. Y.	Gearhart	Martin, Ill.	Smith, W. Va.
Bulwinkle	Geyer, Calif.	May	Snyder
Burch	Grant, Ala.	Merritt	South
Burgin	Green	Mills, Ark.	Sparkman
Caldwell	Gregory	Monroney	Spence
Cannon, Fla.	Griffith	Mott	Starnes, Ala.
Carter	Havener	Myers	Steagall
Celler	Hendricks	Norrell	Sumners, Tex.
Chapman	Hobbs	Norton	Tarver
Cochran	Hook	O'Day	Taylor, Colo.
Coffee, Wash.	Izac	O'Leary	Tenerowicz
Cole, Md.	Jacobsen	O'Toole	Thomas, Tex.
Cooley	Jarman	Patman	Thomason
Cooper	Jeffries	Patrick	Thorkelson
Costello	Johnson, Luther A.	Patton	Tolan
Cox	Johnson, Lyndon	Pearson	Turner
Crowe	Jones, Tex.	Peterson, Fla.	Vincent, Ky.
Cullen	Kee	Pfeiffer	Vinson, Ga.
D'Alessandro	Keller	Poage	Wallgren
Darden	Kennedy, Md.	Ramspeck	Warren
Delaney	Kennedy, Michael	Rankin	Weaver
Dempsey	Keogh	Rayburn	Welch
DeRouen	Kilday	Reece, Tenn.	West
Doxey	Kirwan	Robinson, Utah	Whelchel
Drewry	Kitchens	Rogers, Mass.	White, Idaho
Duncan	Kleberg	Rogers, Okla.	Whittington
Dunn	Kramer	Romjue	Williams, Mo.
Durham	Lanham	Ryan	Wolverton, N. J.
Eaton, Calif.	Lea	Sacks	Woodrum, Va.
Eberharter	Leavy	Sasscer	Zimmerman

ANSWERED "PRESENT"—3

Byrne, N. Y.	Kennedy, Martin	Smith, Maine
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NOT VOTING—57

Beam	Fernandez	McKeough	Sabath
Boykin	Flannery	McReynolds	Schuetz
Byron	Folger	Maclejewski	Seger
Casey, Mass.	Goldsborough	Maloney	Shafer, Mich.
Chandler	Hart	Mansfield	Somers, N. Y.
Creal	Harter, Ohio	Mason	Sullivan
Culkin	Hartley	Mitchell	Sweeney
Curley	Hennings	Mouton	Thomas, N. J.
Daly	Houston	Mundt	Tinkham
Dickstein	Jarrett	Murdock, Ariz.	Wadsworth
Dies	Jenks, N. H.	O'Brien	Winter
Dingell	Kelly	Parsons	Wolfenden, Pa.
Disney	Kerr	Pierce, N. Y.	
Doughton	Kocialkowski	Rabaut	
Elliott	McArdle	Randolph	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Wadsworth (for) with Mr. Doughton (against).
 Mr. Pierce of New York (for) with Mr. Byrne of New York (against).
 Mr. Culkin (for) with Mr. Martin J. Kennedy (against).
 Mr. Smith of Maine (for) with Mr. Randolph (against).
 Mr. O'Brien (for) with Mr. Hartley (against).
 Mr. Tinkham (for) with Mr. Boykin (against).
 Mr. Thomas of New Jersey (for) with Mr. Hart (against).
 Mr. Mundt (for) with Mr. Kocialkowski (against).
 Mr. Shafer of Michigan (for) with Mr. Fernandez (against).
 Mr. Elliott (for) with Mr. Byron (against).
 Mr. Winter (for) with Mr. Kelly (against).
 Mr. Mason (for) with Mr. Schuetz (against).
 Mr. Jenks of New Hampshire (for) with Mr. Dickstein (against).
 Mr. Wolfenden of Pennsylvania (for) with Mr. Maclejewski (against).
 Mr. Jarrett (for) with Mr. Maloney (against).

General pairs:

Mr. McReynolds with Mr. Seger.
 Mr. Mansfield with Mr. Mouton.
 Mr. Sabath with Mr. Folger.
 Mr. Curley with Mr. Mitchell.
 Mr. Dies with Mr. Sweeney.
 Mr. Beam with Mr. Hennings.
 Mr. Sullivan with Mr. McArdle.
 Mr. Harter of Ohio with Mr. Dale.

Mr. Kerr with Mr. Murdock of Arizona.
 Mr. McKeough with Mr. Chandler.
 Mr. Rabaut with Mr. Somers of New York.
 Mr. Dingell with Mr. Disney.
 Mr. Casey of Massachusetts with Mr. Houston.
 Mr. Creal with Mr. Flannery.
 Mr. Parsons with Mr. Goldsborough.

Mr. BYRNE of New York. Mr. Speaker, I am paired with my colleague, the gentleman from New York, Mr. PIERCE. If the gentleman were here, he would have voted "yea." I voted "nay." I therefore ask unanimous consent to withdraw my vote and answer "present."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I make the same request in connection with my colleague, the gentleman from New York, Mr. CULKIN, who had to leave on account of a funeral. If the gentleman had been here, he would have voted "yea." I voted "nay." I therefore ask unanimous consent to withdraw my vote and answer "present."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GROSS. Mr. Speaker, how am I recorded?

The SPEAKER. The gentleman is not recorded.

Mr. GROSS. Mr. Speaker, I desire to be recorded as voting "yea."

The SPEAKER. Was the gentleman present and listening, and failed to hear his name?

Mr. GROSS. I had been called into the hall, Mr. Speaker.

The SPEAKER. The gentleman does not qualify if he was not in the Chamber.

Mr. SOMERS of New York. Mr. Speaker, I was in the Chamber, but not listening.

The SPEAKER. The gentleman does not qualify under that statement.

Mr. MURDOCK of Arizona. Mr. Speaker, I cannot qualify, as I came in too late. May I answer "present"?

The SPEAKER. The gentleman cannot vote "present" if he was not present when his name was called during the roll call.

Mr. GROSS. Mr. Speaker, I was present during the first roll call.

Mr. DITTER. Mr. Speaker, I believe my colleague the gentleman from Pennsylvania misunderstood the statement of the Speaker.

The SPEAKER. The Chair will again interrogate the gentleman from Pennsylvania.

Was the gentleman in the Hall of the House, listening, and failed to hear his name called?

Mr. GROSS. Yes, Mr. Speaker, on the first roll call.

The SPEAKER. The gentleman qualifies.

Mr. GROSS. Mr. Speaker, I desire to be recorded as voting "yea."

The SPEAKER. The gentleman qualifies and votes "yea."

Mr. SMITH of Maine. Mr. Speaker, I am paired with the gentleman from West Virginia, Mr. RANDOLPH. Had he been present, he would have voted "nay." I voted "yea." I therefore ask unanimous consent to withdraw my vote and answer "present."

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOODRUM of Virginia. Mr. Speaker, I understood the gentleman from Pennsylvania [Mr. Gross] to state on interrogation by the Speaker that he was in the Chamber on the first roll call but was not present on the second roll call. My understanding of the rule is that in order to qualify a Member must answer in the affirmative that he was present in the Chamber and did not hear his name called, and this applies to both roll calls. The roll is called a second time for the specific benefit of Members who failed to hear their names on the first roll call.

Mr. FISH. Mr. Speaker, I make the point of order that this comes too late. The gentleman from Pennsylvania has already voted.

Mr. WOODRUM of Virginia. I am not making an objection to the gentleman's voting. I have no objection to that; but a question of the precedents is involved.

The SPEAKER. The Chair thinks it is important to state the correct principle in view of the point raised by the gentleman from Virginia.

The Chair is of the opinion that the Chair improvidently stated the provisions of the rule. The rule requires that on a yea-and-nay vote a Member who was present but failed to answer on the first calling of the roll is not entitled to be recorded after the completion of the second call if he absented himself from the Chamber during the latter call.

The Chair thinks it probably is too late now to prevent the gentleman from Pennsylvania from voting, but for the purposes of the record the Chair thought it proper to make that correction.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. In view of the statement by the Chair and the fact that delay would probably prevent action—and I am not addressing myself to the rights of the House—could not the gentleman from Pennsylvania [Mr. Gross], whose vote has not been recorded in accordance with the rules, ask unanimous consent to withdraw his vote?

Mr. MARTIN of Massachusetts. Mr. Speaker, may we have the vote on the amendment announced?

The regular order was demanded.

The SPEAKER. The regular order is demanded. The regular order before the announcement of the vote is to answer the parliamentary inquiry of the gentleman from Massachusetts [Mr. McCORMACK].

The gentleman from Pennsylvania [Mr. Gross] could submit a unanimous-consent request to that effect, but the gentleman has not seen fit to do so.

The result of the vote was announced as above recorded.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to withdraw my request for a separate vote on the three other amendments to section 1 and ask that they be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON of Georgia. Mr. Speaker, on the passage of the bill I demand a division.

The House divided; and there were—ayes 368, noes 4.

So the bill was passed, and a motion to reconsider was laid on the table.

Mr. KELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KELLER. When the bells ring and a Member gets here on the second roll call and does not hear his name called, is he then to be ruled out from voting?

The SPEAKER. The supposition is that all Members are present on the floor at all times, and the rule so provides.

EXTENSION OF REMARKS

Mr. NICHOLS. Mr. MICHENER, Mr. ROBSION of Kentucky, and Mr. PEARSON asked and were given permission to revise and extend their remarks in the Record.

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record by including the speech of our colleague the gentleman from Pennsylvania [Mr. DITTER] delivered at the Lincoln Protective Club in Louisville on February 11.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

REORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. COCHRAN. Mr. Speaker, I have introduced a bill providing for a reorganization of the executive branches of the Government, and I ask unanimous consent to extend my own remarks in the Record at this point by printing a brief analysis of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, the bill contains three titles—the first provides for reorganization of the executive branch of the Government, the second for budgetary control of independent commissions, and the third for the appointment of six administrative assistants to the President.

TITLE I—REORGANIZATION

The President is to investigate and determine what changes in the executive branch are necessary to reduce expenditures, increase efficiency, consolidate agencies according to major purposes, reduce the number of agencies by consolidation, abolish agencies and functions not necessary for the efficient conduct of the Government, and eliminate overlapping and duplication (sec. 1).

The President is to prepare a reorganization plan providing for the transfers, consolidations, and abolitions of agencies and functions which he finds necessary to accomplish any one or more of the purposes above specified. He is also in the plan to provide for such incidental matters as fixing titles, transferring property, records, personnel, and appropriations, and winding up abolished agencies. Appropriations transferred may be used only for the purposes for which originally appropriated. The plan is to be submitted to both Houses of Congress while in session. The bill also requests the President to state what reductions in expenditures are likely to result from his recommendations (sec. 4). There is no limit on the number of plans which may be submitted or the number of reorganizations which may be contained in a single plan.

The President's power to include reorganizations in a plan extends to every executive agency of the Government (sec. 2) except the following: Civil Service Commission, Coast Guard, Engineer Corps of the United States Army, Federal Communications Commission, Federal Power Commission, Federal Trade Commission, General Accounting Office, Interstate Commerce Commission, National Bituminous Coal Commission, National Labor Relations Board, Securities and Exchange Commission, United States Board of Tax Appeals, United States Employees' Compensation Commission, United States Maritime Commission, United States Tariff Commission, and Veterans' Administration. In these cases the plan can provide for transfer of agencies and functions to them, but the plan cannot provide for reorganization within them or the transfer of any agency or function away from them. The function of preparing estimates of appropriations by such agencies may, however, be transferred. Further limitations prohibit the abolition or establishing of any executive department or transferring all the functions of or changing the name of an executive department (sec. 3).

The reorganizations which the President specifies in his plan become effective at the end of 60 days after the plan is submitted to Congress. If, however, a concurrent resolution of the two Houses is passed within the 60-day period, which states that Congress does not favor the plan, the reorganizations do not take effect. Such a resolution must relate to a whole plan; it cannot disapprove a particular transfer or abolition or class of reorganizations. If Congress adjourns sine die prior to the expiration of 60 days, a new 60-day period begins to run with the next session.

Section 7 of the bill provides that existing orders, regulations, suits, laws, and so forth, in effect with respect to a transferred agency or function shall be effective with respect to the agency to which it is transferred.

Section 8 provides for impounding of appropriations unexpended by reason of the title.

Under section 9 a 1-year preference in reemployment is given to employees who are dropped as a result of a reorganization.

No reorganization is to take effect unless the plan in which it is specified is transmitted to Congress before January 21, 1941—section 11.

Part 2 of the reorganization title provides a set of rules for the consideration of concurrent resolutions of the two Houses which do not favor reorganizations specified in a plan. These rules make it possible for a majority in favor of such a resolution in either House to secure a vote on the merits without being prevented by filibusters or parliamentary technicalities. These rules may be changed by either House at any time.

Title II requires that Budget estimates of the various independent commissions and boards must be submitted through the Bureau of the Budget and the President as in the case of other agencies.

Title III authorizes the appointment of six administrative assistants to the President.

COMMITTEE ON LABOR

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the Committee on Labor may continue its hearings on tomorrow while the House is in session.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, has the gentlewoman from New Jersey consulted the minority members of the Committee and are they agreeable to the request?

Mrs. NORTON. I have not consulted them, but I think they will be agreeable to it.

Mr. MARTIN of Massachusetts. I think I must object unless the minority members of the committee have been consulted.

Mrs. NORTON. I think the minority members are just as anxious to continue the hearings as we are and I do not believe the gentleman will find there is any objection on their part.

Mr. MARTIN of Massachusetts. The gentlewoman from New Jersey is so persuasive that I shall accept her word for it at this time.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks by including therein a speech made by me on July 4 last.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

WITHDRAWAL OF VOTE

Mr. GROSS. Mr. Speaker, in order that there may be no further embarrassment or any question about the matter I ask unanimous consent to withdraw my vote on the recent roll call.

Mr. McGRANERY. Mr. Speaker, reserving the right to object—

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the vote recorded by him on the recent roll call on the bill just passed may be withdrawn. Is there objection?

Mr. McGRANERY. Reserving the right to object, Mr. Speaker—

Mr. SCHAFER of Wisconsin. Regular order, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. McGRANERY. I object, Mr. Speaker.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 1 minute. Is that agreeable to the gentleman from Wisconsin [Mr. GRISWOLD], who has a special order at this time?

Mr. GRISWOLD. That is agreeable to me, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I would like to give due notice that the Treasury is going to ask soon for an increase in

the limit of the national debt from \$45,000,000,000 to \$50,000,000,000 or more. A dreadful situation our Government is finding itself in.

All we have been doing at this session of Congress has been appropriating money. I want to ask you where all this money is coming from. You are going to wreck this Nation if you do not stop appropriating money. You should pass legislation that will put the 12,000,000 unemployed men in this country back to work. The most serious question we have confronting the American people today is getting men back to work. Congress fiddles and Rome burns. All you are thinking about is appropriating money and spending it lavishly, if not squandering it. This is the only thing in the mind of this administration. They are not paying any attention to the legislation that we should adopt. Change the Wagner Act, change the Social Security Act, cut down regular running expenses of government 25 percent, eliminate half of our Government bureaus, and we will restore confidence in the American people, and they will soon find jobs for our workers and happiness will come to all. Try it.

[Here the gavel fell.]

(Mr. MAY asked and was given permission to revise and extend his remarks.)

Mr. COCHRAN. Mr. Speaker, I have been requested by the officials of the National Press Club to announce that Saturday evening has been set aside as Congressional Night. A number of the Members of the House are to appear at the club and all Members of the House are requested by the Press Club to be present at that time.

A superquestion contest will be conducted with the Seventy-sixth Congress represented by Senator ELBERT D. THOMAS, of Utah; Senator WARREN R. AUSTIN, of Vermont; Representative SAM RAYBURN, of Texas, majority leader; and Representative ROBERT LUCE, of Massachusetts.

The fourth estate will enter a team of distinguished caliber.

This contest will be on a Nation-wide N. B. C. network from 9:30 to 10 p. m.

Also a glittering galaxy of freshmen Members of the House and Senate will be presented, under the 5-minute rule, for talks and other features, including Representative HARVE TIBBOTT, of Pennsylvania, a baritone discovery, songs; Representative LINDLEY BECKWORTH, of Texas, who is 25 and the youngest Member of the House; Representative ROBERT J. CORBETT, of Pennsylvania, who is 33, and the youngest House Republican; Representative JOSEPH W. BYRNES, Jr., of Tennessee, son of a famous father, and Representative STEPHEN BOLLES, of Wisconsin, veteran newspaperman and publisher.

Mr. Speaker, I ask unanimous consent to extend my remarks and to place in the RECORD the names of those who will appear on Congressional Night at the Press Club.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I do so simply to ask the majority leader a question. Will the gentleman from Texas tell us what the program is for tomorrow and Monday?

Mr. RAYBURN. Tomorrow will be general debate upon the Treasury and Post Office appropriation bill. Monday is District day, which will take, I think, about 30 or 40 minutes, and it is the purpose then to go on back to the appropriation bill and complete it, and then bring up the conference report on the disagreement of the two Houses on the deficiency appropriation bill. On Wednesday we may call one committee on the calendar, and after that we will take up the War Department appropriation bill and try to complete it next week.

Mr. MARTIN of Massachusetts. The conference report is liable to come up on Monday next?

Mr. RAYBURN. I do not know.

Mr. MARTIN of Massachusetts. Then either Monday or Tuesday.

Mr. RAYBURN. I told the gentleman from Virginia [Mr. WOODRUM] that in all probability it would come up, but some matters have arisen since then, so that I think it will probably go over until a later time.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. MOSER. Mr. Speaker, I ask unanimous consent that on the completion of the special order today already granted, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. LORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of barter agreements.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my remarks by including a radio address delivered by the Honorable John Napier Dyer, of Indiana.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a speech I made incident to the one hundred and twenty-fifth anniversary of the Battle of Lake Erie.

The SPEAKER. Is there objection?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a resolution introduced and passed by the House of Representatives of the State of Indiana.

The SPEAKER. Is there objection?

There was no objection.

Mr. HORTON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a resolution passed by the Legislature of the State of Wyoming.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a few quotations.

The SPEAKER. Is there objection?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

PERSONAL EXPLANATION

Mr. COSTELLO. Mr. Speaker, my colleague from California [Mr. ELLIOTT] was absent today during the vote on the Guam matter on account of illness. I ask unanimous consent that the gentleman may be granted leave of absence on account of illness.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Under special order, the gentleman from Wisconsin [Mr. GRISWOLD] is recognized for 20 minutes.

STIMULATION OF PRIVATE INDUSTRY

Mr. GRISWOLD. Mr. Speaker, a few days ago a very significant statement was issued by the council of the American Federation of Labor meeting at Miami, Fla. The statement said:

Private industry and business generally should be stimulated so that the facilities of production may be increased and millions more working men and women may be employed.

When such a statement is issued by labor it shows very clearly a changed attitude on the part of the public toward capital and industry. The bitterness the public held a few years ago against capital and industry has now receded. We are in a position, with proper legislation, to again put our unemployed back to work. This means that we can now pass legislation and further public opinion

toward the encouragement and promotion of industry and the man who would establish a business and employ labor. The time is ripe for action. It is going to be demanded more and more by the public and expected from its legislators.

The introduction at this time of a bill in Congress designed to encourage and promote industry and the employment of labor in industry would be most opportune. It can be done by repealing or withholding many of the new laws which tax, regulate, and hamper the free exercise of initiative and business ability. The revival of our Nation's industry is now the crying need.

The overwhelming majority of the people of this country would like to see legislation enacted that would start the Nation on a road forward to fresh individual enterprise. This Congress can pass legislation that will give security in permanent private employment and a livelihood for people from honest labor rather than from dole work or the charity box.

We want industry to come back. We wish industry were back to furnish employment, but up to the present time we have not had the courage to introduce or pass legislation designed to bring it back.

Previous to 1929 and the beginning of the long depression we are still in, industry and employment had reached a position we now look back to as "peak prosperity."

In 1929 the attitude of all legislative bodies and the public in general was favorable to industry. Free factory sites were offered, and the cities and the general public took an active interest in every commercial establishment. The savings of a great majority of the public were invested in the stock of local and national concerns. In 1929 this country reached the stage where not only did the public wish to own stock but felt in the ownership of that stock it would eventually become wealthy. Industry grew and prospered and labor had employment. The investors had reached the point where they forgot whether the stock paid dividends or not. They thought only in terms of the stock market. "Paper profits" furnished a credit that allowed them to live beyond their means, and they ceased to labor. When the end came to the "land booms" and "oil booms" we had the "black October" of 1929.

It is not human nature for men to blame themselves for mistakes they may have made, and when the general public was faced with a tremendous loss because of the speculation in which they had indulged they turned against every form of industry in which they had previously overinvested and encouraged. The farmer, the laborer, and the home owner became innocent victims of the general depression. This has always been true in all depressions through which this country has passed, regardless of who may have been responsible.

Immediately there followed a period in which every employer of labor was condemned and industry itself was accused of every conceivable crime. We passed laws investigating, regulating, and crippling every industry. We had unemployment insurance, liability insurance, minimum wages, maximum hours, and other legislation, and we said, "Let industry pay the bill." Socialistic schemes by the National and many State Governments were advanced and became a constant threat of competition to business by the Government itself. This policy crippled every big business. Small business, without the necessary reserves, was killed. New industry could not be born. Is it any wonder that industry could not take care of our raw materials and our labor, for this is possible only when new industry is born and small industry does grow?

The general public under these conditions was indifferent and refused to own stock or aid in the establishment of new business. Millions of men were thrown out of work and Congress was faced with the demand for the appropriation of money to take care of their actual needs.

The fundamental causes of the depression have now run their course. The bitterness toward capital and industry has now receded. We still have millions of unemployed, but our animosity toward the employer of labor has decreased and the pendulum of public opinion has already swung back.

Every depression in the world's history has meant extreme ideas, unsound legislation, and impossible short cuts. Such ideas live and have their being only when sane, sound, and sensible legislation seems to falter. The fallacy that buying power could be created without labor has been allowed to run its course. The borrowing and spending by the Federal Government of huge sums of money to be dribbled through the hands of workmen on "made jobs" to increase buying power has been tried. Extreme pension legislation has been and is still being considered. Before the most powerful committee of this House appeared last week a man who firmly believes that forced spending would lead the people of this Nation into a new land of milk and honey.

The American people are right now in a position where they have tried all the experiments they wish. They want to see policies and practices which from the beginning of time have always been considered fundamental put into practice. I want to review some of these fundamentals, so that they are clearly before the minds of those who have the immediate welfare of this Nation in their hands.

We pride ourselves on being the wealthiest Nation in the world. We believe we have—and the figures prove we have—a higher standard of living and more comforts and conveniences than any other nation. Wealth is the multiple creation of goods mankind desires, and a nation's wealth is determined by the amount and number of useful articles produced. Labor produces all wealth, and only when labor is properly employed in the production of necessary goods can this Nation or any other nation achieve real prosperity. [Applause.]

Idle or unemployed men must be supported by the labor of those who work.

The demand for the products of the farm and factory go hand in hand with the ability of labor and management to produce. The ability to produce and the desire and means to purchase have always gone together. Production and consumption are one and the same thing. Employment means good times. Unemployment means hard times. Depressions occur when men have no work. [Applause.]

There is no accurate figure on the number of unemployed but it is probably around 10,000,000. Up to the present time no legislative effort has been made to put the men back to creating wealth in private employment.

Money is a means of measuring the amount of goods produced or labor employed. Gold has a value because of its commercial use and the amount of labor necessary to produce it. Money of itself cannot feed or clothe, and only as it expresses true value for labor or goods is it of use to us. It only takes the place of scales or the yardstick in commercial transactions. If the yardstick is to be changed or the scales tampered with, they immediately lose their value. The rapid or forced exchange of money does not increase wealth but only tends to destroy or depreciate the value of money and the confidence of people in it. When money ceases to be an accurate measure, it also loses its value.

From much that has been said we have been led to believe that production and consumption were two separate and distinct things. This is not true. The labor that produces has the buying power to buy what it produces. Only when labor is partly employed must the laborer share his returns with the unemployed; likewise, excessive taxation decreases the fruits of labor. The power to produce and the will and desire to consume go hand in hand. Production and consumption, I repeat, are one and the same thing. If we have a surplus of one kind of goods, we must also have a shortage of another kind of goods. Our so-called surpluses are not the result of too much labor but rather the result of the improper division of labor. [Applause.] If we allow industry to be crippled, then the raw products that supply industry accumulate, and we call them surpluses. If a bridge is destroyed on the line, labor is idle on each end until the damage is repaired.

All this country has now that was not here when the white man came represents the profit of this generation, or the generations that have gone before it. All our progress represents profit. If government, by taxation and borrowing, takes a sum equal to the profit of a community, that com-

munity must stand still or mark time until profits rise or the tax load is decreased. A city cannot grow except through profit of the people and industries in it.

Government was created by the people for their protection. Sometimes it goes wild and reaches out and strangles those who support it, and lean on it for protection. It may bind enterprise and industry with regulation, taxation, and restrictions on capital and freedom to operate until the hands of free enterprise are tied. When free enterprise struggles to rise, the government may add fresh fetters and ever-increasing demands for more revenues.

The taking of money by taxation or borrowing from one class and giving it to another class does not increase buying power. It may transfer buying power, but cannot increase it. Buying power can be made only by production. The more we produce, the more we can buy.

Legislation to benefit one class at the expense of the general public does not add to the total wealth, or if extended to many classes, does it benefit the class itself. National wealth means general employment of all classes.

At times during the depression our so-called labor-saving machinery has been the subject of much debate. Such machinery does not save labor, but rather multiplies it. From the garden hoe to the steam shovel each is made to multiply labor. The only reason we enjoy privileges, luxuries, and many of the things we now call necessities, is not because we work harder than our forefathers did, but because we have been able to use machines that multiply the labor we do.

Natural resources, like labor-multiplying machines, multiply labor. Our oil, coal, and waterfalls create power that is used only to multiply labor. The fertile soil multiplies the farmer's labor into larger crops. This Nation has wonderful natural resources, and the resources of the country, when combined with the labor-multiplying machinery that we have, and the labor of the people, will again, as it has in the past, make the American home and standard of living the highest in the world. [Applause.]

Industry combines our natural resources, our labor-multiplying machinery, and our labor. Industry may be large or small. In 1929 there were over 210,000 factories, of which over 7,000 were family operated. The farmer combines the natural resources of soil and labor-multiplying machinery with his own labor and must also be classed with industry. Industry is this Nation's greatest asset. It has made this Nation the great nation it is. It deserves and should have from our Government every consideration and care toward its fostering and promotion.

We have traveled 10 years in a depression and listened to and tried a lot of wild schemes that our sober common sense told us would not work. While on every hand, industry, one of the greatest gifts this Nation has, was allowed to stagnate and rot for the want of encouragement and fair treatment. There can and will be a return to prosperity only when we put industry and labor back to work.

What must we do?

First we must restore confidence in the Government itself and confidence in the Government's attitude toward the capital invested and to be invested in industry. An honest and sincere effort must be made to balance the Budget by refusing every appropriation not necessary to carry on the orderly functions of government. New works and new projects, publicly financed, must not be considered until the Budget is balanced. Eventually the Budget must be brought to balance, and we all realize it. Why not make a desperate effort and start doing it now?

The great majority of the people of this Nation are opposed to the excessive expenditures of this and preceding Congresses. Must we shut our eyes and blindly spend until the people rise up and send down a new Congress pledged to balance the Budget? I appeal to my colleagues in this House to vote to put the Nation's Budget in order.

Taxation must be lowered and the burden so lightened that the employer of labor is encouraged. A light tax over a greatly expanded industry will yield the same revenue as a high tax on a small and crippled industry.

Profit of all kinds, and particularly the profits of industry, must flow into new and enlarged plants. Give industry a chance, repeal the excess-profits tax.

Capital must constantly flow into industry. All the industry we now have was built by capital. Turn the flow of capital into industry by creating a friendly attitude toward it on the part of the Government.

We must exempt new industry and new employment in old industry from the Wages and Hours Act for 3 years. The unemployed get no benefit from the act now. Let us give them a job first.

We must withhold the National Labor Relations Act from new business for the same period. Labor cannot bargain collectively until it has employment. Let us provide that employment.

We must relieve industry of the burden of social-security taxation for a period of time. Let us take the load off the animal's back until we get it on its feet.

Mr. Speaker, I am offering the same program that was followed, perhaps unconsciously, in making this Nation the great Nation that it is. I am offering a program that will restore the farmers' market and prices, bring business to the small businessman, and provide employment for labor in industry. I am asking for its immediate and sincere consideration by the Members of this House. [Applause.]

PERSONAL EXPLANATION

Mr. FLANNERY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore (Mr. SHEPPARD). Is there objection?

There was no objection.

Mr. FLANNERY. Mr. Speaker, I want the RECORD to show that I was here during the debate on the Guam proposition and voted with the tellers, but was paged by a constituent and went out into the hall at the time the vote was taken, and I missed the vote on the roll call on the Guam amendment. Had I been present, I would have voted "no."

LEAVE TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that after the disposition of the special orders and the legislative business of the day I may be permitted to address the House tomorrow for 20 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order heretofore made the gentleman from Pennsylvania [Mr. MOSER] is recognized for 10 minutes.

THE CIVIL SERVICE

Mr. MOSER. Mr. Speaker, I crave the indulgence of the House on this first occasion of my arising under a special order. I believe it is well known to the membership of the House that I spent a long time in the classified civil service of the United States and that I attained my eligibility in an open competitive system of examination for the purpose of determining merit, and desire to preserve for the youth of our country the same opportunity that was mine under a statute written on the books and signed by President Cleveland, before I was born. I ask unanimous consent that I may include in my remarks that statute of the United States Code.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MOSER. Grover Cleveland, staunch advocate of a merit system for determining eligibility for Federal employment, and whose administration enacted the civil-service law set forth in the United States Code, title 5, 633, provides as follows:

1. Competitive examinations. First. For open competitive examinations for testing the fitness of applicants for the public service classified on January 16, 1883, or thereafter, or to be classified hereunder. Such examinations shall be practical in their character, and so far as may be shall relate to those matters which will fairly test the relative fitness of the persons examined to discharge the duties of the service into which they seek to be appointed.

2. Selection of officers, etc., according to results of examinations. Second. All the offices, places, and employments so arranged or to

be arranged in classes shall be filled by selections according to grade from among those graded highest as the results of such competitive examinations.

The situation that confronts us now, and to which I have heretofore voiced my opposition in the Committee of the Whole, relative to the determination of merit on the part of a system of examinations that have sprung up into existence under the Civil Service Commission, is one administered solely for the purpose of circumventing that law to determine merit, which is written on the statute books to which I have referred. My attention was directed to an article which appeared in the Washington Herald-Times on Monday last, entitled "Control of Public Service Again Shifts More Tightly Into Hold of Minority Politico-Professor Group," by George D. Riley. I ask unanimous consent to insert that article in the RECORD at this point as a part of my address.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CONTROL OF PUBLIC SERVICE AGAIN SHIFTS MORE TIGHTLY INTO HOLD OF MINORITY POLITICO-PROFESSOR GROUP

Evidence that into the hands of a select group of Republicans is being delivered the world's biggest business—the United States civilian service—and all its ramifications into the city, county, and State branches has just been supplied more definitely than ever by the President.

Avoiding senatorial confirmation for his nominee, the President has chosen Frederick Morgan Davenport, who got out with the Hoover administration, now to be the kingpin in the new personnel set-up. Republican Congressman—Professor Davenport is blanketed into the classified service without examination and thus becomes member and chairman of the council of personnel administration. This group will control the official actions of all personnel directors.

Davenport likewise is president of the Rockefeller National Institute of Public Affairs, which group has been working into preferential jobs hand-selected "apprentices," which almost immediately step into important jobs in large measure merely on the say-so of what Professor Davenport and the Rockefeller fraternity have said about them. Louie Brownlow, who cooked the reorganization dish so decisively crashed by the Congress last session as holding the ingredients of further one-man control, also is a member of this Rockefeller outfit. Republican Secretary of State (under Hoover) Henry L. Stimson is another trustee, as well as Mr. Hoover's Commissioner of Education, George F. Zook, in addition to others.

In addition, Brownlow has returned the courtesy Davenport has shown him by naming Davenport as trustee in his public administration clearing house get-up. Appointment of Davenport bears the appearance of another Brownlow brown study.

In 1936, among other years, \$80,000 of Rockefeller money was appropriated for Davenport's N. I. P. A. In the same year, and in other years, Brownlow's outfits likewise were getting Rockefeller money. Rockefeller money also is being used to investigate Department of Agriculture.

Professor Davenport once represented the Thirty-third District (New York). He was classed as an ardent dry (1930), and became a target for the antiprohibitionists, at which time Arthur M. Hyde, Hoover Secretary of Agriculture, made an address in Davenport's defense, at the same time defending the Hoover policies.

All Davenport has to do to become a full-fledged civil-service employee and dominating figure to control, as chairman, the powerful Council of Personnel Administration, is to indicate "his acceptance of the appointment herein authorized" and he's still got the job.

Some observers believe the Republicans are looking ahead to the time when the New Deal is washed up and when control of the public service is returned to them. However, this is not necessarily a tenable view, for it is the Republicans who now no longer hold office into whose hands such power is being reposed.

Only recently the President chose another Republican, Prof. Leonard D. White, to decide what professional standards we shall have. He also appointed William H. McReynolds, regarded as a close friend of former Republican Senator Reed Smoot. Upon these two shoulders will rest in the final analysis who is who and what is what. And, like Professor Davenport, Professor White also is a professor of political science. Professor Davenport is in his seventy-third year. We find nothing in his background to betray actual experience in operating so powerful a combination.

Before the battle over the reorganization bill, Brownlow et al. proposed that a board of seven be chosen to monitor the proposed one-man administrator. However, when the bill was prepared, such proposal was strangely missing. Now it would seem that we still will have a board of seven of another type, and in addition another board (the council) to tell Civil Service Commission what it shall do—or, rather, to do what it desires to do—and the Commission will learn of the council's policies and action whenever the public learns of them.

Thus, it seems to us, comes another step in the partitioning of the public service under the sway of important money and of the professorial domination.

Mr. MOSER. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SABATH, indefinitely, on account of death in his family.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1102. An act to continue the functions of the Reconstruction Finance Corporation, and for other purposes.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Friday, February 24, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Friday morning, February 24, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Friday, February 24, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10 a. m. Friday, February 24, 1939.

COMMITTEE ON LABOR

The Committee on Labor will hold a hearing in room 429, House Office Building, at 10:30 a. m. Friday, February 24, 1939, on H. R. 2990, a bill to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads in the committee hearing room in the House Office Building, Friday, February 24, 1939, at 10 a. m., for the public consideration of H. R. 3231 and H. R. 3811.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, February 28, 1939, at 10:30 a. m., to begin hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

The Committee on Rivers and Harbors will meet Friday, March 3, 1939, at 10:30 a. m., to hold hearings on H. R. 295, H. R. 922, H. R. 2890, H. R. 4170, and H. R. 4314, all bills for the control of water pollution.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, March 1, 1939, on bills H. R. 159, H. R. 160, and H. R. 4167, certain private bills.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Wednesday, March 1, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act,

1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal bills.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal construction force.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. S. 218. An act for the relief of Manuel D. A. Otero, as administrator of the estate of Teresita S. Otero, deceased; with amendment (Rept. No. 83). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 219. An act for the relief of Emma Gomez; with amendment (Rept. No. 84). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 470. An act for the relief of Alice Minnick; with amendment (Rept. No. 85). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 760. An act for the relief of Mrs. Guy A. McConoha; with amendment (Rept. No. 86). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1157. An act for the relief of the legal guardian of Roy D. Cook, a minor; with amendment (Rept. No. 87). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1750. A bill to carry out the findings of the Court of Claims in the case of the Union Iron Works; with amendment (Rept. No. 88). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2055. A bill for the relief of the K. E. Parker Co.; with amendment (Rept. No. 89). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2259. A bill for the relief of Stanley Mercuri; with amendment (Rept. No. 90). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2586. A bill for the relief of Albert W. Wright; with amendment (Rept. No. 93). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2842. A bill for the relief of J. P. Harris; with amendment (Rept. No. 94). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2355. A bill to provide for the carrying out of the award of

the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.; without amendment (Rept. No. 91). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2461. A bill for the relief of Alfred T. Johnston; with amendment (Rept. No. 92). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2848. A bill for the relief of Anna Mattil and others; with amendment (Rept. No. 95). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3090. A bill for the relief of C. R. Henderson; with amendment (Rept. No. 96). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3100. A bill for the relief of Capt. Francis H. A. McKeon; with amendment (Rept. No. 97). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 4420. A bill to create a United States Civil Service Board of Appeals; to the Committee on the Civil Service.

By Mr. BLOOM:

H. R. 4421. A bill to establish a chiropody (podiatry) corps in the medical department of the Navy; to the Committee on Naval Affairs.

H. R. 4422. A bill to establish a chiropody (podiatry) corps in the medical department of the Army; to the Committee on Military Affairs.

By Mr. BROOKS:

H. R. 4423. A bill providing credit for the mobilization service of National Guard property and disbursing officers of the United States; to the Committee on Military Affairs.

By Mr. CASEY of Massachusetts:

H. R. 4424. A bill to amend the Liquor Tax Administration Act, approved June 26, 1936; to the Committee on Ways and Means.

By Mr. COCHRAN:

H. R. 4425. A bill to provide for reorganizing agencies of the Government, and for other purposes; to the Select Committee on Government Organization.

By Mr. COFFEE of Washington:

H. R. 4426. A bill affecting substitute workers in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. GREEN:

H. R. 4427. A bill to provide for the construction of a marine hospital in Florida; to the Committee on Merchant Marine and Fisheries.

By Mr. HALL:

H. R. 4428. A bill providing for the examination and survey of Centerport Harbor, Long Island, N. Y.; to the Committee on Rivers and Harbors.

By Mr. HARE:

H. R. 4429. A bill to place cotton in reserve as a munition of war; to the Committee on Agriculture.

By Mr. HARTER of New York:

H. R. 4430. A bill to permit conciliation commissioners to act as referees in bankruptcy; to the Committee on the Judiciary.

By Mr. HINSHAW:

H. R. 4431. A bill to enable the Secretary of War to pay the amount awarded to the Malambo fire claimants by the joint commission, under article 6 of the treaty of November 18, 1903, between the United States and Panama; to the Committee on Appropriations.

By Mr. KIRWAN:

H. R. 4432. A bill granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a free footbridge over Mahoning River, near Stiles Street NW., Warren, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. LANHAM:

H. R. 4433. A bill to amend sections 12, 13, and 29 of the Copyright Act of March 4, 1909, and further to secure the prompt deposit of copyrightable material into the Library of Congress and prompt registration of claims of copyright in the Copyright Office, and for other purposes; to the Committee on Patents.

By Mr. ROBERTSON:

H. R. 4434. A bill to provide for the abatement of personal taxes from insolvent building associations in the District of Columbia; to the Committee on the District of Columbia.

By Mr. TURNER:

H. R. 4435. A bill to correct injustices resulting from faulty application of the Navy selection law of June 23, 1938; to the Committee on Naval Affairs.

By Mr. O'CONNOR:

H. J. Res. 181. Joint resolution relative to the establishment of title of the United States to certain submerged lands containing petroleum deposits; to the Committee on the Judiciary.

By Mr. HEALEY:

H. J. Res. 182. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1939, General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 4436. A bill for the relief of Gladys Faughnan Holden, guardian; to the Committee on Claims.

By Mr. BROWN of Ohio:

H. R. 4437. A bill granting an increase of pension to Laura V. Reed; to the Committee on Invalid Pensions.

By Mr. BYRNE of New York:

H. R. 4438. A bill for the relief of Charles Harvey Holt; to the Committee on Naval Affairs.

By Mr. COFFEE of Washington:

H. R. 4439. A bill granting a pension to Zetta F. Tidwell; to the Committee on Pensions.

By Mr. CROSSER:

H. R. 4440. A bill for the relief of Mr. and Mrs. John Shebestok, parents of Constance and Lois Shebestok; to the Committee on Claims.

By Mr. DARDEN:

H. R. 4441. A bill for the relief of Eleanor Goldfarb; to the Committee on Claims.

H. R. 4442. A bill for the relief of Lillian Goldfarb; to the Committee on Claims.

H. R. 4443. A bill for the relief of Alex Silberstein; to the Committee on Claims.

H. R. 4444. A bill for the relief of Magdalene Silberstein; to the Committee on Claims.

H. R. 4445. A bill for the relief of Alice Silberstein; to the Committee on Claims.

H. R. 4446. A bill for the relief of Florence Karp; to the Committee on Claims.

H. R. 4447. A bill for the relief of Jackie Goldfarb; to the Committee on Claims.

By Mr. FLAHERTY:

H. R. 4448. A bill for the relief of Sarkis Azarian; to the Committee on Military Affairs.

By Mr. HALL:

H. R. 4449. A bill for the relief of John Kutil; to the Committee on Military Affairs.

By Mr. HEALEY:

H. R. 4450. A bill for the relief of Conrad Sigfried Larsen; to the Committee on Naval Affairs.

H. R. 4451. A bill for the relief of Walter M. McCusker; to the Committee on Naval Affairs.

H. R. 4452. A bill for the relief of Velma Gregory; to the Committee on Claims.

H. R. 4453. A bill for the relief of Ethel McKenney, Leo McKenney, and John Tamulynas; to the Committee on Claims.

H. R. 4454. A bill for the relief of Gloria Hayes; to the Committee on Claims.

H. R. 4455. A bill for the relief of George J. Wood; to the Committee on Naval Affairs.

H. R. 4456. A bill for the relief of William O'Connell; to the Committee on Claims.

H. R. 4457. A bill for the relief of Domenico Conté; to the Committee on Claims.

H. R. 4458. A bill for the relief of James H. Martell; to the Committee on Military Affairs.

H. R. 4459. A bill for the relief of John Lewis; to the Committee on Military Affairs.

H. R. 4460. A bill for the relief of Fred D. Dickerson; to the Committee on Naval Affairs.

H. R. 4461. A bill for the relief of John A. Lane; to the Committee on Military Affairs.

H. R. 4462. A bill for the relief of James Richard Garrigan; to the Committee on Naval Affairs.

H. R. 4463. A bill for the relief of Frank P. Barbour; to the Committee on Merchant Marine and Fisheries.

H. R. 4464. A bill for the relief of Charles James Russell; to the Committee on Naval Affairs.

H. R. 4465. A bill for the relief of Joseph H. Burr; to the Committee on Naval Affairs.

H. R. 4466. A bill for the relief of John McAnneny; to the Committee on Naval Affairs.

H. R. 4467. A bill for the relief of Thomas Henry Beech; to the Committee on Naval Affairs.

H. R. 4468. A bill for the relief of William H. Rouncevill; to the Committee on Military Affairs.

H. R. 4469. A bill for the relief of Philip J. Leary; to the Committee on Naval Affairs.

H. R. 4470. A bill for the relief of Eugene Michael Doran; to the Committee on Naval Affairs.

H. R. 4471. A bill for the relief of John Francis Prendergast; to the Committee on Naval Affairs.

H. R. 4472. A bill for the relief of Herbert V. McGregor; to the Committee on Naval Affairs.

H. R. 4473. A bill for the relief of James Francis McManus; to the Committee on Naval Affairs.

H. R. 4474. A bill for the relief of Patrick F. Casey; to the Committee on Naval Affairs.

H. R. 4475. A bill for the relief of Irving Kilburn Bills; to the Committee on Naval Affairs.

H. R. 4476. A bill for the relief of Charles Christopher Peterson; to the Committee on Naval Affairs.

H. R. 4477. A bill for the relief of William Francis McLean; to the Committee on Naval Affairs.

H. R. 4478. A bill for the relief of Joseph D. Murray; to the Committee on Naval Affairs.

H. R. 4479. A bill for the relief of John F. Fahey, United States Marine Corps, retired; to the Committee on Naval Affairs.

H. R. 4480. A bill for the relief of Eugene Aubry; to the Committee on Naval Affairs.

H. R. 4481. A bill for the relief of Charles Joseph Tevlin; to the Committee on Naval Affairs.

H. R. 4482. A bill for the relief of Byron MacDonald; to the Committee on Claims.

H. R. 4483. A bill for the relief of Bernard Donahue; to the Committee on Naval Affairs.

By Mr. KNUTSON:

H. R. 4484. A bill granting an increase of pension to Hannah J. Goundry; to the Committee on Invalid Pensions.

By Mr. McKEOUGH:

H. R. 4485. A bill for the relief of Mildred Lane; to the Committee on Claims.

H. R. 4486. A bill granting a pension to Mary Bates; to the Committee on Invalid Pensions.

By Mr. PATRICK:

H. R. 4487. A bill granting a pension to Clifflie Frederick; to the Committee on Invalid Pensions.

H. R. 4488. A bill for the relief of Konstantinos Dionysiou Antiohos (or Gus Pappas); to the Committee on Immigration and Naturalization.

By Mr. ROBINSON of Utah:

H. R. 4489. A bill for the relief of Erma B. Bull; to the Committee on Claims.

By Mr. TAYLOR of Tennessee:

H. R. 4490. A bill for the relief of Arthur D. Sullivan; to the Committee on Claims.

By Mr. WELCH:

H. R. 4491. A bill for the relief of Joseph John Mullin; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1311. By Mr. BURDICK: House Resolution J of the Twenty-sixth Legislative Assembly, State of North Dakota, February 21, 1939; to the Committee on Agriculture.

1312. Also, Senate Concurrent Resolution No. 106 of the Twenty-sixth Legislative Assembly, State of North Dakota, February 21, 1939; to the Committee on Agriculture.

1313. By Mr. CURLEY: Letter of the Conference of Mayors and Other Municipal Officials of the State of New York, disapproving Senate bill 1265, to establish a Department of Public Works; to the Committee on Appropriations.

1314. By Mr. HALLECK: Petition of the Woman's Christian Temperance Union of Logansport, Ind., favoring legislation for the control of the motion-picture industry and urging hearings thereon; to the Committee on Interstate and Foreign Commerce.

1315. By Mr. LUTHER A. JOHNSON: Petition of M. W. Davenport, Midlothian, Tex., favoring House bill 2316, extending classified civil service to clerks or assistants in certain post offices of the third class; to the Committee on the Civil Service.

1316. By Mr. MARTIN J. KENNEDY: Petition of the New York State Conference of Mayors and Other Municipal Officials, disapproving Senate bill 1265, to establish a Department of Public Works; to the Committee on Appropriations.

1317. Also, petition of 250 residents of Greater New York to the President and the Congress of the United States, urging (1) the rejection of any program of "investing in prosperity" through the Government continuing to spend enormous sums, which it has not and cannot raise by taxation and which since 1932 will by June 30, 1939, have added some \$20,000,000,000 to the national debt, while some 20,000,000 of our people are living, in whole or in part, on Government pay or relief and many more millions are sharing indirectly in Federal subsidies of one kind or another—in the 9 fiscal years ending June 30, 1939, the national debt will have risen by about \$25,000,000,000 from approximately \$16,000,000,000 in 1930, the post-war low; (2) for the rejection of any program of armament beyond those additions to our military strength that may be necessary to protect our own vital interests and the political independence and territorial integrity of the nations of the Western Hemisphere—the Monroe Doctrine; and (3) for the rejection of any proposal to play the role of world policeman; to the Committee on Ways and Means.

1318. By Mr. KEOGH: Petition of the Pulaski Citizens' Club, of Brooklyn, N. Y., concerning Senate bill 281; to the Committee on the Civil Service.

1319. Also, petition of the art department, public schools of Worcester, Mass., concerning the Larrabee bill (H. R. 3517); to the Committee on Education.

1320. Also, petition of the public library of Evansville, Ind., concerning the Larrabee bill (H. R. 3517); to the Committee on Education.

1321. By Mr. LEAVY: Petition of the Senate of the State of Washington, introduced by Senator Roberts and adopted February 16, 1939, directing the attention of Congress to the vulnerability of the State and the north Pacific coast to attack and, in fitting recognition of the observance of National Defense Week, urging the Federal Government to so increase defenses in this region as to render impossible the invasion and occupation of any portion of this strategic area by a foreign power; to the Committee on Military Affairs.

1322. By Mr. MUNDT: Petition of the South Dakota Senate, known as Concurrent Resolution No. 10, petitioning Congress to enact legislation correcting certain objectionable features of the present method of surplus food commodity distribution and which will permit distribution of said commodities to persons found eligible and in need through the regular commercial channels of trade by the issuance of purchase orders upon merchants and business establishments now operating in South Dakota; to the Committee on Ways and Means.

1323. Also, petition of the South Dakota Senate, known as Concurrent Resolution No. 9, petitioning the Postmaster General at Washington, D. C., to bring about the issuance of a stamp commemorating the fiftieth anniversary of statehood in South Dakota; to the Committee on the Post Office and Post Roads.

1324. By Mr. MURDOCK of Utah: Joint memorial of the Legislature of the State of Utah on the proposed supplement to Cuban trade agreement; to the Committee on Ways and Means.

1325. By Mr. PLUMLEY: Petition of eight citizens of Poulney, Vt., and vicinity, favoring enactment of the improved General Welfare Act (H. R. 11); to the Committee on Ways and Means.

1326. By Mr. ROUTZOHN: Petition of 2,000 members of the Farmers Freedom League of America, seeking repeal of the Compulsory Crop Control Act of 1938 and the banning of importation of farm products to the United States; to the Committee on Agriculture.

1327. By Mr. SCHAEFER of Illinois: Petition of Local No. 74, National Federation of Post Office Clerks, East St. Louis, Ill., M. M. Bosworth, secretary, urging favorable action of Congress on House bills 3937, 4093, and 3812, which authorize improvement in working conditions for postal employees; to the Committee on the Post Office and Post Roads.

1328. By Mr. SCHIFFLER: Petition of Latimer L. Bradley, chairman, committee of the First Baptist Church, Grafton, W. Va., urging that ministers be excluded from the provisions of the proposed amendment to the Social Security Act; to the Committee on Ways and Means.

1329. By Mr. SECCOMBE: Resolution submitted by Blanche Milligan, president, and Minnie Milligan, secretary, in behalf of Townsend Club, No. 1, Gnadenhuetten, Ohio, with a membership of 200, memorializing the Congress to adopt the Townsend national recovery plan bill (H. R. 2); to the Committee on Ways and Means.

1330. By Mr. TENEROWICZ: Resolutions of the Detroit Division, No. 222, of the Order of Benefit Association of Railway Employees, endorsing the railway legislative program submitted by the President's committee; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 24, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We praise Thee, Almighty God, for the Son of Man, who revealed the Father's heart to the children of men. When we ponder His words, touch His raiment, and catch His whisper, the more complete and useful are our lives. We

thank Thee that the fountain of life is very near all believers. He will fill us with vitality and cleanse us from all sin. Blessed Lord, persuade us to seek Him. Though the path at times may be rough and steep, checkered with toil and care, Thou wilt quicken the spirit with soft and silent refreshment; Thou wilt bless and inspire with conscious power. O Father, wonderfully fix the limits of human frailty. May we pass today in sound reasonableness, assured peace, and in the quietness of hope, which is our strength and bulwark. May the Great Teacher be present, who is the power of God and the wisdom of God. In His holy and eternal name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4011. An act to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes.

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein recent quotations from engineering reports and other documents.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from Dr. Nylander, of the National Labor Relations Board.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EATON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution passed by the city of Long Beach, Calif.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JACOBSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a recent radio address made by Senator HERRING, of Iowa.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief summary of the annual report of the Surgeon General of the United States.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

TREASURY-POST OFFICE APPROPRIATION BILL, 1940

Mr. LUDLOW, from the Committee on Appropriations, reported the bill (H. R. 4492) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes (Rept. No. 98), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. TABER. Mr. Speaker, I reserve all points of order on the bill.

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

state of the Union for the consideration of the bill (H. R. 4492) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes; and pending that, I ask unanimous consent that general debate may run throughout the afternoon without limitation, the time to be equally divided and controlled by the gentleman from New York [Mr. TABER] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Indiana.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4492, the Treasury-Post Office appropriation bill, 1940, with Mr. BOEHNE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. LUDLOW. Mr. Chairman, I yield myself 40 minutes.

Mr. Chairman, in bringing before you today the bill making appropriations for the Treasury and Post Office Departments for the fiscal year 1940, I wish first of all, as chairman of the subcommittee that prepared the measure, to acknowledge my sincere debt of gratitude and appreciation to the splendid gentlemen with whom I have the honor to be associated on that subcommittee.

To me our association has been delightful. We have had mountains of work to perform, but the congeniality and good fellowship that have characterized all of our relations have minimized the grinding effects of toil. Fate has brought us together accidentally in the grueling work of our committee circle, but if I had the choice of my companions with whom to serve now and henceforth forevermore, I would select EMMET O'NEAL, of Kentucky; BURRWOOD DALY, of Pennsylvania; GEORGE JOHNSON, of West Virginia; GEORGE MAHON, of Texas; JOHN TABER, of New York; J. W. DITTER, of Pennsylvania; and CLARENCE MCLEOD, of Michigan, and I would thank the Giver of all good things if He would just continue to allow us the services of our very efficient clerk, Jack McFall.

I say with much satisfaction that there is no influence in control of our subcommittee except the influence of counsel and reason, and there is but one yardstick by which our judgments are guided, and that is the yardstick of what we believe to be best in the public interest. And it is with consummate pride that I make another statement unusual in legislative annals, namely, that every one of the hundreds of decisions which we have been called upon to render has been a unanimous decision, concurred in by all of the members of our subcommittee.

WE PARK OUR POLITICS IN THE ANTEROOM

We bring to you no disagreements. We have had much discussion over many important items, always with mutual respect for each other's views and always with a final meeting of minds. Politics never enters into our deliberations. We park our politics with our hats in the anteroom.

The preparation of an appropriation bill of this size is a task of real magnitude. It involves elaborate hearings and innumerable detailed analyses and appraisals of the many and varied factors entering into the estimates. It has been 74 days since we started hearings on December 12. We have had before us the officials, high and low, of both departments for intensive examination, resulting in 1,854 pages of printed testimony in 2 volumes, which are now available to all Members who desire to call for them at the Appropriations Committee rooms. In printed bulk, these are the largest hearings ever conducted by our subcommittee.

In preparing this bill our subcommittee has had constantly before it a vision of the financial condition of our country and our obligation to do our bit toward bringing about a retrenchment in Government expenditures, which we believe is necessary to start business and industry on the road to normal and healthy conditions, and to make an approach, at least, to such a revival and resuscitation of private enter-

prise as may ultimately permit millions now on the relief rolls to be taken over into regular jobs in private industry.

The estimates for the Post Office Department for the fiscal year 1940, sent to us by the Budget Bureau, totaled \$793,281,872, and the appropriations we provide in this bill for that Department total \$790,844,684, a reduction in the estimates amounting to \$2,437,188.

The total estimates for the Treasury Department were \$935,115,620, and we carry in this bill \$909,626,670 for that Department, a reduction of \$25,488,950 below the estimates.

BUDGET ESTIMATES REDUCED \$27,926,138

The Budget estimates for the two departments were \$1,728,397,492 and the appropriations we provide are \$1,700,471,354. This is a cut of \$27,926,138 in the combined Budget estimates for the two departments.

Economy advocates will extract some comfort in the fact that we have found it possible to lower the operating costs of both departments on purely operating items. We have cut operating costs \$3,405,667 in the Treasury Department and \$2,488,053 in the Post Office Department below the operating items of the 1939 appropriations, or a total of \$5,893,720 in the two departments.

We are not so fatuous as to assume that the saving of \$27,926,138 which we have been able to make in reducing the Budget estimates for the two departments in that amount will have very much of a bearing upon the national financial picture, but we do believe that it will be a good tonic to business, and that it will help, to some degree, in creating a better feeling among those who are genuinely concerned over the vast expenditures and continued deficit financing of our Government in seeking to promote recovery.

While we have used sharp pencils in trimming the estimates, we have first sought in every instance to ascertain all of the facts as to whether or not a cut would be justified. We have tried to apply a discriminating judgment to every situation and to allow every dollar that is really necessary to carry on every essential governmental activity.

There have been a few times in the preparation of this bill when we have gone above the Budget and before I proceed to a more detailed explanation of the bill I shall touch upon the rare occasions when we raised the Budget figures. We have respect for the Budget Bureau and follow its recommendations many, many times, but we do not regard it as infallible. The hearings it conducts are extensive but not as exhaustive as our own in respect to the particular items under our jurisdiction, and granting to budgetary officials the human right to err occasionally, we feel that when we have gone into a subject thoroughly it is our duty to stand on our judgment.

HELP FOR THE LEAST-FAVORED GROUPS

We have put some money in this bill, not estimated for by the Budget, to provide one-step promotions of \$60 each for very low-paid employees, mainly in the custodial service. A few of the employees who will benefit from these promotions are located in Washington, but most of them are in the field. The total amount carried for this purpose is approximately \$95,000, and the total number that will benefit by the one-step advance is 1,616.

The salaries now paid to these employees range from \$1,080 to \$1,500 per annum. Under this distribution no employee with a salary of more than \$1,500 will receive a promotion. Many of these Government workers are married and have families and they have found the going very hard on their meager income.

The committee's purpose has been to lend a helping hand to a least-favored group in the lowest strata, but we are conscious of the fact that in doing this we have not scratched the surface of the problem of pay readjustment. It is regrettably true that there has been no correlation of efforts along this line as between different departments and activities. The result is a hodge-podge of maladjustments, or no adjustments, with different pay provisions existing for comparable services, a faulty system that necessarily inflicts many injustices. In your subcommittee's opinion the time has come when some legislative committee, or some special

committee to be set up by Congress, should address itself to the readjustment of the pay of Government workers and should study the problem in all of its aspects with a view to establishing uniformity in promotions in the Government service, and ironing out the injustices and inequalities which are so palpable at the present time. We are calling this matter to the attention of the Bureau of the Budget and are directing it to make a study of the problem.

We also raised the Budget estimate for rural mail delivery. The Rural Delivery Service was established in 1896, and in the years that have followed it has had a continuous growth, until now the Service is at its peak, bringing the mail to 7,003,486 rural families. It is impossible to overestimate the boon this Service has been, and will continue to be, to our rural citizens. The evidence before our subcommittee showed, I think, that as far as was humanly possible the Service has been distributed equitably and impartially.

INCREASE OF RURAL DELIVERY ESTIMATE

The Budget estimate of \$91,500,000 that came to us for the maintenance of the Rural Delivery Service during the next fiscal year provided no money whatever for new routes and extensions. As far as the subcommittee is aware, this was the first time since Rural Delivery came into existence when it was proposed to stop extensions and new routes.

Mr. J. W. Cole, Deputy Second Assistant Postmaster General, who testified for the Department, said that during the operation of the Economy Act the Rural Delivery Service reached a low ebb as far as extensions and new routes were concerned, but that it never came to a standstill. When asked if he thought the Rural Delivery Service has reached its full logical development, Mr. Cole said:

I do not think the country is yet saturated with Rural Delivery Service. We have applications for approximately 10,000 extensions every year.

Speaking of the Budget estimate for 1940, Mr. Cole said:

I do not think we can make any other extensions or establish any new routes and live within the amount approved by the Bureau of the Budget.

Our subcommittee doubted whether the time has come in the development of rural delivery when we shall say that there shall be no more new routes and no extensions. There are pending at the present time 31 applications for new routes and 465 applications for extensions which have been investigated, found meritorious, and approved. The Post Office Department asked the Budget for \$75,000 for new routes and \$175,000 for extensions, a total of \$250,000, which the Budget Bureau disallowed.

Your subcommittee has written into the bill a provision setting aside the sum of \$200,000 for extensions and new routes during the fiscal year 1940. We increased the Budget estimate \$100,000, and we are certain that by careful administration of its large appropriation and the savings that will inevitably come from consolidations the Department will easily be able to add another \$100,000 under the direction we have written into the bill that \$200,000 be made available for this purpose. We believe this will meet all of the reasonable requirements so far as extensions and new service are concerned.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. DOWELL. How many additional routes will be provided by the amount that has been allowed by the committee?

Mr. LUDLOW. It is impossible to give a categorical answer to that because it will depend on the size of those that are approved.

Mr. DOWELL. Can the gentleman give us an estimate? If the gentleman does not have that information at hand, can he tell us how far it will be the policy of the Post Office Department to extend the consolidation of these routes further than they have already gone?

Mr. LUDLOW. I may say to my friend from Iowa that that is an administrative matter over which we have no control except there is a limitation that there shall be consolidations only when there are vacancies. There can be no

consolidation except through death or resignation from the Service. That puts a limitation on them.

Mr. DOWELL. One further question if the gentleman will permit; under the present system, as I understand it, routes are being taken from the small post offices which eventually mean the impairment of the usefulness of these offices. Can the gentleman tell us how far this policy will go? It can go to the extent of taking away rural service from all the small post offices. I am trying to get information as to how far it will be the policy of the Department to take up these routes, if the gentleman knows.

Mr. LUDLOW. I may say to the gentleman that that is purely an administrative matter. I cannot answer the gentleman specifically, but I do know that we have provided in this bill \$200,000 for new routes and extensions to be administered by the Department.

If the gentleman thinks the administration is faulty, let me suggest that he present his views to the Department officials.

Mr. DOWELL. I am merely asking the question as to what the policy may be in the Department. I know just recently a number of vacancies have occurred and that the routes are being consolidated. These routes are being taken from the smaller post offices, of course, when there is a consolidation between two post offices, and, as a rule, transferred to or kept in the larger city or town. I am trying to find out how far the Department intends to go with reference to these consolidations, if the gentleman knows.

Mr. LUDLOW. I may say to the gentleman that was a matter that did not come up in our hearings at all and I am unable to give him the information he asks as to the Department's views. He will have to get that information from the Post Office Department. I am sorry.

Mr. DOWELL. I was just trying to get the information.

Mr. PACE. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Georgia.

Mr. PACE. Could the gentleman state at this time whether or not the bill also carries an increase for village carrier service?

Mr. LUDLOW. I may say that it carries a very slight increase of \$10,000 for readjustment in existing services by carriers. There is no appropriation for any additional village delivery service and there has been no appropriation for this purpose for 5 years. This refers to the extension of the village delivery service to new villages. This has been the policy for 5 years, and there have been no new services established.

Mr. PACE. The policy of the committee is not to have an extension of village service in qualified villages?

Mr. LUDLOW. The testimony from the experience of the Department is that service has probably reached its logical development, and for this reason there have been no additional villages added in this category of service for 5 years and it is not contemplated that any will be added by this bill.

Mr. PACE. Then it will be the policy of the committee and the Department to withhold this service unless a community can qualify for city service, which requires \$10,000 in receipts?

Mr. LUDLOW. I would not say that has been definitely established as a policy. The Department has not submitted estimates for additional village delivery service for a long time. We have been marking time for some 5 years. It appeared that no one was very seriously penalized by it and that everybody was getting service, either by rural routes or by city service. We thought that at this time we should stay pretty close to shore in regard to expenditures, and that this service was one that could be allowed to continue in its present status without addition for a while. Whether that is to be of a permanent nature, I do not know. Of course, the question will come up again next year.

Mr. PACE. The gentleman spoke a moment ago of the necessity for making the pay of Government employees uniform. Does he realize the difficulty we have in explaining to the different communities the situation? Here is one with village service and here is another equally qualified that is unable to secure village service.

Mr. LUDLOW. I think the feeling is that village service has been pretty well developed. I have lived in villages a part of my life. The average citizen likes to go two or three squares to the post office to get his mail. It is not a service of primary importance and for a time at least, with a very extensive service of this kind already in existence, we thought it might be the part of prudence not to extend it any further. Therefore this bill carries no appropriation for additional service. I appreciate the zeal and the ability with which the distinguished gentleman from Georgia looks after the interests of his constituents and we are glad to have his thought about this matter.

Mr. PACE. The gentleman understands that under the present policy a city of 9,000 is not permitted to have village service, and some people are many blocks from the post office.

Mr. LUDLOW. I think a city of 9,000, if it has \$10,000 in postal receipts, has a right to city delivery.

Mr. PACE. I meant to say a city with revenue of \$9,000 is not permitted to have village service.

Mr. LUDLOW. That is right.

Mr. PACE. But there seems to be no uniformity.

Mr. LUDLOW. I may ask the gentleman if he knows of any situation where any great inconvenience, injustice, or harm is being done as a result of the nonestablishment of village delivery service? We did not hear of any.

Mr. PACE. All I can say in reply to the gentleman is that the people are demanding the service and they are unable to understand the fact that one community has it and another has not, when they are both equally qualified.

Mr. HARE. Will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from South Carolina.

Mr. HARE. I know the gentleman has given a good deal of study to this question. I would like to know his reaction to the situation of furnishing rural delivery service on holidays by substitute carriers. I understand it is the practice in towns, villages, and cities for the post office on holidays, except Sundays, to usually make one delivery. I am wondering what the gentleman's opinion would be about providing a rural delivery service for holidays, except Sundays, by substitute carriers.

Our rural facilities are rapidly increasing. We have rural electrification. We are obtaining better highways and we are obtaining better schools. People who live in the country districts are taking the daily papers more often and to a larger extent now than before. It seems to be a strange coincidence that nearly all these holidays come on either a Saturday or Monday, and in this event they have 3 days without any mail delivery. I am wondering whether or not the Government could not well afford to accommodate these 30,000,000 people by increasing the appropriation a million and a half or two million dollars for the purpose of having substitute carriers provide a mail service on holidays, except Sundays.

Mr. LUDLOW. I may say to the gentleman I am sure our subcommittee is sympathetic with anything that would improve the service to our rural people. We have certainly demonstrated that by going above the Budget to include here an item of \$200,000 for new routes and extensions.

The matter which the gentleman brings up has never been considered. We have had no testimony on it. I should be very glad when we have our next annual hearings to go into that matter and see what we can develop and get the viewpoint of the Department on it. However, there is an incalculable number of new services that might be established, and many which have been brought to our attention really would be valuable, but we have felt a responsibility to hold down the appropriation to somewhere in the neighborhood of the Budget estimate. The matter to which the gentleman refers has never been before us, either in budgetary form or in the form of testimony by any Department official.

Mr. HARE. I am sure of that. I thought the gentleman would be in a position to know whether or not it might be worth while to offer an amendment to this bill to increase the appropriation sufficiently to justify this service. Between now and the time for offering amendments arrives the gen-

tleman may be able to obtain some expression on this matter from the postal authorities.

Mr. LUDLOW. I may say to the gentleman I hope he will not offer such an amendment to this bill, because it is a matter we should not dispose of in a haphazard and offhand way. We have not given it the slightest consideration. We would want to know all the factors involved. We would want to know the practicability of it from an administrative standpoint. I do assure the gentleman, however, that at the next hearing I expect to continue to be the chairman of the subcommittee, and if the gentleman will bring the matter up at that time we will go into it exhaustively and try to develop the prospects along the line of the gentleman's suggestion.

Mr. HARE. I thank the gentleman.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a question?

Mr. LUDLOW. I yield to the gentleman from Montana.

Mr. O'CONNOR. Will the gentleman please refer to page 51 of the bill, under the heading of construction of new post-office buildings?

Mr. LUDLOW. I wonder if the gentleman would allow me to proceed at this time. I go into the matter to which the gentleman refers later in my remarks. If the gentleman will ask his question then it will enable me to make a consecutive statement.

Mr. O'CONNOR. Surely.

Mr. LUDLOW. Now we come to a matter that I believe will be of much interest to the House.

THE ANTI-VENEREAL CAMPAIGN

We have added \$2,000,000 to the Budget estimate of \$3,000,000 for control of venereal diseases, to be expended during the fiscal year 1940, making the total appropriation \$5,000,000, which is the full amount authorized by the La Follette-Bulwinkle Act. Viewed in all of its bearings and implications this was the most interesting and perhaps the most important subject with which we had to deal. The La Follette-Bulwinkle Act authorized an expenditure of \$3,000,000 during the first year of its operation, \$5,000,000 the second year, and \$7,000,000 the third year, with future expenditures in the war against this dreaded scourge to be governed as Congress may see fit in the light of results obtained and information acquired during the 2-year period.

We found that, under the stimulus of the appropriation for the current year, health activities have sprung into action on a widespread scale and have taken up the fight against venereal diseases with a zeal and determination worthy of all encouragement. We found that most of the States, incorrectly construing an authorization as an appropriation, have assumed that they will receive their respective shares of the full amount of \$5,000,000 next year and have already initiated programs or expanded existing programs to cover the entire amount. While Congress, of course, cannot be held responsible for anybody's premature and incorrect conclusions, there was a definite prospect that unless the full authorization is appropriated for next year many States will become lukewarm and the antiveneal campaign will sag at a time when, judging from all indications, it ought to be getting under the most effective headway.

I think I am not overstating the case when I say that we were appalled by the evidence showing the extent of the scourge and its ramifications throughout our social life, but while that is true, we also were favorably impressed with the possibilities of bringing it under a large measure of control and thus reducing to a minimum one of the greatest evils of our times, as has been successfully done in some of the Scandinavian countries. Millions of people once lived in dread of yellow fever, yet science has subjugated yellow fever and it may not be too optimistic a view to predict that science, if given proper support, will go a long way toward stamping out venereal diseases. Certainly a good start already has been made in that direction.

HALF A MILLION NEW SYPHILIS CASES A YEAR

Every year there are 500,000 new cases of syphilis in the United States and, at the very minimum, twice that many new cases of gonorrhea. Some statistical estimates place

the number of gonorrhea cases at four times the number of syphilis cases. Syphilis, the more serious of the diseases, is wrecking homes, spreading misery, filling insane asylums, and bringing down the general health level to a point that demands the sympathetic attention and very best thought of every person who loves his fellow man. The problem is so big that private humanitarianism cannot cope with it and we find it on the doorsteps of Congress.

We devoted an entire forenoon to a hearing on this subject when the room was filled with eminent medical authorities and social workers from all over the country. The viewpoint of women was expressed with clarity and fine vision by Mrs. Saidie Orr Dunbar, of Oregon, president of the General Federation of Women's Clubs, who represented 14,453 clubs, with a combined membership of 2,000,000 women. One of the most impressive aspects of the whole situation, as it was made clear in the testimony of the numerous speakers, was the disappearance of prudery in dealing with these social diseases and a recognition that they must be grappled with in a realistic way.

It was brought to our attention that there is a change in the attitude of many victims, who are now willing to cast aside reserve and submit themselves to treatment, which affords one of the most encouraging signs that the intensive campaign that is being planned will be successful. On that point the testimony of Dr. William F. Snow, an eminent specialist of New York City, is of special interest, as follows:

Mr. LUDLOW. If these venereal clinics were distributed widespread and treatment were made available, do you think that those infected by venereal disease would embrace the opportunity of treatment and cooperate with the medical officers?

Dr. SNOW. Yes. We have the results of many investigations along that line. A person may come in with an infection he has had for a year, and we try to learn why he did not come in before. Often the explanation is that he has had a job and had to work during the daytime when the clinic was open. Not until he lost his job or became seriously ill did he apply. If there had been an evening clinic or some arrangements whereby he could have been helped to go to a private physician he would have gone promptly.

Encouraging signs in the war on this plague are the increase in the number of clinics established for the treatment of venereal diseases and the increase in the number of patients who voluntarily submit themselves for treatment. The number of such clinics increased from 1,240 in 1937 to 1,768 in 1938. The monthly average number of patients under treatment increased from 204,495 in 1937 to 343,255 in 1938.

STATES ARE INTERESTED AND COOPERATIVE

Are the States doing their part in combating venereal diseases? This is a proper and pertinent question, for a State that is not conscious of the problem within its gates and willing and anxious to do its part should not expect too large a share of the Federal Government's beneficence. The testimony shows that the States are alive to their responsibilities. On page 1307 of the printed hearings is a table showing what the States are doing in the fiscal year 1939 and what they promise to do during the fiscal year 1940. As against a total of \$2,937,878 of Federal funds expected to be expended in the fiscal year 1939 under the La Follette-Bulwinkle Act, the States and local governmental units are providing \$4,342,329, and this does not include expenditures of nonofficial agencies. As against a Federal appropriation of \$5,000,000 for the fiscal year 1940, the States and local units are committed to raise \$5,000,000, matching the Federal money dollar for dollar.

The plans that have been set up by the States for a campaign on all fronts against venereal diseases furnished one of the impelling reasons that prompted our subcommittee in allowing the full amount of the authorization. When Dr. Felix J. Underwood, State health officer of Mississippi and president of the Conference of State and Territorial Health Officers, was testifying he was asked:

How many more could be brought under treatment if the full \$5,000,000 (instead of \$3,000,000) were appropriated?

He replied:

A number of States say that they could take care of about three times as many, because they have the overhead that would take care of that many more. They have trained personnel and have set up programs agreeable to the act which was passed, covering an expenditure of \$5,000,000.

It would seem that if three times as many patients could be taken care of under the existing overhead with an appropriation of \$5,000,000 as compared with the Budget figure of \$3,000,000, the extra \$2,000,000 above the Budget estimate would be a good investment.

SIXTEENTH PART OF THE COST OF A BATTLESHIP TO RESTORE HUMAN VALUES

One other phase of this problem remains to be discussed. It perhaps is not its most important phase, and yet it is really important. It is the national-defense angle of the problem. There has been much talk of late about where our first line of defense is located. I believe, after all that has been said on the subject, the answer is that our first line of defense is in the fine, healthy, vigorous manhood of America. [Applause.] How can we expect to win wars with men whose morale is broken and whose bodies are weakened by disease? The great justification of this campaign against syphilis is its humanitarianism, but it would also be justified from the standpoint of national defense.

I do not argue the question from that standpoint, but I do say that when we are spending untold millions for implementations of destruction we ought to be willing to spend a small fraction to save and to cure human beings who are suffering from the ravages of a terrible disease. We propose in this bill to spend \$5,000,000 to fight syphilis during the next year. That is only one-sixteenth of the cost of the largest type battleship. It is less than one-third of the cost of a cruiser. It is a million dollars less than the cost of a destroyer or a long-range cruising submarine. It is half the cost of a destroyer tender and less than half the cost of a submarine tender. It is only a little more than four times the amount proposed to be spent for autogiros and it is approximately the cost of eight bomber airplanes.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from California.

Mr. VOORHIS of California. Did I correctly understand the gentleman to say that the committee has included \$5,000,000 for that purpose?

Mr. LUDLOW. The gentleman is correct.

Mr. VOORHIS of California. I wish to congratulate the committee on doing that. I believe it is one of the best ways we can spend money. As I understand, this is the full amount that was authorized in the La Follette-Bulwinkle bill.

Mr. LUDLOW. It is the full amount of the authorization. We are glad to know that our action has the approval of the gentleman from California.

Mr. VOORHIS of California. I thank the gentleman.

Mr. LUDLOW. Surely we can afford to spend the sixteenth part of the cost of a battleship, or the cost of eight bomber airplanes in a campaign to restore the health of untold thousands of venereal victims, and to rehabilitate human values.

GENERAL PERSHING'S STATEMENT

On pages 1276 and 1277 of the printed hearings will be found a most interesting and illuminating statement by General Pershing, commander of the American Expeditionary Forces in the World War, in which he says:

I regard syphilis as the most terrible scourge that afflicts mankind. It is causing more misery of body and mind than any other preventable disease. As Dr. Parran has said, "It must be the next great plague to go." * * * It is appalling to think that nearly 7,000,000 of our people have syphilis, many of them innocent victims. * * * This insidious disease causes or hastens the death of 100,000 victims annually. In this war on syphilis all must work at it intelligently according to their opportunity and their ability to take part in it, and they must do so with the old wartime spirit that defeated the enemy in 1918. My Army experience has proved to me that the job can be done.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield myself 20 additional minutes.

Our subcommittee, always scrupulously careful in spending the people's money, believes that the States are far enough advanced in their preparations to be able to use \$5,000,000 of Federal funds advantageously in a cooperative onslaught on this plague. With the States' own contribution of \$5,000,000, a war chest of \$10,000,000 will thus be made available to attack this insidious enemy, and very definite progress should be made in this important work during the next fiscal year.

With your indulgence I shall now take up the bill in its orderly sequence and discuss some of its main provisions, beginning with the Post Office Department. Obviously you would not have the time—and may I say the patience—to listen to me in too minute and detailed a presentation of its multifarious items.

POSTAL SERVICE ALMOST SELF-SUSTAINING

Eliminating the nonpostal items, which cannot in fairness be charged to postal expenditures, the Postal Service is very nearly on a self-sustaining basis.

In fact, tongue and buckle more than met in the fiscal year 1938, when the postal expenditures, exclusive of nonpostal items, were \$724,221,229.51, and the postal revenues were \$728,634,051.36, leaving a surplus of \$4,412,821.85. This was the fourth postal surplus in 5 years. The prognosis for 1939 and 1940 is not quite so favorable for, although increases in postal revenues are forecast, deficits are anticipated amounting to \$7,893,878 in 1939 and \$1,844,684 in 1940. The Post Office Department is primarily a service institution, yet it is the only department of the Government that practically pays its way. The postal-revenue estimate of \$740,000,000 for the fiscal year 1940 is based on a continuance of 3-cent letter postage.

The Department officials, anxious to make as good a financial showing as possible, are unalterably opposed to a restoration of the old 2-cent rate, although they recognize a widespread demand for 2-cent postage, especially among business interests. It is claimed by officials that such a cut in the letter postage would mean the loss of \$100,000,000 in income the first year and \$75,000,000 a year thereafter, and that the Department could not stand such a falling off of revenue. This argument is challenged by proponents of the reduction, who contend that an increased volume of mail would result, and that the postage from the increased mailings would largely offset the loss from the decreased rate. From any standpoint, postal finances appear to be in a healthy condition with the volume of mail on a steady upward curve. The largest nonpostal item is the penalty mail of the Government departments. The rapid expansion of the Government and the establishment of many new activities are factors causing an increase of that item from \$8,537,730 in 1928 to \$35,690,807 in 1938. In the same period the cost of sending out congressional mail under the franking privilege has decreased from \$909,864 in 1928 to \$779,369 in 1938.

FIVE ADDITIONAL INSPECTORS ALLOWED

Post-office inspectors have been described as "the eyes and ears of the Postmaster General" and the inspection force undoubtedly performs a very important function in the governmental scheme. The Postmaster General and his assistants are entrusted with the disbursement of appropriations totaling \$793,000,000 for 1939 and with the rendition of varied services affecting the daily life of every citizen.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Texas.

Mr. PATMAN. The gentleman mentioned the franking privilege. Will the gentleman state how much the franking privilege cost the Government last year for newspapers and magazines, including parcel post and the second-, third-, and fourth-class mail?

Mr. LUDLOW. The excess of expenditures over revenues of all second-class matter was about \$89,000,000.

Mr. PATMAN. That is second class, just newspapers and magazines, but what about third class and fourth class?

Mr. LUDLOW. For the third class, I understand, the deficit is \$29,000,000.

Mr. PATMAN. I understand the figure for all the classes is \$129,000,000.

Mr. LUDLOW. I believe that is correct.

Mr. PATMAN. The total amount that was franked by Members of Congress, 531 Members, aggregated not to exceed \$800,000 for the same period.

Mr. LUDLOW. Seven hundred and seventy-nine thousand three hundred and sixty-nine dollars.

Mr. PATMAN. Is it not a fact that there are certain publications in the country like the Saturday Evening Post, the

Chicago Tribune, the New York Times, and Collier's, the franking privilege for any one of which costs the Government more than the franking privilege for the entire Congress?

Mr. LUDLOW. I believe undoubtedly the gentleman is correct.

Mr. PATMAN. It is true, is it not, that a newspaper or magazine can be mailed in the county in which it is published without any postage whatever being paid on it, and it will be delivered?

Mr. LUDLOW. The gentleman is stating facts all the way through, but I may say to the gentleman this is a matter over which our subcommittee has no control. It is a statutory matter, and the gentleman's recourse, if he wants to remedy that condition, is to take the matter up through the proper legislative committee.

Mr. PATMAN. Yes; but the point is that the newspapers and magazines last year cost the Government \$89,000,000 more than what they paid in postage.

Mr. LUDLOW. That is my understanding.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to my colleague on the committee.

Mr. TABER. It is a fact, however, that the item of free postage for newspapers within the counties in which they are published is a very small item, amounting to something like six or seven hundred thousand dollars.

Mr. LUDLOW. I have the exact figure on that particular item, \$637,150.

Mr. PATMAN. I know, but the gentleman is referring to country weekly papers. I know that is true of such papers. The country weekly paper does not amount to a great deal, but for all newspapers and magazines the loss amounts to \$89,000,000 a year.

Mr. TABER. Oh, yes.

Mr. LUDLOW. And I may say to the gentleman that that is a legislative matter and not a matter of appropriation.

Mr. PATMAN. I am simply anxious for the information to be brought out. I do not know what the remedy should be, and I am not saying the practice is wrong. If the people get the benefit of this franking privilege in lower subscription rates or if it is justified by reason of the dissemination of knowledge and information, I am not objecting to it but just pointing it out. Since the people are paying so much to provide for distribution of newspapers, I am sure many of the publishers consider that they owe a duty to the public, and for that reason are very anxious to fairly give to their readers both sides of every public question.

Mr. GARRETT. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. GARRETT. Will the gentleman please explain to the Committee what formula was used in arriving at the expense to the Federal Government by reason of the fact that Congressmen utilize the privilege they have of franking. Was that figured from the very beginning of delivery until it is finally delivered, including every person who handles it?

Mr. LUDLOW. They have a cost-ascertainment system and make test cases at different periods, as I understand, and in this way arrive at these figures.

Mr. GARRETT. Is that followed from the very inception of the matter until it is finally delivered?

Mr. LUDLOW. It is supposed to cover all elements of cost.

Mr. GARRETT. Including, in the gentleman's opinion, the handling by postal clerks and also rural delivery?

Mr. LUDLOW. Everything is considered by the cost-ascertainment committee.

Mr. LEAVY. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Certainly.

Mr. LEAVY. There has been a great deal of criticism and, I think, misinformation given to the public in reference to the cost of the franking privilege by Members of Congress. If I understood the gentleman correctly, as a matter of fact, the cost of the franking privilege in 1937 was about 12 percent less than it was back in 1928.

Mr. LUDLOW. I will repeat the figures for the gentleman's information and for the information of the House.

Mr. LEAVY. I wish the gentleman would.

Mr. LUDLOW. In 1928 the cost of the congressional franking privilege was \$909,864, and in 1938 it was \$779,369.

Mr. BYRNS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman.

Mr. BYRNS of Tennessee. May I ask the gentleman if, including in this figuring showing the expense to the Government of use by Members of Congress of the frank, there is included the expense to the Government caused by the use of the frank by "lame ducks" who have been repudiated by their people but who have the continued use of this franking privilege for a year after their defeat?

Mr. LUDLOW. I am saying to the gentleman that I am sure it does include that. Every element of cost is considered by the cost ascertainment committee in reaching these figures and that would include the element to which the gentleman refers.

The proper administration of such an enterprise as the Postal Service requires the services of a mobile force of highly trained experts responsible directly to the Postmaster General, upon whom he and the Assistant Postmasters General may rely for dependable information and sound technical advice. These experts are the inspectors.

For years the Department has claimed that its inspection force was insufficient and this year an estimate was presented to us for 30 additional inspectors with a corresponding increase in travel allowance. These are high-salaried employees and the 30 inspectors asked would fix an annual charge of \$130,000 on the Treasury, exclusive of travel.

Our subcommittee is always reluctant to build up the permanent salaried personnel of the Government except under circumstances of positive urgency. We feel that we have been fairly liberal in increasing this force, having allowed 15 additional inspectors in 1936, 35 in 1937, 10 in 1938, and 10 in the fiscal year 1939, making 610 authorized inspectors at the present time. We have allowed 5 additional inspectors for the fiscal year 1940 and we believe the Department will be able to get along with that number. We are strengthened somewhat in that view by the fact that the Department has not yet appointed the 10 inspectors we authorized last year, the money that otherwise would have been paid to the new inspectors having been taken up in reallocations of salaries. The net effect of the committee's action, therefore, is to grant 15 additional inspectors for the next fiscal year.

We have allowed the full Budget estimates for clerks, carriers, and the other great groups of employees who comprise the bone and sinew of the Postal Service. These, of course, are the vital services of the Department. The mails must be handled and if experience proves that the Budget estimates are insufficient to provide the necessary personnel to keep the mails moving the doors will always be open for deficiency appropriations.

EXTENSIONS OF DOMESTIC AIR SERVICE

The Budget Bureau sent to us an estimate of \$18,930,000 for domestic air-mail service, which, if allowed, would have been the largest appropriation for domestic air mail since 1933 and an increase of \$2,280,000 over the appropriation for the fiscal year 1939. This estimate included \$350,980 for new routes and extensions, \$1,456,052 for increased frequencies, \$247,568 for feeder routes, and \$200,000 for experimental routes. Your committee, without entertaining any doubt of the value of domestic air mail or the desirability of extending it, decided that the estimate was a little too high. We allowed \$17,930,000, which will maintain the air service on its present basis and allow \$1,280,000 for increase and development in the various categories of service. This will permit a liberal program of new routes and extensions and increased frequencies, also allowing for continued experiments of pick-up and delivery of mail in flight and the inauguration of feeder service, which is a line of experimentation in which the Department is greatly interested. It is proposed to establish several short feeder routes to test this type of service, which would carry not only mail but also passengers and express. Such routes will be established only after very careful surveys.

Time was when domestic air mail was a heavily subsidized service, but in recent years it has been approaching the self-sustaining point. The estimated air-mail postage revenue for the present fiscal year 1939 is \$16,000,000, or only \$650,000 less than the domestic air-mail appropriation for the current year. To further enhance the popularity of the Air Mail Service, consideration is now being given to the advisability of inaugurating a new form of communication by air, a sort of lettergram on one sheet of paper, folded up, and having a weight limit of half an ounce. If this is adopted, the rate on this type of message probably will be 3 or 4 cents as against the present straight air rate of 6 cents.

Mr. GARRETT. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman.

Mr. GARRETT. Will the gentleman please explain to the Committee whether or not the policy now being followed by the Post Office Department, which permits post offices to close on Saturday afternoons at 1 o'clock, has effected any material saving to the Department?

Mr. LUDLOW. I may say to the gentleman from Texas that we have no testimony on that subject at all that I can recall and I cannot inform the gentleman as to the amount of saving.

Mr. GARRETT. Then would the gentleman tell us why that policy has been promulgated within the last year or so, depriving many people of securing their mail at the post office after 1 o'clock on Saturday afternoons?

Mr. LUDLOW. I would assume offhand that is a part of the administration of the statutory hours-of-service law. They close such offices on Saturday afternoon, I take it, because of the necessity of establishing service weeks of certain length.

Mr. GARRETT. And not as a matter of economy?

Mr. LUDLOW. I do not believe economy is the prime motive.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. KITCHENS. I understand that is done not necessarily on Saturday afternoons. They can take any day they desire, or rather, they can take any half day they desire.

Mr. LUDLOW. Compensatory time.

Mr. KITCHENS. That is right.

Mr. PACE. Mr. Chairman, will the gentleman permit an interruption?

Mr. LUDLOW. I will be pleased to do so, but I do not like to take so much of the time of the Committee.

Mr. PACE. I do not like to take the gentleman away from his train of thought, but I must leave the Chamber in a minute. I receive a considerable amount of correspondence on the question of twine used by the postal authorities. The gentleman knows the greatest surplus in the history of the world today is cotton. The Government now holds loans on approximately 12,000,000 bales, with an investment of \$600,000,000. It is my impression that at this time the Department uses principally twine manufactured from jute, which, as the gentleman knows, is a foreign commodity.

Mr. LUDLOW. That is true.

Mr. PACE. I was wondering if there has developed before the gentleman's committee the reason they insist on jute, or why it would not be helpful to use an American commodity in line with the thought that the American farmer should be entitled to the American market. Could the gentleman help me a little on that?

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOEHNE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 4492) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes, and had come to no resolution thereon.

COMMODITY CREDIT CORPORATION—EXPORT-IMPORT BANK

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 4011, to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, with a Senate amendment thereto, and agree to the Senate amendment.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Senate amendment: Page 2, line 4, after "loans", insert "or other obligations to it."

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

A motion to reconsider the vote by which the Senate amendment was agreed to was laid on the table.

TREASURY-POST OFFICE APPROPRIATION BILL, 1940

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4492) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Treasury-Post Office appropriation bill, with Mr. BOEHNE in the chair.

The Clerk read the title of the bill.

Mr. LUDLOW. Mr. Chairman, the gentleman from Georgia [Mr. PACE], with his characteristic devotion to his own State and his own section of the country, has raised a question that has also given the members of our subcommittee considerable concern. It is true that nearly all of the twine used in the Government service is made of jute and, of course, that is a foreign product. We have been encouraging the Post Office Department to conduct experiments in the use of cotton, and some such experiments have been conducted. No final conclusions, however, have been reached. We will be glad to pursue the matter further, because we think, as the gentleman does, that we should be using home products as far as possible.

Mr. PACE. Of course, we know that there is now used in private industry cotton twine, and we also know, so far as the tensile strength of the cotton twine is concerned, that practically 90 percent of the automobile tires in this Nation use cotton twine under special manufacture. I cannot conceive of any experimentation that would be required other than that to determine the respective costs because certainly the cotton twine is just as strong and it is as durable as the other.

Mr. LUDLOW. Mr. Chairman, I refer the gentleman to some testimony which occurs on pages 317 and 318 of the hearings on the Post Office Department bill, where, with the same thought in mind that the gentleman has, we went into this subject rather exhaustively. I shall read some of the colloquy that took place:

Mr. LUDLOW. Does cotton make a serviceable twine?

Mr. PURDUM. I think it does. Cotton twine is used very extensively in business houses.

Mr. LUDLOW. Cotton being an important American produce, why do you not use it more extensively for twine?

Mr. PURDUM. By whom?

Mr. LUDLOW. Most of the twine you use is made of jute, I believe you have told us.

Mr. PURDUM. That is true.

Mr. LUDLOW. Cotton being an important American product, I was wondering why you do not use more of it for twine.

Mr. PURDUM. That is due to the disparity in prices. As I said before, in arriving at a decision as to award of contract, the purchasing agent of the Department takes into consideration the law and the regulations governing a differential.

That seems to be all of the testimony at that particular point, but the matter came up in numerous connections, and the cost differential was the main objection to the use of cotton twine, according to the Department officials.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Yes.

Mr. MURDOCK of Arizona. I call the gentleman's attention to another fiber produced in this country. I have reference to a very strong fiber that is made from the leaf of the yucca plant, the Spanish bayonet, and of beargrass, found throughout the Southwest. It is an inexpensive fiber, and I believe it would be well for us to make further experiments in the use of it. We are using imported material, which is a cheaper fiber than cotton, but I agree with my colleague from Georgia [Mr. PACE] that there ought to be more use of cotton fiber by the Post Office Department.

Mr. LUDLOW. I think so; and I think the gentleman has made an important suggestion, and it might be well for him to bring that directly to the attention of Mr. Purdum.

Mr. PACE. Mr. Chairman, I am grateful to the gentleman from Indiana for the sympathy he expresses. I call his attention further to the fact that if he had proceeded a few lines further in the hearings he would have observed that on the item of cost the testimony by Mr. Purdum is that in the last purchase of twine they paid 11.25 cents per pound for the twine.

Of course the gentleman knows that the Department can today, if it wants to, take over 11,000,000 bales of cotton on which the Government has loaned money for around 9 or 10 cents, including the storage and interest charges, and in the open market they could buy all of the cotton they want for about approximately 8 cents a pound. In fact, there is so much cotton on hand that there has been no market at all in the local warehouses for 60 days. I would not want to do anything that the chairman of the committee thought unwise, but I am wondering if the committee would seriously object to a proviso requiring the Department to at least make it a 50-50 proposition, to begin with, that one-half should be used in cotton and one-half in something else, in order that we might have a practical demonstration of its use.

Mr. LUDLOW. I would say to the gentleman that we are just an appropriating committee. We have no technical or other information on this subject. I think it is a matter that the gentleman ought to take up in a different channel, perhaps through a legislative committee, and bring in a bill to enact some law on the subject, if that is his point of view.

Mr. PACE. Does the gentleman think it ought to take a long number of years for a department to experiment in the use of twine and jute, when the gentleman knows that he and I could experiment in a day's time?

Mr. LUDLOW. You will notice from Mr. Purdum's testimony that he considers that experimentation has gone so far as to establish a price differential that makes it inadvisable to use cotton. That is his contention. I do not know anything about it personally.

Mr. PACE. I thank the gentleman.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a question?

Mr. LUDLOW. I yield.

Mr. O'CONNOR. What I have in mind is on page 51 of the bill. As I read the bill, there is \$30,000,000 allowed for the construction of post offices now in the course of construction.

Mr. LUDLOW. Yes. That is right; \$30,000,000.

Mr. O'CONNOR. May I call the gentleman's attention to the fact that in my own district in Montana there are 18 eligible cities where post-office buildings are now needed, where the places now being used are really not fit to be occupied by either public or private business, simply because there is no other available place. Does not the gentleman think that is a rather small sum to be allowed under such conditions as that? I understand there are similar conditions in California and other States throughout the country.

Mr. LUDLOW. Let me answer the gentleman by stating that we allowed every cent which the Bureau of the Budget estimated. The Budget estimated what the Procurement Division thought it would be able to use. This is not a mushroom proposition, and the building facilities of the Procurement Division cannot expand to any prodigious extent to take

care of an enlarged program. They have a certain limited organization, and they can only use a certain amount of money. They estimate that in the continuation of this program \$30,000,000 was all they could use. They estimated that, and the Budget allowed the full amount. I do not think it would be prudent to allow an amount of money they could not use.

Mr. O'CONNOR. May I call the gentleman's attention to this fact, that under the present set-up it would take 54 years for the Post Office Department to meet the demands for post offices in my district in Montana.

Mr. LUDLOW. I know how carefully the gentleman looks after his State, and, of course, I accept the statement he has made; but when the Procurement Division tells us that their facilities will permit the use of only \$30,000,000 a year, we would not feel justified in putting into the bill a lot of money over and above their ability to perform.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. O'NEAL. How much money would it take to complete the needs in the gentleman's district, if it would take 54 years to do it?

Mr. O'CONNOR. It would take \$75,000 each for 18 eligible cities.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield myself 5 additional minutes.

Mr. O'CONNOR. You can multiply \$75,000 by 18, and that would be the amount required.

Mr. O'NEAL. How much money would it take to meet the requirements in all districts of the United States if they had the same demands?

Mr. O'CONNOR. They do not have the same demands. Many of the States are well provided for. Montana seems to have been neglected in the past.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Certainly; I yield to my friend.

Mr. MURDOCK of Arizona. I feel that my colleague from Montana is correct. There are western communities that are in need of buildings. In my own State I could name 12 cities that are eligible for new post-office buildings. This is probably not the right place to take it up, but I want that fact to be known.

Mr. LUDLOW. Knowing both of the gentlemen who have spoken, I do not have any doubt they will get all that is coming to their States.

Mr. O'CONNOR. We will try.

Mr. LUDLOW. Now, Mr. Chairman, I feel I have occupied altogether too much time of the Committee, but there are one or two other matters that I must refer to.

TRANS-ATLANTIC AIR MAIL

Two years ago we included in the 1938 appropriation bill the initial appropriation to start trans-Atlantic air-mail service, coordinated with a British service which was to start simultaneously. The service was not begun. We renewed the appropriation for the present fiscal year and still the service has not been started. In preparing this bill making appropriations for the fiscal year 1940 we had before us an estimate of \$995,680 to carry on 7 months' operation of twice-weekly trans-Atlantic air service, and we allowed the estimate on assurance that the service really will be established beginning probably about May 1 next.

It was explained to us that the delay has been caused by inability to secure delivery of planes. The new type of clipper has been tested by the Boeing Co. and plans are now well advanced. The British are behind in their program for ships and America may start the service alone, to be followed by reciprocal service with the British and perhaps with the French and other countries. Air service between Seattle and Juneau, for which Congress last year appropriated \$100,000, has not yet been established. We have allowed \$213,363 for the operation of this service next year on a full-year basis and we also approved an additional trip between New York and Montreal, daily except Sunday, at a cost of \$125,240.

RAIL TRANSPORTATION AND STAR ROUTES

The evolution of rail transportation has brought large decreases in the appropriations for railroad transportation of mails and for personal services incident to the handling of railway mail. For paying railroads for carrying the mails the estimate of one hundred and two million submitted to us for 1940 is \$5,750,000 below the appropriation for 1939. For personal services of employees in the Railway Mail Service the estimate of \$56,000,000 for 1940 is \$1,500,000 below the 1939 appropriation. We allowed the Budget estimate in the latter item and substantially the Budget estimate for railroad transportation.

The wholesale discontinuance of trains by the railroads, which is one of the phenomena of modern times, has thrown much of the mail that formerly was handled by the railroads over into the star routes, and while the railway-mail items are going down the star-route expenditure is going up.

Testimony of Department officials was that this condition not only will continue but, in the language of Mr. Cole, Deputy Second Assistant Postmaster General, it will "grow worse." The Department not only has transferred \$150,000 this year from its railroad transportation appropriation to its appropriation for star routes, but it is expecting an unexpended balance of \$3,700,000 in its railroad transportation appropriation at the end of the present fiscal year. We had a good deal of testimony from officials that they are not forcing the withdrawal of mails from the trains but rather are following the natural course of transportation development which imposes upon them the responsibility of seeing that the mails are transported and delivered by the most feasible means available when trains are withdrawn. Recognizing the increased burden thrown upon the star routes, we have increased the star-route appropriation for 1940 \$550,000 over the appropriation for 1939.

POLICY IN REGARD TO EMERGENCY EMPLOYEES

Early in our consideration of the financial needs of the Treasury Department we were confronted by a problem that stared at us through many of the estimates, and that was a desire on the part of key officials to cover into their regular forces employees who have been living off of the emergency rolls. It seemed that these key officials regarded the future of emergency activities as precarious, and it was their hope to bring tried and tested emergency employees into the safe and secure haven of regular appointments before the abolishment of emergency services should leave them out in the cold. We could hardly blame them for that, as a very fair proportion of the emergency employees that have been brought into the picture have proved faithful and efficient, giving promise of long and valuable service if covered into regular appointments. In many instances the testifying key officials told us that these so-called emergency employees already are doing regular work exclusively and that it is administratively important that they be fused into regular positions.

It seemed to us that this proposal suggested the wisdom of establishing a general policy that would apply not only to the activities under our bill but to all of the Government departments and bureaus wherever the problem presents itself. So we have deferred action without prejudice on these specific requests and have referred the matter to the Deficiencies Subcommittee for consideration in its broader aspects looking toward the formulation of a general policy.

OLD-AGE RESERVE ACCOUNT

Our bill appropriates \$580,000,000 to the old-age reserve account set up under the Social Security Act, which is \$20,000,000 less than the Budget estimate of \$600,000,000. There is a great latitude of guesswork connected with estimates for the old-age reserve account, and we believe that our estimate is likely to be nearer the mark than the estimate that came to us from the Budget. In any event, no harm can be done and no inconvenience can be caused beyond the necessity of a slight readjustment in the future appropriation.

Under the law, this account is to be kept as nearly even as possible with the social-security taxes collected. When the \$580,000,000 we have provided is added to this account the total amount in the fund will be \$1,705,000,000. This

fund is invested in Government securities, specially created by the Secretary of the Treasury to meet the requirements of the fund, and bearing 3-percent interest.

UNCLE SAM OWNS ONE-FIFTH OF LAND SURFACE

The fiscal year 1940 will be the seventh year in which Federal land-bank borrowers have been given a reduced interest rate on their mortgage loans through Federal appropriation.

It is estimated that on June 30 next, the average contract interest rate on the volume of 626,000 outstanding mortgages will be 4.9952 percent. The difference between the average contract rate of 4.9952 percent and the statutory reduced rate of 3.5 percent is 1.4952 percent. The Farm Credit Administration at first estimated that \$30,000,000 would be required to cover this differential in 1940, including a safety margin of \$342,000, but when Governor Hill came before us he testified that the full margin of \$342,000 would not be required and suggested a cut of \$250,000 in the estimate. We have allowed \$29,700,000 which still provides a safety margin of \$42,000 and we believe this appropriation is ample. To cover the interest differential on Federal Farm Mortgage Corporation loans, which are affected by a similar statutory interest cut, we allowed \$7,425,000, a reduction of \$75,000 below the Budget, but apparently entirely ample. In 1938 the 12 Federal land banks had 24,055 farms on hand, acquired through foreclosure, and the losses on account of real estate in 1938 amounted to \$9,497,000. These Government-owned farms are located in every State in the Union.

Through all of its real-estate holdings of all descriptions the Government now owns one-fifth of the land surface of the United States. The statutory reduction of interest rate will expire on July 1, 1940, and unless it is extended, interest on that date will revert to the contract rate, whatever it may be, on each loan.

ALLEY DWELLING AUTHORITY

We come now to the Alley Dwelling Authority, concerning which we heard considerable testimony. It is an authority that operates in the city of Washington and nowhere else in the riddance of slums. Its benefits are confined entirely to the Capital City, and there is no other Federal activity like it anywhere in the United States.

It envisions a large ultimate program against improper living conditions and attendant vice and evil caused by crowded and insanitary living quarters. It assumes that there are 200 or 250 squares in the city of Washington that need to be dealt with, and, while the final estimated outlay was indefinite, something was said about \$20,000,000 being necessary to cover the cost of the whole project. The Authority has operated to date on an appropriation and an allotment from emergency funds totaling \$865,000 and receipts from operations amounting to \$148,438. It also has secured a loan of \$6,600,000 from the United States Housing Administration and is negotiating for \$8,400,000 more as an additional loan from that Administration. It came before us requesting a loan of \$1,000,000 to be immediately available and to remain available until expended. Authorization for such a loan is contained in the Alley Dwelling Act approved June 25, 1938.

Every member of our subcommittee is sympathetic with efforts to improve improper living conditions, wherever they may exist, but we felt that some questions may properly be raised in respect to this activity. In the first place Washington is traditionally known and advertised as one of the cleanest and best governed cities in the world, a city where living conditions probably are as ideal as in any center of population on the globe. To use the assistance of the Federal Treasury here and deny it to many cities of the United States where slum conditions are worse than here appeared questionable and the further inquiry was made as to whether this problem, which is distinctly a local one, should not be financed, in part at least, by local taxation, since Washington is known as a city of large per capita wealth.

It seemed to some of the members of our subcommittee that if the Federal Government is to go into this sort of enterprise in Washington it would be logical to expect it to

do so in every city in the country where slum conditions are as bad or worse, which is a *reductio ad absurdum* conclusion, as there would hardly be money enough in the world to take on such activities. Our subcommittee nevertheless was impressed with the earnestness of Mr. Ihlder, who came before us to defend the estimate, and since the enterprise has been started and some results of a beneficial character have been obtained, we thought it was fair to provide a moderate appropriation to continue the work. We have allowed the Alley Dwelling Authority \$500,000, which, with the amount it has on hand and the loan it has from the Federal Housing Administration, should provide sufficient resources to enable it to proceed and demonstrate what it can accomplish.

A MILLION FAMILIES HOLD BABY BONDS

We allowed 18 additional employees to the Public Debt Service, whose work will be mainly in the redemption of baby bonds. The so-called baby bonds are our most novel and interesting governmental securities. The total cash purchase price of outstanding baby bonds on November 30 last was about \$1,500,000,000, with a maturity value of about \$2,000,000,000. Baby bonds are now held by more than a million families and tens of thousands of persons put their whole faith in them. Many people save through baby bonds who never saved before. It is claimed that these bonds have a great value in stimulating patriotism and good citizenship by making so many persons stockholders of the Government. These bonds mature in 10 years and the maturity values of the various denominations are \$25, \$50, \$100, \$500, and \$1,000. Several large corporations make allotments from the salaries of employees to buy these bonds. In America no other single security is held by as many owners. These are the only United States Government securities that are sold by a promotion campaign. This year the sales-promotion cost is estimated at \$682,000. If the bonds are held until maturity, the interest rate is 2.9 percent per annum, compounded semiannually. However, many of the holders, being of very limited means, have to turn their bonds in for redemption, often before 6 months have expired, in which event no interest is paid.

NEGOTIABILITY OF GOVERNMENT CHECKS

In our examination of the estimates of the Commissioner of Accounts and Deposits we encountered a perplexing situation growing out of the permanent Appropriations Repeal Act of 1934, in which the Treasury Department and the General Accounting Office have locked horns. Section 21 of that act reduced the period of negotiability of Government checks from 3 years to 1 year, or rather to 1 full year after the expiration of the fiscal year in which the check is issued. It is surprising how many persons who receive Government checks hold them indefinitely. Many keep them for a "rainy day," reasoning that a check from Uncle Sam is always good and that they can go down to the bank and get their money at any time. They are disillusioned when they find that the period of negotiability has expired, and they have to go through a long process of redemption before they can get their money. Mr. Bartelt, the Commissioner of Accounts and Deposits, testified that there are 262,863 checks which have not been covered into the Treasury because of that provision. He advocates the repeal of section 21 and restoration of the 3-year period of negotiability.

The Comptroller General as strenuously opposes repeal and advocates further reduction of the period of negotiability to a strict 1-year limit, instead of one full year from the expiration of the fiscal year in which the check is issued. The position of the General Accounting Office is fully set forth in a letter addressed to the chairman of the subcommittee and printed in the hearings. The Commissioner of Accounts and Deposits asks for 12 additional employees on account of the reduced period of negotiability, 4 to take care of the backlog and 8 to keep the work current, at an annual cost of \$19,080. As emergency employees are now engaged in this work, the decision, under our policy, will rest later with the Deficiencies Subcommittee.

COMPTROLLERS OF CUSTOMS ABOLISHED

The Customs Service for many years was heavily laden with useless offices which were in the nature of luscious political plums but in nowise essential to the efficient administration of the Service. A few years ago our subcommittee in one stroke abolished the offices of surveyors of customs, and our action was sustained by the full Committee on Appropriations and by Congress, and those offices went out of the picture. Their discontinuance has not caused a single adverse ripple, but the Service has gone on more efficiently than before.

This year, with the full approval of the Secretary of the Treasury and the Commissioner of Customs, we have decided to abolish the comptrollers of customs. Mr. Ballinger, representing the Secretary of the Treasury, and Mr. Dow, as spokesman for the Customs Bureau, came before our subcommittee and approved the excision of these superfluous, high-paid officials from the Federal pay roll, stating that they are wholly unnecessary and that the work can easily be readjusted so that their elimination will not be felt. The comptrollers' offices to be abolished are located at Boston, New York, Philadelphia, Baltimore, New Orleans, San Francisco, and Chicago, and on the suggestion of the office of Secretary of the Treasury and the Customs Bureau we have discontinued the appropriation to pay the salary of Surveyor of the Port of New York, another useless office. The total amount to be saved by this program of abolishing unnecessary offices is \$51,600 per annum.

We have allowed \$252,000 for long overdue promotions in the Customs Service, where conditions are exceptional, in that many employees of the lower-paid groups have gone as long as 15 years without a promotion. We have provided that no employee receiving more than \$3,000 a year shall benefit from this promotional program.

STRENGTHENING OF BUDGET BUREAU

Last year the President asked Congress for additional funds with which to strengthen and expand the staff of the Bureau of the Budget. The Congress responded, and in addition to the regular appropriation of \$187,000 for that Bureau, a supplemental appropriation of \$132,710 was granted, or \$319,710 in all. In view of the tremendously important service rendered by the Bureau of the Budget in the appropriating scheme, it was felt that there was abundant justification for this reorganization of its functions and strengthening of its staff.

The reorganization is proceeding auspiciously under the capable direction of Mr. Bell, the Acting Director of the Bureau. Four main divisions have been set up, the Division of Estimates, the Fiscal Division, the Division of Coordination, and the Division of Investigation. Our subcommittee thought that it is important and in the public interest that this reorganization shall proceed without interruption, and we allowed the full estimates for the Budget Bureau, including \$479,280 for salaries and expenses and \$40,000 for printing and binding. Incidentally it will be of some interest to guardians of the Treasury to learn that the printing of the 1939 Budget cost \$37,444, which is an item over which the Budget Bureau has no control.

ADDITIONAL PERSONNEL FOR INTERNAL REVENUE

The Internal Revenue Service is, of course, a vital service, as it brings in the main sinews of war required to run the Government of the United States. Recent acts of Congress have added to its responsibilities and functions. For salaries and expenses of that Bureau the estimate was \$60,700,000, an increase of \$2,000,000 over the appropriation for 1939. The estimates asked for the following increases in personnel: Twenty estate-tax agents, \$61,000; 178 employees for field-collection service, \$320,400; 273 employees for income-tax field service, \$779,520.

We feel that a reasonable increase in personnel under this Bureau is justified, and we allowed \$59,772,500 for salaries and expenses, which will permit of the employment of 15 additional estate-tax agents, 100 additional employees for field collection service, and 125 additional employees for the income-tax field service.

For income-tax refunds we allowed \$38,000,000, which, although a reduction of \$1,000,000 below the Budget, is \$3,000,000 over the appropriation for 1939, and in the light of experience we believe this amount will be sufficient. This is an unpredictable item, and in no event can any harm be done, as refunds are legal obligations and have to be paid either by regular or deficiency appropriations.

COAST GUARD INCREASES

The Coast Guard, also an important service, requested an increase of 22 commissioned officers, 106 enlisted men, and 16 cadets in the average number to be carried; also an increase of \$118,159 to make additions to the retired list. For 1939 the pay and allowances appropriation for that service is \$18,037,000. We increased the amount to \$18,445,500 for 1940 to take care of existing obligations and absolutely necessary increases of personnel. This is \$59,500 below the Budget estimate. The reduction in this estimate is possible largely because the two new aviation stations will not be in operation until after January 1, 1940.

For additional Coast Guard airplanes we allowed \$300,000 and directed that it be applied to the purchase of two planes each for the new Elizabeth City, N. C., and San Francisco stations, each of which already has been allowed three planes. It was our belief that a complement of five planes, one of long range, will enable each of these stations to function efficiently.

The Bureau of Engraving's reserve stock was replenished by the appropriation for 1939 and under its future program its output for 1940 will be reduced by 22,292,929 printed sheets. This is the main factor in making possible a reduction of \$1,750,000 in the appropriation for that Bureau for the next fiscal year. We have fixed \$8,450,000 as the 1940 appropriation.

THE FIGHT ON MARIHUANA

We have dealt liberally with the Bureau of Narcotics, partly because it has a fine record of service and because the fight that is being waged on marihuana has greatly increased the burdens and responsibilities of the Bureau. The Marihuana Act became effective in October 1937, and since that time agents of the Bureau have destroyed 26,000 tons of marihuana on 15,000 acres of land throughout the country. Marihuana will grow anywhere as a weed or plant, sometimes attaining a height of 10 to 16 feet in a short time. It has no indispensable medical value, but as a narcotic its reactions are violent, causing addicts to commit brutal and murderous crimes. It affects the higher nerve centers and creates insane delusions. Usually it is smoked in the form of cigarettes, but sometimes it is infused with whisky and consumed in that way. There is a resin called cannabinal which is supposed to be the active constituent of the drug. In the campaign against marihuana the Bureau is having excellent cooperation from police authorities everywhere. In Indianapolis there is a police official whose sole duty it is to spot plots of marihuana and report them.

We have allowed the Secret Service Division a small increase of personnel to take care of its increasing load, and we have recognized the expanding responsibilities of the United States Public Health Service by allowing that Service an increase of \$31,800 over its 1939 personnel appropriation which may be used to employ additional commissioned health officers.

LIBERAL APPROPRIATIONS FOR PUBLIC HEALTH

We have dealt liberally with the Public Health Service in all of its items, recognizing its importance in the human equation. We have allowed \$1,600,000 to carry on the diseases and sanitation investigations in the numerous categories of projects which will continue those projects with the same personnel as this year. We have allowed the National Cancer Institute, which is doing a most important work, an increase of \$40,000 over its \$400,000 appropriation for this year, and we have appropriated in grants to States for public-health work the full legal authorization of \$8,000,000.

THE PUBLIC-BUILDINGS PROGRAM

We have approved the Budget estimate of \$30,000,000 to carry on the construction of public buildings throughout the

country under the authorizations contained in the acts of August 25, 1937, and June 21, 1938.

This is what is known as the 3-year program, for which \$130,000,000 is provided in the two authorizations. So far \$59,000,000 has been appropriated under this program; and if the \$30,000,000 in this bill is passed by Congress, the total appropriation will be \$89,000,000. If this \$30,000,000 is appropriated, it will be entirely for the continuation of building construction outside the District of Columbia. The theory is that every congressional district in the country will have a building under this program, but there are districts where there are no eligible projects, and a reservation has been made of 56 projects, aggregating \$4,450,000, pending a time when the eligibility of these districts may be established. With the appropriations contained in this bill, \$41,000,000 will be left under the authorization to be appropriated in the future as the projects come along.

In this bill we also have appropriated \$8,000,000 to continue work on the Social Security Building, \$5,000,000 to continue work on the War Department Building, and \$2,800,000 to complete construction of the Government Printing Office Annex, all of which have been authorized and appropriated for in part. The amounts allowed are in accordance with what the experts estimate will be required during the next fiscal year.

We have tried to exercise the most painstaking care in the preparation of this bill, and we have discharged our duty to the best of our ability. We believe that we bring to you a well-considered bill under which the two great Departments can operate with efficiency and with a minimum of waste. I believe this completes my presentation of the bill, and I thank you all kindly for your patience.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. O'NEAL. I would like to make a statement. Since my service in Congress I have seen a great many Members who are very thorough and conscientious in their attention to their duties on committees.

I believe the subcommittee of which the gentleman from Indiana [Mr. LUDLOW] is chairman is exceptional in the zeal and diligence displayed by most of its members. Speaking further in justified superlative, I believe there was never a chairman of a committee or a subcommittee who applied himself more thoroughly to his task or with more devotion, or with a more conscientious desire to protect his country and yet do the right thing as far as the Department is concerned than the chairman of this committee, the gentleman from Indiana [Mr. LUDLOW]. [Applause.] From the time this committee assembled in December he has worked day and night, going over the individual items of this bill with the care a businessman would use in his own business. I can say the same thing as to the ranking minority member of the committee [Mr. TABER]; and I assure the Committee that in the presentation of this bill it comes as the result of as thorough, conscientious, and intelligent consideration as has ever been applied to any bill. [Applause.]

Mr. LUDLOW. I thank my friend from Kentucky from the bottom of my heart.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Vermont [Mr. PLUMLEY].

THE MAKING OF A CONGRESSMAN—THE CONGRESS, ITS WORK AND WAYS

Mr. PLUMLEY. Mr. Chairman, on the 27th day of February 1882, 57 years ago come Monday next, the then Senator James G. Blaine, of Maine, delivered a memorial oration before the two Houses in commemoration of the life and death of James A. Garfield, then late President of the United States.

In the course of his oration Senator Blaine said:

There is no test of a man's ability in any department of public life more severe than service in the House of Representatives; there is no place where so little deference is paid to reputation previously acquired, or to eminence won outside; no place where so little consideration is shown for the feelings or the failures of beginners. What a man gains in the House he gains by sheer force of his own character, and if he loses and falls back he must expect no mercy, and will receive no sympathy. It is a field in which the survival of the strongest is the recognized rule, and where no pre-

tense can deceive and no glamour can mislead. The real man is discovered, his worth is impartially weighed, his rank is irreversibly decreed.

The truth of the above statement is just as obvious to all of us who sit in this Chamber today and observe its inexorable demonstration as it was 57 years ago.

"The mills of the gods grind slowly, but they grind exceedingly small" might well be a text for a sermon to those who in any session of Congress attempt the rapids before they have learned to swim.

How then may a newly elected Representative fit himself for efficient service and the discharge of his duties, as such, is an ever-recurring question with which all of us are confronted.

So it may not be out of place, and I hope may not be considered presumptuous, Mr. Chairman, if, with a due appreciation of my own limitation, I undertake to pass on to others some of the answers, counsel, and advice so generously given by those older and more experienced in service, to whom, on both sides of the aisle, we are grateful for such counsel, sought and given, as has helped us to steer past whirlpools wherein we most surely would have at least capsized and has saved us from many prospective bumps and bruises, and made life bearable for us.

One of the wiser and more farseeing of my friends advised me to familiarize myself with Lewis Deschler's (House Parliamentarian) *Jefferson's Manual and Rules of the House of Representatives*.

Says Deschler:

From the beginning of the first Congress the House has formulated rules for its procedure. Some of them have since gone out of existence. More of them have been amplified and broadened to meet the exigencies that have arisen from time to time. Today they are perhaps the most finely adjusted, scientifically balanced, and highly technical rules of any parliamentary body of the world. Under them a majority may work its will at all times in the face of the most determined and vigorous opposition of a minority.

I believe that I am not making too broad a statement when I say that the parliamentary practice of the House is a system of procedure that ranks second to none. It has proven adequate to meet all the emergencies that have arisen in the past. It will meet the emergencies and problems of the future with the same degree of success.

Having done that, he advised me to study CLARENCE CANNON's (Missouri) "Procedure in the House of Representatives."

CLARENCE CANNON, as you know, is our colleague, the distinguished Representative from the State of Missouri and former Parliamentarian of the House. In the foreword to his work he says:

The time of the House is too valuable, the scope of its enactments too far-reaching, and the constantly increasing pressure of its business too great to justify lengthy and perhaps acrimonious discussion of questions of procedure which have been authoritatively decided in former sessions.

The purpose of this book is to provide a synopsis of the procedure of the House for use on the floor where the authorities and sources, because of their bulk and diversity, are not always immediately available. While comprehensiveness and detail have been sacrificed to brevity and accessibility, no notable decision has been omitted, and each topic is, for practical purposes, a complete résumé of the procedure on that subject.

Having studied these, it was suggested that I make it my business regularly to attend the sessions of the House, in order to learn by observation and assimilation the application of the rules and how the House operates thereunder.

Then one man of long years of service said to me:

PLUMLEY, you will never know what it is all about and why unless and until you read *Legislative Procedure*, *Legislative Assemblies*, *Legislative Principles*, and *Legislative Problems*, four recognized works of authority with respect to the subjects suggested by the titles written by ROBERT LUCE, the eminent parliamentary authority and our colleague from Massachusetts.

In *Legislative Procedure*, Mr. LUCE states:

Lawmakers must themselves be governed by law, else they would in confusion worse confounded quickly come to grief.

It is true—

Says he—

that with Coke and Blackstone and Kent we do not ordinarily class Hatsell and Cushing and Hinds. It is true that the literature of parliamentary law is scanty and that it deals with minutiae of

seemingly little consequence to human rights. Yet think what the law and the practice of legislative assemblies really mean. They make it possible under a representative form of government for the will of the people to be ascertained. Starting with the assumption that this will is the will of the majority, we can give it expression and effect only by processes that at the same time endow it with form and win submission by the minority. Lacking either achievement, chaos follows.

Again he says:

Herein lies the safety of the minority, and this it is that makes parliamentary law and procedure of the greatest consequence to the public safety. Government survives because the lesser part yields to the greater part. Teutonic peoples have had more success than others in self-government because with them the minority, however convinced of its own wisdom, consents to be ruled by the majority until in orderly fashion the minority can make itself the majority. The minority insist on only the right to be heard. There is the cry of Themistocles to Eurybiades, "Strike, but hear me!" Give them but the chance to present their arguments fairly, fully, and they will abide the issue. This is what we call liberty, though just why it would be hard to tell.

Thomas Jefferson took the same view. Referring to Hatsell in the introductory words of his Manual, he recalled that Mr. Onslow, the ablest among the Speakers of the House of Commons, used to say: "It was a maxim he had often heard when he was a young man, from old and experienced members, that nothing tended more to throw power into the hands of administration, and those who acted with the majority of the House of Commons, than a neglect of, or departure from, the rules of proceeding; that these forms, as instituted by your ancestors, operated as a check and control on the actions of the majority, and that they were in many instances a shelter and protection to the minority against the attempts of power." So far, said Jefferson, the maxim is certainly true and is founded in good sense, that as it is always in the power of the majority, by their numbers, to stop any improper measures proposed on the part of their opponents, the only weapons by which the minority can defend themselves against similar attempts from those in power are the forms and rules of proceeding which have been adopted as they were found necessary from time to time and are become the law of the House; by a strict adherence to which only the weaker party can be protected from those irregularities and abuses which these forms were intended to check, and which the wantonness of power is but too often apt to suggest to large and successful majorities.

I commend the foregoing references to your careful consideration.

And now we come to the practical proposition which has confronted us all, as to the source of information with respect to our daily duties, and as to where we can get information, and from whom; and what shall we do next.

I commend to you for perusal a speech made by a distinguished former Representative from Ohio, Mr. Lamneck, made on the floor of this House on the 22d day of February 1934, and which is, in my judgment, a most instructive, informative, and valuable rule and guide and one with which every Representative, old and young, should be familiar.

This speech you will find in full, commencing on page 3077, volume 78, part 3, of the permanent bound CONGRESSIONAL RECORD, Seventy-third Congress, second session. You had better send for it and read it.

Mr. LAMBERTSON. Mr. Chairman, will the gentleman yield?

Mr. PLUMLEY. I yield.

Mr. LAMBERTSON. While the gentleman is talking on this point I may say to him that I was here when Mr. Lamneck put this in the RECORD. It was a slightly revamped speech of Guy U. Hardy, who served here for 14 years. He originated and presented these questions and answers for the House RECORD, June 5, 1930. I wrote a letter recently to Mr. Hardy, and have his reply today, under date of February 20, 1939, from Canon City, Colo., asking if I might not repeat his questions and answers for the RECORD.

I quote this paragraph from the letter:

That document, Many Questions Asked, was popular. Its form and writing was original with me. I had many compliments about it from all over the country and many reprints were made. Andy Smith told me that no other document had been ordered by so many different Members.

Mr. PLUMLEY. I may say to the gentleman that he is just 24 hours late.

Mr. LAMBERTSON. I congratulate the gentleman on beating me to it; two great minds run in the same channel.

Mr. PLUMLEY. I understand that is the fact. I feel that once in about 5 years it is a good plan to get this material before the Members of the House, especially when there are from 75 to 90 new Members each session whose attention has not theretofore been called to the fact that these things are in the RECORD, giving Mr. Hardy due credit.

Mr. LAMBERTSON. Mr. Hardy was a Member of the House from 1918 to 1932 and a distinguished member of the Appropriations Committee. He was a scholarly and industrious gentleman. Mr. Lamneck was a man of ability and courage and a useful Member of the House, and his colleagues never could understand why he appropriated the original production of Mr. Hardy, of 4 years back, without giving the former Member from Colorado any credit.

Mr. PLUMLEY. I am glad I am following in the footsteps of so illustrious a gentleman. Giving credit to whom-ever and wherever it is due, those who made the codification did a good job and rendered all of us a most valuable service.

To give you an idea of its content and of its instructive value I quote as follows:

What are the duties of a Member?

They are many and manifold. He should study legislation and attend the meetings of his House. He should listen to a good deal of the debates, but not all of them by any means. Many Members are kept in committee meetings many hours of many days of every session. The average Member develops a large office business. This is particularly true of western Members. Their constituency is far away from Washington, so many problems are referred to the Congressman for assistance. The Members get a vast amount of mail. This requires much study, dictation of replies, and often visits to different executive departments downtown. The departments are far away and often far apart. Many ex-service men bring their problems to their Congressman, and he is always glad to help them out when and wherever he can, although he has not the power always to do as much as he would like.

A Member will get a thousand letters or maybe several thousand letters in a session from citizens advocating or opposing proposed legislation. Usually a Congressman answers every letter, though he cannot tell everybody what he thinks about every bill that has been introduced. He must wait development through committee hearings and give thought to those measures that are being brought forward by favorable committee action.

What are the important committees?

There are several. The two most important are probably Appropriations and Ways and Means. All bills that relate to the appropriation of money must be considered by and reported out by the Appropriations Committee of the House. This committee consists of 35 members, 21 Democrats and 14 Republicans. It reports out several bills that carry appropriations for a little over \$4,000,000,000 each year. The Ways and Means Committee has to consider and report out all bills that have in any way to do with raising revenue, tariff, or any sort of taxes. This committee consists of 25 members, 15 Democrats and 10 Republicans. All revenue bills must originate in the House of Representatives and come out of the Ways and Means Committee.

There are about 44 standing committees, 4 joint standing committees, and several select committees appointed for specific purposes. The 10 principal committees are called exclusive committees in that a majority member of any one of these committees cannot serve on any other.

How do committees work?

They meet regularly or on call. They consider the bills that have been referred to them. They sometimes hold long hearings on important bills when those interested either for or against may come in and tell the committee what they think of the bills in question. Some hearings last several days and some several weeks. The committee then considers the bill and may report it out with or without amendments or may decide not to report it out. Sometimes the committee takes up several bills of a similar character, considers all phases of the question, and writes a new bill and reports that out.

Who selects Members for committee assignments?

Majority Members are assigned to committees by the Committee on Ways and Means. As a rule, once on an important committee a Member stays there as long as he is in Congress. If a vacancy occurs on an important committee, a member from another committee may be given the place by the Committee on Ways and Means if he desires it, and if he has the seniority and influence to get it. New Members get the places left available. The Republican committee on committees performs this function for the minority Members. All selections must be confirmed by election in the House.

Who appoints the chairmen of committees?

They are elected by the House, and theoretically the Committee on Ways and Means makes the selections of chairmen. In actual practice, however, the Member of the majority party who has served longest on any committee is selected as chairman. Here seniority plays an important part. The chairmen, of course, all come from

the majority party, and the majority of the members of all committees are of the dominant party—at this time Democratic.

What is the Committee on Rules?

This is one of the most important committees, as it controls the destiny of more proposed legislation than any other. Bills from the Ways and Means and Appropriations have the right-of-way, so to speak, and can always be brought up for consideration. Other committees have only a few calendar days in any one session. So many bills reported out cannot be brought up for consideration. The Rules Committee can report a rule for consideration of a bill any day. It can bring in a rule for the consideration of any bill that has been reported out of any committee any time. In the last days of a session special rules to bring out special bills are much in demand. The Rules Committee has much power, certainly has the power of selection, but it must be fair and discriminating, selecting what the majority of Congress seems to want most, as the rule it brings in must be adopted by the House.

What is the steering committee?

This is a committee not much heard of nor mentioned in the newspapers. And I dare say that hardly two dozen Members of the House can tell the names of all of the members on the steering committee. This is a little party adjunct to help promote legislation the majority is interested in, and help to iron out a program of procedure, especially in the closing days of a session. It is composed of nine of the older Democratic Members. In addition, the majority leader acts as chairman. When important matters are up for consideration the Speaker and the chairman of the Rules Committee sit in. This committee really has a good deal of influence in helping to shape up the legislative program.

What are conferences and conferees?

The House passes a bill, for instance. It goes to the Senate and may be much amended over there, as are appropriations and tariff bills usually. The House will not accept the amendments. So the bill is sent to conference. The House appoints three or five Members as conferees and the Senate appoints an equal number. These gentlemen meet and hold a conference and discuss the points in disagreement. The conferees of the Senate give up some items and the conferees of the House agree to some. Finally they get together on a bill somewhere between the position taken by each House. Sometimes the conferees do not give up easily; sometimes the conference drags on for days or weeks, and they have run for months. Usually they get together, and usually the conference report is adopted by both Houses. Which end of the Capitol is the most stubborn? Well, the other end, of course.

How are bills introduced?

A Member writes up his bill and drops it in the basket on the Clerk's desk. It is then referred to the appropriate committee. Many bills lay in committee undisturbed and are never heard from again. In some cases they have served their purpose without further action. They have advertised the Member and the project. Many bills are introduced that have not the slightest chance of serious consideration or passage.

Stages of a bill of the House:

First. Introduction: By a Member by laying the bill on the Clerk's table informally. A Member sometimes introduces a petition only, leaving to the committee the drawing of a bill, such a petition referred to a committee having jurisdiction of the subject giving authority to report a bill. Sometimes communications addressed to the House from the executive departments or from other sources are referred to committees by the Speaker and give authority for the committees to originate bills. Messages from the President also are referred by the Speaker of the House and give jurisdiction to the committees receiving them to originate bills.

Second. Reference to a standing or select committee: Public bills are referred under direction of the Speaker; private bills are endorsed with the names of the committees to which they go under the rule by the Members introducing them. Senate bills are referred under direction of the Speaker. A bill is numbered and printed when referred.

Third. Reported from the committee: Committees having leave to report at any time make their reports from the floor; other committees make their reports by laying them on the Clerk's table informally. The bill and the report are printed when reported.

Fourth. Placed on the calendar: Occasionally a privileged bill is considered when reported, but usually it is placed with the unprivileged bills on the calendar where it belongs under the rule by direction of the Speaker.

Fifth. Consideration in Committee of the Whole: Public bills which do not raise revenue or make or authorize appropriations of money or property do not go through this stage. All other bills are considered in Committee of the Whole. The stages of consideration in Committee of the Whole are: General debate; reading for amendment under the 5-minute rule; order to lay aside with a favorable recommendation or to rise and report; reporting of to the House.

Sixth. Reading a second time in the House: Bills not requiring consideration in Committee of the Whole are read a second time in full, after which they are open to debate and amendment in any part. Bills considered in Committee of the Whole are read a second time in full in that Committee and when reported out, with or without amendments, are not read in full again, but are subject to further debate or amendment in the House unless the previous question is ordered at once.

Seventh. Engrossment and third reading: The question on House bills is taken on ordering the engrossment and third reading at one vote. If decided in the affirmative, the reading a third time

usually takes place at once, by title. But any Member may demand the reading in full of the engrossed copy, in which case the bill is laid aside until it can be engrossed. Senate bills come to the House in engrossed form, and the question is put on third reading alone. When the question on engrossment and third reading of a House bill or third reading of a Senate bill is decided in the negative, the bill is lost as much as if defeated on the final passage. The question on engrossment and third reading is not made from the floor, but is put by the Speaker as a matter of course.

Eighth. Passage: The question on the passage of a bill is put by the Speaker as a matter of course, without awaiting a motion from the floor.

Ninth. Transmission to the Senate by message.

Tenth. Consideration by the Senate: In the Senate, House bills are usually referred to committees for consideration and report, after which they have their several readings, with opportunities for debate and amendment. The same procedure takes place in the House as to bills sent from the Senate.

Eleventh. Return of, from the Senate without amendments: If the Senate passes a House bill without amendment it returns it to the House, where it is at once enrolled on parchment for signature. A bill thus passed without amendment goes into possession of the Clerk and is not laid before the House prior to enrollment. If the Senate rejects a House bill the House is informed. Similar procedure occurs when the House passes a Senate bill without amendment.

Twelfth. Return of, from the Senate with amendments: House bills returned with Senate amendments go to the Speaker's table. If any Senate amendment requires consideration in Committee of the Whole the bill is referred by the Speaker informally to the standing committee having jurisdiction, and when that committee reports the bill with recommendations it is referred to the Committee of the Whole House on the state of the Union, to be there considered and reported to the House itself. When no Senate amendment requires consideration in Committee of the Whole the bills come before the House directly from the Speaker's table.

Thirteenth. Consideration of Senate amendments by the House: When a bill with Senate amendments comes before the House the House takes up each amendment by itself and may vote to agree to it, agree to it with an amendment, or disagree to it. If it disagrees, it may ask a conference with the Senate or may send notice of its disagreement, leaving it to the Senate to recede or insist and ask the conference.

Fourteenth. Settlement of differences by conference: When disagreements are referred to conference the managers embody their settlement in a report, which is acted on by each House as a whole. When this report is agreed to the bill is finally passed and is at once enrolled for signature.

Fifteenth. Enrollment on parchment: The House in which a bill originates enrolls it.

Sixteenth. Examination by the Committee on Enrolled Bills: While the Committee on Enrolled Bills is described as a joint committee, each branch acts independently. The chairman of each branch affixes to the bills examined a certificate that the bill has been found truly enrolled.

Seventeenth. Signing by the Speaker and President of the Senate: The enrolled bill is first laid before the House of Representatives and signed by the Speaker, whether it be a House or Senate bill, after which it is transmitted to the Senate and signed by the President of that body.

Eighteenth. Transmittal to the President of the United States: The chairman of the Committee on Enrolled Bills for each House carries the bills from his House to the President. In the House of Representatives a report of the bills taken to the President each day is made to the House and entered on its Journal.

Nineteenth. Approval by the President: If the President approve, he does so with his signature.

Twentieth. Disapproval by the President: When the President disapproves a bill he returns it to the House in which it originated with a message stating that he disapproves and giving his reasons therefor.

Twenty-first. Action on, when returned disapproved: The House to which a disapproved bill is returned has the message read and spread on its Journal. It may then consider at once the question of passing the bill notwithstanding the President's objections, or may postpone to a day certain, or refer to a committee for examination. The vote on passing the bill notwithstanding the President's objections must be carried by two-thirds. If the bill fails to pass in the House to which it is returned, it remains there; but if it passes it is sent to the other House for action.

Twenty-second. Filing with the Secretary of State: When approved by the President a bill is deposited in the Office of the Secretary of State; and when the two Houses have passed a bill notwithstanding the President's objections, the presiding officer of the House which acts on it last transmits it to the Secretary of State.

What is "unanimous consent"?

Many little actions are done in and taken by the House by unanimous consent. The Member asks for unanimous consent to do this or that—to correct the Record, to speak for 5 minutes or more out of order, to insert remarks in the Record, to change an amendment he has offered, to have a letter read. If there is no objection on the part of any Member, then consent is granted. Frequently a gentleman says, "I object", and that settles that.

The leader of the majority makes many unanimous-consent requests, and usually they are granted. He may ask consent to meet

at a certain hour, to adjourn over for a day or two, to hold a night session, to have so many hours for debate on a bill, to take up specified matters on certain days out of order, to set days for the Private and Consent Calendars. The granting of the request saves the passing of motions or the making of rules.

Many bills are passed by unanimous consent. All bills of a private character go on the Private Calendar. And another character of bills go on the Consent Calendar. On days when these bills are in order the Clerk reads the title of the bill, the Speaker asks, "Is there objection?" Any Member may say, "I object," if he desires, in which case the bill cannot be taken up; and the next title is read. If no objection is made, the bill is read and passed very quickly usually. The theory is that if no one cares to object to a bill certainly many would not vote against it, so it ought to be passed. Both party organizations have several Members who make it their business to study all bills on the Consent Calendars and be ready to object or insist on what they think to be the proper amendments before consent is granted for the bill to be considered.

Often a Member will arise and say, "Reserving the right to object," and ask questions about the bill. This gives the author of the bill a chance to explain or defend it, and sometimes quite a little debate is stirred up even on consent days. After a while somebody may shout "Regular order!" The Speaker says, "Regular order is demanded." Whereupon the gentleman who started the trouble by "reserving the right to object" must immediately make his objection or withdraw it. He may be just as apt to do one as the other, and on his decision rests the destiny of some anxious Member's important bill—for all bills are important to their hopeful authors. On consent days Members with bills on the calendar are most patient, polite, and persuasive in their ways toward the gentlemen who sit at the table and whose business it is to inquire into the merits of bills coming up.

How are votes taken?

Four different ways. Usually the Speaker puts the question in this form: "As many as are in favor (of the motion) say 'Aye,'" and then, "As many as are opposed say 'No.'" In most instances the vote taken thus is decisive enough to satisfy. But if the Speaker is in doubt, or if it sounds close, any Member may ask for a division. In this case the Speaker asks those in favor to stand up and be counted. Then those opposed to the proposition to stand up and be counted. The Speaker does the counting and announces the result. But if he is still in doubt, or if a demand is made by one-fifth of a quorum—that is, 20 in the Committee of the Whole or 44 in the House—tellers are ordered. The Speaker appoints one gentleman on each side of the question to make the count. The two tellers take their place at the head of the center aisle. All Members favoring the proposition walk through between the tellers and are counted. Then those opposed walk through and are counted. This vote settles most questions.

But a roll call may be demanded by anybody on any question in the House, and if supported by one-fifth of those present it is ordered. This privilege is guaranteed by the Constitution. The Clerk reads the names of the whole membership, and as his or her name is called the Member answers "aye" or "no." The names of those not voting the first time are read a second time, so that all Members in corridors, cloakrooms, committee rooms, or offices, who have been notified of a roll call by signal bells, may come in and vote.

Roll calls are ordered sometimes to get a full vote on a measure, because of a lack of a quorum, sometimes because Members want to be on record on a measure, and sometimes to put the other side on record against the measure for imaginary political advantage. The roll calls are published in the CONGRESSIONAL RECORD and are sometimes quoted to a Member's advantage or disadvantage, as the case may be.

Many bills of lesser importance and some of greater importance are passed without a roll call. This can be done if a quorum is present when the vote is taken and as many as one-fifth of those present do not demand a roll call. This is done often to save time and sometimes to save Members the embarrassment of having to be recorded for or against a measure.

What is a quorum?

Everybody who ever attended a literary society knows that it requires a quorum to do business. In the House of Representatives a quorum is a majority of the membership. When there are no vacancies in the membership a quorum is 218. There are usually a few vacancies—Members who have died or have resigned and their places yet unfilled. So an actual quorum is usually a little under that figure. Much business is transacted without a quorum. But no business of any character, except to adjourn, can be transacted without a quorum present if any Member objects. All any Member has to do to get a full House is to arise, address the Speaker, and make the point of order that "no quorum is present." The Speaker says, "I will count." If he cannot count a majority present, the doors are closed, the bells are rung in the corridors and House Office Building, and the roll is called. This usually produces a quorum, and business proceeds.

When the House is in Committee of the Whole a hundred Members make a quorum.

Is legislation much influenced by oratory?

Not much. People back home may picture the House as a forum for debate upon the merits of the many bills they read about. It is in a way, but most of the debate is as potent as a sham battle. Very few bills that are brought up in the House for action under general or special rules are defeated. I think more than 95 percent of bills thus brought up are passed, despite the forensic display of oratory that may be directed against them, and

usually is by the minority or the opposition. Hardly 1 amendment in 40 offered to bills on the floor is adopted unless offered or accepted by the committee reporting out the bill up for consideration.

Legislation enacted by any Congress is largely that originating with or sponsored by the majority party. Important measures brought up have had thorough scrutiny and a favorable report by a well-organized committee. They have probably had strong backing from the country. Some have had the approval of the steering committee and some have been reported out by the Rules Committee. Such measures are on the program for passage, and long debates and much oratory cannot defeat them. On the other hand, bills that are not slated for passage do not often get up for action in the House.

Committee responsibility is great and committee action influential. On most amendments and on most bills a majority of the Members vote most of the time with the committee—and it is difficult to break into that influence even with fine oratory.

What are the duties of the Speaker?

He presides over the House, appoints the Chairman to preside over the Committee of the Whole, appoints all special or select committees, appoints conference committees, has the power of recognition of Members, makes many important rulings and decisions in the House. The Speaker may vote, but usually does not except in case of tie. He may appoint a Speaker pro tempore but not for more than 3 days at a time without the consent of the House.

What is a party leader?

There is a majority leader and a minority leader. In talk on the floor we do not refer to Democrats and Republicans usually. It is more dignified, it seems, to refer to the majority and the minority. The majority leader now is a Democrat and the minority leader a Republican. The majority leader has the more influence, of course, since he has the majority of the membership back of him.

The leader is all the title implies. He leads in party debate, brings forward party programs and policies. His advocacy of or opposition to proposed legislation indicates the party preference. The majority leader has much control over what comes up and when of the legislative program from week to week. When he makes a motion it is nearly always carried. He usually makes the motion to adjourn, and it always carries. If someone else, not authorized to do so, makes a motion to adjourn, it is nearly always defeated.

What are the duties of the whip?

The whip looks after all legislation and endeavors to have all present when important measures are to be voted upon. When the vote is apt to be close he checks up, finds out who is out of the city, and advises absentees by wire of the important measure coming up.

Whoever originally compiled and codified the foregoing as quoted and the material referred to as appearing in the RECORD must have spent many valuable hours in research, study, and in the preparation of this contribution for our enlightenment. For one, as I have privately, so I now publicly, express my appreciation. [Applause.]

MR. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

MR. COCHRAN. Mr. Chairman, buried somewhere in this bill is the annual appropriation for the Intelligence Unit of the Bureau of Internal Revenue. On many occasions I have called to the attention of the members and to the country the activities of this unit. I contend if this Government activity was granted additional funds, and I base my statement on the record it has made, that for every dollar that is appropriated the Government would be enriched \$30. Does it not seem to be good business when \$30 can be brought to the Treasury for a dollar expended that we increase this appropriation?

As chairman of the Committee on Expenditures in the Executive Departments I find upon investigation that during the fiscal year ended June 30, 1938, the Intelligence Unit, with a force of 230 agents, investigated numerous cases involving alleged evasion of taxes by various taxpayers, including several prominent business and professional men as well as women and individuals engaged in illegal businesses, and recommended the prosecution of 309 individuals. One hundred and nine individuals were indicted, and of those so far brought to trial 50 were convicted. That these activities were profitable is shown by the recommendation in these cases for the assessment of additional taxes and penalties aggregating \$26,106,014.

One outstanding case brought to a conclusion during the fiscal year 1938 involved a partnership prominent in the amusement field. Investigation by special agents of the unit disclosed that its income-tax returns were underestimated by \$6,000,000 through the medium of concealment of income, fraudulent claims for losses on abandoned property,

and fictitious purchases of assets on which fraudulent claims for depreciation had been made, and the Government had been defrauded of \$3,500,000. Several former employees of the Bureau of Internal Revenue were found to be involved in the fraud and with the attorney for the partnership were indicted, convicted, and sentenced to prison.

The conviction was also obtained of a prominent public official of Chicago who for years had been identified with property assessments and had received large sums of money for favors granted those seeking reductions, which had not been reported for income-tax purposes. This individual was convicted and sentenced to 2 years in the penitentiary and to pay a fine of \$5,000 for evasion of approximately \$60,000 income taxes. In cooperation with agents of the Customs Service a Japanese racketeer on the west coast who had avoided prosecution on frequent previous violations of the law and who allegedly was responsible for several murders was found guilty of income-tax evasion on about \$40,000 tribute extorted from several gambling clubs and was sentenced to 18 months in the penitentiary and to a fine of \$3,000.

There are many other cases that could be cited but one, rather unusual, is worthy of mention. During the fiscal year an investigation involved a corporation engaged in the erection of jails and the construction of prison cells the officers of which were found by special agents of this unit to be concealing income from this source. Approximately \$20,000 was recovered in taxes and criminal proceedings instituted. These officials might eventually find themselves occupying the very cells they constructed. This is one unit of the Government that does not have a publicity agent. Under the law there is no authority to make public its activities from time to time insofar as giving the facts in various cases to the press. Only when criminal proceedings are instituted or a case is taken to the Board of Tax Appeals does information become public. I am aware of one case where about five times the amount of the unit's annual appropriation was recovered based upon illegal shipment of liquor.

When local and State courts failed this unit stepped in and convicted gangsters and racketeers of income-tax evasion including Al Capone and his associates.

Elmer L. Irey, a man who has spent many years in the Government service is Chief of the Intelligence Unit. It is my opinion that Irey was responsible for solving the Lindbergh kidnaping case. I followed this case very carefully as I had introduced a bill making kidnaping a Federal offense. The bill had not been enacted into law when the Lindbergh baby was kidnaped. The Government had no jurisdiction other than from the standpoint of income-tax evasion. When the ransom money was paid the one who received the money was subject to the income-tax laws. The officials had a right to see that this individual did not defraud the Government and entered the case.

It was Irey who insisted that not a dollar should be passed until the serial number of each bill was recorded and gold certificates be included for easy identification. At first there was objection as Lindbergh, nervous, wanted his child and felt then if he paid the ransom the child would be returned, but Irey won his point. After the money was paid and Lindbergh was told he would find his baby on a motorboat off the New England coast it was Irey who accompanied him in the plane when he went in search of the boat. While it is true that the Bureau of Investigation of the Department of Justice later entered the case, it was not until the kidnaping and fugitive from justice acts were passed that it had jurisdiction. The point I make is that no one would have known it was Lindbergh money that the oil station attendant received from Hauptmann if Irey had not insisted that gold certificates be included and that the serial numbers on the bills be recorded.

The principal work of this unit is the investigation of tax frauds but investigations were also made of 7,500 cases of miscellaneous character, including applicants for appointment and charges against employees as well as those practicing before the Treasury Department. During the fiscal

year 89 employees were separated from the service as the result of such investigations, 20 being prosecuted for violations of criminal statutes and 18 convicted.

Let me impress upon the Members of the House that while this unit has an annual average of having collected more than 30 times the amount of money appropriated for the activity, still there is a feature of its work that brings big returns that are not reflected in the amount. Prosecutions in the criminal cases, as well as sending violators to jail, cause many taxpayers who have been careless in making returns or who have evaded payment of taxes, realizing some day they might be the one who is being prosecuted, make proper returns which enrich the Treasury.

I am not one who tries to override the Bureau of the Budget or the Committee on Appropriations when it appropriates the amount the Budget recommends, but I do feel it would be beneficial to the committee and to the country if it would see that in the future the appropriation for this unit is carried separately in the bill. In that way the Bureau of the Budget, as well as the committee, would realize the excellent work the unit is performing, and then I am sure the recommendation will be to enlarge its activities.

Now, Mr. Chairman, I ask special attention of the members of the committee in charge of the bill. I find in the bill a limitation, reading as follows:

That not to exceed \$942,000 of the total appropriated herein may be expended for personal services of the Intelligence Unit, of which not to exceed \$50,500 may be expended in the District of Columbia.

This seems to me to be a very dangerous limitation if permitted to remain. No one knows what might develop that would require additional expenditures in this most important unit. There might be a number of gigantic frauds develop in the next fiscal year. If this limitation remains, I doubt if the Commissioner of Internal Revenue could even assign men to the unit who were being paid through some other roll without violating the limitations.

In reference to the limitation as to expenditures in the District of Columbia, let me advise the Committee that the headquarters for the regional office which looks after all business in the District of Columbia, Maryland, West Virginia, Virginia, and North Carolina, is located in the District of Columbia.

Mr. TABER. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman.

Mr. TABER. My understanding is this \$55,000, to which the gentleman referred, is the expense required for the strictly departmental activities of this unit. The amount required for the field force, whether the members of that force operate in the District of Columbia or not, is not within this limitation. This applies as well to very many other items all through the appropriation bill under consideration.

[Here the gavel fell.]

Mr. O'NEAL. Mr. Chairman, I yield the gentleman from Missouri [Mr. COCHRAN] 5 additional minutes.

Mr. COCHRAN. Mr. Chairman, I want the RECORD to show it is the intent of the committee that the cost of operating this regional office, which looks after the District of Columbia, Maryland, West Virginia, Virginia, and North Carolina, is not included in this limitation of \$55,000. Am I correct?

Mr. TABER. That is correct.

Mr. COCHRAN. This limitation does not appear to me to carry out that intent. The wording of the limitation is what I object to. Frankly, I think it is a mistake to put it in the bill.

Mr. TABER. It is just the same language carried all through the bill, and it operates in that way with reference to every unit of the Government.

Mr. COCHRAN. Naturally, I will accept the gentleman's view, as he has had years of experience on the committee. I know you do not want to cripple this unit. For instance, at times you have some big conspiracy case in the Department or in Washington. It is necessary to bring the field men to Washington, men from various parts of the country, for temporary service. It would cripple the service if this was not permitted, and therefore I am pleased to know the intent

of the committee, as expressed by the gentleman from New York [Mr. TABER].

NARCOTIC SERVICE

Mr. Chairman, also included in this bill is the appropriation for the narcotic service. A complete statement in reference to the activities are outlined by the testimony of Hon. H. J. Anslinger, the Commissioner, and the Deputy Commissioner, Hon. W. S. Wood. The statement reflects great credit on the personnel of this unit and shows that the drive to stop the illicit traffic in drugs resulted during the fiscal year in a decrease in the number of violations from 4,585 to 4,049; 3,206 arrests for violation of the Federal narcotic laws, despite the fact that owing to a limited appropriation it was necessary for the unit to curtail its activities during the last 6 months of the year.

Considerable headway was made by Commissioner Anslinger and his aids in stopping the source of supply. Every conceivable method was used to bring into this country, in violation of the law, narcotics, especially heroin, which is smuggled from the Far East and Yugoslavia. Through the efforts of Mr. Anslinger and others, Yugoslavia has now adopted laws that they hope will prevent the traffic in heroin from that country.

An added duty in recent years to this unit is the enforcement of the Marihuana Act of 1937. Eight hundred and forty-six violations of this law were reported during the fiscal year. It was interesting to note in Mr. Anslinger's testimony how the States of the Union are cooperating with the Government in an effort to stop the traffic in this horrible weed. Thirty-nine States and the District of Columbia have adopted the uniform legislation directly affecting traffic in marihuana, while two other States can prosecute under the State narcotic law, leaving but only seven States in the Union that have not as yet passed the necessary legislation. This weed can be grown almost anywhere. Cigarettes made of marihuana even reach the hands of school children to such an extent that it became alarming, but the activities of this unit, together with the State authorities, are rapidly sending those responsible to the penitentiary. The statement of Mr. Anslinger also shows that the number of the outstanding dealers in the illicit narcotic traffic were apprehended and sent to the penitentiary to serve long terms during the fiscal year. I feel that we should pause for a moment and commend the work of this very important unit. In my opinion the most despicable creature in this country is the one who engages in the illicit traffic of narcotics and we should not only send them to the penitentiary, but when they have served their sentences, those born in foreign countries should by all means be deported.

SECRET SERVICE

Mr. Chairman, now I am going to refer to some other activities of the Treasury. I speak now of the Secret Service Division, which is headed by Hon. Frank J. Wilson.

During the last fiscal year they brought to trial 2,569 cases and the convictions were 96.91 percent. This was a considerable increase over the previous year. Throughout the testimony of Mr. Wilson before the committee it showed that the activities of the Secret Service reduced the loss to the general public through the acceptance of counterfeit money to \$435,000. More counterfeit notes were seized during the last fiscal year than the previous fiscal year, the total amount being \$241,000. The investigations involving Government checks increased from 2,300 in 1937 to 5,737 in 1939.

CUSTOMS AND ALCOHOL UNITS

Time forbids me to discuss at length the Enforcement Unit of the Customs Service, as well as the Alcohol Unit of the Treasury Department. The Customs Service is engaged in many activities. For instance, they seized over 500,000 lottery tickets in Maine and 300,000 such tickets in Baltimore. They brought about convictions of some of our leading citizens who violated the customs laws and regulations, as well as seized a tremendous amount of narcotics.

The Alcohol Unit submitted an excellent statement in reference to its activities and it is evident that the efficiency of this Division is increasing from year to year.

In concluding, I want to commend the Secretary of the Treasury, Mr. Morgenthau, for coordinating the activities of the enforcement agencies of the Treasury Department. While this is in its infancy, it has already shown the benefit that will ultimately result from his action. At the present time Hon. Elmer L. Irey, Chief of the Intelligence Unit, is the Chief Coordinator, and the improved conditions in enforcement through Treasury agents as outlined in the hearings certainly will convince anyone that the step of coordination was one in the right direction.

These combined Treasury enforcement agencies are responsible for sending to the Federal penitentiaries approximately 65 percent of all Federal prisoners. [Applause.]

Mr. O'NEAL. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I want to call the attention of the Members of the House to House Document No. 177, which apparently is the procedure being followed in connection with the construction of post-office buildings and buildings in the course of construction. It also covers the proposed construction of buildings.

On page 51 of this bill there is provided an appropriation of \$30,000,000 for the construction of buildings. In connection with the letter contained in House Document 177, signed by the Postmaster General, Mr. Farley, as I said in reference to a question I asked the chairman of the subcommittee on appropriations, it would take 54 years if we followed this procedure to meet the present demand for post-office buildings in my district alone. I am going to ask the Members of the House to read this letter of Mr. Farley's, as well as the paragraph dealing with the appropriation for new post-office buildings, then consider the question of increasing this amount through amendment to at least double the amount contained in the pending bill.

Mr. Chairman, I am now going to speak about something that has no relation whatever to the bill under consideration. It has reference to a colloquy that occurred between the distinguished gentleman from Michigan [Mr. HOFFMAN], and myself, with reference to the interpretation of the law as applied to the National Labor Relations Board.

Mr. Chairman, on pages 1678 and 1679 of the CONGRESSIONAL RECORD of February 7, 1939, appears a colloquy between the gentleman from Michigan [Mr. HOFFMAN] and myself concerning provisions of the Wagner Act, relative to the right of employers to appeal from a decision of the National Labor Relations Board.

Excerpts from the colloquy follow:

Mr. HOFFMAN. In answer to the gentleman from West Virginia and the gentleman from Montana, I am asking the gentlemen if they do not know that 90 percent of the representation cases are not even made up or reported and the employers have no right of appeal?

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. HOFFMAN. Does the gentleman recall that I called his attention to the fact that the word "employer" was a mistake and that the word I used was "employee"?

Mr. O'CONNOR. I recall that.

Mr. HOFFMAN. And that the correction was made in the RECORD as soon as the error was called to my attention? The correction will be found on page 1546 of the RECORD.

Mr. O'CONNOR. Just a moment.

Mr. HOFFMAN. Will the gentleman kindly make that correction as he goes along?

Mr. O'CONNOR. I will tell what the facts are as I go along.

Mr. HOFFMAN. Because at no time have I ever claimed that the employer did not have the right of appeal.

Mr. O'CONNOR. When I finish with this I shall be pleased to yield to the gentleman for any question if the chairman will give me further time.

Mr. HOFFMAN. Just make that correction now before you go any further.

Mr. O'CONNOR. I continue:

Mr. HOFFMAN. In answer to the gentleman from West Virginia and the gentleman from Montana, I am asking the gentlemen if they do not know that 90 percent of the representation cases are not even made up or reported and that the employers have no right of appeal.

Mr. O'CONNOR. Let me answer that statement. Those cases are settled, and whenever cases are settled they do not make headlines in the newspapers, and that is the reason the public does not know about them.

Mr. HOFFMAN. And the employers have to take the decision.

Mr. O'CONNOR. Oh, no.

Mr. HOFFMAN. Let the gentleman point out in the Wagner law where an employer can appeal from a decision of the Board in such cases. It cannot be done.

Mr. O'CONNOR. This Board acts exactly as the Federal Trade Commission. They have the right to appeal from the National Labor Relations Board, and only 6 percent of the entire 15,000 cases ever went to the court for final determination.

Mr. HOFFMAN. I challenge the gentleman from Montana, as long as he has made that statement—

Mr. O'CONNOR. The gentleman can get that right from the Labor Board itself.

Mr. HOFFMAN. I challenge the gentleman to point out to this House any day when I am on the floor a provision in the Labor Act that gives the employer the right to appeal in a representation case.

I may say now that I asked one of the pages to call the gentleman from Michigan over to the floor of the House so he would be here while I am discussing the matter.

Mr. O'CONNOR. It is on the same plane as the Federal Trade Commission.

Mr. HOFFMAN. That provision is not in the law, and the gentleman cannot point it out.

Mr. O'CONNOR. We will point it out to you, do not worry.

You will note in the preceding colloquy that the gentleman from Michigan challenged me to point out in the Wagner law where an employer can appeal from a final order of the Board.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield right there?

Mr. O'CONNOR. No; not now. I will yield in just a few minutes. I need not point out to Members of this House the traditional position of the gentleman from Michigan respecting employers and employees. You will note that the gentleman from Michigan used the word "employer" four times in the preceding colloquy.

On page 1546 of the CONGRESSIONAL RECORD of February 17 the gentleman from Michigan made a correction of remarks in the aforementioned colloquy and stated—I quote from the RECORD of that date:

The error occurs by reason of the use of the word "employers" when I meant and when I said "employees."

Needless to state, I was not on the floor of the House when the correction was made.

At this point I yield to the gentleman from Michigan for a question.

Mr. HOFFMAN. Does the gentleman think for one moment I ever contended that under the Wagner Act the employer could not appeal, when the act itself provides for an appeal?

Mr. O'CONNOR. I may say to the gentleman—and I am not saying this in a contentious spirit—that I have no means of knowing what the gentleman was thinking except by what he said. Four times the gentleman used the word "employer," and the House reporters got it that way four times.

Mr. HOFFMAN. There is where we differ. I say I never used the word "employer," because every man in this House who has ever read the act knows that the act itself gives the employer the right of appeal. No one doubts that. What I said and what I contend today is that the act does not give the employee, the man who works, the right of appeal in a representative case, nor even in any case unless he has been permitted to intervene.

Mr. O'CONNOR. If the gentleman will permit me to proceed, I may say I fully agree with the gentleman's statement

that any lawyer who has read the act knows that the employer has the right of appeal.

May I say I am not criticizing anybody; I am just trying to discuss this in a lawyerlike fashion.

In order to support the correction, the House reporters presumably misquoted the gentleman from Michigan four times in the use of the word "employee" in the colloquy.

However, the gentleman from Michigan entered his correction in the RECORD. This correction was made before the House went into Committee of the Whole on that day. After the correction was made I met the gentleman in the Hall and he spoke about making a correction to show him as using the word "employee" for the word "employer." I believe I said, "Well, make any correction you wish." I did not know that the gentleman was going to rechallenge me. The only reason I am replying to the gentleman now is that on that date, when I was not present, the gentleman gave me another challenge, and I accept that also.

I am first going to point out to you that employers have the right of appeal, and I am also going to point out to you that employees have the right of appeal in complaint cases, and that there is no necessity for appealing any representation case because it is not an appealable order.

However, the gentleman from Michigan entered his correction in the RECORD, and after stating that he meant to say and did say "employee" instead of "employer," the gentleman said:

I renew my challenge issued on the 6th day of February to the gentleman from Montana [Mr. O'CONNOR].

Mr. Chairman, this is the only reason I am taking up the time of the Committee this afternoon to discuss this matter, other than as a matter of enlightenment. I do not know but that it might be well for us to think about this Wagner Act a little and about the administration, as the Board has been terrifically maligned. I also wish to point out the provision of the Labor Act which gives the employee the right to appeal.

In other words, I am challenged now to produce the part of the law that gives the employee the right to appeal from a decision of the Board in a representation case—get this—or in any complaint case where the employer acquiesces in the order of the Board. You will observe that the gentleman from Michigan challenged me again, in his correction of remarks, on the Wagner law with reference to its application to a different state of facts.

The gentleman from Michigan states further in his correction:

The point which I made on February 6, and which I desire to renew, is that the act is unfair to employees; that it deprives them of the right of collective bargaining through representatives of their own choice; that it denies to them their day in court.

This is the language of the correction.

In the sixth paragraph of his correction, the gentleman from Michigan states:

Even the most casual reader of the act knows that the act itself gives the employer the right of appeal under certain circumstances.

With that statement I agree. As I have said before, anybody who has read the act knows it gives the employer the right to appeal. He continues:

All who have studied the act know that the employees are not given such right by the act, except as an employee might fall under the designation of "any person aggrieved by final order of the Board," in section 10 (f).

The gentleman points out the exception himself.

Mark the words of the gentleman from Michigan. He says "except as an employee might fall under the designation of any person aggrieved by the final order of the Board." I am quoting the gentleman from Michigan.

It is obvious that if a person, employer or employee, was not aggrieved by the final order of the Board, he would have no desire whatsoever for an appeal from the final order. And section 10 (f) explicitly sets forth that if a person is aggrieved by the final order of the Board, he may appeal to the Circuit Court of Appeals.

The gentleman from Michigan concludes his correction remarks by stating:

Let the gentleman show me any provision in this act which gives the worker, the employee, the right to appeal to the court to protect him in his constitutional right of free speech, freedom of action, or his right to enter into a contract with his employer, all of which have by the decisions of this Board on occasion been denied the worker.

Permit me to quote a portion of section 10, paragraph (f) of the Wagner Act:

Any person aggrieved by a final order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in the Circuit Court of Appeals of the United States in the circuit wherein the unfair labor practices in question were allowed to have been engaged in or wherein such person resides or transacts business, or in the Court of Appeals of the District of Columbia, by filing in such court a written petition praying that the order of the Board be modified or set aside.

Now, what is a "person"? We will define "person." I quote from Judicial and Statutory Definitions of Words and Phrases, published by the West Publishing Co., that—

The natural and obvious meaning of the word "person" is a living human being.

I quote further:

Generally, when the word "person" or "party" is used in statutes, it is broad enough to include corporations, artificial persons, unless intention to exclude such artificial persons is plainly obvious.

I also wish to quote the definition of person as applies to "employee." The word "persons" in statutes including within Workmen's Compensation Act those employing other persons to carry on industry or business may apply to single employees, thus bringing within the act one who hires single employees.

In addition, when the word "person" is used in statutes, it naturally includes all "persons" except in cases where restrictions or exclusions are set aside.

The question is, Is an employee a person? Obviously, he is. Now, I do not want to take up any more time at this time unless the gentleman wishes me to conclude so that he can ask me a question.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes, I yield.

Mr. MICHENER. Being one of those who believes in settling international disputes by conference, I am wondering if the gentleman from Michigan [Mr. HOFFMAN] and the gentleman from Montana [Mr. O'CONNOR] might not retire to the cloakroom and settle who is right around the conference table, so that the business of the House may proceed.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield to me?

Mr. O'CONNOR. Yes, I yield.

Mr. HOFFMAN. This not being an international dispute, this being a question as to the interpretation of the Wagner law, and the gentleman from Montana, as well as your humble servant from the Fourth Congressional District of Michigan, having the privilege as the gentleman from the Second District of Michigan has the privilege of addressing the House on occasion, although not so frequently, may I call to the attention of the gentleman from Michigan [Mr. MICHENER] that he has the privilege of retiring either to his office, the cloakroom, or the theaters of the town, if he does not care to listen to the debate. [Laughter.]

Mr. O'CONNOR. Mr. Chairman, on December 5, 1938, Mr. Chief Justice Hughes delivered the opinion of the Court in the action brought by the Consolidated Edison Co. of New York, Inc., and its affiliated companies, et al., petitioners, against the National Labor Relations Board et al., and the International Brotherhood of Electrical Workers, Local Union No. B-825, et al., petitioners, against the National Labor Relations Board et al.

Excerpts from the opinion of the Court delivered by Mr. Chief Justice Hughes follow:

The companies petitioned the circuit court of appeals to set aside the order, and a petition for the same purpose was presented by the brotherhood and its locals. These labor organizations had not been parties to the proceeding before the Board but intervened in the

court of appeals as parties aggrieved by the invalidation of their contracts.

The Board urges further that the unions have availed themselves of the opportunity to petition for review of the Board's order in the court of appeals * * *.

While it is true that the employer did not acquiesce in the order of the Board, nevertheless the brotherhood considered itself an aggrieved party, as well as the employer, and an appeal was taken to the circuit court of appeals.

Proceedings under the act fall into two distinct categories: First, those involving unfair labor practices, and, second, those involving the question of what, if any, organization represents the majority of the employees in the appropriate unit. In the first category, known as complaint cases, the act provides for appeal by any party aggrieved whenever there is a final order. "Any party aggrieved" includes, of course, any employee or labor organization.

A different problem, however, is involved in representation cases. The act provides that whenever a question arises concerning whether or not the employees have chosen a representative to bargain collectively for them, the Board may conduct an investigation and certify to the parties the name of the representative selected. The method of determination which the Board employs is ordinarily either by check of union membership lists with the company's pay roll or by the holding of a secret election. Section 9 (d) provides that such certification by the Board is not immediately reviewable by the courts.

Congress made clear its reasons for declaring that such a certification was not immediately reviewable. Its reasons lie (1) in the very nature of the proceedings and (2) in the practical policy involved.

As to the nature of the representation proceedings, it is important to note, as pointed out by Congress that—

The election is but a preliminary determination of fact. * * * (H. Rept. No. 1147, 74th Cong., 1st sess., p. 7).

An election is the mere determination of a preliminary fact, and in itself has no substantial effect upon the rights of either employer or employees (S. Rept. No. 573, 74th Cong., 1st sess., p. 14).

Such representation proceedings, therefore, are simply investigatory, and are not considered adversary. The certification amounts only to an announcement or statement of the result of the Board's research and investigation as to what representative has been selected by the particular employees concerned. It is in no sense a judicial order, and does not require any party to do or not to do any act. As stated by the Senate report (No. 573, p. 14):

There is no more reason for court review prior to an election than for court review prior to a hearing.

The Third Circuit Court of Appeals, in refusing to review a certification, held (*United Employees Association v. National Labor Relations Board*, 96 F. (2d) 865):

Here the union is merely certified as "the exclusive representative of all such employees for the purpose of collective bargaining. * * * This is not a final order. It is, in fact, not an order at all but simply the certification of a fact which may be entirely ignored by the association (i. e., the union) and the company.

Since the certification is not a judicial order, neither the employer nor employees are bound by it. If they do not agree to a certification, they can disregard it. It is at this point, of course, that the matter may become subject to judicial review. If there is a refusal to bargain collectively with the union which has been previously certified, the Board may hold a hearing and order the employer to cease his refusal to bargain collectively. The prior representation case then becomes a part of the record, which, before the employer is bound to bargain, is reviewable by the court.

And this review would include within its scope the action of the Board in determining the appropriate unit for purposes of the election. This provides a complete guaranty against arbitrary action by the Board (S. Rept. No. 573, p. 14; H. Rept. No. 1147, p. 23).

Reasons of great weight led to this procedure which Congress thus set out. Under the joint resolution of Congress whereby the first Labor Board was established, elections which the Board sought to conduct were interminably delayed

by appeals to the courts. The old Board was not able to conduct a single election in which court proceedings were instituted. Such a situation defeated the very purposes of the law, in that it led to great unrest, friction, and industrial strife. Thus the reports stated:

OBSTACLES TO ELECTION

Under Public Resolution 44, any attempt by the Government to conduct an election of representatives may be contested ab initio in the courts, although such election is in reality a preliminary determination of fact. This means that the Government can be delayed indefinitely before it takes the first step toward industrial peace. * * *

This break-down of the law is breeding the very evil which the law was designed to prevent. * * * (S. Rept. No. 573, pp. 5-6).

The ability of employers to block elections has been productive of a large measure of industrial strife. When an employee organization has built up its membership to a point where it is entitled to be recognized as the representative of the employees for collective bargaining * * * the union, unless an election can promptly be held to determine the choice of representatives, runs the risk of impairment of strength by attrition and delay while the case is dragging all through the courts, or else is forced to call a strike to achieve recognition by its own economic power. Such strikes have been called when election orders of the National Labor Relations Board have been held up by court review (H. Rept. No. 1147, p. 7).

When it is considered that the Board, up to January 1, 1939, handled 6,157 representation petitions, involving just short of 2,000,000 employees, the tremendous burden of litigation and the great possibility of delay and unrest, which, permitting appeals from such cases would entail, becomes staggering. Experience has amply demonstrated that employees or even unions instigated by employers are too often willing to act at the employers' bidding. By permitting employee appeals from certification, an easy method of delaying his duty to bargain and an easy opportunity of weakening a bona fide union would be presented to an employer.

Particularly in view of the availability of complete court review if there is a final order based on certification, and also in view of the fact that certification in itself is an order that binds no one at all, the value of permitting immediate appeals is not apparent. The existing procedure, adopted by Congress after careful consideration, fully protects the interest of employees and employers insofar as is consistent with the protection of the paramount interests of the public in maintaining industrial peace by efficient and speedy determination of the issues which pave the way toward collective bargaining.

Inquiry was made by me to the National Labor Relations Board as to the construction of section 10, paragraph (f), in connection with whether or not the employee has the right of appeal from the final order of the Board. The reply of Charles Fahy, general counsel of the Board, is very enlightening on this subject. I quote Mr. Fahy's letter to me:

MY DEAR CONGRESSMAN O'CONNOR: I think there is no doubt that you are entirely correct in the conclusion that the right of review of final orders of the Board in complaint cases is not limited to employers but includes labor organizations and employees, under the provisions of section 10 (f) providing "Any person aggrieved by a final order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals in the United States." A recent illustration is the case of *Consolidated Edison Co., et al. v. National Labor Relations Board* (decided by the Supreme Court of the United States December 5, 1938). In this case a labor organization petitioned the circuit court of appeals for review of an order of the Board affecting contracts to which the labor organizations have petitioned under section 10 (f) as a person aggrieved, i. e., *National Motor Bearing Co., et al. v. National Labor Relations Board*, now pending in the United States Circuit Court of Appeals for the Ninth Circuit. The Board has never attempted to construe the statute so as to prevent such review.

Of course, the question whether or not a person is aggrieved by an order is subject to the principles of law applicable to the facts of the case; but assuming that the party claiming to be aggrieved has sufficient interest in the order, and the order is one that is reviewable by the courts, the statutory provision is no more limited to employers than to employees in labor organizations. In addition to the cases referred to above and others that might be mentioned, the circuit courts have also in several cases permitted employees to intervene in the court proceedings even though they had not intervened before the Board.

CHARLES FAHY, General Counsel.

[Applause.]

Mr. O'CONNOR. I inquired of the chief counsel, Mr. Fahy, the general counsel with respect to the Wagner Act, what his construction of the law was as to the right of an employee to appeal, and I am setting forth in the RECORD a copy of his letter which shows that in his judgment and according to the decisions thus far rendered not only the employer is given the right of appeal, but the employee is given the right of appeal in all complaint cases.

Mr. HOFFMAN. Will the gentleman write him another letter and ask him what position the counsel for the Board took in the Calcraft case now pending, as to whether or not the employee was a person aggrieved?

Mr. O'CONNOR. Oh, I am not going to be outdone by the gentleman in civilities. I suggest that he write the letter he refers to and I am sure that he will get a prompt reply. Very well. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. O'NEAL. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I have been a Member of the House for a few years, but this is the first year in which I have been a member of the Committee on Appropriations. I have been amazed at the arduous additional duties of a member of the Committee on Appropriations and I have marveled at the fortitude and physical, as well as mental, capacity of our chairman [Mr. LUDLOW] in sitting through these hearings from 10 o'clock in the morning until late in the afternoon over a period of about 2 months. And I have observed that while the gentleman from Indiana is somewhat peaceable in the matter of national affairs, he is very militant, may I say to the House, in interrogating witnesses and going to the very bottom of all appropriation matters submitted to the Treasury-Post Office Subcommittee. I cannot too warmly commend the patriotism and industriousness of the ranking minority member [Mr. TABER], as well as other members of the subcommittee. This bill, being the first under our subcommittee which has been brought to the House during my short time on the committee, has been somewhat interesting to me from several viewpoints.

It may be noted that in the Federal service we now have about 917,000 employees. This bill makes appropriation for more than one-third of all of the employees of the Federal Government. We have in the civil service at this time about 562,000 people under the so-called merit system. Of that number, in this bill we make an appropriation to pay the salaries of 58 percent of those 562,000 employees. Those who are favorable to the merit system under the civil service ought to take consolation in the fact that so large a part of our revenue is devoted to the payment of civil-service employees. Of our 285,000 employees in the postal system, all but about 5,000 are under the merit system. More than 40,000 of the 68,000 employees of the Treasury Department are under the so-called civil-service merit system.

The postal system and the activities of the Treasury Department are indispensable to our modern-day life. The suspension of these activities would within a few hours create chaos in every part of the Nation. It is therefore, of course, necessary to have the men and the money to carry on these functions.

A great amount of money is necessary for these departments. Realizing that throughout the country there are many unemployed and underpaid people, and bearing in mind the financial condition of the Government, we sought to effect every possible economy. Even at that, we are recommending the appropriation of a huge amount of money for the activities of the Treasury and Post Office Departments.

Of course, in appropriating some \$790,000,000 for the Postal System we realize that we get back in revenue all but about 7 percent of that money; but this bill, as the chairman has already explained, carries an appropriation of \$1,700,000,000 for both Departments. It will be noted from the report that permanent appropriations, such as money for the carry charge on our public debt, and so forth, all for the Treasury

Department, amount to more than \$3,000,000,000. So, actually, the bill before us calls for a total appropriation of more than \$4,700,000,000. That sum is equivalent to about four-fifths of all Federal revenues last year. Someone has facetiously remarked that we might pass this bill and go home, because this carries all the money that we have.

I wanted to make particular reference to some items carried in the bill in which I think some gentlemen have a special interest. The gentleman from Montana [Mr. O'CONNOR] made some reference awhile ago to the public-buildings program. All Members are naturally interested in knowing whether or not they are going to get a new Federal building in their districts; and Members understand that most congressional districts, having an abundance of eligible towns, have received a Federal building—post-office building—each year during the past 4 years. In 1937 we authorized an appropriation for post-office buildings, and so forth, of about \$70,000,000, and in 1938 we authorized an appropriation of \$60,000,000, making a total of about \$130,000,000, and it was the purpose of Congress that out of the \$130,000,000 we have two buildings for each congressional district over a 3-year period. I think the Members of the House ought to understand that while we are appropriating some \$30,000,000 in this bill for Federal buildings, it does not mean that we will get an additional building for our district during 1939.

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. Yes.

Mr. ZIMMERMAN. For what purpose will the \$130,000,000 be expended if not in post-office buildings in the various districts?

Mr. MAHON. We have authorized since 1937, \$130,000,000 for public buildings. When we appropriate this \$30,000,000, we will have appropriated \$89,000,000 of the \$130,000,000; and the \$130,000,000 is required to give approximately, as I understand it, two Federal buildings for each congressional district, where the requirements can be met, during the 3-year period beginning in 1937. Last year, after the appropriation, the gentleman will recall that we were called upon, some of us, to recommend the places in our districts where the buildings were to be constructed.

Mr. ZIMMERMAN. I would like to ask a further question. I take it that the purpose is to construct these public buildings in large cities, as has been the practice in years past, and let the country towns that have had no benefit or convenience of public buildings go as they have in the past. Is that true?

Mr. MAHON. I think the gentleman knows that in the distribution of Federal buildings they have been fairly equitably distributed among the various sections of the country. At least that has been true since my first election to Congress in 1934. I am not familiar with the public-building program prior to that time.

Mr. ZIMMERMAN. But the gentleman will admit that the large cities have received the lion's share and that the country districts have been left until the other districts have been amply served.

Mr. MAHON. I would not at all agree to the statement of the gentleman in that regard. I think we ought to have additional buildings this year, but our approach to that is not by increasing this \$30,000,000 in this bill, or through any amendment that might be offered to this bill, but by other legislation which would authorize a larger public-building program. I compliment my good friend from Missouri for his zeal in behalf of the rural districts. I, too, represent an agricultural and not a city district.

Perhaps I should make it clear that the \$30,000,000 carried in this bill for public buildings will not provide for any new buildings. It merely provides for those buildings which have already been selected and designated for construction.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I will be glad to yield to the gentleman.

Mr. O'CONNOR. In the letter to which I referred, written by Mr. Farley, he points out that under the authorizations contained in the acts of August 25, 1937, and June 21, 1938, allotments have been made for 728 projects. Referring to

the act of August 25, 1937, I call to the gentleman's attention that the language in that act provides for the construction of a Federal post office in each congressional district every 3 years, instead of every 1 year. That is the way this money is going to be used and that is the policy that the Post Office Department is carrying out, and for that reason the gentleman from Mississippi [Mr. COLLINS] and myself tried to amend that act by striking out the word "three" and inserting the word "one"; but we did not receive approval of that amendment. The result of that is that in my own district it would take 54 years, carrying out this policy, to give to the smaller towns referred to by the gentleman from Missouri [Mr. ZIMMERMAN] any post-office buildings.

Mr. MAHON. I think I have yielded sufficiently to the gentleman. For the past 4 years we have provided for one Federal building each year in each district, as a rule. If the gentleman has 54 eligible towns in his district—

Mr. O'CONNOR. No; 18 eligible towns.

Mr. MAHON. It would take 54 years under the program that has been followed in the past 4 years to supply 54 Federal buildings for the gentleman. Having only 18 eligible towns, at the rate of 1 building a year, or 2 buildings every 3 years, it would not take 54 years to supply the needs of his district. I will say to the gentleman that there are a hundred towns in Texas, some 8 or 10 in my own congressional district, that are eligible for Federal buildings. I would like to see money appropriated to build those buildings, but additional authorizations are going to be necessary.

Now, there is another matter to which I would like to refer.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the distinguished gentleman from Texas.

Mr. POAGE. Has the gentleman had any complaints about building Federal buildings in any of these towns? I have listened to the newspaper clatter in Washington that they did not want the Government buildings in Washington because we were not paying taxes on them, and they feel that the Federal Government should pay taxes on every building they build. Has the gentleman had any such complaints as that from the rural districts?

Mr. MAHON. I have not heard of any, but if the gentleman will refer to these hearings he will find that the Post Office Department very emphatically maintains that it is cheaper to rent quarters than it is to build post-office buildings and maintain them. I would like to say, however, that too often we are spending too much money on these buildings, whereas we could provide some ten or fifteen or twenty thousand dollar postal facilities, perhaps even in the well-established third-class-office towns.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. HEALEY. With reference to the question just propounded by the gentleman from Texas, I represent a district composed of five suburban cities. We now have a Government post office in each of those cities. The people in my district have been very happy indeed to have the buildings, and they have made no complaints whatsoever on the ground that they were not taxable property. They are glad to have the facilities.

Mr. MAHON. I thank the gentleman. May I say that in the large agricultural district which I represent we have six Federal buildings, and a contract will be let for another in the near future.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. KELLER. The remark that the gentleman just made that the Post Office Department claims it is cheaper to rent buildings than it is to build them is true, but the class of buildings you get is not only not comparable at all but are often a disgrace to the Post Office Department, which rents them.

Mr. MAHON. The gentleman has presented a very correct position there.

Mr. GARRETT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. GARRETT. Does not the gentleman feel that by spending something like one-third or one-half the amount that is now being spent on Federal buildings, in towns with a population of from three to five thousand, we could build buildings in keeping with the other buildings in those towns and enable us to have about three where we now have one, or probably two where we now have one Federal building?

Mr. MAHON. I thank the gentleman for his contribution. I do not know that you could build them for five or six thousand dollars.

Mr. GARRETT. No. I say in towns with a population of from three to five thousand.

Mr. MAHON. Oh, yes. I think the gentleman is correct. I know the gentleman has been working along that line for some time and I think that is a sound policy.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. DONDERO. I just called the Post Office Department to inquire whether or not the first item of \$30,000,000, on page 51 of the bill, represents one post-office building in each congressional district this year. I may not have heard the gentleman's explanation of that. Would he mind telling me?

Mr. MAHON. I have just explained that it takes about \$60,000,000 to construct a post-office building in each district each year. The \$30,000,000 carried in the bill is just to carry on the 3-year program of two buildings for each congressional district for the 3-year period.

Mr. DONDERO. And those buildings have already been allocated.

Mr. MAHON. In almost every case.

Another matter to which I wish to call attention and to which consideration should be given is that of the star-route carrier. The star-route carrier is shamefully underpaid.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. KELLER. Is the gentleman now leaving the building-program feature?

Mr. MAHON. Yes.

Mr. KELLER. Will the gentleman yield to permit me to make an observation regarding it?

Mr. MAHON. With pleasure.

Mr. KELLER. The gentleman from Texas makes a suggestion which, while it might be entirely practical, might be disastrous in the long run. It has been the experience that where a high-class building is put in a town, of a type better than the ordinary buildings in the town, it encourages the building of better buildings in that locality.

Mr. MAHON. I thank the gentleman.

As I was about to say, the star-route carrier is shamefully underpaid. It is no fault of the administration of the star-route law that he is shamefully underpaid, but it is due to the nature of the law itself. The law itself brings about this shameful discrimination against the star-route carrier. In 1925 the star-route carriers were carrying the mail 90,000,000 miles a year. In 1938 the star-route carriers carried the mails 171,000,000 miles; and they carried it more than 171,000,000 miles this past year for less money than they carried it 90,000,000 miles in 1925. In other words, the star-route carrier for carrying the mail 90,000,000 miles in 1925 received compensation in the sum of \$12,000,000, but in 1938 for carrying the mail 171,000,000 miles he will perform this service for about \$11,500,000.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 5 additional minutes to the gentleman from Texas.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. GEYER of California. Does not the star-route carrier secure his route by competitive bidding?

Mr. MAHON. He does.

Mr. GEYER of California. How would the gentleman recommend that this condition be remedied?

Mr. MAHON. The legislative committee of the House on the Post Office and Post Roads has been trying to work out a basis that would provide a fair standard of pay. It must be

remembered that during the 1920's it was hard to get people to bid on these routes; men ordinarily were getting such good pay they did not care to bid on them; but now, with some six or ten million people unemployed and wanting these star routes and bidding on them when they do not know much about the real cost of operating the route, they bid hopelessly low; and the Post Office Department, notwithstanding its knowledge of that fact, is nevertheless compelled to let the lowest bidder have the contract. The gentleman from Texas [Mr. POAGE] was telling me that he knows of a man in his district who is carrying the mail 90 miles a day for \$80 a month. Bear in mind that this is substantially his only pay, and out of this \$80 he must provide all the expense incident to owning and operating his car. The average star carrier gets 4.11 cents per mile for carrying the mail in Texas. The average for the Nation is about 6½ cents. The average per-mile pay of the star carriers in 1925 was 13½ cents. I know of many cases of great hardship and injustice in the star-route service. The injustice should have been corrected years ago. Remedial legislation certainly should be passed at this session.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. POAGE. Let me also call attention to the fact that the average star-route carrier in our section makes a box-to-box delivery exactly as the rural carrier does. The theory of the star-route carrier is that he takes the mail from one point to another, but in actual practice he makes box-to-box deliveries also.

Mr. MAHON. That is the fact, the majority of star-route carriers now actually make box deliveries.

Mr. POAGE. And may I ask the gentleman one other question?

Mr. MAHON. Certainly.

Mr. POAGE. Is it not a fact that a star-route carrier to retain his contract, no matter how low that contract is, must underbid himself for the simple reason that everybody in the county knows what he has got it for? If he has it for \$60 a month this year he knows somebody else will bid \$55 a month, and if he expects to hold it he will have to bid \$50 himself.

Mr. MAHON. Yes.

Mr. POAGE. He has got to underbid his own low bid in order to hold it.

Mr. MAHON. The gentleman has correctly stated the situation. The only way that situation can be met is for the legislative Committee on the Post Office and Post Roads to bring in corrective legislation. They did bring in such legislation 2 years ago. It passed the Congress, but the President vetoed it. Last year I appeared before a subcommittee of the Post Office and Post Roads Committee of the House in behalf of star-carrier legislation. The committee has had considerable hearings on the subject for many years. I want to make it clear that I am not criticizing the great Committee on the Post Office and Post Roads. I know they have been working on the matter; that they know about the injustices of the system. I do believe that the great majority of the Members of the House and Senate are in favor of a square deal for the star carrier, and that if the Post Office and Post Roads Committee will bring out a reasonable bill on the subject the legislation will be passed.

Mr. GARRETT. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Texas.

Mr. GARRETT. Does not the gentleman feel the Post Office Department should not be required to accept the lowest responsible bid, as it is termed? Does not the gentleman think it ought to have more latitude in passing upon these matters?

Mr. MAHON. I think the gentleman is correct. The star-route carrier wants something approaching reasonable pay to support himself and family. He is not advocating a big salary.

I had hoped to speak at some length regarding that provision of the bill which has reference to the program of the Federal land bank and land-bank commissioner. It will be recalled that we have reduced by previous legislation the

legal rate of interest on these loans to 3½ percent on land-bank loans and 4 percent on land-bank commissioner loans. However, my time has about expired, and I cannot undertake to do this. Of course, there are many other features of the bill which might profitably be considered further.

Under leave to extend and revise my remarks, I wish to submit for the RECORD the following with further reference to the star-route carrier problem under discussion. The following table will reveal the increases in the number of routes, the length and annual mileage of the routes, and the decreases in the annual cost and the cost per mile in the period from 1925 to the present.

Data on star-route service

Fiscal year	Number of routes	Length (miles)	Annual mileage	Annual cost	Cost per mile (cents)
1925	10,908	164,209.19	90,869,158.35	\$12,145,635.95	13.37
1926	10,991	169,258.34	94,059,178.69	12,364,569.00	13.15
1927	11,215	179,945.44	102,005,346.82	12,555,540.20	12.31
1928	11,472	190,990.59	109,432,324.20	13,120,534.66	11.99
1929	11,695	202,007.34	117,839,958.00	13,538,521.24	11.49
1930	11,788	209,573.29	124,457,065.23	13,837,885.43	11.12
1931	12,089	226,370.32	136,693,736.41	14,194,291.54	10.38
1932	12,443	239,714.24	146,875,460.69	14,496,000.49	9.87
1933	12,596	248,295.36	153,823,016.33	14,081,671.05	9.17
1934	12,237	251,571.53	156,669,298.03	12,787,984.72	8.16
1935	11,853	251,983.14	158,338,768.25	11,250,735.46	7.10
1936	11,663	256,863.96	161,167,895.87	10,779,346.71	6.69
1937	11,572	261,689.00	164,080,006.00	10,775,339.00	6.52
1938	11,393	263,127.00	171,769,115.00	10,872,985.00	6.33

A few days ago I received a letter from a friend of mine who is a patron of a star route in my district, which I believe presents this problem in a representative way, not only from the standpoint of the star-route carrier, but also from the standpoint of the patron of the service which results from this system of competitive bidding. That letter was from Mr. Robert N. Wagener, of Forsan, Tex., proprietor of the Wagener Engineering & Equipment Co., and I herewith submit it verbatim for the RECORD:

WAGENER ENGINEERING & EQUIPMENT CO.,
Forsan, Tex., February 7, 1939.

HON. GEORGE MAHON, M. C.,
Washington, D. C.

DEAR MR. MAHON: I wish to call your attention to the viciousness and consequent poor service due to the contract system on star mail routes.

The men who bid on these routes have only limited resources and in general do not realize the cost of operating a car or light truck. In the case of Mr. S. Grubaugh, who has the route through Forsan to Sterling City, I find that his annual contract calls for \$1,595.72. The route mileage is 131 miles per day and 313 days per annum. A light truck cannot be operated for less than 4 cents per mile. By simple calculation we find that his annual cost of operating this truck is \$1,640.12.

We can conclude that this man is working for the United States Government for less than nothing. In order to continue he must pick up freight for Forsan and Sterling City. This delays the mail here. The east-bound train arrives at Big Spring at 7:40 a. m., the west-bound at 7:10 a. m. With only the duties of a mail route we would have the mail here at 9 a. m. Instead, the average time of his arrival is 10:45 a. m.

He starts to work at 7:30, leaves Forsan on his return route at 5 p. m., and checks out at the Big Spring post office about 5:45. His total working hours are 61½ hours per week. You can readily understand that we have here a violation of the minimum wage and hour law by the United States Government, at least in effect. Moreover this man does not have the advantage of a pension as a Government employee or of the Social Security Act.

We have here a third-class post office and are entitled to 7-day mail service instead of 6. Also we should have at least two mail deliveries per day instead of one.

A number of the oil companies here, in order to get their mail early, must have the expense every day of a 50-mile round trip to Big Spring and about 2 hours of one man's time.

These men should be put on civil service at a decent wage and the cars or trucks furnished by the Government. There are three other star routes out of Big Spring and the situation in each case is almost as bad as that of the example given.

Please do what you can to correct this unfairness.

Kindest personal regards.

Respectfully submitted.

ROBT. N. WAGENER.

The Post Office Department has classified the types of services rendered by star routes into eight distinct classes, as follows:

- (1) Serves post offices and performs delivery and collection service to box patrons.
- (2) Serves post offices but does not perform box delivery and collection service.
- (3) Handles only restricted classes of mail and serves post offices only.
- (4) Serves post offices and provides rural-delivery features to box patrons.
- (5) Performs box delivery and collection service to patrons but does not serve any post offices.
- (6) Provides rural-delivery features to box patrons but does not serve any post offices.
- (7) Known to be operated by bus or transit companies, handling all classes of mail.
- (8) Known to be operated by bus or transit companies, handling only restricted classes of mail.

It is in regard to those classes wherein box delivery is made to patrons along the star route, and wherein the principal reason for the existence of the carrier is the delivery of the mail to the offices and the boxes served, that I feel special consideration should be given by the Committee on the Post Office and Post Roads looking toward appropriate legislation which would place the carriers involved on a sound and fair living wage and at the same time insure to the patrons who are served along the route, and the offices that are served, an improved service, sound and efficient in its method of operation. In regard to the situation of those star routes on which no box deliveries are made, I want to say frankly that I am not familiar with any problems of the carriers or the Department, and do not at this time speak in regard to them. Without appropriate legislation designed to correct the deficiencies in the present system of competitive bidding, the Post Office Department is bound under the law to go on accepting the lowest bid without any special consideration to the efficiency of the service or the living conditions of the men who render that service.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, it is unfortunate that on the 7th day of February, when the gentleman from Virginia [Mr. WOODRUM] was speaking and I asked a question which was answered by the gentleman from Montana [Mr. O'CONNOR], I did not ask to have the transcript sent over to my office for correction. It was a week or two after the remarks were made on the floor and had been printed in the United States News that the error was called to my attention, and I discovered the official reporters had inserted the word "employer" in place of the word "employee." I assume the responsibility for being misunderstood by the reporter rather than charge that he was in error.

Mr. Chairman, anyone reading the act knows that the employer has the right to appeal after the Board has made a final order. I know too, as he stated, that one section of the law states that any "person aggrieved" by an order of the Board may appeal. I know also that the Supreme Court of the United States in the case of *National Labor Relations Board v. Jones & Laughlin Steel Corporation* (301 U. S. 1), made the following statement:

Any person aggrieved by a final order of the Board may obtain a review in the designated courts with the same procedure as in the case of an application by the Board for the enforcement of its order.

A layman reading this statute would assume that any person aggrieved, whether he be employer, an employee, or a union, might appeal, but if I read the act correctly, and if I read the decisions of the National Labor Relations Board, the circuit court of appeals, and the Supreme Court correctly, it has never been held that an employee had the right to appeal in a representation case nor in a complaint case unless he had been, in the discretion of the Board or court, permitted to intervene.

Mr. O'CONNOR. Will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Montana.

Mr. O'CONNOR. If the gentleman will read the CONGRESSIONAL RECORD tomorrow morning, he will find that I

point out a case decided by the Supreme Court of the United States, in which the opinion was written by Justice Hughes, to the effect that an employee, the Labor Board, or a labor organization may have the right to intervene and in connection with this decision it is clearly pointed out by Justice Hughes that the employee had the right to appeal in any complaint case.

Mr. HOFFMAN. What about a representation case?

Mr. O'CONNOR. The gentleman is now talking about something else. If the gentleman had not added "complaint cases" to his challenge, I do not think I would have answered him. The difference between a representation case and a complaint is that a representation case is simply an investigation to find out who has the right to represent the union.

Mr. HOFFMAN. Yes. I am sure we all appreciate and thank the gentleman for his exposition or commentary on the law.

Mr. O'CONNOR. For the purpose of bargaining collectively. It issues a certificate. That is not a decision of the Board at all, and it is not a decision from which an appeal could be taken.

Mr. HOFFMAN. Do not take too much time. I appreciate the gentleman's statements and I do not have any particular quarrel with the gentleman on that.

Mr. O'CONNOR. A complaint case is a case in which a decision is rendered after a complaint has been filed, an answer has been filed, the issues joined and a trial is had. Then both employee and employer have the right to appeal.

Mr. HOFFMAN. Will the gentleman get more time for me from his side? He is using my time to explain matters we all understand and do not question.

Mr. O'CONNOR. I will get him 5 minutes.

Mr. HOFFMAN. A complaint case can only arise, if I read the law correctly, where an employer is involved. A representation case arises, as I think the gentleman stated, when the Board or the examiner is called upon or assumes to decide who shall be selected and certified as the bargaining agent.

Mr. O'CONNOR. That is correct.

Mr. HOFFMAN. What is more vital to the employee, the man who works in the factory, than the question as to who shall represent him, whether he shall be represented by group A or group B? When once the Board or the examiner makes a decision that group A is to represent me, a worker, have I the right of appeal to the courts?

Mr. O'CONNOR. Get this point—

Mr. HOFFMAN. Have I that right? Answer that question. That is the point at issue in all this discussion. Tell me, can I appeal from the order or rule or whatever it be that advises me that union A shall represent me in collective bargaining with my employer?

Mr. O'CONNOR. I got the gentleman 5 minutes, so I hope he will yield me 1 minute.

Mr. HOFFMAN. Do not use 10 minutes.

Mr. O'CONNOR. The Board makes an investigation.

Mr. HOFFMAN. The gentleman is talking about a representation case.

Mr. O'CONNOR. Yes. It finds that such-and-such a union has the right to represent the employees, or that John Smith has the right to represent these employees. And so certifies.

Mr. HOFFMAN. Yes.

Mr. O'CONNOR. The only occasion on which a controversy can arise is where the employer refuses to recognize that representation.

Mr. HOFFMAN. Oh, no. If 40 or 60 percent of the workers do not wish to be represented by the group certified by the Board there may be, there often has been, a controversy which closed the factory.

Mr. O'CONNOR. That is the only case in which it can arise. The point is that the employer proceeds to ignore the certification of the Board, and then is when a decision may come in. For instance, the employee can then proceed to compel the employer to comply with the selection made

by the Board; in other words, to cease and desist ignoring the certificate made by the Board.

Mr. HOFFMAN. That may be true so far and in the case that the gentleman has cited, but what right of appeal have the employees who wish to be represented by group B when the Board has designated group A as the representative for collective bargaining and the employer complies with the Board's order?

Or assume that, because of the intervention of the Board, it has brought about one of those so-called settlements and the company, the Board, and Union A have all agreed that Union A shall be the bargaining agent. Where is the provision in the statute that gives the members of group B the right to appeal to the court because they feel themselves aggrieved? In the case I have cited there is no final order. Group A, the employer, and the Board have all agreed outside and off the record that A shall be the bargaining agent. Even though group B represents 50, 60, or 80 percent of the employees, where is their remedy under this statute?

Let us say that these two gentlemen over here want to be represented by Union B. The gentleman from Montana and I want to be represented by Union A. Along comes the Board and says that the bargaining agent is the agent selected by Union B. Now, you tell me where in the law, where in a decision, where in a ruling of the Board, it is stated that members of the A Union, the employees, the men who work in the factory and who belong to Union A, and who are not permitted to select a bargaining agent, can appeal to any court?

Mr. O'CONNOR. Now the gentleman is getting right.

Mr. HOFFMAN. I have been right all the time.

Mr. O'CONNOR. Oh no; that is where the gentleman is wrong. This law covers two categories of cases, representation and complaint cases. Does the gentleman want to know the reason now—

Mr. HOFFMAN. No; I want the gentleman to tell me where in the law it is stated that the employee, the man who works in the factory, can, when a rival union has been recognized as the bargaining agency by the Board and the employer, appeal to the court. That is what I want to know.

Mr. O'CONNOR. Not in a representation case.

Mr. HOFFMAN. That is all I want to know, and I call the gentleman's attention to the decision of the Circuit Court of Appeals of the Third Circuit, which he will find reported in Ninety-sixth Federal (2d) 875, where that court held in no unmistakable terms that when the Board certified that one union was the exclusive representative of the employees for collective bargaining, such a certification was not a "final order," was not an "order," and it was not reviewable, and from it employees or other unions had no right of appeal.

The court, ignoring the practical situation, said that until a "final order is made, the party is not injured and cannot be heard to complain." That statement, of course, ignores the fact that, after one union has been certified, it is matter of common knowledge that a rival union loses its members, is unable to collect its dues, and that an employer will not bargain with it.

It ignores the fact that after such a certification has been made the Board may delay proceedings for a month or a year or for a term of years, and during all that time, not only the employer, but the employee and the rival union has no remedy.

Mr. O'CONNOR. The gentleman included in his challenge not only representation cases but complaint cases, and that is where the gentleman made his mistake.

Mr. HOFFMAN. Let me tell the gentleman there is just one complaint case I have been able to find, and the gentleman has that \$3,000,000 force down there at his disposal.

Mr. O'CONNOR. No; I have not.

Mr. HOFFMAN. Have them point out to me a complaint case where an employee has been able to get into court where a final order has not been made except in this case of Edward P. Harris against National Labor Relations Board,

which is now pending before the Supreme Court on an application for a writ of certiorari. The only way they got into court in that case was because the Board in that particular case permitted them to intervene originally, which the Board did not need to do. So much for that.

If I understood the gentleman from Montana [Mr. O'CONNOR] correctly, he concedes that, in a representation case, an employee cannot appeal from a decision of the Board which may affect him adversely, but he contends that the words, "any person aggrieved by a final order of the Board * * * may obtain a review of such order in any circuit court of appeals of the United States," found in subdivision (f) of section 10, gives an employee the right to appeal in any complaint case.

When, on February 17, page 1546 of the RECORD, I made the correction in the question asked of the gentleman on the 7th of February, I repeated my question and asked him "to point out that provision of the Labor Act which gives the employee the right to appeal from a decision of the Board in a representation case or in any complaint case where the employer acquiesces in the order of the Board."

The provision of the act just quoted is evidently the statutory provision upon which the gentleman relies for such right of appeal. Unfortunately for his argument, it does not follow that the words, "any person aggrieved," mean an employee.

If reference is made to preceding paragraphs of section 10, it will be found that the word "person," as previously used in this section, refers only to an employer, not to an employee.

For example, in subdivision (a), we find the word "person" and as there used, it can mean only an employer.

Again, in subdivision (b), unless the word "person" there refers to an employer, it is meaningless. And again in the same subdivision (b), it is provided that "the person so complained of," and so forth. Here again the employer is meant.

In fact, Chief Justice Hughes, in the very case referred to by the gentleman from Montana [Mr. O'CONNOR], *Consolidated Edison Co. v. National Labor Relations Board* (59 S. C. R., at p. 219, par. 25), said that the Board contended "that only employers can be so charged"—with an unfair labor practice.

In subdivision (c) of this section the words are, "If, upon all the testimony taken, the Board shall be of the opinion that any person named in the complaint," and so forth. Here again the word "person" means employer, not employee, for a complaint cannot, under the act, be filed against an employee.

Still farther down in subdivision (c) there is a provision that "Such order may further require such person to make reports from time to time, showing the extent to which it has complied with the order." Inasmuch as the Board has no authority to make an order against the employee, again the word must be construed as meaning employer.

Then subdivisions (d) and (e) have reference to the setting aside of an order made by the Board and the right of the Board to petition the court for enforcement of its order.

We then come to subdivision (f), containing the words which the gentleman argues gives an employee the right of appeal. As I have pointed out, the words "any person aggrieved," construed in the light of the other provisions of the law, do not refer to an employee.

If, for the sake of the argument, it be admitted that they do refer to an employee, the gentleman's argument is no answer to my contention that the employee is at the mercy of the Board, for no one has a right to appeal until a final order has been made, and even when a final order has been made, an employer may disregard it until the Board petitions the circuit court of appeals for an enforcing order.

Many orders, rules, or decisions, or whatever you may wish to call them, can be made in complaint cases before a final order is made and those rules, decisions, or orders, even though they are not final, can work hardship to—yes, can destroy—the opportunity of the individual employee to work without paying tribute or may destroy the independent union to which he belongs, by giving aid and encouragement to a rival organization.

In support of his contention that the words "any person aggrieved" include an employee, the gentleman from Montana [Mr. O'CONNOR] quotes a letter written by Charles Fahy, general counsel of the National Labor Relations Board, which, among other things, states:

I think there is no doubt that you are entirely correct in the conclusion that the right of review of final orders of the Board in complaint cases is not limited to employers, but includes labor organizations and employees under the provisions of section 10 (f), providing * * *

And so forth.

The Board has never attempted to construe the statute so as to prevent such review.

I do not know the date of the letter, but I hold in my hand the record in the case of Edward P. Harris, as president of the Calcocraft, petitioner, against National Labor Relations Board, on petition for a writ of certiorari to the United States Circuit Court of Appeals for the Third Circuit, in which I find that Mr. Fahy, under date of August 18, 1938, in a case then pending in the United States Circuit Court of Appeals, Third Circuit, No. 6854, filed a motion with the clerk of the third circuit, in which, among other things, he stated:

The Board does not, by anything said or implied in this petition, admit that Calcocraft is a "person aggrieved" within the meaning of section 10 (f) of the act and has standing to file a petition to review the order of the Board.

Apparently, Mr. Fahy has changed his mind as to the meaning of "person aggrieved" some time between the 18th day of August 1938 and the date of his letter to the gentleman from Montana [Mr. O'CONNOR].

The gentleman from Montana [Mr. O'CONNOR] also cited—in support of his contention that an employee may appeal from an order or decision of the Board—two statements by Mr. Justice Hughes in the case to which reference was just made.

The first quotation, which is as follows—

The companies petitioned the circuit court of appeals to set aside the order and a petition for the same purpose was presented by the brotherhood and its locals. These labor organizations had not been parties to the proceeding before the Board but intervened in the circuit court of appeals as parties aggrieved by the invalidation of their contracts—

Is taken from page 212 and is a statement of the facts, as distinguished from the opinion of Mr. Justice Hughes.

The second quotation, so much as I can remember of it without having taken notes when the gentleman from Montana [Mr. O'CONNOR] was speaking, is from that part of the opinion found on page 219, where it is said:

The Board urges further that the unions have availed themselves of the opportunity to petition for review of the Board's order in the circuit court of appeals, and that due process does not require an opportunity to be heard before judgment, if defenses may be presented upon appeal. * * * But this rule assumes that the appellate review does afford opportunity to present all available defenses including lack of proper notice to justify the judgment or order complained of.

From the reading of the decision as reported, it appears that certain contracts which the employer had with the International Brotherhood of Electrical Workers and its local unions were by the Board ordered to be disregarded and that the brotherhood either petitioned the circuit court for the setting aside of that order, although it had not been made a party in prior proceedings, or, when the Board asked that the order be enforced, it intervened and so became a party to the proceedings.

In any event, the Board had made a final order and the case does not decide the question as to whether an employee may, as a matter of right, appeal from a decision of the Board where he has not been made a party prior to the making of the final order.

If it be assumed that, upon the making of a final order, an employee has the right of appeal, it still leaves him at the mercy of the Board in all representation cases and in all complaint cases where no final orders are made and in all those cases where the Board, a rival union, and the employer by agreement exclude him or discriminate against him.

Mr. O'CONNOR. The question of whether or not a man is aggrieved is a question of fact, not a question of law.

Mr. HOFFMAN. Yes; but the Board did not admit in the Calcraft case that an employee can be "a person aggrieved." The act is bad. Its interpretation by the Board is worse.

A CONFESSION OF GUILT—AN ADMISSION THAT FAIR PLAY, COMMON DECENCY, JUSTICE, AND LAW ARE DISREGARDED BY THE NATIONAL LABOR RELATIONS BOARD

On the floor of this House many times has your attention been called by me to the necessity for the amendment of the National Labor Relations Act, if employees are to enjoy the right of collective bargaining through representatives of their own choosing; if employers are to be permitted to carry on their business, give jobs to the unemployed, and do their part toward assisting in national recovery.

So far, the majority has made no attempt, at least in the open, to mitigate these evils; nor has the minority as an organization made the slightest effort toward the amendment of that unfair law or the abolition of the vicious practices carried on by the Board, its examiners, attorneys, and agents.

The American Federation of Labor has condemned the Board as being biased, unfair, and active in its efforts to aid the C. I. O., a rival organization.

Many individuals, many organizations of independent employees, hundreds of thousands of individual workers, many employers, and many organizations composed of employers have offered proof demonstrating that the law is unfair, that it is being improperly administered, and have demanded that it be amended.

Yet Congress remains deaf to the appeals of these workingmen, of these employers who would decrease to a large extent the burden of unemployment now resting upon all of us, if Congress would listen to their appeal for aid.

There is little reason for anyone to longer pretend that the act gives freedom of organization and bargaining power to the employee. Joseph A. Padway, general counsel for the American Federation of Labor, on the 17th day of October 1938, arguing a case before the Supreme Court, made the statement, and I quote:

One would imagine that every employee, under section 7, has the absolute right to freedom of choice in respect to representatives for the purpose of collective bargaining. Nothing can be further from the truth.

There is no longer any excuse for us to close our eyes to the situation as it exists. Nor is there excuse for further delay on our part.

Congress passed this law. Congress enacted the provisions under which the Board was created. Congress a week or two ago appropriated some \$3,000,000 so that the Board might carry on its activities.

Time and again have I stood on the floor of this House and called attention in general terms to the defects in the law and, on more than one occasion, pointed to specific instances which showed beyond argument its harmful effect and the unfair manner in which it was being administered.

If any Member doubts the statements which have been made, he has but to read the act and the decisions which have been made under it. True, the Supreme Court of the United States has declared the act to be constitutional as it has been interpreted in those particular cases which were before it. But never has the constitutionality of the act been questioned on the ground that it deprived a worker of his right to enter into a contract; of his right to work; of his property without due process of law; or that it deprived him of his day in court.

Passing by for the moment the question of the constitutionality of the act from that standpoint, as conclusive proof that the act is unfair, that it is being administered in an improper, un-American way, let me today offer, not the record of a particular case, not a general statement, but the confession of Dr. Towne Nylander, director of the National Labor Relations Board for southern California.

In the Inglewood Daily News of California, under date of February 7, 1937, we learn that Dr. Nylander made an address before the Inglewood Community Forum, and this newspaper quotes him, in the course of that address or in answer to

questions from the floor, with having made the following statements:

I'll tell you frankly, when we go into a hearing the employer hasn't got a chance.

Let me repeat that statement:

I'll tell you frankly, when we go into a hearing the employer hasn't got a chance.

Here is a man charged under the law with the duty of administering the law; a man whose duty it is to hold fair, unbiased hearings, meting out justice to all; who quite frankly admits that, when a hearing is held, the employer "hasn't got a chance."

And listen to this statement of this same man, Nylander:

I hope the C. I. O. and the A. F. of L. never do get together. Each can serve a good purpose by exposing the stuffed shirts in the other organization.

Here on the floor of this House, we have heard the act and its administration condemned because of its unfairness and its arbitrary action.

The President of the United States himself and other members of his official family have bitterly denounced the arbitrary and unfair acts on the part of Hitler and Mussolini. Never in their most unfair moments did those two men go further to impose their will than this director of the National Labor Relations Board says it is his practice to go in hearings.

When the employer is charged with an unfair labor practice this director of the Board says "the employer hasn't got a chance." This is "free" America.

Nor is there any doubt but that Dr. Nylander believes that the Board intends to continue that unlawful, that un-American course, for he says, and I quote:

Unless they amend the act, we will soon get to the rest of the employers whom we haven't yet been able to reach.

Think over, if you will, in the quiet of your own home and take up with your conscience, if you will, the meaning of this statement made by Director Nylander and then decide whether we, sitting here as representatives of the people, can longer submit to the injustice and the tyranny of the National Labor Relations Board.

Only yesterday and the day before we had a demonstration, to which reference was made by me on yesterday, as to how the failure of the Board to act brings unemployment and financial loss to thousands upon thousands of employees.

The Board has authority under the act to issue complaints, to order elections to select the agents for collective bargaining. In the motor industry in Michigan we have had almost continuous industrial strife for more than 2 years.

Recently the officials of a C. I. O. affiliate fell out, quarreled among themselves. Homer Martin represented one faction; Thomas represented another. By court action Martin secured the books of one of the locals. His faction elected its local officials. The other faction elected a different set of officials.

The company did not know with whom it might safely bargain collectively. One group of union officials claimed the right to handle the records and collect and disburse the dues taken from the workers. Another group claimed the same right.

There was no dispute between the company and its employees. There was no dispute between the company and any union. There was no dispute between the C. I. O. and the A. F. of L. The dispute was between two groups of men, all belonging to the U. A. W. A. Nevertheless, a strike which threw out of employment between 17,000 and 23,000 men took place.

Had the National Labor Relations Board back in January of 1937 called and insisted upon an election, provided a secret ballot, to enable the employees to choose their own representatives for collective bargaining with the automobile industry, all this trouble, or at least the most of it, might have been avoided.

On the doorstep of the N. L. R. B. rests the responsibility for the chaos now existing in Michigan; for some of the unemployment which has existed there during the past 2 years and

for the failure of the motor industry to again lead us on the road toward prosperity.

Is it not time, after all, that we just quit fooling around and either from that side—and you have control of the legislation—or from this side, bring in some amendments? I have offered two or three, but, of course, just being a new Member who is an old man, the amendments were not even considered. But is it not time that some of the gentlemen who know about this law, as does my friend from Montana [Mr. O'CONNOR], who knows all about it, who has had the advice of these attorneys in the Labor Department, should bring in a law protecting the employees?

Mr. O'CONNOR rose.

Mr. HOFFMAN. Oh, not now. Is it not time that some of you or your friends should bring in some amendment that will give the employee the right to bargain collectively, that will keep him free from coercion on the part of an organizer, such as is the situation which now exists in Michigan and which the people of Flint are trying to remedy by ordinance? What is the trouble up there? There were in Detroit 2 days ago seventeen to twenty thousand men out of work, and why? Because there is a dispute between the men who work and the employer? Oh, no; there is no argument between them. Is it because there is an argument between the A. F. of L. and the C. I. O.? Oh, no; not in this particular controversy. Then what is it all about? It is to determine whether the head of one faction or the head of the other faction, both belonging to the U. A. W. A., which is affiliated with the C. I. O., shall collect the dues of those two groups.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield to me for a brief question?

Mr. HOFFMAN. I yield.

Mr. O'CONNOR. If we should bring in an amendment enlarging the rights of the employee, will the gentleman vote for it?

Mr. HOFFMAN. Sure, if it gives them the right to bargain collectively, free from restraint, and the right to a fair judicial hearing.

Mr. O'CONNOR. Oh, they have that.

Mr. HOFFMAN. No; they have not. Why, they are picketing up there now to compel them to join the C. I. O., when they want to join another union or no union at all. That is the trouble. In all seriousness, is it not time we get at it and amend the act so that it will lessen the causes of industrial disputes affecting foreign and interstate commerce?

Mr. O'CONNOR. That is what it is for.

Mr. HOFFMAN. The title of the act says that the purpose of the act was to lessen the causes of industrial dispute, but, as a matter of fact and in actual practice, it has increased industrial strife. It has been used as an organizing agent to further the interests of the C. I. O. and to destroy the A. F. of L. and it has deprived the employee, the man who does the work, as distinguished from the labor organizer, of the right which the act was supposed to grant, that is, the right to bargain collectively through representatives of his own choosing.

What I am asking—what the people are demanding—is that this Congress get about its business and draw a labor relations act which will accomplish the purpose set forth in the title of this act, which is known as the Wagner law.

Mr. TABER. Mr. Chairman, I yield myself 30 minutes.

Before I start in to say what little I care to about this bill I call attention to Public Document 177, Seventy-sixth Congress, first session, which is available here at the desk, which has a list of all of the public buildings in the different districts in the United States that are supposed to be built under the programs that have already been authorized, and for the continuance of which we are carrying \$30,000,000 in this bill.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MICHENER. In that report to which the gentleman referred there are two columns, one column of projects where there already have been allotments, and the other where there are no allotments, but the projects qualify. Would the \$30,000,000 include any of the projects where there has been no allotment up to date?

Mr. TABER. My understanding is that the amount authorized does not include enough money to take care of anything in that last column, which is a proposed limit of cost for projects not authorized to date. That is my understanding.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. DONDERO. I just called Mr. Purdum, of the Post Office Department, and he confirms what the gentleman is saying, that it does not provide any money for new projects, but only for projects already established or allotted.

Mr. MICHENER. I have my own town in there and had that same information, but I did not know whether the committee had made any changes at the request of the Department.

Mr. TABER. The committee has not attempted in this bill to make any blanket increase of authorizations. I am personally of the opinion that the Committee on Appropriations should not attempt to bring in a blanket increase of authorizations to the House, and that it should be done by the Committee on Public Buildings and Grounds before there is an embarkation upon an additional program to that now authorized. In my own opinion I do not see any particular objection to a small adjustment of a few thousand dollars in the cost of a few buildings, where the situation is such locally that the needs of the community cannot be taken care of by the program as it was set up originally, but any general authorization for a new program, in my opinion, should come from the Committee on Public Buildings and Grounds.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mrs. ROGERS of Massachusetts. These buildings in the right-hand column have already been authorized, but the money has not been allotted?

Mr. TABER. No. If the lady will pardon me, the cities mentioned in the right-hand column are eligible under the statute for a building. Those are places in which the receipts exceed \$10,000. Every place in the country where the receipts exceed \$10,000, if it is not in next to the last column, is in the last column, unless it already had at the time these projects were undertaken suitable building facilities.

Mrs. ROGERS of Massachusetts. Will the gentleman yield further?

Mr. TABER. Yes; I yield.

Mrs. ROGERS of Massachusetts. Take the city of Melrose in my own district. That was authorized quite a good many years ago and then it was not built because there was not enough money. So that definitely was authorized and supposed to have been allotted some years ago. It is only fair to give Melrose the money for that post office.

Mr. TABER. I would say that if the building had ever been authorized there, that authorization would continue until it was satisfied by the construction of a building. That is true.

Mrs. ROGERS of Massachusetts. It is only fair to give it the money, it seems to me.

Mr. TABER. Yes. It would be fair. If that was allocated a good many years ago, it would probably depend on how long ago it was authorized, whether it could be built with these funds or not. Buildings which can be built with these funds would be limited, according to my understanding, to the fulfillment of the authorization of the items that were specified in the Third Deficiency Act for the fiscal year 1937.

Mrs. ROGERS of Massachusetts. That was in that list.

Mr. TABER. But not as an authorized project at that time was it?

Mrs. ROGERS of Massachusetts. It has been authorized, but they did not have the money.

Mr. TABER. It was not set up as one to which the money had been allocated at that time?

Mrs. ROGERS of Massachusetts. No. It was not allocated.

Mr. TABER. I would doubt if that could be built, under the language of this particular statute.

Mrs. ROGERS of Massachusetts. Did you give all the money that the Department asked for in this bill?

Mr. TABER. Yes. That is, for this particular item. We did not for every item all the way through, because there were some of the items where a review justified a cut; but for this particular building program in the districts we gave all that the Department asked.

Of course, I want to call attention to the fact that the program is quite backward. That is, the buildings are not progressing as rapidly as it was planned at the time the last program was set up, a little less than a year ago, because the Procurement Division has been turning its architects and engineers over to the P. W. A. for their operations, and they have gone behind in this particular program of construction out in the districts.

Mrs. ROGERS of Massachusetts. I am receiving a great many complaints for that reason, and certainly the Members are not given their post office a year which they have been promised for a number of years.

Mr. TABER. We were only to have a post office once in 3 years on the last program that was set up.

Mrs. ROGERS of Massachusetts. The prior one.

Mr. TABER. Under the prior one there have been a great many delays; there is no question about that.

Mrs. ROGERS of Massachusetts. They always tell me when I ask that every Member was to have a post office a year, unless it included a tremendously large post office, and then they did not get it. But where a Member has reasonably small, inexpensive post offices, that Member was to receive a post office a year. They are not living up to their program.

Mr. TABER. I think that is true, that they have not. The reason why they have not made the expected progress in the last year is that which I have just specified.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. O'CONNOR. The \$30,000,000 provides simply for the construction of projects already allocated?

Mr. TABER. Or authorized under the programs, which total \$130,000,000 altogether.

Mr. O'CONNOR. I know the gentleman is informed on this, but it is my recollection that the act of August 25, 1937, provided for setting up a plan whereby a post-office building would be authorized and constructed in every congressional district throughout the United States every 3 years. That is, one every 3 years.

Mr. TABER. That was the program that was set up at that time.

Mr. O'CONNOR. Now, has that program been changed?

Mr. TABER. Just as I have specified here. It has dragged because of the loaning of the architects and engineering forces to the P. W. A., but that should not result in the ultimate change in any program with reference to public buildings.

Mr. O'CONNOR. In other words, if we go on with the present plan in a district such as mine, where I have 18 cities eligible for a new post-office building, and each one crying for them, it would take 54 years before the Government would meet the present demand for post-office buildings. So that plan should be changed.

Mr. TABER. May I ask the gentleman whether all these Montana towns that are in the last column are in his district?

Mr. O'CONNOR. Nearly all of them are. There is Big Timber, Conrad, Cut Bank, Forsythe, Fort Benton, Glacier Park—

Mr. TABER. There are 21 in the whole State.

Mr. O'CONNOR. I will be brief and say that there are 18 eligible cities in my district. Not only can they qualify, but they need these post-office buildings.

Mr. TABER. None of those are in the next to the last column?

Mr. O'CONNOR. I do not see any.

Mr. TABER. None of those 18?

Mr. O'CONNOR. Sidney is one, but I think it is the nineteenth. As I recall, nearly all of these—in fact, all excepting Whitefish and one or two others—are in the western district.

The western district has fared better, apparently, than the eastern district. Just as the gentleman from Missouri has pointed out, it seems that the Government has been following a plan that favored the larger cities to the exclusion of the needs of the smaller places.

Mr. TABER. It is true that the Procurement Division has gone ahead and spent the biggest part of this money in the larger centers.

Mr. O'CONNOR. Does not the gentleman think it would be the fair and decent thing to do to amend the bill by doubling the amount of this item, making it \$60,000,000 instead of \$30,000,000, so we can construct at least one post-office building in every congressional district each year instead of once every 3 years?

Mr. TABER. I do not know that I care to pass on that question without going into the thing thoroughly, and one of the committees of the House held hearings on it.

I am sick and tired of the method of authorizing programs for public buildings without any substantial hearings on the subject. It has been the practice for the Procurement Division to come up here with a list, such as is included in this public document, and without any substantial hearings other than the statement that it would provide public buildings in each of the districts in the country and also take care of certain situations in certain of the large centers, we have included the item in a deficiency appropriation bill and passed an authorization. I do not feel that this is the way to do the Government's business. I feel that if we are going to have any more programs they should be authorized after full hearings on the part of the Committee on Public Buildings and Grounds.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. STEFAN. The gentleman from Montana [Mr. O'CONNOR] has made the point which would indicate that under this particular program the small town is being discriminated against in favor of the large town. I have a lot of authorizations for new buildings in my district. They appear on page 24. Does the gentleman know how these towns are to be selected for the construction of buildings? I understand that the Procurement Division and the Post Office Department get together and select as the site for a building the town which has the largest postal receipts. Does not the gentleman think this leads to discrimination, as brought out in his colloquy with the gentleman from Montana, that the small town is being discriminated against in the selection of sites for new buildings?

Mr. TABER. I do not know just exactly how they are selected.

Mr. STEFAN. Does the gentleman know that that is the plan?

Mr. TABER. I do not know whether they do it the way the gentleman states or not.

Mr. STEFAN. I was told that that was the way the selections were made.

Mr. TABER. The last column in this table indicates the towns in which postal receipts are \$10,000 and there is no building. The next to the last column indicates towns in which a building has been built under one of these recent programs, or is building now, or is to be built with the completion of this program.

It will require about \$30,000,000 more to complete this particular program; and, besides what we are appropriating at this time, there is a very considerable unexpended balance that will be carried over into the fiscal year 1939 because of the delay that has taken place in the early part of this fiscal year. I do not believe that the Procurement Division could possibly build any more buildings and do a decent job of it if they were given more money than is carried in this item. There will, in my opinion, be close to \$50,000,000 that can be spent in the fiscal year 1940 with this appropriation.

Mr. STEFAN. Mr. Chairman, will the gentleman yield further?

Mr. TABER. I yield.

Mr. STEFAN. I am particularly interested in asking as to the method of selecting the sites for buildings, whether or

not the gentleman knows or has any information that came out in the hearings as to whether or not the procedure is to put the new building in the town where the postal receipts are the highest.

Mr. TABER. I would not think that that was the usual or general procedure.

Mr. STEFAN. How are they selected?

Mr. TABER. They are supposed to take into consideration the needs of the community. In some towns they have a pretty good building that is available, for instance; and in some towns they have used closed and abandoned bank buildings for post-office purposes. In a great many cases these have taken care of the situation pretty well and provided better quarters than could have been gotten in some other way. In some other instances they are located in wooden rookeries that are fire hazards and which ought not to be used for post-office purposes at all. I think they are supposed to take care of the condition that is the most urgent. Perhaps they do not.

Mr. STEFAN. The gentleman might be interested to know that in my district the town that received the post office was the town which showed the largest postal receipts.

Mr. TABER. It should be the town that shows the greatest need.

Mr. MUNDT. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. MUNDT. On page 39, I note the post offices listed for the State of South Dakota. I wonder if the gentleman can give me some idea of the method used by which some of these post offices appear in one column and some in the other. For example, Britain, Canton, and Clark are in the column which says that the projects are not authorized to date. Do these two divisions, the Procurement Division and the Post Office Department, have the ultimate decision in that matter or does some committee in the Congress determine it?

Mr. STEFAN. The Post Office Department and the Procurement Division.

Mr. TABER. The practice followed is that the Chief of the Procurement Division and the Fourth Assistant Postmaster General, Mr. Purdum, who constitute the public buildings committee, get together and go over the situation. They make a recommendation in such a communication as Public Document 177, which the gentleman has. This is signed by Mr. Farley, Postmaster General, and Mr. Gibbons, Acting Secretary of the Treasury. It submits the recommendation.

The Committee on Appropriations or the Committee on Public Buildings and Grounds has been accustomed to go over the schedule submitted and give it legislative sanction. The projects in the first column, headed "Projects authorized," and amount allotted are projects that have been included in some public-building program reasonably current, or since the practice was started of the Procurement Division having jurisdiction over the construction of public buildings under the Treasury Department.

The last column covers projects that are eligible under the statute for consideration so far as a post-office site is concerned. Those are the towns that have no buildings, but in which the postal receipts exceed \$10,000.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. We are wasting a lot of money in other ways and we might as well waste a little here. There is no justification for an appropriation for post offices in second-class cities or the smaller first-class cities. There are plenty of vacant buildings of suitable nature in every one of these towns, and I venture to say in every one of the 18 in the district represented by the gentleman from Montana. We are only justified in doing this on the ground we are wasting a lot of money in other ways and we might as well have some out in the country.

Mr. TABER. There is a great deal to what the gentleman from Kansas has said with reference to a great many of these post-office buildings.

Mr. MICHENER. If the amount were increased at all, as suggested by the gentleman from Montana, the amount of

the increase would have to be borrowed money and would have to be added to the national debt; is that correct?

Mr. TABER. If the Congress should be so bold as to increase the limit of the national debt.

Mr. MICHENER. The gentleman has reference to the fact that the national debt has been limited by statute to \$45,000,000,000?

Mr. TABER. Yes.

Mr. MICHENER. Is it the gentleman's opinion that the authorizations to date have already reached the point so that if we add to this bill \$30,000,000, as suggested by the gentleman from Montana, we would have to get further authorization from the Congress to increase the national debt beyond \$45,000,000,000?

Mr. TABER. I do not believe we can meet the appropriations that are carried in the Budget estimates already submitted this year to the Congress and stay within the forty-five billion debt limitation.

Mr. STEFAN. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. STEFAN. If the gentleman from Michigan will read the hearings which he has before him, he will find on page 5 an answer to that question, which was brought out in a colloquy between himself and the Secretary of the Treasury. I would like the gentleman who is now speaking to come back to the post-office situation again. As long as we are spending this money for buildings, and if the plan and program is to build in those towns where the postal receipts are the highest, there is absolutely no chance under the present program for a small town to get a building. That results in discrimination in favor of the larger towns. Is that not correct?

Mr. TABER. I would not say that was so. I do not know.

Mr. DONDERO. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. DONDERO. I have just talked to Mr. Betterly, of the Post Office Department, and he tells me that the criticism just made by the gentleman who preceded me is not well founded but, on the contrary, it is based entirely on the conditions in a locality; it is based on the need, the condition of the building, the geography of the place, its increase in population, and its postal receipts and other factors that enter into the matter. I am informed the question whether it is a big city or a small city does not enter into it, but that the city chosen is the one where the need is greatest.

Mr. STEFAN. The gentleman mentioned me in his statement.

Mr. DONDERO. Yes.

Mr. STEFAN. Will the gentleman yield so that I can interrogate the gentleman from Michigan?

Mr. TABER. I yield to the gentleman from Nebraska.

Mr. STEFAN. I want to repeat that in my district the site for a new building was selected in towns where the postal receipts were the highest. The gentleman's statement just made is news to me; that is, it is not so that the program is carried out along those lines. Need may have something to do with it, but the need, after a conference between the Procurement Division and the Post Office Department is based upon the amount of postal receipts which eventually will result in discrimination against the smaller towns which can never hope to get large postal receipts, in favor of the larger towns. I insist that is true.

Mr. DONDERO. I do not think it has worked out that way in my district.

Mr. STEFAN. I am talking about my district, in which we do not have big industrial cities or large factory towns. I still insist that the plan of the Procurement Division and Post Office Department is to select towns where the post-office receipts are the largest. You will find in the last column there are a large number of towns eligible for new buildings that will not get them under the present program, whether you like the spending policy or not.

Mr. DONDERO. Does the recommendation of the Congressman have anything to do with it?

Mr. STEFAN. Not my recommendation.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 30 additional minutes.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. LAMBERTSON. Does not the gentleman feel, from his experience, the fact that these post-office buildings in these second-class cities cost practically twice as much to the Government as the same kind of a building would cost a private individual makes them unpopular and that the Congressmen are deluding themselves with the idea they can get a few more of these in their districts so that they may be that much more popular?

We have to meet the standards of organized labor and a dozen different requirements that exist a hundred miles away from home. They take the prevailing wages that exist there and put them in effect out in the country. This is not popular, and the people do not appreciate it. They know it is a waste of money. Does not the gentleman believe that is the reaction?

Mr. TABER. There is a great deal to what the gentleman from Kansas has said. We are spending practically a minimum of \$70,000 for every building that is put up. There is no question in the world that for half that sum of money a building suitable to the needs of many such localities could be erected; so if we were going to spend the same amount of money, it would cover twice as many towns. I am not sure but that they could put up a building that would be satisfactory, if they did things right, for a great deal less than \$35,000.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Wisconsin.

Mr. HAWKS. I am inclined to agree with my friend the gentleman from Kansas. In my district last year, in my home town, there was authorized to be erected a post-office building, one of these \$75,000 structures. The Post Office Department is very well taken care of in a very fine building for which about \$900 a year rent is being paid. The post-office clerks and the postmaster himself are perfectly satisfied. They have every convenience available, and they are able to give the citizens of my city excellent service. Still there has been authorized the construction of a \$75,000 building. Let me tell you the folks at home are thoroughly disgusted with the situation.

Mr. TABER. I would expect such a situation would arise in a great many places. I know, you all know, and the gentleman from Kansas I am sure knows that if his community or my community undertakes to build a courthouse or a city hall or a town hall or something like that we get better architectural results and better price results by far than does the Procurement Division. Does not the gentleman find it that way?

Mr. LAMBERTSON. Without any doubt, because the Federal Government is hedged about with labor and other restrictions. When a post-office building is being constructed in a town a hundred miles from Kansas City they go to Kansas City to find a union standard of prevailing wages to apply in the country in erecting the building, and this makes it very expensive.

May I make the further observation that if they did not have these post offices to build there would be no occasion to have a ceremony on the breaking of the ground, another ceremony on the laying of the cornerstone, another ceremony on the enclosing of the building, and another and final ceremony when the building was opened for business.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. I have listened with considerable interest to the comments of the gentleman from Kansas [Mr. LAMBERTSON]. I agree with him on only one point he brought out, a point I believe it well for him to drive home in the minds of us new Congressmen, and that is that anything a Congressman may have to do with the post-office-building program is a headache. I think that is true regard-

less of the party affiliation of the Congressman. If a certain town gets a new post-office building, many feel hurt because of the location of it, and other towns are sore because they did not get one. However, I disagree with the gentleman in all other matters mentioned.

The gentleman says we do not need to put up new post-office buildings because we have a lot of unused buildings. I wonder if the gentleman knows just how suitable such buildings are for postal purposes. I know the gentleman's statement is not true out in my community, because I live in the West, which is not yet built up, but is in the building. Its future is ahead of it, as a future ought to be. I suppose there are parts of this older portion of the community, however, where there are plenty of unused buildings. Some of them are abandoned church buildings. I do not believe the gentleman from Kansas would go so far as to recommend that we use some of these unused churches as post-office buildings. No doubt they would be donated.

Mr. LAMBERTSON. Practically every town of any size or any city which has a second-class post office has a vacant bank building with a furnace and a vault that you can rent for \$15 to \$25 a month, or buy for \$250.

Mr. MURDOCK of Arizona. If I may go one step further, Mr. Chairman, may I say that it seems to me we ought to take some pride in the physical evidence of this great Government of ours. I regard a post-office building in even the smallest town as a symbol of the American Government. For that reason I have always contended the postmaster ought to be the finest man in the community, because he is a representative of this great Government, and the post-office building also ought to be a credit to this Government of ours. When I say this I am not intending to imply that we ought to waste money or that we ought to go ahead with an outlandish building program now because we are in a spree of spending. I do want to impress this point, however, that out where the West begins we have never put up a building, as far as my memory goes, that has been adequate 5 years after it was finished. We are not building sufficiently for the future out there. I should like my brethren to see that point and make allowance as between a growing part of the country and a part that has already had its growth.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I should like to say something now myself, if I may.

If we go too far in the building of post offices, we are going to have to pay for them with the kind of currency the gentleman from Arizona gave me the other day, one of the rebel Mexican currencies. This is about the kind of currency we will come to, if we keep on with the spending program that has been going on for a long time.

Mr. STEFAN. Mr. Chairman, will the gentleman yield now?

Mr. TABER. I yield.

Mr. STEFAN. I wish to refer again to the statement of the gentleman from Kansas [Mr. LAMBERTSON] in connection with empty bank buildings. I should like to talk to him personally about the racket that has been played upon the public by certain cliques in gobbling up hundreds of these empty bank buildings and renting them to the Government as post offices. However, that is not the point I am trying to make. I am opposed considerably to unnecessary spending, but we have an authorization and an appropriation to build.

The gentleman from Kansas would not build any new buildings in the small towns or in the towns where second-class post offices are located, but I still wish to make the point that if his psychology were carried out in the Congress, as long as that program were carried out, the small towns in the West would never get a new building.

Mr. TABER. Mr. Chairman, I am now going to talk a little bit about the Treasury bill and some of its features.

Under the gold bill the Government of the United States has on hand, as of December 31 last, \$14,500,000,000 of gold. This has been brought in from our banks and from foreign

countries in very large volume so that at the present time we have practically three-fifths of all the world's gold in our Treasury. Unquestionably if we attempted to sell it we could not get what we paid for it.

On top of this we have gone ahead with a large silver-buying program, and what have we done in that respect? We have built up in the Treasury silver amounting in all, as of November 30 last, to 3,698,000,000 ounces, an increase of 1,674,000,000 ounces from June 19, the date of the Silver Purchase Act, down to last November, and for that silver we have built up in the Treasury silver amounting in all newly mined silver bringing anywhere from 60 cents to 77 cents per ounce. Of the silver that was brought in, costing us somewhere around \$800,000,000 or \$900,000,000, only 253,143,000 ounces were in domestic, newly mined silver. The balance was old silver or foreign silver that was imported.

Now, what have we done? In order to give a subsidy to the silver miner of approximately \$130,000,000, or an average over the 5-year period of approximately \$26,000,000 a year, we have spent about \$900,000,000 for silver or an average of \$180,000,000 over the last 5 years. Much better, if we have got to subsidize the home producer of silver, to hand over the \$30,000,000 and have done with it than to attempt to go ahead and buy all the silver that is offered us from every country of the world, as we have been doing for the past 5 years. This has placed a terrific burden upon our country, and has placed it in debt to an additional amount of approximately \$900,000,000.

Now, we have gone ahead with that silver, and we have issued silver certificates against it at the rate of about \$1.25 an ounce—I have forgotten the exact figure—so that we have outstanding against that silver which has been purchased approximately \$1,600,000,000 of silver certificates.

This is the form in which the debt exists. Some of the people from the silver-mining territory, who do not understand the situation, say that we are making a profit by issuing the liabilities of the Government at the rate of \$1.26 an ounce, or whatever it is, against that silver which costs less than half of that amount. Now, do you not see that this is a debt of the Government and must be paid just like the bonds that are issued? The trouble with their point of view and their perspective is this: In order to cover up a subsidy of \$30,000,000 a year, or a little less, they have inveigled the Government into a tremendous silver program where we have absorbed all this silver that has come from all over the world.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. TAYLOR of Tennessee. Is not that inflation?

Mr. TABER. By another name, the same thing.

Mr. TAYLOR of Tennessee. It seems to me that is genuine inflation.

Mr. TABER. It would be, except it has crowded out of the market in that time approximately the same amount of Federal Reserve notes, and it is simply an addition to our direct debt.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. MURDOCK of Arizona. I think the gentleman ought to point out that the silver program which we have been following has had two objectives.

The gentleman lays stress on what he calls a subsidy to silver, whereby we have been spending about \$30,000,000 for American-produced silver. We have been buying silver abroad. I am not here to defend the purchase of foreign silver, but if we have been doing it, we have been doing it with the idea not of a subsidy, or aiding American silver producers, but of stimulating foreign trade. I do not care to go into that at all, but I am here to say that we have been pursuing a wise national policy with reference to domestically produced silver in paying more for American silver than for foreign silver and more than the world price. I should like to see that program continued, only that I would have the price of domestic silver at least 77 cents an ounce.

Mr. TABER. I say to the gentleman that he and the Representatives from the silver States are making a great mistake in trying to have continued a program for the purchase of \$180,000,000 to \$200,000,000 of silver, the most of it foreign silver, which is brought in here from other countries and which is being used now just the way the gold is being used, and I am going to call attention to that at this moment. The gold and silver have been brought in here from foreigners and the foreigners have been getting credit for it, and with that money they have gone into our stock markets and bond markets and have obtained in the last 5 years a very large interest in our bond and stock market, and they are able as a result of that interest to manipulate our bond and stock market up and down, to the detriment of our own people, just the way the old Wall Street pirates used to do 25 years ago. That is one of the situations that you have been promoting by this program. I think it is about time we stopped the freezing of gold in the Treasury, and the gathering in from all the world all the gold and the silver that we can gather, and turning over our investment markets to foreigners to manipulate up and down.

Mr. MURDOCK of Arizona. Would it not be possible for us to carry out a part of this silver program confining our purchases to domestically produced silver and not the other silver?

Mr. TABER. Only as a subsidy. If the Government feels that it should subsidize the silver-producing industry that might be an excuse for it on the part of those who feel they should subsidize every industry, and only in case they were to subsidize every industry. Of course, we all know—those of us who have followed the tables that have been presented to us—that most of this money for silver goes to the United States Smelting & Refining Co. and to the American Smelting & Refining Co. Of course, they do employ some people in some of the silver-mining territory, but the whole thing goes into the Treasury, most of it, through four of five large smelting outfits, such as I have described; and I am making no attack on them because they are entitled to the subsidy just as much as anyone else under the statute. They have been able to put it across. The question is, How long are the American people going to be that kind of suckers?

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. STEFAN. What will happen if we stop buying silver and gold?

Mr. TABER. We can create a free market for gold, the same as England, and not have the burden of letting England load the whole job of financing and stabilizing her currency onto us.

Mr. STEFAN. Was there anything in the hearings to the effect that the price of gold is going to be increased within a short time from \$35 an ounce to \$41 an ounce?

Mr. TABER. No; we had no intimation that that would come.

Mr. STEFAN. Was there anything in the hearings as to when we are going to stop buying the gold and silver and what would be the effect when we do?

Mr. TABER. Of course, as I understand it, there is an expiration date on the statute that authorizes the purchase of certain types of silver. Unless Congress extends that act—and I hope it will not extend it, because I want to see us stop being made suckers in this country—unless that act is extended we will have to stop buying foreign silver at that time.

Mr. STEFAN. Most of the gold we are buying now and most of the silver that we are buying is coming to us from foreign countries, is it not?

Mr. TABER. At least two-thirds, and probably three-fourths of it.

Mr. STEFAN. Resulting in great profit to foreigners?

Mr. TABER. Yes. Now I want to go into another feature of the situation in the Treasury Department. The chairman of the committee [Mr. LUDLOW] in his statement said that this committee has refused to appropriate funds for new employees to take the place of W. P. A. employees who are doing work in the different Treasury units. We found great blocks of W. P. A. employees doing work of all sorts in bureau

after bureau of the Treasury, where there had been and could be over the last 4 or 5 years no real review of the situation.

When a department comes before the Committee on Appropriations and asks for funds, in my opinion, it should justify every dollar it is going to use in the coming year. In the last 4 or 5 years it has been customary, whenever the head of any department wanted to go ahead and expand his activities, to put W. P. A. employees on the roll and to build up his department just as high as he wanted to have it. Now, we have gone ahead with our situation, and there has been absolutely no brake on it. When the Appropriations Committee brought in the last so-called relief bill a year ago, it tried to set up for the accounting activities and disbursement activities of the Treasury the funds that were necessary, instead of using funds appropriated for the purpose of handling the relief load. But when we came to investigate we found that the Treasury had been using these employees who were provided for with W. P. A. funds, for all sorts of things in the Treasury, regardless of whether it had anything to do with handling the pay of the relief employees or not. That is a practice that I hope the committee and the Congress can solve and stop when the next relief bill is considered. I hope it will not be considered as an emergency measure, but will be considered upon its merits, with time enough involved so that the Congress can stop a great many of the abuses that these departments have pulled off in the last 5 years. In some of them you cannot tell anything about the way they were operating. They showed all sorts of inconsistencies and all sorts of jumping around in such a way that I was inclined to believe they were paying these people an unconscionable sum for the work they were doing—more than they would pay if they were regular employees.

Now, I want to call attention to another situation that exists in the Government. In 1934 the total number of Government checks drawn was 13,483,000. In 1937 it was 113,436,966—nearly 10 times as many. I know of nothing that presents a clearer picture of what we are doing in this country, running our expenses away up.

Another item of the bill contains a large sum of money which is set up for the purpose of providing for the issuance of Government securities. In connection with the so-called baby bonds that have been put out we have high-pressure salesmen who are handling the job. They get good big salaries, and they came before the committee with their high-pressure methods and tried to sell us the program.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that I may proceed beyond the hour that is allowed by the rule.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. TABER. I yield myself 15 additional minutes.

Mr. Chairman, we found that a very large number of people were buying these bonds under high-pressure advertising and that sort of thing and the work of high-pressure salesmen. It is a fine thing when our citizens will buy our bonds, but it is a very serious thing when we crowd those bonds onto a lot of poor people who cannot afford to hold them and who must give them up before they can get any interest.

If they have a few dollars to stow away like that, they might better put it in a savings bank where they might get a little interest, rather than to have to redeem the bonds before they can hold them to an interest period. Our committee put a stop to these big advertisements in the newspapers and magazines and a lot of this extravagant expenditure that has been going on. It is still possible for the Department to operate with some of these high-pressure salesmen. Frankly I do not believe that situation should be allowed to continue. I do not believe that in times of peace, when we have funds available to buy our Government securities, that we can afford to be crowding on to people who cannot afford to carry them, Government obligations.

I do not believe I will go into a great many more of the features of the bill at this time. I want to call attention to

the situation in the Post Office Department, and then I am going to bring what I have to say to a close.

The estimated post-office revenue for 1939 and 1940 is approximately the same as it was for 1938 and approximately the same as it was for 1937. The operating expenses, on the other hand, are showing a continuous increase—larger than the increase in the receipts. With \$1,000,000 increase in receipts there is an increase of \$14,000,000 in estimated expenditures from 1938 to 1939. With \$9,000,000 increase in receipts, approximately the same amount is estimated in increased expenditures for 1940. Everywhere, regardless of the fact that the receipts of each post office are about on the same basis, we are having a set-up of increased personnel. Frankly I do not think it is in the interest of the Government to go on with that great big increase in personnel. I believe we should have enough to do our work, but I do not believe we should go along building up a tremendous personnel, larger than was required to do the same amount of business a year before.

I hope that the additional funds which we are giving to the Budget this year—the Budget appropriation is now going to be a little over \$300,000 as compared with \$75,000 or \$80,000 in previous years—that the Budget will make an improvement in its set-up. They have been allowed all sorts of investigators and all sorts of auditors and hearing officers to go into the Budget situation thoroughly and cut it down.

Frankly, I do not think that the funds that we gave them in the deficiency bill last June were spent to the best advantage, because they came in here with proposed increased estimates for almost every bureau and department of the Government. It is my belief that the expenditure of funds on their part should result in the weeding out of the waste which I believe exists throughout the Government.

Mr. Bell told us one thing that was very interesting when he was before us. He said he felt that had the Budget had the force that has now been given him, the loose ends of the administration of government could be well taken care of and that we could get rid of duplication and waste. He said he did not believe there would have been any agitation for a reorganization bill if such a function had existed. I hope that when Mr. Bell comes up here next year with the Budget he will have thoroughly combed the departments of this Government, and instead of bringing increased estimates he will bring us decreased estimates for the operation of the Government, and that he will have culled out of the Budget estimates any outfit which is duplicating the functions of other outfits that should be doing the work. I want to see this Government put on a sound basis and get rid of the waste and duplication that exists.

Mr. CLEVENGER. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CLEVENGER. I find myself on the Committee on Expenditures in the Executive Departments. We have been here nearly 2 months. So far nothing at all of any importance has come before this committee. I looked up the history of the committee the other day. The committee is some 10 years old. I found that it succeeded to the duties of about 11 other expenditure committees. Does it not seem to the gentleman that some of these conditions he still finds prevailing and of which he complains—the use of W. P. A. employees in the departments, for instance—might have been discovered by this committee if it had functioned according to the purpose for which it was created by the Congress?

Mr. TABER. I think one of the most outrageous things that has occurred in the last 6 years has been the failure of that committee to function. It was set up to get at the root of a great many evils in government and get rid of a lot of waste. It has absolutely failed to function.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. LUDLOW. I share 100 percent the gentleman's wish that the Budget Bureau would hold down these estimates. While we are contemplating that prospect, I wonder if we should not wish also that the Congress do its part and not go to extremes in the matter of authorizations.

Mr. TABER. I think Congress should stop authorizing the expenditure of funds except where it is absolutely necessary for the functioning of the Government.

Mr. LAMBERTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. LAMBERTSON. A great many authorizations have come about in the last few years in a left-handed fashion. The President has been given power in relief bills without any direct authorization to start new projects which require hundreds of millions of dollars to finish. Congress, therefore, is not responsible for many of these projects that were started under relief measures.

Mr. TABER. There is no question about that. Upward of two-thirds of the funds that have been appropriated for relief have not been used for relief but have been used for building structures that had nothing to do with relief, and for enlarging the functions of the Government and enlarging the activities of the departments of the Government; and we should stop this kind of activity.

Now I want to say a word or two about this bill and about this committee. The chairman of this committee, the gentleman from Indiana, Mr. LUDLOW, and the members of the committee, Mr. O'NEAL, of Kentucky; Mr. JOHNSON, of Indiana; Mr. DALY, of Pennsylvania; Mr. MAHON, of Texas; Mr. McLEOD, of Michigan; and Mr. DITTER, of Pennsylvania, up to the first of the year, spent 7 or 8 weeks going over this bill. The committee has given it, I think, the most thorough hearings that any appropriation bill has received since I have been a member of the committee. In addition to that you will note, if you look at the report from page 50 on, almost every item in the bill has received a cut. Some of the cuts some of us thought ought to be larger, and sometimes we argued quite a while, but finally reached an agreement on the amounts. When it is possible for a committee to cut over \$27,000,000 from an appropriation bill in an effort that called for so much personal service, it is a very considerable accomplishment. The committee has been able to report a net cut of \$27,926,000; and I want to commend the spirit with which the committee went at its job. I wish it might be an example for every other committee that comes into this House with any bill calling for funds to be taken out of the Public Treasury. I believe that in a great many other bills where there are larger items on projects and that sort of thing, a much larger saving proportionately could be realized with the same kind of treatment. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Chairman, I read with keen interest the speech made by our colleague the gentleman from Colorado [Mr. MARTIN] on the question of Fascist groups and Nazi bunds in the United States.

Having been close to the notorious New York meeting on Monday last, I made a number of observations. Most of the unscrupulous persons participating in that meeting had questionable allegiance to our country and the majority of them held dual nationality. Meeting under the cloak of purported Americanism at a so-called Washington celebration, they saw fit to desecrate the honored man whose birthday it was by openly preaching race hatred and obnoxious doctrines, attacking some of our most prominent public officials, including our own great President.

Similar meetings were held in other sections of the country, and I dare say, Mr. Chairman, that they could not get away with that in any other democracy of the world.

Free speech was used as a guise for free abuse of our Constitution, our form of government, and our people. Free speech was used to protect themselves from almost being massacred by red-blooded Americans, over 100,000, who stood behind Madison Square Garden protesting against the insidious attacks upon the principles George Washington stood for. It took 1,800 police officers of the city of New York to stop bloodshed.

I am surprised that as a result of this un-American meeting which was publicly announced there were only 15 arrests.

I was also surprised that the Dies committee, knowing of this meeting, took no steps to check and recheck on the proposed so-called pro-Washington Birthday meeting. Mr. Chairman, I want to say it was horrible and disgraceful. To my great surprise and astonishment I read in the press yesterday—and I am only quoting from the press—that the Dies committee is going to have nine probers or so-called investigators, who are going to assemble evidence of subversive influences in the United States. It will take 3 or 4 months to make an examination, gather the evidence, and take the testimony for presentation at public hearings next summer. Do I understand that to mean that since last June the Dies committee had no evidence at all on fascism, Nazi-ism, and other isms? Do I understand from this press statement that we have to start all over again to find the culprits who are undermining this Government with a foreign ideology, foreign doctrines, and foreign principles in their attack upon democracies? Do I understand, Mr. Chairman, that we have to start this thing all over again?

Mr. DEMPSEY. Will the gentleman yield for a brief question?

Mr. DICKSTEIN. I will be glad to yield in a minute.

A week ago I took the trouble to present certain specific facts on the floor of this House. If the Members will read the RECORD, or if these investigators will read the RECORD, and if the members of the Dies committee will take the trouble to do likewise, they will find it will not take 4 months to make this investigation. I have given you the names of persons, the leaders of alien groups in this country, whom you may subpoena forthwith and conduct your investigation so that we may have something in the form of legislation before we adjourn this Congress.

Before proceeding I yield to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Do I understand that the distinguished gentleman from New York is criticizing the procedure of the Dies committee because of something he has read in the newspaper with reference as to how it is going to proceed?

Mr. DICKSTEIN. I just stated I quoted what I read in the newspapers. I was not the author of that statement. If it is correct, I have some criticism to make.

Mr. DEMPSEY. I am sure the gentleman realizes that the press is not always correct. I saw a picture of the gentleman from New York the other day, Mr. SAMUEL DICKSTEIN, and underneath was the name Fritz Kuhn. That was not correct.

Mr. DICKSTEIN. If the gentleman wants to take my case, we can sue for libel.

Mr. DEMPSEY. I am not an attorney.

Mr. DICKSTEIN. I hope the gentleman will recommend one to me.

Mr. DEMPSEY. Do not take everything literally.

Mr. DICKSTEIN. I am not exactly making an attack. I am trying to awaken the American people. I have been trying to do this for 4 or 5 long years.

We all talk about the Dies committee, and I have the highest regard for the gentleman from Texas [Mr. DIES], the gentleman from New Mexico [Mr. DEMPSEY], and all the other members. I know they are trying to do a good job.

Mr. DEMPSEY. I thank the gentleman so much.

Mr. DICKSTEIN. One of the führers, as they call it, or Nazi leader, got on the platform of Madison Square Garden the other night in front of 20,000 or more people, hundreds of whom were in Nazi uniform, a foreign uniform, and this leader said:

I have just returned from a tour out West and we now have 100 Nazi units in the United States. We have created four units in the State of Texas right near the place where Congressman DIES' congressional district is located. In the district of the great American, MARTIN DIES.

The crowd just went wild. I admit Mr. DIES is a great American, but he should try to destroy all Nazi bunds in his district or any other district of Texas. He should try to

destroy all other influences which are un-American and obnoxious to our people and to our Government.

You do not have to be an investigator and take 4 months to find all this out. You do not even have to be a G-man to do that. The evidence is on the surface and noticeable wherever one moves.

Mr. HAWKS. Will the gentleman yield?

Mr. DICKSTEIN. In a moment. I endeavored to give advice to the people. The mere fact I am not a member of this honorable committee does not change the situation at all. If you want to go places and if you want to destroy un-Americanism, do not bring up little insignificant labor problems or little insignificant Communist groups that do not mean a thing.

Mr. HAWKS. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Wisconsin.

Mr. HAWKS. Did the gentleman say "little Communist groups" just now?

Mr. DICKSTEIN. I did say that; yes, sir. I said do not pick up little fries. Get after the big fellows.

Mr. HAWKS. The Communist movement, in the gentleman's opinion, is a little movement?

Mr. DICKSTEIN. No, I did not say that at all. Do not put language into my mouth. If the gentleman will follow me, I advocate bringing the big fellows here. Do not pick up a little labor dispute in which one accuses the other of being a "red." Let us get the real "reds" who are responsible for communism in this country, and, God knows, I have no use for them. I would destroy them just as I would any other "isms" we have in this country.

Mr. LAMBERTSON. Will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from Kansas. Mr. LAMBERTSON. Is it true that the main speaker at this New York meeting, Mr. Kuhn, I believe, wore a German military uniform?

Mr. DICKSTEIN. Absolutely; and not only he but hundreds of the Nazi troopers came there in foreign uniforms and attacked democracy under the guise of free speech at a pro-Washington rally. They did the same thing in San Francisco, where there was a riot involving over 2,000 persons.

The question I ask this House is, If this committee was created to look into exactly such situations, why should they wait 3 or 4 months to subpoena Fritz Kuhn or other members of the bund and to confiscate their records?

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. DICKSTEIN. I yield to the gentleman from New Mexico.

Mr. DEMPSEY. Does the gentleman from New York have any knowledge of whether or not the Dies committee has a complete report on what occurred in New York City a few nights ago?

Mr. DICKSTEIN. I did not say they had.

Mr. DEMPSEY. Does the gentleman contend the Dies committee could have prevented that meeting in New York, which was held with the permission of the mayor of New York City, the city the gentleman represents in part in this Congress, and with police protection provided by the mayor of New York City?

Mr. DICKSTEIN. This is a proper question.

Mr. DEMPSEY. Is my question a proper question?

Mr. DICKSTEIN. I think it is a proper question, and I will be glad to try to answer the gentleman. The mayor, as well as I and, I believe, my friend, believes in freedom of speech.

Mr. DEMPSEY. Most assuredly I do.

Mr. DICKSTEIN. Because we cherish and love freedom of speech, we want to protect it. We gave these persons the right of free speech and assembly, but this right is being abused. They are clamoring and telling the public that they are not going to be investigated, that they have not been subpoenaed since the committee was created, that nothing has been done to them, and that they can carry on their work. These are their statements in their public meetings, and the newspapers carried them. Why have not subpoenas been issued since June of 1938? Why have not their records been

confiscated? Why do we not know what they are doing here and what foreign dictator they represent? I could name to the gentleman and his committee, if they wished to listen, hundreds of names. I do not need 4 months to give you information if you want to take it, but I do not want to stand behind the back door of the Dies committee and say, "Please take this information." I say that if you had subpoenaed the Kuhns, the Fritzes, and the Hanfstaengels, and all such groups before this meeting took place you could have exposed their activities to such an extent that people would not have dared to go into that hall, because every person who went in there and thus lent support to that movement would have been publicly acknowledging his being an enemy of this country.

Mr. DEMPSEY. Mr. Chairman, if the gentleman will yield further, may I say that as a member of the Dies committee I can assure the gentleman from New York he will be very welcome to come before the committee, and it will receive any information he has which has to do with the investigation the committee is setting out to make.

As to whether the bund leaders in New York a few nights ago transgressed to the extent that they should have been stopped, was a matter for the mayor of New York City to handle, not for the Dies committee.

Mr. DICKSTEIN. I grant that.

Mr. DEMPSEY. May I say with respect to uniforms that, as far as I personally am concerned—and I am sure every member of the Dies committee will agree with me—it is offensive to me that any persons dressed in the military uniform of any country in the world should be parading around carrying an American flag and attacking our form of government. I agree with the gentleman on that point.

Mr. DICKSTEIN. I thank the gentleman for his contribution.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. DICKSTEIN. May I call to the attention of the Dies committee that you can destroy these groups and get the public behind you by publicly exposing un-Americanism, which the committee could have done if it had taken the trouble to subpoena representatives of these groups, and I have named hundreds of them in the Record.

Mr. DEMPSEY. With what would the committee subpoena them?

Mr. DICKSTEIN. With a subpoena.

Mr. DEMPSEY. These hundreds of groups all over the United States?

Mr. DICKSTEIN. No; the men whose names I have given and which the gentleman's committee could itself obtain, who are actively engaged in undermining this Government.

Mr. DEMPSEY. What would the committee use for money to bring them here?

Mr. DICKSTEIN. The committee seemed to continue its office in New York without money, and it has an office in New York and has two men working there. Why do not the members of the committee do what I or any other American would do; that is, dig down in my pocket for two bucks and subpoena as many people as I could with the money I could spare?

Mr. DEMPSEY. Does the gentleman believe we are renting an office in New York?

Mr. DICKSTEIN. No; I did not say renting an office. You have an office in New York in the Federal Building.

Mr. DEMPSEY. We were permitted to use that office in the Federal Building.

Mr. DICKSTEIN. You have two men working there. How do you pay them?

Mr. DEMPSEY. We paid them out of the \$25,000 we were allowed and from no other source. We consumed every dime that was given us by this Congress. We went as far as we could, and we went as deeply into the Nazi un-American subversive activities as we did the Communist activities.

Mr. DICKSTEIN. I would not say that.

Mr. DEMPSEY. I know the gentleman would not say it, but I am saying we did.

Mr. DICKSTEIN. The gentleman is taking in a lot of territory. You have not even subpoenaed one real Nazi before you. You have not even subpoenaed the Communists before you. I have read the record of the gentleman's committee.

Mr. DEMPSEY. I have not yet heard the gentleman from New York, who has this mass of important information, make an attempt to give any of it to the Dies committee. It would certainly be most welcome. Instead, the gentleman has come on the floor of this House and attacked the committee, which is doing the best it can.

Mr. DICKSTEIN. I am not attacking the committee; I am merely constructively advising the committee.

Mr. DEMPSEY. The most constructive thing the gentleman can do is to give us the information he has. We will welcome it.

Mr. DICKSTEIN. The gentleman is the first member of the committee who has even asked for the information.

Mr. DEMPSEY. I am not asking for it; I am pleading for it.

Mr. DICKSTEIN. I will be glad to give it to the gentleman if he will ask for it, or to the committee if the committee asks for it.

Mr. DEMPSEY. We did ask for it.

Mr. DICKSTEIN. I disagree with the gentleman. The committee never asked me. I know the committee is capable of doing its job. All you need is a start, the knowledge of where to go, which at the present time you do not have.

Mr. DEMPSEY. We will welcome any assistance the gentleman gives us. If the gentleman can show us the way to go, I am sure we shall be pleased to follow the proper line.

Mr. DICKSTEIN. You just tell that to your chairman, and I will be very happy to put you on the right road. You do not have to take 4 months to make the investigation, and I can save you some money. I would rather have you hold the money for other purposes, because I believe you will need it during the course of your investigation.

Mr. DEMPSEY. I feel sure I can speak for the chairman and say that he will welcome any cooperation the gentleman can give him.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I wish to bring to the attention of the House a matter that vitally affects and distresses labor and the veterans, and also very many of us all over the country, and that is the rumored transfer of the United States Employment Service to the Social Security Board.

Very many protests have come to me already from both labor and the veterans. I am opposed to a transfer of the United States Employment Service to the Social Security Board, and I believe the Members will all agree with me in this matter.

I am opposed to this transfer on the following grounds:

The United States Employment Service must be guaranteed its vigor and independence because it is one of the principal means of combating depressions. It puts men back to work, and that is assuredly what we all ought to be striving to do today.

The United States Employment Service was created by the Wagner-Peyser Act in 1933. Unfortunately, we lost Congressman Peyser a number of years ago. He made a fine contribution to the Congress and to the Nation.

The United States Employment Service was started under the Republican administration and has been continued under the New Deal and has been one of the most successful of the New Deal's activities. According to Labor Department figures it has made more than 25,000,000 placements during the last 5 years. There are now more than 1,600 employment offices affiliated with it, and I am sure other Members, just as I have done, have gone to the offices of this Service trying to secure employment for their constituents.

Undoubtedly transference to the Social Security Board could not help but react adversely upon the placement function for these reasons:

The Social Security Board is an insurance agency, not a promotional, placement agency.

Experience shows that administrators are inclined to take the easier of two courses, which in this case would be benefit payments. Benefit payments are not so large as wages, so the shops as well as the workers and employers would lose, as would the taxpayers.

As an insurance-dominated employment service would almost certainly lead to neglect of aggressive placement activities, which in turn would lead to increased demands upon insurance benefits, the net result would be a static, dying economic order.

Of course, this would be most unfortunate in every way and would retard putting men back to work or providing more employment.

The Social Security Board's unemployment compensation program covers only 50 percent of the country's working population. The United States Employment Service, on the other hand, is available to all. Would you hurt 50 percent in order to give the other 50 percent alleged benefits, which I believe can be secured better by another means?

Surely the United States Employment Service belongs in the Department of Labor and nowhere else. The Department of Labor was created to protect labor, to give jobs, and to help labor with all of its problems. It is the agency to which all workers look for a whole-hearted effort to make jobs available.

In its functioning it should have in mind the operation of various labor laws, such as minimum-wage, maximum-hour, and child-labor legislation, and should in effect constitute a workers' center, and, of course, the Department of Labor does all these things. As I stated before, the veterans all over the country are anxious that it should be kept in the Department of Labor, just as are the members of the labor organizations and those outside of the labor organizations in this country. As a result of experience and constructive experimentation, the United States Employment Service has perfected a method of coordinating unemployment compensation work with that of the employment offices. With increased financial and legislative support, this program can be made increasingly and uniformly available throughout the entire country.

The placement function and the unemployment-compensation scheme are both big jobs. They are so big and so important that they should not be completely scrambled. This would invite disaster. I favor the closer coordination of the United States Employment Service and the Bureau of Unemployment Compensation, which might well be secured by coordination of the two agencies within the Department of Labor. In order to safeguard their strength and effectiveness, they would be maintained as separate bureaus. However, in order to secure unity in relationship with the several States, it has been suggested that they might both be directed by an assistant secretary, with power to make financial and other arrangements and also by increased financial support of the United States Employment Service under the terms of the Wagner-Peyser Act. We need jobs so desperately in the United States today every effort should be made to facilitate getting them.

I feel sure there will be great objection on the part of the Members of the House to any transfer of the Employment Bureau from the Department of Labor to the Social Security Board. I think we all agree that it belongs in the Labor Department, the Department created for labor, and I repeat again the distress and fear of various veterans' organizations that this transfer to the Social Security may be quietly effected. I ask the interest of the membership of the House in this question.

Mr. VOORHIS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. Yes; gladly.

Mr. VOORHIS of California. I am greatly interested in this program because in my own State the lack of coordination between the two agencies led in the few months prior to last fall to a very serious depletion in the effectiveness of

the work of the employment service. Does the lady not agree that whatever is done about this matter, the first and primary job is the job of placement; that that ought to be a thing on which major emphasis is placed; and then referral should be made where jobs are available to other agencies?

Mrs. ROGERS of Massachusetts. Of course, they ought to be closely related, and their first job is to get people back to work. It is better for the unemployed and for the Federal Government both, for the shops, and for the taxpayer, economically and as a matter of humanity. It is much better for the entire country when people are employed. Does not the gentleman think it belongs in the Labor Department?

Mr. VOORHIS of California. I think probably it does, although my main concern is to see to it that the very thing is done which the gentlewoman suggests, that the Employment Service becomes the major consideration, instead of having the thing reversed and the major emphasis placed on the payment of benefits. How the thing can be worked out I do not know. For my part, anything that can be done to preserve and encourage the Employment Service as it now is, is to preserve all of the things about which the gentlewoman spoke, and to me they are of primary consideration and should be given primary consideration.

Mrs. ROGERS of Massachusetts. I thank the gentleman very much for his views. He always wants to be helpful.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, and members of the Committee, I wish to use the few minutes allotted to me to direct my efforts toward the argument of the gentleman from New York [Mr. TABER] with regard to the silver policy that we have been pursuing. As I said in my interruption in his remarks, there are two phases to this silver question—the purchase of foreign silver and the purchase of domestically produced silver. You may logically object to one without logically objecting to the other. I am not here to defend the purchase of foreign silver, but I am merely trying to say now that that is only one phase of it, and I am going to address myself to the other phase. However, I have heard some say that it might be well to buy silver from Mexico and China if thereby we could stimulate export trade with these nations.

I am not well enough versed in these matters to know whether that is a good thing or not. If it can be done, it may be a wise policy. But I leave that entirely and refer to this matter of domestically produced silver. Let us remember that in the early days of this administration—I am not sure whether it was 1933 or 1934—we had a Silver Purchase Act which provided for the purchase of silver to such an extent that our monetary supply of silver should be one-third that of gold. That is on the statute books. I hope it remains on the statute books. It should remain there. If you will look into the matter, you will find our present supply of silver is far less than one-third of our supply of gold. I just call that fact to your attention. I am not enough of a financial expert to know whether we ought to buy foreign gold, so I do not care to bring that into the discussion.

I am here to say that I believe it is a wise national policy for us to make wider use of the white metal in our monetary system. Throughout American history there has been a conflict between the two types of metallic money; gold versus silver. All of you remember the battle of the standards. Throughout our American history there has been a battle between the two types of paper money; bank currency on the one hand and governmental currency on the other. For the most part, I have always been a sound-money man. I do not believe in fiat money to any great extent, but I have come to believe that we have too long permitted this sovereign function of furnishing money to the Nation to pass out of the hands of the Government and into the hands of the banks and bankers.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. Gladly.

Mr. VOORHIS of California. Can the gentleman think of any money that is more truly fiat money than bank deposits which are created by a bank in order to make loans therewith?

Mr. MURDOCK of Arizona. I cannot. I cannot think of any greater inflation than we have witnessed many times and shall continue to witness under this system. When you talk about inflation coming about because of the purchase of silver, that is trifling inflation as compared with the volume of deposit money or bank credit which can be expanded overnight.

Let me remind you of the plain fact in history that the white and yellow metals have attracted the attention of human beings ever since trade has been carried on. It seems that about one-half the world, the occidental half, loves the yellow metal, gold. The eastern half, at least, and I think more than one-half of the American Continent, is very fond of white metal, silver. Ever since the day when Abraham bought a burial place for his wife Sarah and paid for it in silver, gold and silver have constituted the money of the common people; but in our country we have gotten away from it.

Although the Constitution of the United States says that Congress shall have the power to coin money and regulate the value thereof, we have permitted that power to go into the hands of the banking class. I tell you the people of this country demand that this Government reassert its power; recapture that function of sovereignty which has been permitted to slide away from it.

Now, with regard to domestically mined silver, it has been said that we have been subsidizing a few great corporations by that program. I know many small mining camps which have been kept going by this slightly better price which the Government has been paying for the past 5 or 6 years. It is also true that some of our copper producers, when the price of copper has been low, have gotten by because of the Government's purchase of their byproducts, silver. I want to tell you that in the little mining camp of Tombstone, Ariz., one of our chief silver-mining camps of the past, several small operators closed down about a year ago, when the price of silver dropped from 77 cents an ounce to 64 cents an ounce. Just that difference of 13 cents an ounce closed down those people and increased the relief load in that town. I say to you that if all the silver-mining camps of this country had closed down, which they would have done without this purchase program—and some copper camps as well—we would have been called upon to spend four times as much to carry their people on relief as we have spent purchasing American-produced silver. No doubt if we had free and unlimited coinage of silver, which I am not advocating, it would mean a certain amount of inflation, but it is scientific inflation and probably just about to the degree that the country needs.

Mr. VOORHIS of California. Will the gentleman yield further?

Mr. MURDOCK of Arizona. Gladly.

Mr. VOORHIS of California. Does not the gentleman believe that the word "inflation" is very often used in a mistaken sense? In other words, the word "inflation" really means an increase in the volume of money, which takes place more rapidly than the increase in volume of goods and services flowing through the channels of trade, but with not as much increase in the value of money each year as our industries and our agriculture increase the volume of those goods and services. So that is not inflation, if that much increase takes place?

Mr. MURDOCK of Arizona. I believe the gentleman is correct in his definition of inflation. Far too often the word "inflation" is used as we use the term "un-American" when we wish to discredit something.

Taking American economic history as a whole we find that business increases—business requiring an increase in the volume of money—from 3 to 5 percent annually. Money is the lifeblood of business. Inflation and deflation can be likened to changing the blood supply of the human body. Were I to allow a quart of my blood to be drawn off I would become

anemic, I might possibly die. On the other hand, were I to allow someone to inject a quart of blood into my veins I would flush up and I might die. So uncontrolled inflation is an evil, uncontrolled deflation is an evil. Both must be geared to American productive capacity and need. Under our bank-managed system we have seen some tragic operations performed.

It is my belief that so long as our paper money has a metallic base—not gold alone, for that puts too much power into the hands of one class—our financial structure is safe. If the time ever comes when both gold and silver prove inadequate, we may have to add to the base other commodities constituting real wealth. Our money for a time should be based upon a combination of gold and silver, the amount of each depending upon our production of these precious metals, as it has been for a portion of our history. Increase should come not in the nature of "bank inflation" but according to business needs. I believe that the banking element of the East, those who want to keep up the value of gold and the increased value of their property based on gold, are making a sad mistake when they frown upon the use of silver as a monetary base and attempt to banish the white metal from our monetary system. However, if I had not pursued this line of thought I could have justified the Government's program of buying domestically produced silver as cheaper than relief which otherwise would have been imperative in mining camps.

I shall fight to the last ditch to see that the white metal occupies its proper place in the American monetary system. I believe any other course is folly, not only against the interests of the common people, but eventually it will react against the interests of the moneyed class. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, due to the widespread misunderstanding of the objections which were raised against H. R. 3590, popularly known as the public salary tax, and due to the fact that this bill will soon be before the Senate of the United States for approval or disapproval, I wish to explain the reasons why I have vigorously opposed this bill.

First, it is not at all reciprocal as regards my native State of Pennsylvania. Second, it is a clear violation of the immunity rule and is therefore unconstitutional. Third, there should be no distinct extension of Federal power without the consent of the people.

Regarding the first point, all persons familiar with the situation know that Pennsylvania cannot levy a graduated income tax without amending its constitution. We also know that 2 years ago the people of Pennsylvania voted against an amendment which would have made possible such a tax. The consequences of this state of affairs are quite simple. Once this bill becomes the law every paid employee of the State of Pennsylvania and all of its subdivisions become liable to pay a Federal income tax, but none of the Federal employees who reside in Pennsylvania become eligible to pay a State income tax. This is not reciprocity, but rather it resembles a condition where a man without a cow agrees to share all of his cows with his neighbor who has many cows.

In this same connection, even if the day should come when the people of Pennsylvania decide to have a graduated income tax, the fact still remains that the State and municipal employees outnumber the Federal employees on the ratio of about 5 to 1. Quite naturally the Federal Government is very willing to grant reciprocal powers to the States when a decided advantage will accrue to itself. Therefore it is my clear and sincere conviction that, at least so far as the State of Pennsylvania is concerned, the tax is not reciprocal, and no volume of vocal hysterics can ever alter the fact that Pennsylvania will suffer as a result of the passage of this legislation.

I wonder at this point if the people of Pennsylvania knew that when they urged the passage of this bill that they were urging the passage of a tax which would only result in drawing more money out of their State for the benefit of other States and without proper corresponding compensation. I

wonder if they knew that in order to place a tax on the untaxed salaries of State and municipal employees they would have to place a similar tax upon their own salaries and incomes. I wonder if they knew that to tax the incomes of Federal employees who, it should be emphasized, already pay a Federal income tax, that they would have to pay a similar levy themselves. I wonder if the great popularity of this bill was not based upon a type of demagoguery which aroused the feelings of the people against a group of individuals that they mistakenly felt were enjoying privileges that they do not enjoy. Briefly, and mark it well, every Federal employee now residing in the State of Pennsylvania pays every tax that any other citizen pays, and every State and municipal employee pays every tax that every other citizen of our State pays, except the Federal income tax. Hence, by this bill we have a queer situation in which the people have asked that a State income tax be levied on themselves and all Federal employees in order that State and municipal employees will have to pay a Federal income tax. Somehow it just does not make sense. Never before in the history of the State have the people urged an increase in their own tax burden and the tax burden of others simply because they felt that a few State and municipal employees should have to pay a tax to the Federal Government. Perhaps if debate in the House of Representatives had not been limited to 3 hours, perhaps if the Gallup investigators had phrased their questions fairly, perhaps if the public had been properly informed on both sides of the question the people of Pennsylvania would have risen in loud opposition to this subtle trick that had been played upon them.

Let us now turn aside from this point to a consideration of the constitutionality of the measure. I have stated innumerable times that this bill constituted a clear violation of the immunity rule and is, therefore, unconstitutional and this statement has remained unchallenged by anyone who can speak with authority. At the outset, let us consider briefly the importance of the immunity rule as explained in the famous case of *Collector v. Day* (11 Wall. 113). The Court ruled that the immunity rule is—

Upheld by the great law of self-preservation, as any government, whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government.

Earlier Chief Justice Marshall in the famous case of *McCulloch v. Maryland* (4 Wheat.) ruled that—

The exemption from taxation has been sustained on a principle which so entirely pervades the Constitution, is so intermixed with the materials which compose it, so interwoven with its web, so blended with its texture as to be incapable of being separated from it without rending it into shreds.

This, Mr. Chairman, is the rule which the Members of the House of Representatives who supported this bill ignored. This is the rule which those of us who voted against the bill refused to ignore. This is the rule on whose existence the existence of our dual system of government may quite possibly depend. Once we have set it aside we have opened the way for destructive taxation, and, as ever, the power to tax is still the power to destroy.

Another feature of the unconstitutionality of this act should be properly emphasized, because some people have been led to believe, particularly by the public press, that the sixteenth amendment gave Congress the power to levy such a tax. The exponents of this theory point with great mental pride to the words "whatsoever source derived" and say, "What could be more simple and plain?" I grant that these words are misleading, but their existence does not excuse those who seek to shape public opinion from studying their historical origin. In 1910 Charles Evans Hughes, at that time Governor of the State of New York, called on the Senate of the United States to express an opinion as to whether the words "whatsoever source derived" might some day lead to a tax on the instrumentalities or means and property of the State and municipalities or on the salaries of their officers. The answer to his question may be found in Senate Resolution 175 submitted by Senator BORAH on the 8th day of February 1910.

After reviewing for 1 hour all of the legal implications involved Senator BORAH concluded that no such danger threatened, that the immunity rule was inviolate, and that—

No one should be misled by the utterly unfounded proposition that this amendment contained the power to embarrass the State and rend the whole fabric into shreds. To construe the proposed amendment so as to enable us to tax the instrumentalities of the State would do violence to the rules laid down by the Supreme Court for a hundred years, wrench the whole Constitution from its harmonious proportions, and destroy the object and purpose for which the whole instrument was framed. (CONGRESSIONAL RECORD, vol. 45, pt. 2, pp. 1694-1698.)

At another place in the same resolution Senator BORAH declared that the words "from whatsoever source derived" add nothing to the force of the amendment. On the basis of these and similar assurances the States of these United States ratified the sixteenth amendment; so if the Salary Tax Act becomes part of the law of this land, it is not too much to say that the Congress of the United States has not merely done an unconstitutional thing but it has broken faith with the sovereign States that compose the United States.

I for one did not desire to be a party to that breach of faith, nor did I care to violate my oath of office by voting for a bill which I conscientiously felt to be unconstitutional. Others, of course, and I have the utmost respect for their opinions and integrity, must have felt differently, but I believe that the hasty manner in which the bill was rushed through the House and the lack of opportunity to study the whole situation may account for their vote.

Regarding the third point, which states that there should be no distinct extension of Federal power without the consent of the people, I grant again that opinions may differ, but I have always believed that the tenth amendment of the Bill of Rights, which says "all powers not granted to the Federal Government are reserved to the States or the people thereof" is not only part of the fundamental law of the land but it is likewise a good provision, and so long as it remains as a vital part of the United States Constitution the people should be privileged to vote "yes" or "no" as to whether or not they desire any increase in the power of the Federal Government at the expense of the States, the municipalities, or themselves.

At the present time it appears that the bill will become a law and will be tested before the Supreme Court. This is in accordance with the desire of those whose reasons for sponsoring the bill have not yet become clear. Just why they adopted this method when other and speedier methods were available is likewise a mystery, but I venture the prediction that unless the Court rules contrary to all established precedents that it will declare this bill to be unconstitutional by a decisive majority.

When that day comes, if it does, we may then proceed in a proper and orderly manner to give the people of these United States an opportunity to express their will, and that opportunity can be extended in a way which will limit the granting of new power to the Federal Government to the specific objectives of this bill or such other specific objectives as may be included in the amendment. By this method the people can secure this tax if they want it without endangering in the slightest the sovereign power of their States and municipalities. I favor this method.

In closing I emphasize that I never opposed the idea that taxes should fall equally upon all persons in proportion to their ability to pay. What I opposed was the method employed for so doing, and the fact that the people of Pennsylvania will suffer an unjust tax burden as compared with the 31 States which impose State income taxes.

Regardless of the fate of this bill and regardless of how popular it may be, I feel that I would not have been displaying much courage if I had not done all that I could to defeat it. No one can possibly attribute any motive to my actions except a sincere conviction that this bill was a bad bill predicated on unwholesome principles, and one which was not reciprocal for my State and district.

In any event, right or wrong, I do not choose to be a rubber stamp for any President, pressure group, editorial writer,

poison-pen artist, or opinion poll. I predict that the day will come when I can point with pride to my vote against H. R. 3590. [Applause.]

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOEHNE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4492, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a letter from the chairman of the National Monetary Conference.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a resolution which I have received from the State Legislature of Arizona.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAHON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made this afternoon and to include therein certain tables and excerpts from letters regarding star routes, which inserted matter will be very brief.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made during the course of the speech of the gentleman from Vermont [Mr. PLUMLEY], and to include therein a paragraph from a letter.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a general memorial adopted by the Legislature of the State of Idaho.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, at the request of Mr. VINSON of Georgia, leave of absence was granted to the following members of the Naval Affairs Committee for next week on account of official business: Mr. VINSON of Georgia, Mr. MAAS, Mr. MOTT, Mr. SUTPHIN, Mr. COLE of New York, Mr. SHANNON, Mr. BATES, Mr. HESS, Mr. JACOBSEN, Mr. HAVENNER, Mr. EATON of California, Mr. GRIFFITH, Mr. VINCENT of Kentucky, Mr. CANNON of Florida, Mr. MAGNUSON, and Mr. JEFFRIES.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 88. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for finding of fact and recommendations of the Congress; to the Committee on Indian Affairs.

S. 414. An act for the relief of the Indians of the Fort Berthold Reservation in North Dakota; to the Committee on Indian Affairs.

S. 1115. An act for the relief of Lt. Malcolm A. Hufty, United States Navy; to the Committee on Claims.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.) the House, in accordance with its previous order, adjourned until Monday, February 27, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Monday morning, February 27, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads in the committee hearing room in the House Office Building, Tuesday, February 28, 1939, at 10 a. m., for the public consideration of H. R. 3812.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, February 28, 1939, at 10:30 a. m., to begin hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

The Committee on Rivers and Harbors will meet Friday, March 3, 1939, at 10:30 a. m., to hold hearings on H. R. 295, H. R. 922, H. R. 2890, H. R. 4170, and H. R. 4314, all bills for the control of water pollution.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the wool subcommittee of the Committee on Interstate and Foreign Commerce, at 2 o'clock p. m., Wednesday, March 1, 1939. Business to be considered: Opposition to wool-labeling bill, H. R. 944.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, March 1, 1939, on bills H. R. 159, H. R. 160, and H. R. 4167, certain private bills.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Wednesday, March 1, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

462. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to empower and authorize special agents and such other employees of the Division of Investigations, Department of Justice, as are designated by the Secretary of the Interior to administer oaths in the performance of their official duties; to the Committee on the Public Lands.

463. A letter from the president, United States Civil Service Commission, transmitting the Eighteenth Annual Report of the Board of Actuaries (H. Doc. No. 179); to the Committee on the Civil Service and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LUDLOW: Committee on Appropriations. H. R. 4492. A bill making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes; without amendment (Rept. No. 98). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H. R. 913. A bill to prohibit the unauthorized use of the name or insignia of the 4-H clubs, and for other purposes; without amendment (Rept. No. 99). Referred to the House Calendar.

Mr. GREGORY: Committee on the Post Office and Post Roads. H. R. 3811. A bill to provide for the appraisal of the pneumatic mail tube systems in New York and Boston; without amendment (Rept. No. 100). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GEYER of California:

H. R. 4493. A bill to provide for the construction of a post-office building in Lomita, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. IZAC:

H. R. 4494. A bill to permit Government life insurance to be granted to naval officers upon application within 120 days after receipt of a new commission; to the Committee on World War Veterans' Legislation.

By Mr. KILDAY:

H. R. 4495. A bill to amend the Social Security Act; to the Committee on Ways and Means.

By Mr. LESINSKI:

H. R. 4496. A bill to restrict habitual commuting of aliens from foreign contiguous territory to engage in skilled or unskilled labor or employment in continental United States; to the Committee on Immigration and Naturalization.

By Mr. MURRAY:

H. R. 4497. A bill to prescribe rules for the enrollment of Menominee Indian children born to enrolled parents, and for other purposes; to the Committee on Indian Affairs.

By Mr. NICHOLS:

H. R. 4498. A bill for the relief of the Western or Old Settler Cherokees, and for other purposes; to the Committee on Indian Affairs.

By Mr. PARSONS:

H. R. 4499. A bill authorizing the county of Gallatin, State of Illinois, its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near the city of Shawneetown, Gallatin County, Ill., to a point opposite thereto in the county of Union, State of Kentucky; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN:

H. R. 4500. A bill to supplement the act approved March 2, 1887, by aiding and promoting research in the engineering experiment stations of the colleges established and designated

in the several States under the provisions of the act approved July 2, 1862, and the acts supplemental thereto; to the Committee on Agriculture.

H. R. 4501. A bill to provide that real-estate brokers dealing in United States land comply with all licensing requirements of the State, county, or municipality where such land is located; to the Committee on Expenditures in the Executive Departments.

By Mr. BOREN:

H. R. 4502. A bill authorizing an appropriation for payment to the Sac and Fox Tribe of Indians in the State of Oklahoma; to the Committee on Indian Affairs.

By Mr. FERGUSON:

H. R. 4503. A bill to provide for loans by the Commodity Credit Corporation on grain sorghums; to the Committee on Agriculture.

By Mr. PATRICK:

H. R. 4504. A bill for the purchase of the Wylam Bank Building, to be used as the post office in Wylam, Ala.; to the Committee on Public Buildings and Grounds.

By Mr. CASE of South Dakota:

H. R. 4505. A bill to provide for the common defense by acquiring stocks of strategic and critical raw materials, minerals, ores, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and to decrease and prevent wherever possible a dangerous and costly dependence upon foreign supplies in times of national emergency, and for other purposes; to the Committee on Military Affairs.

H. R. 4506. A bill to provide for payments to counties to reimburse them for loss of tax receipts on account of the use of certain land by the United States; to the Committee on the Public Lands.

By Mr. HEALEY:

H. R. 4507. A bill to prohibit judges of the district courts of the United States from participating in cases involving matters in which they have acted as counsel, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Virginia:

H. R. 4508. A bill defining and prohibiting unfair sales, providing remedies for violations thereof, and establishing penalties therefor in the District of Columbia; to the Committee on the District of Columbia.

By Mr. ELLIS:

H. R. 4509. A bill to amend the Social Security Act; to the Committee on Ways and Means.

By Mr. SATTERFIELD:

H. J. Res. 133. Joint resolution authorizing the Librarian of Congress to return to Williamsburg Lodge, No. 6, Ancient Free and Accepted Masons, of Virginia, the original manuscript of the record of the proceedings of said lodge; to the Committee on the Library.

By Mr. ASHBROOK:

H. J. Res. 184. Joint resolution to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days; to the Committee on the Post Office and Post Roads.

By Mr. BLAND:

H. Res. 105. Resolution for the consideration of H. R. 2382; to the Committee on Rules.

By Mr. LESINSKI:

H. Res. 106. Resolution for the relief of Delbert E. Libbey; to the Committee on Accounts.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Alabama, memorializing the President and the Congress of the United States to consider their resolution opposed to participation by the United States in another foreign war; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of New Jersey, memorializing the President and the Congress of the United States to consider their resolution adopted February 6, 1939, with reference to the Dies committee; to the Committee on Rules.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 11, requesting certain public lands to the State of Montana; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of Arizona, memorializing the President and the Congress of the United States to consider their resolution, Senate Joint Memorial No. 4, relating to the stabilization of the price of silver; to the Committee on Coinage, Weights, and Measures.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD:

H. R. 4510. A bill for the relief of Clarence Haney; to the Committee on Military Affairs.

By Mr. BUCK:

H. R. 4511. A bill to extend to Sgt. Maj. Edwin O. Swift, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men; to the Committee on Naval Affairs.

By Mr. COSTELLO:

H. R. 4512. A bill for the relief of Robert William Morris; to the Committee on Naval Affairs.

H. R. 4513. A bill for the relief of John Zabriskie; to the Committee on Naval Affairs.

By Mr. HEALEY:

H. R. 4514. A bill for the relief of Thomas E. Connors; to the Committee on Naval Affairs.

H. R. 4515. A bill for the relief of Daniel F. Healey; to the Committee on Naval Affairs.

H. R. 4516. A bill for the relief of Allan McClure; to the Committee on Naval Affairs.

By Mr. IZAC:

H. R. 4517. A bill granting a pension to Sode Vetter; to the Committee on Pensions.

H. R. 4518. A bill for the relief of Francine Marie Dwight; to the Committee on Pensions.

By Mr. KIRWAN:

H. R. 4519. A bill for the relief of Rena Anna Hirschhorn; to the Committee on Immigration and Naturalization.

By Mr. McGRANERY:

H. R. 4520. A bill for the relief of the heirs at law of William Wheeler Hubbell, deceased, and to preserve inviolate the integrity of patent rights, such heirs being the following: Eleanor Hubbell, a daughter, and Albert Hubbell, a son, of 134 Wood Cleft Avenue, Freeport, Long Island, N. Y.; Norman Wheeler Hubbell, a son, 1327 Collings Road, Fairview, Camden, N. J.; Beulah Hubbell Tompkins, a daughter, 5141 Stiles Street, Philadelphia, Pa.; Ruth Lois Hubbell, a granddaughter, 26 North Potomac Street, Hagerstown, Md.; Annie Marie Hubbell Rees, a daughter, 829 Twelfth Street, Prospect Park, Pa.; Leland Stanford Hubbell, a son, Route 1, Concord Depot, Va.; and Lena Walker Hubbell Vanier, 5141 Stiles Street, Philadelphia, Pa.; to the Committee on Claims.

By Mr. MILLS of Louisiana:

H. R. 4521. A bill to confer citizenship on Pete V. Pappas; to the Committee on Immigration and Naturalization.

By Mr. MURRAY:

H. R. 4522. A bill granting a pension to Clara A. Farwell; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky:

H. R. 4523. A bill for the relief of J. T. Coulter; to the Committee on Claims.

By Mr. SCHUETZ:

H. R. 4524. A bill for the relief of Jesse W. Beeman and Willis H. Coates; to the Committee on Claims.

By Mr. TAYLOR of Tennessee:

H. R. 4525. A bill granting a pension to William T. Carroll; to the Committee on Pensions.

By Mr. VINCENT of Kentucky:

H. R. 4526. A bill for the relief of the heirs of Edmund P. Lee; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1331. By Mr. ASHBROOK: Petition of 48 employees of the Newark, Ohio, post office, favoring legislation giving credit for Saturday on annual and sick-day leave; to the Committee on the Post Office and Post Roads.

1332. By Mr. BUCK: Petition signed by LeRoy V. Peters and other residents of Sacramento, Calif., stating that as long as we shall adhere to the general policy of neutrality as enunciated in the act of August 31, 1935, to retain on our statute books the further and corollary principle enunciated in the act of May 1, 1937, extending the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1333. By Mr. CURLEY: Petition of the New York Lawyers Association of New York, opposing Senate Joint Resolution 26, which seeks to amend the Constitution of the United States to permit the United States to impose income taxes on income derived from securities issued by States and States to impose taxes on income derived from securities issued by the United States when such securities are issued after the ratification of the amendment; to the Committee on Ways and Means.

1334. Also, petition of the New York County Lawyers' Association, opposing Senate bill 554, in relation to preventing the retroactive application of any Federal tax upon the employees of the States and their instrumentalities; to the Committee on Ways and Means.

1335. By Mr. DARROW: Petition of Rev. C. W. Anschutz, D. D., and members of the Covenant Presbyterian Church, Germantown, Philadelphia, Pa., opposing amendment of the Social Security Act to include churches and members; to the Committee on Ways and Means.

1336. By Mr. DEROUEN: Petition of W. T. Burton, of Sulphur, La., protesting against the enactment of House bill 1809, amending section 4426, Revised Statutes of the United States, as amended by act of Congress approved May 16, 1906; to the Committee on Merchant Marine and Fisheries.

1337. Also, petition of the Central Trades and Labor Council, Lake Charles, La., condemning present disparity in freight rates between the South and other sections of the country; to the Committee on Interstate and Foreign Commerce.

1338. By Mr. DONDERO: Petition of citizens of the city of Pontiac, Oakland County, Mich., urging the Congress of the United States to pass legislation to prevent as far as possible the advertising of alcoholic beverages by press and radio; to the Committee on Interstate and Foreign Commerce.

1339. By Mr. FISH: Petition signed by Rev. Seth C. Craig, pastor, and officers and members of the Union Presbyterian Church of Newburgh, N. Y., opposing the proposed legislation which would include ministers and other church employees under the Social Security Act; to the Committee on Ways and Means.

1340. Also, petition signed by Rev. Charles K. Imbrie, pastor, and 12 trustees of the First Presbyterian Church of Newburgh, N. Y., opposing the proposed legislation which would include ministers and other church employees under the Social Security Act; to the Committee on Ways and Means.

1341. By Mr. MARTIN J. KENNEDY: Petition of the Harlem-New York Presbyterian Church, New York City, signed by the pastor and officers, expressing disapproval of including all employees of churches under the Social Security Act; to the Committee on Ways and Means.

1342. By Mr. JACOBSEN: Petition of H. A. Dipple, and others, of Davenport, Iowa, urging a policy of nonparticipation in aggression; to the Committee on Foreign Affairs.

1343. By Mr. LUTHER A. JOHNSON: Petition of Rev. P. De Young, of Groesbeck, and Rev. R. R. Rives, of Mexia, Tex., opposing amendment to the Social Security Act to impose tax on the church with reference to retired ministers, and so forth; to the Committee on Ways and Means.

1344. By Mr. KEOGH: Petition of the Marine Engineers' Beneficial Association, No. 33, New York City, concerning section 2 of Public Law 808; to the Committee on Labor.

1345. Also, petition of the Oklahoma Agricultural and Mechanical College, concerning Senate bill 1305; to the Committee on Education.

1346. Also, petition of the department of education, state-house, Providence, R. I., concerning House bill 2319; to the Committee on Education.

1347. Also, petition of the department of education, Baltimore, Md., division of art education, concerning House bill 2319; to the Committee on Education.

1348. Also, petition of the Bienenfeld Glass Works, Inc., Brooklyn, N. Y., concerning House bills 188 and 3369 and Senate bills 126, 137, and 158, and also Senate Joint Resolution 27, relative to railroad legislation; to the Committee on Interstate and Foreign Commerce.

1349. Also, petition of the Music Teacher National Association, Kansas City, Mo., concerning the McGranery bill (H. R. 2319); to the Committee on Education.

1350. By Mr. LAMBERTSON: Petition of A. S. Strain and 30 other citizens of Topeka, Kans., asking that Congress enact the improved General Welfare Act to relieve the suffering of our needy citizens over 60 years of age; to the Committee on Ways and Means.

1351. By Mr. PFEIFER: Petition of the Marine Engineers' Beneficial Association, No. 33, New York City, concerning the nonenforcement of section 2 of Public Law 808; to the Committee on Labor.

1352. Also, petition of the Automobile Club of New York, Inc., New York City, urging additional appropriation for the National Park Service for advertising purposes; to the Committee on Appropriations.

1353. Also, petition of the Allied Patriotic Societies, Inc., New York City, concerning Senate Joint Resolutions 64 and 165, and House bill 2533, dealing with the refugee problem in the United States; to the Committee on Immigration and Naturalization.

1354. Also, petition of John Sexton & Co., Brooklyn, N. Y., concerning House bill 188; to the Committee on Interstate and Foreign Commerce.

1355. By Mr. POLK: Petition of the Wheelersburg Baptist Church, signed by its pastor, Rev. John W. Adkins, and by the church clerk, Mrs. B. R. Fillmore, unanimously opposing the recommendation of the Advisory Council to place employees of religious organizations under the Social Security Board, and urging we stick to the time-tested American principle of complete separation of church and state; to the Committee on Ways and Means.

1356. By Mr. SECCOMBE: Petition submitted by Mrs. H. D. Coward, president, Woman's Missionary Society, of New Philadelphia, Ohio, urging the Congress to put into effect a policy of nonparticipation in aggression by stopping the shipment to aggressor nations of all goods that can be used by their military forces, and that immediate steps be taken to stop their shipment to Japan; to the Committee on Ways and Means.

1357. Also, resolution, submitted by Homer E. Sprang, commander, and H. G. Hoerger, adjutant, Holmes Post, No. 192, the American Legion, Millersburg, Ohio, as approved by the post at its regular meeting on February 6, 1939, requesting Congress to make the appropriation authorized under the Flood Control Act of the Seventy-fifth Congress (Public, 761), to reimburse the Muskingum watershed conservancy district in Ohio in a sum not to exceed the actual expenditures made by it in acquiring lands, easements, and rights-of-way for reservoirs in the Muskingum River Valley, provided such reimbursement shall not exceed \$4,500,000; to the Committee on Appropriations.

1358. By the SPEAKER: Petition of the veterans of the Philippine Revolution, Manila, Philippines, petitioning consideration of their resolution with reference to independence; to the Committee on Insular Affairs.

SENATE

MONDAY, FEBRUARY 27, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Father, who alone art all-wise and all-knowing, whose tenderness is from age to age: We thank Thee that Thou hast taken us out of our own keeping and hast bidden us to put ourselves in Thy hands, that, resting in Thee, we may be comforted, dropping our cares where burdens have no weight and tears no bitterness.

And since the Master has walked our common ways, tuning all life to sweeter, loftier grace, and by His lowly toil has forever stamped true labor with its highest dignity, grant that we and all Thy workers, with willing hands and hearts, may consecrate our work to Thee, that lust and greed may never rule the world again, and Thy temple, builded not with hands, may be revealed in the opened hearts of men. We ask it in the name of the master builder, Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, February 23, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hess, one of his secretaries.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and ask for a roll call so as to secure one.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hughes	Pepper
Andrews	Danaher	Johnson, Calif.	Pittman
Ashurst	Davis	Johnson, Colo.	Radcliffe
Austin	Donahay	King	Reed
Bailey	Downey	La Follette	Reynolds
Bankhead	Ellender	Lee	Russell
Barbour	Frazier	Lewis	Schwartz
Barkley	George	Lodge	Sheppard
Bilbo	Gerry	Logan	Shipstead
Bone	Gibson	Lucas	Stewart
Borah	Gillette	Lundeen	Taft
Bridges	Glass	McKellar	Thomas, Okla.
Brown	Green	McNary	Thomas, Utah
Bulow	Guffey	Maloney	Tobey
Burke	Gurney	Mead	Townsend
Byrd	Harrison	Miller	Truman
Byrnes	Hatch	Minton	Tydings
Capper	Hayden	Murray	Vandenberg
Caraway	Herring	Neely	Van Nuys
Chavez	Hill	Norris	Wagner
Clark, Idaho	Holman	Nye	White
Clark, Mo.	Holt	Overton	Wiley

Mr. LEWIS. I announce that the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Montana [Mr. WHEELER] are detained from the Senate by reason of illness.

The Senator from Nevada [Mr. McCARRAN], the Senator from New Jersey [Mr. SMATHERS], the Senator from South Carolina [Mr. SMITH], and the Senator from Massachusetts [Mr. WALSH] are detained on important public business.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R.

4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes.

The message also announced that the House had passed a bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, in which it requested the concurrence of the Senate.

EMPLOYEES OF PNEUMATIC TUBE SYSTEM, NEW YORK CITY

The VICE PRESIDENT laid before the Senate a letter from the Postmaster General, transmitting four drafts of proposed legislation to give to employees of the pneumatic tube system the same benefits now allowed by specific laws to other Postal Service employees, which, with the accompanying papers, was referred to the Committee on Post Offices and Post Roads.

FLORIDA SHIP CANAL (S. DOC. NO. 37)

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, responding to Senate Resolution 63, Seventy-sixth Congress, with report of the United States Geological Survey regarding the probable effect of the construction of the Florida ship canal, as reprojected, upon ground-water levels and ground-water supplies in any affected area, which was referred to the Committee on Commerce and ordered to be printed.

ADMINISTRATION OF OATHS BY INTERIOR DEPARTMENT SPECIAL AGENTS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation to empower and authorize special agents and such other employees of the Division of Investigations, Department of the Interior, as are designated by the Secretary for that purpose, to administer oaths in the performance of their official duties, which with the accompanying paper, was referred to the Committee on Public Lands and Surveys.

STATISTICAL STUDIES, DEPARTMENT OF LABOR

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Labor, transmitting, pursuant to law, reports of statistical studies performed by the Department of Labor for other than Government activities during the fiscal years 1936, 1937, and 1938, which, with the accompanying reports, was referred to the Committee on Education and Labor.

JANUARY REPORT OF THE RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, the report of the activities and expenditures of the Corporation for the month of January 1939, which, with the accompanying report, was referred to the Committee on Banking and Currency.

REPORT OF THE LIBRARIAN OF CONGRESS

The VICE PRESIDENT laid before the Senate a letter from the Librarian of Congress, transmitting, pursuant to law, his annual report for the fiscal year ended June 30, 1938, which, with the accompanying report, was referred to the Committee on the Library.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Kansas, which was referred to the Committee on Appropriations:

Senate Concurrent Resolution 6

Concurrent resolution memorializing the Congress of the United States to appropriate all of the funds collected under the terms of the Pittman-Robertson Act for Federal aid to the States in wildlife restoration

Whereas under the terms of the Pittman-Robertson Act, passed by the Congress of the United States, the 10-percent excise tax on sporting arms and ammunition is earmarked for appropriation by the Congress for Federal aid to the States in wildlife restoration; and

Whereas, unofficial, but usually reliable, sources estimate the full amount of this tax at about three and one-quarter million dollars,

and this year it was recommended that the full amount of the tax be made available to the States; and

Whereas this recommendation was cut to \$1,000,000 before the Budget was presented to the Seventy-sixth Congress; and

Whereas if this recommendation to appropriate only \$1,000,000 to the States is followed, the State of Kansas would receive only about \$17,000, while if the entire amount collected was made available to the States, Kansas would receive about \$57,000: Now, therefore, be it

Resolved by the Senate of the State of Kansas (the house of representatives concurring therein), That we request and urge the Congress of the United States to make available to the States all of the funds collected under the Pittman-Robertson Act, passed by the last Congress; and be it further

Resolved, That sufficient copies of this resolution shall be printed and the secretary of state is hereby directed to transmit a copy of the same to the President of the Senate of the United States, a copy to the Speaker of the House of Representatives of the United States, and a copy to each of the Kansas Senators and Members of the House of Representatives in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following resolution of the Senate of the State of Ohio, which was referred to the Committee on Commerce:

Senate resolution memorializing the Congress of the United States, relative to the policy of assuming the assessments and the entire cost of improvements in conservancy districts, especially with reference to the Miami Conservancy District

Whereas the Congress of the United States passed an act June 22, 1936, authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, which act is known as the Flood Control Act, wherein the Federal Government assumed the responsibility for all flood control in the United States, and Congress had amended this act in 1937 and 1938 as the Ohio River Basin; and

Whereas the Miami Conservancy District was constructed for flood-control purposes and it benefited flood control in the Ohio and Mississippi River Basins and that the maintenance is necessary for flood control in Ohio and the Mississippi regions; and

Whereas additional work and construction is necessary in the Miami Conservancy District looking toward the maximum efficiency for flood control as required under the Federal Flood Control Act; and

Whereas the Federal Government should assume control to coordinate the various flood-control districts for effective application of its flood-control policy, and should further assume the outstanding obligations of the Miami Conservancy District, the greatest part of which has been paid by the taxpayers of the district upon assessments during the past 20 years: Therefore, be it

Resolved, That the members of the senate hereby memorialize the Congress of the United States to carefully weigh the advantages as a whole that were derived from the Miami Conservancy District and to assume the obligations of the district yet outstanding, and to assume the control and maintenance of said Miami Conservancy District; be it further

Resolved, That properly authenticated copies of this resolution be forwarded by the clerk of the senate to President Franklin D. Roosevelt, Vice President JOHN N. GARNER, to the United States Senators, ROBERT A. TAIT and A. V. DONAHAY, and to each of the Members of Congress from Ohio.

The VICE PRESIDENT also laid before the Senate the following letter from the Governor of Arizona and joint memorial of the Legislature of the State of Arizona, which were referred to the Committee on Banking and Currency:

EXECUTIVE OFFICE, STATEHOUSE,
Phoenix, Ariz., February 18, 1939.

PRESIDENT OF THE SENATE,

United States Congress, Washington, D. C.

SIR: I have the honor to transmit herewith Senate Joint Memorial No. 4, relating to the stabilization of the price of silver, adopted by the Arizona Fourteenth Legislature in regular session convened.

Your memorialist respectfully urges careful consideration of this matter.

Respectfully,

R. T. JONES, Governor.

Senate Joint Memorial 4

Joint memorial relating to the stabilization of the price of silver
To the President and the Congress of the United States of America:
Your memorialist respectfully represents:

Hundreds of thousands of workers in the United States are employed in the mining industry, and they and their dependents must rely on the continued operation of that industry for a livelihood.

A stable price for silver is vital to the mining industry in general, inasmuch as gold, lead, zinc, and copper are generally associated with silver in ore and rock.

If the Federal Government discontinues the policy of maintaining a fair price for domestic silver, the producers of that metal will be able to obtain only the world market price, which currently approximates 45 cents per ounce, and, in the absence of govern-

mental action, would doubtless fall to the depression level of 25 cents.

In such event, a large number of the nonferrous metal mines would be forced to close, owing to the relatively low market prices for copper, lead, and zinc, with which metals silver is generally associated, and the prices of which are not easily susceptible of stabilization by governmental action.

The history of the past decade substantiates this statement. In 1931 and 1932, nearly all such mines were closed, and unemployment was the almost universal condition of the miners, whereas immediately upon the initiation of the policy of Government stabilization of the price of silver, a large number of silver, copper, lead, and zinc mines were able to resume operations because of the fact that the profitable price for silver compensated for the low prices for the other metals, enabling operation at a profit.

The closing of any considerable number of mines at the present time would adversely affect not only the problem of relief, but also the prosperity of many other industries, and not only the mining States, but the country as a whole. The mines consume great quantities of coal, electric power, powder, machinery, and other supplies, thus providing profitable employment for thousands and needed markets for vast amounts of American goods, to say nothing of the purchases of farm and factory products by the employed miners. If the mines close, the farmer's local market in mining States is destroyed, and he must seek markets in other States which are already oversupplied. The National, State, and local Governments would lose the taxes now paid by the mines, which burden would fall upon land.

The Government's policy of maintaining the price of silver has cost the taxpayers nothing, and has netted the United States Treasury a clear profit, in addition to the saving of the amount which would otherwise have had to be expended for the relief of unemployed miners.

It would be inequitable for the Federal Government to assume the obligation to protect all classes of products except metals, and all producers of wealth except miners, when the establishment of a permanent program of stabilization of the price of silver would so greatly benefit the producers of not only that metal, but gold, copper, lead, and zinc.

Wherefore your memorialist, the Senate of the State of Arizona (the house of representatives concurring), urgently requests:

1. That the President of the United States of America do all within his power to maintain the price of newly mined domestic silver at not less than its present level.

2. That the Congress of the United States of America enact legislation permanently stabilizing the price of silver at a level which will protect and foster the mining industry of the country.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Public Lands and Surveys:

Senate Joint Memorial 9

Whereas there are now pending in the current session of the Congress of the United States of America two proposed bills to further amend the Federal Oil and Gas Leasing Act, as amended, same being H. R. 2662 and H. R. 2663; and

Whereas said H. R. 2662 proposes to extend certain oil and gas prospecting permits issued under said Federal Oil and Gas Leasing Act; and

Whereas said H. R. 2663 provides for the issuance of oil and gas leases with reasonable and workable rental, royalty, and bond provisions; and

Whereas said proposed legislation, necessary in the public-land States in order to promote the prospecting for minerals on the public domain, located in the Western States, will be of great importance to all the citizens of the State of Colorado, and will increase employment and will add to the prosperity of this State and of the Nation: Now, therefore, be it

Resolved by the Senate of the Thirty-second General Assembly of the State of Colorado (the house of representatives concurring herein), That the Congress of the United States is hereby memorialized to immediately and favorably consider and act upon said H. R. 2662 and H. R. 2663, so amending said Leasing Act in the interests of the citizens of the State of Colorado and of the United States; and be it further

Resolved, That copies hereof be promptly transmitted to the President and Vice President of the United States, Speaker of the House of Representatives, and the Senators and Representatives from the State of Colorado in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Delaware, which was referred to the Committee on Finance:

RESOLUTION IN REFERENCE TO FEDERAL TAX ON MOTOR FUELS AND LUBRICATING OILS

Whereas it is generally acknowledged that the special Federal excise taxes upon the sale of motor fuels and lubricating oils were originally imposed by the Congress of the United States as emergency measures; and

Whereas by subsequent acts the Congress has continued to levy these taxes year after year until more than \$1,500,000,000 in revenue

has been paid by the motorists since these taxes were first imposed in 1932; and

Whereas the fullest use of these commodities is vital to the full development of industry, communication, and transportation throughout the Nation and the State of Delaware; and

Whereas the taxing of these commodities by the Federal Government constitutes an invasion of the States' rightful field of taxation, established through priority, upon which depends the past investment in, and future security of, the highway system of this State, the impairment of which would prove highly detrimental to the citizens of Delaware; and

Whereas the already excessively taxed motorists and highway users are unjustly forced to bear the additional burden of this taxation: Now, therefore, be it

Resolved by the Senate of the State of Delaware (the house of representatives concurring therein), That this One Hundred and Seventh General Assembly of the State of Delaware does hereby petition and urge the Congress of the United States to refrain from enacting or reenacting any and all laws imposing Federal excise taxes on gasoline and other motor fuels and on lubricating oils; and be it further

Resolved, That copies of this resolution be transmitted to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States, and to the chairman of the Ways and Means Committee of the House of Representatives, and the chairman of the Finance Committee of the Senate of the Congress of the United States, and to Hon. JOHN G. TOWNSEND, Jr., and Hon. JAMES H. HUGHES, Senators from the State of Delaware in the United States Senate, and to Hon. GEORGE S. WILLIAMS, our Representative in Congress from the State of Delaware, urging them to exert their utmost efforts to secure the desired objectives as expressed in this resolution.

The VICE PRESIDENT also laid before the Senate the following resolution of the Legislature of the State of Nebraska, which was referred to the Committee on Finance:

Resolution memorializing the Committee on Ways and Means of the House of Representatives of the United States to carefully consider the General Welfare Act of 1939, H. R. 2, Seventy-sixth Congress, first session

Whereas the general welfare of the United States must be provided for and promoted by supplying to the American people generally a more liberal distribution and increase of purchasing power by some means to be devised and practiced by the country as a whole; and

Whereas the plan devised and put in operation should be national in scope to accomplish and attain the end sought; and

Whereas a considerable number of the citizens and taxpayers of the State of Nebraska have an abiding conviction that the increase in the purchasing power of the mass of the people making up the United States of America can be realized under a national economic policy enacted into Federal statutes whereby citizens of the United States upon attaining the age of 60 years should retire from gainful employment, thereby stabilizing gainful employment for other citizens, stimulating agricultural and industrial production and general business, and alleviating the hazards and insecurity of old age and unemployment, through a system of retirement annuities to be spent each month as received for commodities and services furnished and sold by citizens of the United States; and

Whereas H. R. 2, Seventy-sixth Congress of the United States, now referred to the Ways and Means Committee of the House of Representatives of said Congress embodies the plan hereinbefore set forth in this preamble and is worthy of consideration, merits discussion and debate by both the lower and upper bodies of the Congress: Now, therefore, be it

Resolved by the Legislature of the State of Nebraska in fifty-third regular session assembled:

1. That this legislature respectfully petitions, memorializes, and urges the Committee on Ways and Means, House of Representatives of the United States, carefully to consider in all its phases H. R. 2, Seventy-sixth Congress, first session, commonly known as the General Welfare Act of 1939.

2. That the clerk of this legislature is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the chairman, Committee on Ways and Means, House of Representatives, Washington, D. C.; to the President of the United States, to the Vice President of the United States as presiding officer of the United States Senate; to the Speaker of the House of Representatives of the United States, and to each of the United States Senators and Congressmen representing the State of Nebraska in the Congress, to the end that representatives in the Government and the Congress of the United States may be advised of the sincere desire on the part of this legislature that said H. R. 2 be given full and complete consideration and a fair hearing and discussion upon its merits at the present session of the Congress. *Provided, That this resolution, passed by the Nebraska Legislature, is not to be considered as an endorsement of H. R. 2.*

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Montana, favoring an amendment to the Social Security Act to provide for the payment by the Federal Government of one-half the

funds used in aid of dependent children, which was referred to the Committee on Finance.

(See joint memorial printed in full when presented today by Mr. MURRAY.)

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Montana, favoring the enactment of legislation to grant certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School, also designated as the Northern Montana College, which was referred to the Committee on Public Lands and Surveys.

(See joint memorial printed in full when presented today by Mr. MURRAY.)

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a petition from a convention of 600 members of the construction industry assembled at Los Angeles, Calif., praying for an additional appropriation for salaries and expenses of the Federal Housing Administration, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution of Lodge No. 1117, Steel Workers Organizing Committee, of Gary, Ind., protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate the memorial of J. D. Baird and 116 oil-field drillers and helpers, of Hughes County, Okla., remonstrating against the operation of the wage and hour law as applied to oil-field workers, which was referred to the Committee on Education and Labor.

He also laid before the Senate a letter in the nature of a petition from the secretary of Cleveland Industrial Council, C. I. O., of Cleveland, Ohio, praying that adequate funds be allotted to continue the investigation by the subcommittee of the Committee on Education and Labor investigating violations of civil liberties, etc., which was referred to the Committee on Education and Labor.

He also laid before the Senate the petition of presidents and chairmen of the Sixth Congressional District Townsend Plan, Oakland, Calif., praying for adoption of the so-called Townsend plan for old-age assistance, which was referred to the Committee on Finance.

He also laid before the Senate resolutions adopted by the annual meeting of the Rhode Island Society of the Sons of the American Revolution, Providence, R. I., relative to foreign relations and the national defense, which were referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution adopted by Division No. 173, train-service employees, in the State of Missouri, protesting against the enactment of legislation to regulate the mileage of train-service employees, which was referred to the Committee on Interstate Commerce.

Mr. GERRY presented a resolution of the General Assembly of the State of Rhode Island, protesting against any change in the home port (Newport, R. I.) of the frigate *Constellation* and favoring the preservation of the frigate for the people of Rhode Island and New England, which was referred to the Committee on Naval Affairs.

(See resolution printed in full when presented today by Mr. GREEN.)

Mr. SHEPPARD presented a petition of sundry citizens of El Paso, Tex., praying for the enactment of House bill 11, a general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

Mr. CAPPER presented a petition of sundry citizens of Topeka, Kans., praying for the enactment of House bill 11, a general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Osborne, Kans., praying for discontinuance of the shipment of war supplies from the United States to Japan for use in operations in China, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented a petition of sundry citizens of Malden, Mass., praying for the enactment of House bill 11, a

general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of the State of Massachusetts, praying for the lifting of the embargo on the shipment of arms and munitions to Spain, which were referred to the Committee on Foreign Relations.

He also presented a telegram in the nature of a petition from members of the faculty and student body of Smith College, Northampton, Mass., praying for the enactment of the so-called Thomas amendment to the Neutrality Act, so as to permit the lifting of the Spanish embargo, which was referred to the Committee on Foreign Relations.

Mr. REED presented a petition of 66 citizens of Holyrood, Kans., praying for the enactment of legislation either imposing a processing tax on wheat or giving to farmers the cost of production plus a profit, which was referred to the Committee on Agriculture and Forestry.

He also presented petitions of 195 citizens of Fontana, 39 citizens of Lehigh, 60 citizens of Smith County, and 60 citizens of Walton, all in the State of Kansas, praying for the enactment of the bill (S. 1234) to amend section 13 (a) of the act approved June 25, 1938 (52 Stat. 1069), entitled "Fair Labor Standards Act of 1938," which were referred to the Committee on Education and Labor.

He also presented petitions of 33 citizens of Hope, 50 citizens of McPherson, and 96 citizens of Parsons, all in the State of Kansas, praying that the United States adopt a policy of nonparticipation in aggression by stopping the shipment to aggressor nations of all goods that may be used for military purposes, and that immediate steps be taken to stop the shipment of such goods to Japan, which were referred to the Committee on Foreign Relations.

He also presented petitions of 35 citizens of Chanute, 80 citizens of Newton, and 150 citizens of Wichita, all in the State of Kansas, praying for the enactment of legislation limiting the service of certain railroad employees to 208 hours in a month, etc., which were referred to the Committee on Interstate Commerce.

Mr. HOLT presented a letter in the nature of a memorial from the Sportsmen's Square Circle Club, Marion County, W. Va., remonstrating against curtailment of the wildlife restoration fund, which was referred to the Committee on Agriculture and Forestry.

He also presented a letter in the nature of a memorial from Branch 92, American Federation of Hosiery Workers, of Martinsburg, W. Va., remonstrating against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also presented a letter in the nature of a memorial from Rev. Carmi Webb, pastor of Haney's Branch Baptist Church, of Ceredo, and 30 other citizens, in the State of West Virginia, remonstrating against inclusion of religious bodies and their employees under the operation of the social-security system, which was referred to the Committee on Finance.

He also presented a resolution of the Taylor County (W. Va.) Board of Trade, protesting against the enactment of House bill 188, amending the Interstate Commerce Act, which was referred to the Committee on Interstate Commerce.

Mr. HOLT also presented the following resolution of the House of Delegates of the State of West Virginia, which was referred to the Committee on Interstate Commerce:

House resolution opposing the enactment of H. R. 188, S. 126, S. 138, and S. 153, now pending in the Congress of the United States, pertaining to freight rates

Whereas there have been certain bills introduced into the Seventy-sixth Congress, namely, H. R. 188, S. 126, S. 138, and S. 153, which, if passed, would be harmful to labor, agriculture, and industry in West Virginia; and

Whereas the primary object of these bills is to compel by legislative action the establishment and maintenance of freight rates from one rate territory to another on the rate per mile that applies within the destination territory which in turn would provide a substantially higher rate in one direction than in another over the same rails and between the same points; and

Whereas the United States has been naturally divided into several rate territories because of differing costs of transportation caused primarily from the fact of differing volumes of tonnage pro-

duced and available for transportation in the various sections of the country; and

Whereas West Virginia is located in what is designated official territory and being that territory lying east of the Mississippi River and north of the Ohio and Potomac Rivers, and recognized as one of the greatest industrial sections, not only of the United States but of the entire world, and because of this fact it provides the greatest number of tons per mile of transportation and consequently the lowest cost of operation for the railroads in that territory in the United States; and

Whereas one of the purposes of establishing the Interstate Commerce Commission was to create a body which could coordinate all the interstate rates applying to all sections of the country, the effect of which, after more than 50 years of functioning by the Commission, has been to remove many inequalities and discriminations in the rate structure of the country as a whole, and to remove unfair advantages which one section of the country might have over other sections differently situated; and

Whereas the Congress of the United States is not equipped to make thorough investigation of rate structures, or to study them, whereby such laws as the proposed legislation can only result in the vicious circle of affecting one part of the United States adversely by attempting through legislation to assist another; and

Whereas these bills, or any of them, if enacted into law, would require the Interstate Commerce Commission, regardless of the facts, evidence, equity, their better judgment, or otherwise, to disregard differing costs which form the basis for these different rate territories, and arbitrarily make from official territory, to all other territories rate which would be materially higher than would be charged shippers in these other territories for shipping the same or similar articles, the same or similar distances into West Virginia, to the serious disadvantage of, and discrimination against West Virginia; and

Whereas such a prejudice to West Virginia and preference of these other territories would not only seriously restrict the marketing and consequently the production of articles of commerce in West Virginia to the substantial and grave loss to its labor, agriculture, and industry, but, even more seriously, would induce substantial removal of manufacturing operations from West Virginia to these more favored localities to the disadvantage of all its citizens: Therefore be it

Resolved by the house of delegates, That West Virginia Senators and Representatives in Congress be earnestly requested and urged to not only vote against these bills and any other similar bills or amendments to or provisions of bills which have the same purpose but to also use their effort to convince their colleagues in both Houses of Congress of the unfairness and impropriety of such legislation; and be it further

Resolved, That the clerk of the house of delegates is hereby directed to forward a certified copy of this resolution to each West Virginia Senator and Representative in Congress.

Mrs. CARAWAY presented the following concurrent resolution of the Legislature of the State of Arkansas, which was referred to the Committee on Finance:

Senate Concurrent Resolution 16

Whereas under the provisions of the Federal unemployment-compensation laws, taxes are collected from employers with which to create a fund from which unemployment compensation is to be paid to unemployed workmen in Arkansas; and

Whereas it is financially unsound not to invest said funds, or a substantial portion thereof, in safe interest-bearing securities as they accumulate from time to time; and

Whereas under the present laws of the United States, these Arkansas unemployment trust funds are invested and investable only in bonds of the United States; and

Whereas the general-obligation bonds of the State of Arkansas are secure and will be paid; and

Whereas in any event investment of said funds in Arkansas bonds would jeopardize the citizens of no other State; and

Whereas such investment would improve the market value of other Arkansas bonds and thus strengthen the credit of the State of Arkansas and move the State nearer to a condition under which long-hoped-for refunding of highway bonds could be accomplished: Now, therefore, be it

Resolved by the Senate of the Fifty-second General Assembly of the State of Arkansas (the house of representatives concurring herein), That the Senators from Arkansas in the Senate of the United States, and the Members of the Congress from Arkansas in the National House of Representatives be, and they hereby are, memorialized to procure the passage of legislation in the National Congress necessary to the accomplishment of this invaluable service to the State of Arkansas, her people and her general economy.

Mr. GREEN presented the following resolution of the General Assembly of the State of Rhode Island, which was referred to the Committee on Naval Affairs:

Resolution requesting the President of the United States, the Secretary of the Navy, and the Senators and Representatives from Rhode Island in the Congress of the United States to take all necessary steps to prevent any change in the home port of the frigate *Constellation* and preserve for the people of Rhode Island and New England this cherished shrine

Whereas at the January sessions of 1936 and 1937 of the Rhode Island General Assembly resolutions have been passed, namely,

resolution No. 96, approved March 7, 1936, and resolution No. 11, approved February 2, 1937, urging the President of the United States, the Secretary of the Navy, and the Senators and Representatives from Rhode Island in Congress to take all necessary steps to prevent any change in the home port of the historic frigate *Constellation*, the oldest fighting ship afloat; and

Whereas the people of this State are of the firm opinion that the frigate *Constellation* should be preserved and restored as a national museum and that Newport, R. I., should be made its permanent home since this renowned ship has for a long time now been an important part of the naval institutions and traditions in and about Newport: Now, therefore, be it

Resolved, That this general assembly, adding the strength of its wishes to those of two previous Rhode Island Legislatures, does hereby respectfully protest to the President of the United States and to the Secretary of the Navy any change from the present home port of this ancient ship of war; and be it further

Resolved, That copies of this resolution be forwarded by the secretary of state to the President of the United States, the Secretary of the Navy, and to the Senators and Representatives from Rhode Island in Congress, urging them to take all necessary steps to prevent any change in the home port of the *Constellation* and preserve to the people of Rhode Island and New England the shrine which they have so proudly cherished for so many years.

Mr. SCHWARTZ presented the following joint memorial of the Legislature of the State of Wyoming, which was referred to the Committee on Agriculture and Forestry:

Joint memorial memorializing the Congress of the United States to consider means of protecting the livestock industry, which is seriously threatened by the importation of meats and meat products

Whereas the production of livestock constitutes a major Wyoming industry; and

Whereas the industry is being seriously affected by importations of meats and meat products at prices below American production costs; and

Whereas this importation of meats and meat products is recognized as unfair and unjust competition and seriously threatens the industry at home: Now, therefore, be it

Resolved by the House of Representatives of the Twenty-fifth Legislature of the State of Wyoming (the senate concurring), That the Congress of the United States be, and it is hereby memorialized to consider means of protecting the livestock industry, which is seriously threatened by the importation of meats and meat products; be it further

Resolved, That certified copies of this memorial be sent to the President of the United States Senate and the Speaker of the House of Representatives, and to United States Senators JOSEPH C. O'MAHONEY and HARRY H. SCHWARTZ, and to Representative FRANK O. HORTON.

Mr. MURRAY presented the following joint resolution of the Legislature of the State of Montana, which was referred to the Committee on Education and Labor:

House Joint Resolution 3

Resolution encouraging a more extensive use of copper

Be it resolved by the House of Representatives of the State of Montana (the senate concurring):

Whereas all copper consumed in this country is mined, refined, and fabricated into wire and cable in the United States at a cost of \$222.74 per ton—\$96.50 paid directly in wages, \$79.57 in supplies purchased from other industries, \$8.29 in Federal taxes, \$10.39 in State and local taxes, \$27.99 in freight to railroads (estimated 44 percent of railroad income goes to labor); and

Whereas the consumption of copper declined in the first quarter of 1938 against the first quarter of 1937, 56,008 tons, a loss to labor of 1,663,438 man-days; and

Whereas aluminum has entered the field as a competitor of copper as a conductor of electricity on projects being executed by the T. V. A., R. E. A., etc., aluminum being manufactured from bauxite ores of which 54.8 percent in the year 1937 was imported from British Guiana and Surinam, countries in which coolie labor is employed at a few cents a day in their mines, thus causing an exploitation of cheap labor and a displacing of American workmen in the bauxite fields of Arkansas and Tennessee, to say nothing of the unfair competition with the American copper miner; and

Whereas low bids on T. V. A. and R. E. A. projects have invariably included the use of aluminum because of its lower price, due to the fact that it can be imported and fabricated into a finished conductor more cheaply than copper as a raw material can be produced in this country, based on our higher standard of living; and

Whereas from a true American standpoint and from what we believe is the real intent of the R. E. A., to use American material and labor: Now, therefore, be it

Resolved by the House of Representatives of the State of Montana (the senate concurring), That domestic labor and industry should be receiving from the projects carried on by the T. V. A., R. E. A., etc., a larger proportion of the benefits to be derived from these projects, and that said benefits will be derived by a more extensive use of copper as a conductor, and that in all calls for bids wherein in executing the proposed contract either copper or aluminum might be used, the use of copper exclusively be one of the specifications thereof.

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Mr. MURRAY also presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Finance:

Joint memorial to the Congress of the United States requesting the amendment by that body of the Social Security Act of Congress so as to provide for the payment by the Federal Government of one-half the money used in aid of dependent children

To the honorable Senate and House of Representatives of the United States of America:

Whereas the Social Security Act of Congress, known as Public, No. 271, Seventy-fourth Congress, H. R. 7260, approved August 14, 1935, provides in section 403 (a) for the payment by the Secretary of the United States Treasury to each State which has an approved plan for aid to dependent children, for each quarter beginning with the quarter commencing with July 1, 1935, an amount which shall be used exclusively for carrying out the State plan equal to one-third of the total of the sums expended during such quarter under such plan; and

Whereas by section 3 (a) of said act the Secretary of the Treasury is directed to pay to each State a sum equal to one-half of the total of the sums expended as old-age assistance under the State plan; and

Whereas the volume of necessary work and expenditure in connection with aid to dependent children is equal to or greater than that in the case of old-age dependents; and

Whereas the work of caring for dependent children, giving them an opportunity in life of which they have necessarily been deprived by the circumstances which bring them within the purview of the act, and making them useful and independent citizens to take the place of those who have passed their age of activity is greater than that involved in providing for aged dependents: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the Twenty-sixth Legislative Assembly of the State of Montana (both houses concurring), That the Congress of the United States of America be, and it is hereby, respectfully urged to amend subdivisions (a) and (b) of said section 403 of said Social Security Act by changing the words "one-third," wherever the same appears therein, to the words "one-half"; and be it further

Resolved, That copies of this memorial be mailed to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives in Congress from the State of Montana.

Mr. MURRAY also presented the following joint memorial of the Legislature of the State of Montana, which was referred to the Committee on Public Lands and Surveys:

Memorial requesting Congress of the United States to pass a bill granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School, also designated as the Northern Montana College

To the honorable Senate and the House of Representatives of the United States in Congress assembled:

Whereas the Honorable BURTON K. WHEELER, United States Senator from Montana, introduced in the Senate of the United States on January 4, 1939, a bill granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School, designated as S. 30, purporting to grant to the State of Montana 500,000 acres of land for the use and benefit of said Northern Montana Agricultural and Manual Training School, also designated as Northern Montana College;

Whereas the Federal Government previously has granted lands to aid in the establishment, support, and maintenance of all of the units of the Greater University of Montana except said Northern Montana College;

Whereas said land grants have been and are of great assistance to the said institutions benefiting thereby in furthering the progress of higher education in the State of Montana; and

Whereas the Northern Montana College is in need of such aid and will be able to offer greater advantages, particularly to the youth of northern Montana if such grant were made: Now, therefore, be it

Resolved, That the Twenty-sixth Legislative Assembly of the State of Montana, the senate and house concurring, hereby does request and petition the Congress of the United States to pass said bill introduced by the Honorable BURTON K. WHEELER entitled "A bill granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School," designated as S. 30; and be it further

Resolved, That copies of this memorial be transmitted by the secretary of state of the State of Montana to the Senate and House of Representatives of the Congress of the United States and to the Senators and Representatives in Congress from the State of Montana, and that they and each of them be, and hereby are, requested to use all means within their powers to bring about the passage of said bill.

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a concurrent resolution adopted by the New Jersey Legislature, commending the House of Representatives for its recent

action in continuing the work of the so-called Dies committee; a concurrent resolution adopted by the New Jersey Legislature, asking the Secretary of Labor to conduct a wage survey in the silk-dyeing industry; a resolution adopted by the Board of Commissioners of the City of Atlantic City, N. J., protesting against the construction with Federal funds of an auditorium in the District of Columbia; and a resolution adopted by the city commissioners of Camden, N. J., protesting against any reductions in the recommended appropriation for rivers and harbors.

The VICE PRESIDENT. The resolutions presented by the Senator from New Jersey will be received, appropriately referred, and printed in the RECORD.

To the Committee on the Judiciary:

Concurrent resolution commending the House of Representatives of the National Congress on their recent action in continuing the activities of the Dies committee to investigate un-American practices

Be it resolved by the house of assembly (the senate concurring):

Resolved, That the New Jersey Legislature, in regular session on this date, do hereby commend the House of Representatives of the National Congress on their recent action in continuing the activities of the Dies committee to investigate un-American practices, inasmuch as we feel that the work of this committee is vitally important in protecting and perpetuating the spirit of true American patriotism; and be it further

Resolved, That copies of this resolution, signed by the speaker of the house of assembly and the president of the senate, be sent to the Speaker of the House of Representatives of the National Congress and the Members of Congress from the State of New Jersey.

To the Committee on Education and Labor:

Concurrent resolution memorializing the United States Secretary of Labor to make a survey of wage levels in the silk-dyeing industry for the purpose of reestablishing wage levels in said industry under the provisions of the Fair Labor Standards Act

Whereas there exists serious competitive conditions in the silk-dyeing industry, with wages ranging from 25 cents per hour in certain sections of the South and elsewhere, to 54 cents per hour in northern New Jersey and the New York area; and

Whereas this differential requires immediate, drastic remedial action because of this condition; and

Whereas these sectional wage differentials have constituted a major cause of the economic chaos in the silk-dyeing industry; and

Whereas the economic welfare of northern New Jersey and especially the city of Paterson, Passaic County, and a large section of the contiguous community depends upon this industry; and

Whereas it is essential that reasonable competition be reestablished for the general welfare; and

Whereas the Honorable W. WARREN BARBOUR, United States Senator from New Jersey, has requested the United States Secretary of Labor, Frances L. Perkins, to make a survey and thus provide a basis on which the industry committee could reestablish, under the provisions of the Fair Labor Standards Act, comparable wage levels in this industry; and

Whereas the State of New Jersey recognizes the need for such survey: Now, therefore, be it

Resolved by the House of Assembly of the State of New Jersey (the senate concurring therein):

1. That United States Secretary of Labor Frances L. Perkins be and is hereby respectfully memorialized to make a survey of the silk-dyeing industry in order to provide a basis upon which comparable wage levels may be established under the Fair Labor Standards Act, to the end that reasonable competition may exist between the various sections of the South and elsewhere and the State of New Jersey, and that a copy of this resolution be transmitted to the President of the United States, the Administrator of the Fair Labor Standards Act, to the United States Secretary of Labor and to each Member of Congress elected from the State of New Jersey, and that the latter be requested to use their best endeavors to accomplish the purpose of this resolution.

To the Committee on Public Buildings and Grounds:

City protests passage of bill for construction in Washington, D. C., with Federal money, of building for convention hall and exposition purposes

Whereas the city of Atlantic City has erected one of the largest convention halls in the world; and

Whereas the city of Atlantic City has an enormous investment in the said convention hall; and

Whereas the Board of Commissioners of the City of Atlantic City are advised that a bill has been introduced in the United States Senate for the construction in Washington, D. C., with Federal money, of a building that may be used for convention hall and exposition purposes; and

Whereas the board of commissioners have concluded that great damage and loss will ensue to the city of Atlantic City if such building is constructed in Washington, D. C., and used for convention hall or exposition purposes: Now, therefore, be it

Resolved by the Board of Commissioners of the City of Atlantic City, That the city register its protest against the passage of such bill for the construction in Washington, D. C., with Federal money, of a building that may be used for convention hall and exposition purposes; and be it further

Resolved, That copies of this resolution be sent to Senators SMATHERS and BARBOUR and to Congressman JEFFRIES; and be it further

Resolved, That Senators SMATHERS and BARBOUR and Congressman JEFFRIES be, and they are hereby, requested to present Atlantic City's protest to the proper officials in Washington, D. C.

To the Committee on Commerce:

Whereas the Great Lakes River and Harbor Development Conference has warned all cities that are ports of entry that a severe curtailment in appropriations for development of our harbors and channels was imminent, revealing, in fact, that the recommendation of the War Department, through the United States Engineers, of \$102,975,800 is cut in the Budget for the coming year to \$30,000,000, an allotment that presents a new low, while other Federal expenditures have risen to unprecedented heights; and

Whereas that would certainly prove a serious set-back to economic life and commerce everywhere, affecting, especially, the great River Delaware and the ports of Camden and Philadelphia, depriving them of what is rightfully due since the great River Delaware, that forms their harbor, is admittedly one of the greatest revenue producers of our Nation, and to hinder or neglect would be disastrous to our commercial life. Channels leading into the great harbors of our Nation must be deepened, not merely maintained, inasmuch as marine transportation leans progressively more toward the greater bottoms; and

Whereas it would seem that national wisdom is only then true wisdom if we encourage the means that brings commerce to our rivers and their ports; and

Whereas properly sufficient Federal expenditures for the aforementioned purpose and reasons are truly worth while serving in twofold ways—bringing commerce and business to our shores—thus giving employment to many in commercial and constructive ways; and

Whereas the deepening and extension of waterways is furthermore all important in times other than peace, a fact that is recognized and pursued in other lands, quoting for instance the Mittelland Canal, just opened to transit, and which connects the Rhine, the Danube, the Oder, the Weser, the Main, and Elbe, thus making it possible for the Reich to convey either commerce or war material from and to every corner of that Nation, entirely intracoastal. Just why our own country should fail to take advantage of its many and wonderful natural advantages is barely understandable, since today no one may forecast what might confront us on tomorrow; and so, therefore, be it

Resolved, That the city commission, in true spirit of Americanism, protest the shortsightedness of whoever may be responsible in curtailing the recommendation of the United States engineers to almost a fourth—an allotment that will not even provide satisfactory maintenance; and further be it

Resolved, That a copy of this protesting resolution be sent to our Representatives of both Houses of Congress with the kindly request for their plea for adequate and fair allotment for rivers and harbors, feeling satisfied that the Board of Engineers have the real conception of the true needs in their recommendation of \$102,975,800.

REVISION OF FREIGHT RATES

Mr. RADCLIFFE presented a letter from Charles R. Seal, director of the Baltimore (Md.) Association of Commerce, which was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

BALTIMORE ASSOCIATION OF COMMERCE,
Baltimore, Md., February 16, 1939.

HON. GEORGE L. RADCLIFFE,
United States Senate, Washington, D. C.

MY DEAR SENATOR RADCLIFFE: Of concern to industrial and shipping interests in Maryland, and in other States in the area east of the Mississippi River and, roughly, north of the Ohio and Potomac Rivers, are a number of bills which have been introduced in both Houses of the present Congress having as their objective a general revision of the freight-rate structure of the entire country. Passage of any of these would be particularly harmful to industry in the northern territory which I have described, as well as to the railroads and probably other forms of transportation throughout the country. The several bills are: S. J. Res. 27, S. J. Res. 58, S. 126, S. 137, S. 158, H. J. Res. 152, H. R. 188, H. R. 3369, and H. R. 3749.

While some of these bills differ from others in their approach to the question, they all seem to have the same objective, namely, revision of the freight-rate structure to one level in lieu of the present rate zones of various levels, of which that within the above-described area, including Maryland, is the lowest. I invite your particular attention to S. 158 and H. R. 188, which are substantially identical and are similar also to bills introduced in the two previous Congresses. These would, briefly, require that interterritorial rates, such as between the South and the North, shall not exceed the level of rates within the destination territory. Since the rates within the North are lower than those within the

South and interterritorially, the result of legislation of this kind would be to reduce the rates from the South into the North without, strictly speaking, requiring a reduction to the same level from the North into the South. Obviously, such an adjustment of the rate structure would not only severely discriminate against northern shippers but would greatly retard industrial development and expansion in the North and correspondingly encourage the development of industry in the South.

Aside from this threatened harm to business in the northern territory, the bills are objectionable on the ground that they provide for statutory rate making by specific rule of Congress, in lieu of the present discretionary authority of the Interstate Commerce Commission to fix rate levels for the various recognized rate groups based upon the conditions affecting transportation within and between such groups. This view is, I am certain, universally held in the northern area by those who are interested in or familiar with transportation and rate questions. These interests view with considerable concern announcements which have come from Washington to the effect that there has been formed a coalition of southern, southwestern, and western Members of both Houses for the purpose of pressing for the passage of legislation to further the objective of these bills, in connection with the program of transportation legislation, and consideration is now being given by a number of northern commercial interests to an effort to bring about similar cooperative action by the Members of the Senate and House from the several Northern States.

It is our earnest hope that you will bear in mind these bills and their importance to the business and industry of this State, and lend your assistance in every possible way to prevent passage of any legislation of this character.

I am similarly addressing Senator TYDINGS and Members of the House from Maryland.

Sincerely yours,

CHAS. R. SEAL, Director.

RESOLUTIONS OF BOARD OF DIRECTORS OF AMERICAN WATER WORKS ASSOCIATION

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Finance Committee a letter addressed to me by Mr. Elton D. Walker, professor of hydraulic and sanitary engineering, Pennsylvania State College, of February 24, 1939, together with two resolutions recently adopted by the board of directors of the American Water Works Association.

There being no objection, the letter and resolutions were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

STATE COLLEGE, PA., February 24, 1939.

HON. JAMES J. DAVIS,
United States Senate, Washington, D. C.

DEAR SIR: I am enclosing herewith a copy of each of two resolutions recently adopted by the board of directors of the American Water Works Association, which I personally favor and which pertain to legislation that I believe is pending in Congress at this time. I hope that you may find it possible to support the views expressed in these resolutions.

The first of these is of more direct personal application to me than the second. It would be a considerable burden to have to go back over one's accounts for all the years since the income-tax law has been in force, and it also seems to me to be unfair in view of the various rulings of the courts and the board of appeals to have the matter reversed now and made retroactive in the reversal. Citizens have acted in good faith in accordance with the interpretations of the law in effect at the time that returns were made, and if a change of ruling later on is going to upset conditions it cannot help but result in a feeling of uncertainty on the part of individuals as to what their liabilities are.

The second resolution does not affect me personally, but I think that as a matter of equity the principle involved is correct. If the Federal Government is going to levy taxes on the employees of States and subdivisions of States, then the State should have an equal right to levy income tax on Federal employees residing within the State limits.

Very truly yours,

ELTON D. WALKER.

1. Whereas recent judicial decisions relative to the liability of employees of the States and their civil subdivisions for Federal taxation of their income have been interpreted to authorize the Internal Revenue Department to enforce a collection of such taxes not alone for the 1938 period but also retroactively for the entire period of years for which there may be legal liability under existing laws as now interpreted;

Whereas many of the members of the American Water Works Association, who are employees of States or their political subdivisions, have been led by the tenor of previous judicial decisions to consider themselves not liable for Federal income tax, and in good faith have so acted; and

Whereas it has been reported that in a very recent press conference the President of the United States has indicated that he would recommend that legislation be enacted to remove the possibility of retroactive taxation of such persons: Therefore be it

Resolved by the board of directors of the American Water Works Association in annual meeting assembled in New York on January 18, 1939, That it approve and heartily support the recommendation that the Congress enact such legislation as will relieve State and municipal employees from the possibility of retroactive Federal income taxation.

2. Whereas the Federal Department of Justice has advised the Treasury Department "that the principle of immunity protected the Federal Government against taxation by the States, but did not necessarily shield the States against the exercise of the delegated and supreme taxing power of the central government"; and

Whereas the enforcement of this opinion would affect the States and their political subdivisions by taxation of the interest paid on their bonds and other certificates of indebtedness; and

Whereas the financial situation of the water-supply systems that are under the control of municipalities or other political subdivisions of the State would be vitally affected by the Federal Government's taxing the interest upon the securities of such systems; and

Whereas it would manifestly be unfair to the present owners of municipal water bonds to be taxed on the income derived from such bonds, when the bonds were sold on the basis that such income was legally tax-exempt: Therefore be it

Resolved by the board of directors of the American Water Works Association at the annual meeting assembled in New York on January 18, 1939, That it oppose any Federal taxation of already issued water supply or other securities of the States, their subdivisions, and agencies; and that the right of the Federal Government to tax future issues of securities of the States, their subdivisions, and agencies should only be granted if the consent of the States is first secured through the adoption of a constitutional amendment that would guarantee the reciprocal right of each State to tax future issues of Federal securities as they may be held within the various States.

RESOLUTION OF GREAT AMERICAN PROSPECTORS ASSOCIATION

Mr. KING. I present and ask to have printed in the RECORD and referred to the Committee on Public Lands and Surveys a resolution of the Great American Prospectors Association, together with a letter of transmittal thereof.

There being no objection, the resolution and letter were referred to the Committee on Public Lands and Surveys and ordered to be printed in the RECORD, as follows:

THE GREAT AMERICAN PROSPECTORS ASSOCIATION,
Salt Lake City, Utah, February 22, 1939.

HON. WILLIAM H. KING,
United States Capitol, Washington, D. C.

MY DEAR SENATOR KING: I am enclosing herewith copy of a resolution which was adopted by the executive committee of The Great American Prospectors Association, asking that the moratorium on annual assessment work on unpatented mining claims be discontinued.

We contacted several hundred of our members, so that the executive committee would have something to work from. This moratorium on assessment work on unpatented mining claims is becoming an abuse, and by the wording and conditions under which the moratorium and its continuance from year to year has been passed it will nearly be impossible for the prospector to get anyone interested in his claim or claims as the cost of looking up title would be too great unless he had a phenomenal discovery. Therefore, the greater number of bona fide prospectors are against continuance of a moratorium on assessment work.

Trusting that you will see this matter as the committee does, and if so you will do what you can for the discontinuance of the moratorium. I have the honor, my dear Senator KING, to be

Your most obedient servant,

GEO. H. WATSON, Scribe.

UNITED STATES SENATE,
February 25, 1939.

MR. GEORGE H. WATSON,
Scribe, the Great American Prospectors' Association,
22½ East First South, Salt Lake City, Utah.

MY DEAR MR. WATSON: I am in receipt of your letter of February 22, enclosing a copy of a resolution adopted by your association asking that the moratorium on annual assessment work on unpatented mining claims be discontinued.

I am glad to receive your letter and shall bring it to the attention of the Senate and the Committee on Public Lands of the Senate.

With all good wishes, I am,
Cordially and sincerely yours,

W. H. KING.

Whereas the moratorium on annual labor on unpatented mining claims has been in force for several years and this exemption has been very helpful to the prospector during the depression and has saved his claims for him, for which he is very grateful to Congress; and

Whereas this association now feels that the depression is clearing to the extent that this moratorium is no longer necessary or advisable and should be discontinued: Therefore be it

Resolved, That the Great American Prospectors' Association hereby urgently request all Members of the Senate and House of the Congress of the United States not to further extend the exemption of annual labor on unpatented mining claims.

COMMITTEE REPORTS FILED DURING ADJOURNMENT

Under the order of the 23d instant, the following reports of committees were filed on February 24, 1939, during adjournment of the Senate:

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 498. A bill authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muskogee or Creek Tribe of Indians, approved March 1, 1901 (Rept. No. 110);

S. 643. A bill authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinalt Reservation, State of Washington (Rept. No. 107);

S. 645. A bill to provide funds for cooperation with Wapato School District, No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation (Rept. No. 111);

S. 877. A bill to add certain public-domain land in Montana to the Rocky Boy Indian Reservation (Rept. No. 105);

S. 962. A bill to define the status of certain lands purchased for the Choctaw Indians, Mississippi (Rept. No. 108);

S. 1104. A bill to provide for conveying to the United States the land, buildings, and improvements comprising the Choctaw and Chickasaw Sanatorium and General Hospital (Rept. No. 103); and

S. 1477. A bill to repeal section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended (Rept. No. 104).

Mr. THOMAS of Oklahoma also, from the Committee on Indian Affairs, to which was referred the bill (S. 1222) authorizing an appropriation for payment to the Osage Tribe of Indians on account of lands sold by the United States, reported it with an amendment and submitted a report (No. 98) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 767. A bill conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes (Rept. No. 99);

S. 864. A bill authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes (Rept. No. 100); and

S. 961. A bill for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont. (Rept. No. 106).

Mr. CHAVEZ, from the Committee on Indian Affairs, to which was referred the bill (S. 876) to authorize the purchase of certain lands for the Apache Tribe of the Mescalero Reservation, N. Mex., reported it without amendment and submitted a report (No. 101) thereon.

Mr. FRAZIER, from the Committee on Indian Affairs, to which was referred the bill (S. 1036) to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota, reported it without amendment and submitted a report (No. 102) thereon.

Mr. ASHURST, from the Committee on Indian Affairs, to which was referred the bill (S. 18) authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry, reported it without amendment and submitted a report (No. 109) thereon.

Mr. BROWN, from the Committee on Finance, to which was referred the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, reported it with amendments and submitted a report (No. 112) thereon.

BILL PRESENTED TO THE PRESIDENT

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on February 23, 1939, that committee presented to the President of the United States the enrolled bill (S. 1102) to continue the functions of the Reconstruction Finance Corporation, and for other purposes.

REPORTS OF COMMITTEES

Mr. BORAH, from the Committee on the Judiciary, to which was referred the bill (S. 752) to amend section 78 of chapter 231, Thirty-sixth United States Statutes at Large (36 Stat. L., sec. 1109), relating to one judicial district to be known as the district of Idaho, and dividing it into four divisions, to be known as the northern, central, southern, and eastern divisions, defining the territory embraced in said divisions, fixing the terms of district court for said divisions, requiring the clerk of the court to maintain an office in charge of himself or deputy at Coeur d'Alene City, Idaho; Moscow, Idaho; Boise City, Idaho; and Pocatello, Idaho; and to authorize the United States District Court for the District of Idaho, by rule or order, to make such changes in the description or names to conform to such changes of description or names of counties in said divisions as the Legislature of Idaho may hereafter make, reported it without amendment and submitted a report (No. 113) thereon.

Mr. BROWN, from the Committee on Claims, to which was referred the bill (S. 811) for the relief of George A. Rogers, reported it with amendments and submitted a report (No. 114) thereon.

Mr. SMATHERS, from the Committee on Claims, to which was referred the bill (S. 661) for the relief of Ida A. Deaver, reported it with amendments and submitted a report (No. 115) thereon.

Mr. THOMAS of Utah, from the Committee on Education and Labor, to which was referred the joint resolution (S. J. Res. 59) authorizing the Bureau of Labor Statistics to collect information as to amount and value of all goods produced in State and Federal prisons, reported it without amendment and submitted a report (No. 116) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 1363) to amend subsection (4) of subsection (c) of section 101 of the Agricultural Adjustment Act of 1938, reported it with an amendment and submitted a report (No. 117) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of California:

S. 1564. A bill to correct the naval record of Frank R. Pauley; to the Committee on Naval Affairs.

By Mr. THOMAS of Oklahoma:

S. 1565. A bill granting a pension to Joe W. George; to the Committee on Pensions.

S. 1566 (by request). A bill to provide for the payment of certain Creek equalization claims, and for other purposes; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma (for himself and Mr. LEE):

S. 1567. A bill to provide for the appointment of an additional district judge for the western district of Oklahoma; to the Committee on the Judiciary.

By Mr. LEWIS:

S. 1568. A bill granting a pension to Frances McLaggan (with an accompanying paper); to the Committee on Pensions.

By Mr. HATCH:

S. 1569. A bill to amend the Agricultural Adjustment Act of 1938, as amended; to the Committee on Agriculture and Forestry.

S. 1570. A bill granting a pension to Lullie Fornoff; to the Committee on Pensions.

By Mr. CLARK of Idaho:

S. 1751. A bill to provide for the completion of a part of the Lewis and Clark Highway between Kooskia, Idaho, and a

point near Lolo, Mont.; to the Committee on Agriculture and Forestry.

By Mr. DAVIS:

S. 1572. A bill for the relief of the Katharine W. Murray trust (with accompanying papers); to the Committee on Claims.

S. 1573. A bill for the relief of Michael McGinn; and

S. 1574. A bill to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Pittsburgh, Pa., from August 27 to September 1, inclusive, 1939; to the Committee on Naval Affairs.

By Mr. FRAZIER:

S. 1575. A bill to provide that the annual registration of motor vehicles in the District of Columbia shall be for the period from April 1 in each year to March 31 in the succeeding year; and

S. 1576. A bill to prohibit within the District of Columbia the manufacture, importation, exportation, transportation, sale, gift, purchase, or possession of any spirituous, vinous, malt, fermented, and all alcoholic liquors whatsoever, which may be used as beverages, excepting natural wine for religious services, and ethyl alcohol for compounding or manufacturing medicines for internal use and as a disinfectant by physicians, surgeons, and dentists in their professions; prescribing penalties for the violation thereof; and for other purposes; to the Committee on the District of Columbia.

By Mr. BAILEY:

S. 1577. A bill to require the use of cotton twine in the Postal Service; and

S. 1578. A bill to amend subsection (d) of section 8 of the Soil Conservation and Domestic Allotment Act, as amended, to remove certain restrictions upon the use of acreage diverted from soil-depleting crops; to the Committee on Agriculture and Forestry.

By Mr. McNARY:

S. 1579. A bill to extend the time during which orders and marketing agreements under the Agricultural Adjustment Act, as amended, may be applicable to hops; to the Committee on Agriculture and Forestry.

By Mr. BURKE:

S. 1580. A bill to amend section 9 of the National Labor Relations Act; to the Committee on Education and Labor.

S. 1581. A bill granting a pension to Margaret Gibson; to the Committee on Pensions.

By Mr. BULOW:

S. 1582 (by request). A bill to authorize the President to bestow a meritorious-service medal upon civil-service officers and employees of the United States, and for other purposes; to the Committee on Civil Service.

By Mr. OVERTON:

S. 1583. A bill to amend the act of March 2, 1929 (45 Stat. 1492), entitled "An act to establish load lines for American vessels, and for other purposes"; to the Committee on Commerce.

By Mr. MINTON (for himself and Mr. VAN NUYS):

S. 1584. A bill to establish the Benjamin Harrison Commission to formulate plans for the construction of a permanent memorial to the memory of Benjamin Harrison, twenty-third President of the United States; to the Committee on the Library.

By Mrs. CARAWAY:

S. 1585. A bill conferring jurisdiction upon the United States district court for the eastern district of Arkansas to hear, determine, and render judgment upon the claim of Bennie Cochran; to the Committee on Claims.

By Mr. REYNOLDS:

S. 1586. A bill for the relief of L. M. Brendle;

S. 1587. A bill for the relief of Thelma Carringer;

S. 1588. A bill for the relief of J. A. Cearly; and

S. 1589. A bill for the relief of Burt Savage; to the Committee on Claims.

S. 1590. A bill relating to the induction of registrants who applied and who were accepted for induction and assigned to educational institutions for special and technical training

under the provisions of the act approved August 31, 1918, but whose induction without fault of their own was not completed; to the Committee on Military Affairs.

By Mr. BYRD:

S. 1591. A bill for the relief of Benjamin F. Crockett; to the Committee on Military Affairs.

By Mr. MEAD:

S. 1592. A bill for the relief of Leonard Gospodarski; and

S. 1593. A bill for the relief of Jozef Siurtek; to the Committee on Claims.

S. 1594. A bill for the relief of Casimer Borowiak;

S. 1595. A bill for the relief of William J. Cotter;

S. 1596. A bill for the relief of the widow and children of Samuel F. Freiert, deceased; and

S. 1597. A bill granting the Distinguished Service Medal to James Guinea; to the Committee on Military Affairs.

S. 1598. A bill for the relief of Raymond C. Bogart;

S. 1599. A bill for the relief of Burton Bowen;

S. 1600. A bill for the relief of Barney Cyganek;

S. 1601. A bill for the relief of Walter J. Dunn;

S. 1602. A bill for the relief of Joseph Leroy Everett;

S. 1603. A bill for the relief of Victor Oscar Gokey; and

S. 1604. A bill for the relief of Peter S. Klaskala; to the Committee on Naval Affairs.

S. 1605. A bill granting a pension to Fred W. Coleman; to the Committee on Finance.

S. 1606. A bill granting a pension to Pauline Fallahee;

S. 1607. A bill granting an increase of pension to Eliza Matthews; and

S. 1608. A bill to repeal the provisions of Private Law No. 347, Seventy-first Congress, pertaining to Victoria Kessel; to the Committee on Pensions.

S. 1609 (by request). A bill to provide for cooperation with the States in the promotion of conservation education in the public elementary schools, high schools, colleges, and universities; to provide for cooperation with the States in the preparation of teachers, supervisors, and directors of conservation subjects on the natural resources and human resources; and to appropriate money and regulate its expenditure; to the Committee on Education and Labor.

By Mr. SHEPPARD:

S. 1610. A bill to prevent discrimination against graduates of certain schools and those acquiring their legal education in law offices in the making of appointments to Government positions the qualifications for which include legal training or legal experience; to the Committee on Civil Service.

S. 1611. A bill relating to the retired pay of certain retired Army officers;

S. 1612. A bill to reestablish the longevity pay of warrant officers of the National Guard of the United States;

S. 1613. A bill to confer the Medal of Honor for service in the Philippine Insurrection on William O. Trafton, deceased;

S. 1614. A bill relating to the retirement of certain commissioned and warrant officers of the Army, Navy, Marine Corps, and Coast Guard; and

S. 1615. A bill to authorize the appointment of female dietitians and female physiotherapy and occupational therapy aides in the Medical Department of the Army; to the Committee on Military Affairs.

By Mr. CLARK of Idaho:

S. 1616. A bill for the relief of Charles E. La Vatta; to the Committee on Claims.

By Mr. HARRISON:

S. 1617. A bill for the relief of John Nicholas Chicouras; to the Committee on Immigration.

By Mr. BROWN:

S. 1618. A bill granting an annuity to William F. Pack; to the Committee on Military Affairs.

(Mr. ANDREWS introduced Senate Joint Resolution 79, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. MEAD:

S. J. Res. 80. Joint resolution to determine the nature and effect of economic conditions or statutory provisions tending to produce unfair or inequitable discrimination on the basis

of age in obtaining and retaining employment in public service and private industry; to the Committee on Education and Labor.

OLD-AGE ASSISTANCE—AMENDMENT TO THE CONSTITUTION

Mr. ANDREWS. Mr. President, I introduce a joint resolution for appropriate reference and ask that it may be printed in the RECORD.

The VICE PRESIDENT. The joint resolution introduced by the Senator from Florida will be received, properly referred, and, without objection, printed in the RECORD.

The joint resolution (S. J. Res. 79) proposing an amendment to the Constitution of the United States relating to old-age assistance was read twice by its title and referred to the Committee on the Judiciary, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring thereto), That the Congress shall have power to levy taxes for old-age assistance.

SEC. 2. This section shall become a part of the Constitution of the United States upon its ratification by the legislatures of three-fourths of the several States.

Mr. ANDREWS. Mr. President, in view of the fact that there seems to be some doubt as to Congress being authorized, even under the general-welfare clause of the Constitution, to enact a law for raising revenue by levying a tax to be kept in a separate fund and paid out only for old-age assistance, it has occurred to me to submit this proposed constitutional amendment, which provides in simple terms that "The Congress shall have power to levy taxes for old-age assistance." Under this authority Congress could provide a simple sales tax or transaction tax as easy to administer as the present Federal gasoline tax.

The present program of combining all appropriations of money for old-age assistance with that raised by a tax on pay rolls under the Social Security Act is held by our Supreme Court to be within the implied powers of the general-welfare clause of the Constitution and is no doubt helpful and a step in the right direction. However, such meager funds are not only indefinite but admittedly inadequate to provide the necessities of life even for the comparatively few needy persons who are fortunate enough to qualify for old-age assistance under it.

We are all receiving thousands of letters and petitions regarding the inadequacy of the present program for old-age assistance from all sections of our country, and since it is a matter of national interest bearing upon the welfare of not only our old people but of the younger people, who should be kept in school and under parental influence through youth's adolescent years, I feel that each State should have the opportunity to pass judgment upon it. I therefore submit this amendment for the consideration of Congress, with the hope that action will be taken at this session.

The amendment, if adopted and ratified, does not undertake to state the form nor the amount of the tax, leaving that to be provided in an enabling act of Congress. A little later I shall address the Senate explaining the necessity for this resolution.

HOUSE BILL REFERRED

The bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, was read twice by its title and referred to the Committee on Naval Affairs.

THE PECAN INDUSTRY—DUTY ON CASHEW NUTS

Mr. LEE. Mr. President, the one industry which claims that the wage-hour law has injured it more than any other is the pecan industry. For the past 5 years the figures show that the importation of cashew nuts into this country has damaged all domestic nut industries, particularly the pecan industry.

In 1937 I offered an amendment to a tariff or revenue bill to raise the duty on cashew nuts from 2 cents a pound to 14 cents a pound. I now resubmit that amendment; and it is my intention to offer it, at the proper time, as an amend-

ment to the revenue bill which is coming over from the House.

I ask that the amendment may be printed, printed in the RECORD, and lie on the table for that purpose.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The amendment is as follows:

Amendment intended to be proposed by Mr. LEE to the bill (H. R. —) to provide revenue, etc., viz: At the proper place, insert the following:

"That so much of paragraph 761 of Tariff Act of 1930, as amended, as reads 'Cashew nuts, shelled or unshelled, 2 cents per pound,' is hereby amended to read as follows: 'Cashew nuts, shelled or unshelled, 14 cents a pound.'"

REGULATION, CONTROL, OR PROTECTION OF FISHERIES—AMENDMENT

Mr. JOHNSON of California submitted an amendment intended to be proposed by him to the bill (S. 240) to fix the definition and application of certain terms used in the navigation and steamboat inspection laws with reference to the fishing industries and the vessels employed therein, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

PURCHASE OF SUPPLIES AND MAKING OF CONTRACTS—AMENDMENT

Mr. WILEY submitted an amendment intended to be proposed by him to the bill (S. 1032) to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes, which was referred to the Committee on Education and Labor and ordered to be printed.

WATER POLLUTION CONTROL—AMENDMENTS

Mr. DANAHER submitted two amendments intended to be proposed by him to the bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, which were ordered to lie on the table and to be printed.

IMPORT TAX ON CERTAIN FISH OILS—AMENDMENT

Mr. BAILEY submitted an amendment intended to be proposed by him to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which was ordered to lie on the table and to be printed.

AMENDMENT TO TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BAILEY also submitted an amendment intended to be proposed by him to House bill 4492, the Treasury and Post Office Departments appropriation bill, 1940, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

At the proper place, under the heading "Office of the Fourth Assistant Postmaster General," to insert a colon and the following: "Provided further, That no part of the money appropriated by this act shall be used for the purchase of twine which is not made of cotton, except in cases where such purchase is necessary in order to fulfill contractual obligations of the United States entered into prior to the date of enactment of this act."

EXPENDITURES FOR SURVEYS AND MAPPING

Mr. HAYDEN. I submit a resolution and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 87) was read, considered, and agreed to, as follows:

Resolved, That the Secretaries of War, Commerce, and the Interior are hereby requested to confer and jointly to submit to the Senate as soon as practicable a report outlining the necessity for additional surveys and mapping in the United States, and to advise the Senate as to what would be proper expenditures for that purpose.

HEARINGS BEFORE COMMITTEE ON RULES

Mr. NEELY submitted the following resolution (S. Res. 88), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Rules, or any subcommittee thereof, hereby is authorized, during the Seventy-sixth Congress, to send for persons, books, and papers; to administer oaths; and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

DEFICIENCY JUDGMENTS IN CONNECTION WITH REAL-ESTATE LOANS

Mr. SHIPSTEAD submitted the following resolution (S. Res. 89), which was ordered to lie on the table:

Resolved, That the Governor of the Farm Credit Administration is requested to make a full and complete report to the Senate at the earliest practicable date with respect to the deficiency judgments which have been obtained by the Federal land banks and the land bank commissioner in connection with loans made upon the security of real property. Such report shall include information with respect to (1) the number and total face amount of such judgments obtained by each of such banks and by the land bank commissioner, (2) the sums which have been collected upon such judgments, and (3) any other facts in connection with the obtaining or collection of such judgments which the Governor may deem to be of interest to the Senate. Such information shall be listed by States and by calendar years and shall cover each of the years in which any such judgments may have been obtained by such banks or by the land bank commissioner. For the purpose of this resolution any deficiency judgment which may have been obtained by the Federal Farm Mortgage Corporation shall be deemed to have been obtained by the land bank commissioner.

PRINTING OF TREATISE ON IRRIGATION AND RECLAMATION

Mr. HAYDEN submitted the following resolution (S. Res. 90), which was referred to the Committee on Printing:

Resolved, That certain correspondence and papers exchanged between the Bureau of Reclamation and Senator CARL HAYDEN, consisting of a treatise on What Federal Reclamation Means to the United States and a discussion on the national irrigation policy, its development and its significance, be printed as a Senate document, with illustrations.

THE STABILIZATION FUND

Mr. LODGE. Mr. President, I ask unanimous consent to have printed in the RECORD correspondence between the Secretary of the Treasury and myself, in which he regrettably indicates his further unwillingness to inform the Congress and the American people as to the stabilization fund and as to how the \$12,000,000 profit was effected.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

FEBRUARY 17, 1939.

HON. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury,
Washington, D. C.

DEAR MR. SECRETARY: On my return from Boston I find your letter of February 8 regarding my query to you of February 2.

I would respectfully call your attention to the fact that in my letter I asked you to tell me how the \$12,000,000 profit was effected. Yours of February 8 does not give me this information.

If a profit has been made, what harm can there be in giving to the people a post audit of the fund?

I hope you will answer this question, which, I think, is of great importance to the American people.

Very sincerely yours,

H. C. LODGE, Jr.

THE SECRETARY OF THE TREASURY,
Washington, February 23, 1939.

HON. HENRY CABOT LODGE, Jr.,
United States Senate.

MY DEAR SENATOR: I beg to acknowledge receipt of your letter of February 17, 1939, asking for further information with respect to the stabilization fund.

On February 8, 1939, I furnished you certain information relating to the stabilization fund in reply to your letter of February 2. Senator VANDENBERG, having read the exchange of letters between us, wrote me on February 14, 1939, asking additional questions with respect to the stabilization fund.

As you know, the Senate Committee on Banking and Currency, of which you are a member, has before it for consideration a bill to extend the powers under the stabilization fund. I assume that that committee will hold hearings on the bill in the near future. The President has advised the Senate, and I have advised the Banking and Currency Committee, that the Secretary of the Treasury and other representatives of the Treasury Department will be available to discuss with that committee the problems relating to such legislation. Although I am always glad to discuss in correspondence with Members of Congress matters affecting Treasury policy, it seems to me that the appropriate time and place to consider questions you may have with respect to the stabilization fund is at the committee hearings.

Sincerely yours,

H. MORGENTHAU, Jr.,
Secretary of the Treasury.

HON. HENRY MORGENTHAU, Jr.,
Secretary of the Treasury,
Washington, D. C.

DEAR MR. SECRETARY: I have your letter of February 23 regarding my question to you as to how the \$12,000,000 profit in the stabilization fund was effected.

I note that you do not answer this question in your letter on the ground that I am a member of the Senate Committee on Banking and Currency and that therefore I should ask you those questions in committee.

May I tell you that you are in error? I am not a member of the Banking and Currency Committee. I, therefore, once again request you to answer this simple question which is of interest, not only to me, but to the American people.

Sincerely yours,

H. C. LODGE, Jr.

FEBRUARY 25, 1939.

HON. ROBERT F. WAGNER,

Chairman, Committee on Banking and Currency,

United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: I acknowledge receipt of your letter of February 24, transmitting a copy of a letter from the Secretary of the Treasury relative to my bill requiring a report on the operations of the stabilization fund.

The Secretary bases his refusal to make public the facts about this fund on his belief that I am a member of the Committee on Banking and Currency and can therefore ask him these questions when he appears before the committee.

Inasmuch as I am not a member of the Banking and Currency Committee his argument rests on an error, there therefore is no longer any reason why my resolution should not be promptly reported.

With assurance of my personal esteem, I am,

Sincerely yours,

H. C. LODGE, Jr.

EXTENSION OF POWER TO DEVALUE THE DOLLAR

Mr. VANDENBERG. Mr. President, 55 members of the Economists National Committee on Monetary Policy have recommended the termination of the President's power to devalue the dollar. I ask that their brief statement and the appended signatures be printed in the RECORD as a part of my remarks.

There being no objection, the statement and signatures were ordered to be printed in the RECORD, as follows:

ECONOMISTS' NATIONAL COMMITTEE ON MONETARY POLICY

FIFTY-FIVE MEMBERS RECOMMEND TERMINATION OF PRESIDENT'S POWER TO DEVALUE THE DOLLAR

The Gold Reserve Act of January 30, 1934, gave the President the power to reduce the gold content of the dollar by not less than 40 percent, and not more than 50 percent, and, thereafter, at his discretion, to change the weight of the dollar within the specified limits. This provision was to be in effect for 2 years, with the possibility of its extension for an additional year by proclamation by the President should he think such extension desirable.

The President extended this provision for the additional year as authorized in the Gold Reserve Act. Shortly before that year elapsed Congress, at the request of the administration, further extended the provision to June 30, 1939. On January 19, 1939, the President again requested the extension until January 15, 1941, of his present power to devalue the dollar.

There are no adequate reasons for further extension of the President's power to change the gold content of the dollar. Since the devaluation of the dollar in January 1934 was close to the minimum specified in the Gold Reserve Act, any further alteration in the weight of the dollar would necessarily be in a downward direction. Further devaluation would be opposed to the best interests of the country and should not be permitted. Continuance of the President's authority to devalue the dollar still further implies that there are sound reasons for a better or stronger currency pursuing a weaker one in its downward course whereas no such sound reasons exist.

In reply to the frequently heard argument that depreciating foreign currencies might suggest the desirability of continuing the power of the President to lower the gold content of the dollar, we wish to call attention to the fact that during the period from 1919 to 1923, when the pound was unstable, when the French and Belgian francs and the Italian lira were falling rapidly in value, and when the German mark was plunging toward a trillionth of its former value, the dollar remained firmly anchored to gold at an unchanged weight. This firmness of the dollar was both a source of great strength to this country and a stabilizing factor in the world economy. If any adequate reason for devaluing the dollar should arise in the near future, a situation which is difficult to envision considering our huge supply of gold, it should be done by act of Congress, as provided by the Constitution, and not by an administrative order of the President.

The Economists' National Committee on Monetary Policy has repeatedly taken a stand against any further devaluation of the dollar. The undersigned members of the committee, in reaffirming their conviction that further devaluation is opposed to the best interests of the country, hereby recommend to the Congress that it rescind immediately its delegation to the President of its constitutional power to change the gold content of the dollar.

James W. Angell, Columbia University; Charles C. Arbuthnot, Western Reserve University; Leonard P. Ayres, the Cleveland Trust Co.; Don C. Barrett, Haverford College; Benjamin Haggott Beckhart, Columbia University; James Washington Bell, Northwestern University; Ernest L. Bogart,

University of Illinois; Jules I. Bogen, the Journal of Commerce and New York University; Frederick A. Bradford, Lehigh University; Herbert M. Bratter, Washington, D. C.; J. Ray Cable, Washington University; Wilbur P. Calhoun, University of Cincinnati; Nell Carothers, Lehigh University; Charles A. Dice, the Ohio State University; George W. Dowrie, Stanford University; William E. Dunkman, the University of Rochester; D. W. Ellsworth, the Analyst; William D. Ennis, Stevens Institute of Technology; Charles C. Fichtner, University of Arkansas; Clyde Olin Fisher, Wesleyan University; Herbert F. Fraser, Swarthmore College; Roy L. Garis, Vanderbilt University; Harry D. Gideonse, Columbia University; Lewis H. Haney, New York University; E. C. Harwood, American Institute for Economic Research; Hudson B. Hastings, Yale University; William F. Hauhart, Southern Methodist University; Frederick C. Hicks, University of Cincinnati; John Thom Holdsworth, the University of Miami; Jacob H. Hollander, the Johns Hopkins University; F. Cyril James, University of Pennsylvania; Edwin W. Kemmerer, Princeton University; William H. Kiekhofer, the University of Wisconsin; Frederic E. Lee, University of Illinois; J. L. Leonard, University of Southern California; James D. Magee, New York University; Arthur W. Marget, University of Minnesota; Margaret G. Myers, Vassar College; Melchior Payll, the University of Chicago; Ernest Minor Patterson, University of Pennsylvania; Clyde W. Phelps, Chattanooga University; Charles L. Prather, Syracuse University; Howard H. Preston, University of Washington; Leland Rex Robinson, New York City; Olin Glenn Saxton, Yale University; Joseph A. Schumpeter, Harvard University; Walter E. Spahr, New York University; William H. Steiner, Brooklyn College; Charles S. Tippetts, University of Pittsburgh; Alvin S. Tostlebe, the College of Wooster; Rufus S. Tucker, Westfield, N. J.; Russell Weisman, Western Reserve University; William O. Weyforth, the Johns Hopkins University; Nathaniel R. Whitney, the Procter & Gamble Co.; Max Winkler, College of the City of New York.

PEACE NEGOTIATIONS BETWEEN LABOR ORGANIZATIONS

Mr. THOMAS of Utah. Mr. President, last week end the President of the United States wrote letters to President Green, of the American Federation of Labor, and President John L. Lewis, of the Congress of Industrial Organizations. In these letters the President urges the appointment immediately of committees to negotiate peace between the two organizations.

Almost at the same time that the President sent his letters I, as chairman of the Committee on Education and Labor, set the dates for hearings on amendments to the Labor Relations Act. The Committee on Education and Labor has before it now amendments introduced by Senators LOGAN, BURKE, HOLMAN, and WALSH. All of the amendments were to be considered at the same time in these hearings. The Walsh amendments were in the main sponsored by the American Federation of Labor. Partisans to the labor-union controversy have taken sides on these amendments.

I am sure that I bespeak the sentiments of the entire Education and Labor Committee and, I trust, of the Senate, when I say that it is the earnest wish of all that the movement initiated by our President may prove successful. The negotiations would undoubtedly be carried on at the same time as our hearings. This I am sure would be deemed unfortunate by all. Therefore, I should like to give notice here where all concerned may know about it that I shall postpone the hearings until some future date.

Mr. President, I ask unanimous consent that the letters of the President of the United States to President Green and President Lewis be inserted in the RECORD as part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 23, 1939.

Mr. WILLIAM GREEN,
President, American Federation of Labor,
Washington, D. C.

MY DEAR MR. GREEN: In the development of this great Nation the continued results of good will, cooperation, and mutual helpfulness among the people have been demonstrated continuously. The need of the exercise of these qualities is as urgent now as at any time in American history, particularly as they apply to the welfare of men and women who work. Labor faces a challenge in finding itself divided into opposing camps, but I am sure that labor can and will meet this challenge with understanding and good will.

The American people sincerely hope that a constructive negotiated peace with honor may come about between the American Federation of Labor and the Congress of Industrial Organizations within

the early months of the new year. The Secretary of Labor tells me that after careful investigation and prolonged conversations with responsible leaders in both groups there appear to be no insurmountable obstacles to peace, and that, in fact, there is a real and honorable desire for unification of the labor movement among all parties concerned. The desire of the general membership of both organizations for peace and cooperation with each other is demonstrated by the mass of messages which have come to me, to the Secretary, and to Daniel Tobin as the result of simple public statements in favor of peace.

The opportunities for a united and vital labor movement to make a contribution to American life of help to the present and future generations were never better. The National Manufacturers' Association recently has made a statement expressive of a better understanding of the problems of labor relationships and of their willingness to work with labor in a realistic effort to improve their mutual relations and to better general working conditions. The complicated economic and social problems of today require the cooperation of responsible groups of citizens of all walks of life, and the effectiveness of labor in this type of council can only be realized by its fundamental unity of purpose and program.

I do not need to remind you of the great variety of opportunities to be of service which will come to a united labor movement. Many of your members have spoken to me of these opportunities, and many of them have also pointed out to me the hazards and dangers to which the labor movement is subject, both internally and from without, if it cannot find a pattern of unity.

Therefore, first, because it is right; second, because the responsible officers from both groups seem to me to be ready and capable of making a negotiated and just peace; third, because your membership ardently desire peace and unity for the better ordering of their responsible life in the trade-unions and in their communities; and fourth, because the Government of the United States and the people of America believe it to be a wise and almost necessary step for the further development of the cooperation between free men in a democratic society such as ours, I am writing to ask you to appoint a committee to represent your organization and to negotiate the terms of peace between the American Federation of Labor and the Congress of Industrial Organizations. Whatever assistance we in the Government can give you in this matter will be gladly given.

I wish to reiterate the sincerity of my belief in labor's capacity to end this breach and my faith in the intention of the wage earners of America to play their part along with all other groups in our community in overcoming our mutual problems and bringing about the good American democratic life.

I am sure that these results can be achieved if the parties come together with open minds and a clear intention to effect genuine peace and harmony in the labor movement.

It is with confidence that I write you, dear Bill, as a man of good will, of experience, and high principles. I trust I shall very shortly receive a reply, giving me the names of the members of the committee which you will appoint.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

FEBRUARY 23, 1939.

Mr. JOHN L. LEWIS,
President, Congress of Industrial Organizations,
1106 Connecticut Avenue, Washington, D. C.

MY DEAR MR. LEWIS: In the development of this great Nation the continued results of good will, cooperation, and mutual helpfulness among the people have been demonstrated continuously. The need of the exercise of these qualities is as urgent now as at any time in American history, particularly as they apply to the welfare of men and women who work. Labor faces a challenge in finding itself divided into opposing camps, but I am sure that labor can and will meet this challenge with understanding and good will.

The American people sincerely hope that a constructive negotiated peace with honor may come about between the American Federation of Labor and the Congress of Industrial Organizations within the early months of the new year. The Secretary of Labor tells me that after careful investigation and prolonged conversations with responsible leaders in both groups, there appear to be no insurmountable obstacles to peace and that, in fact, there is a real and honorable desire for unification of the labor movement among all parties concerned. The desire of the general membership of both organizations for peace and cooperation with each other is demonstrated by the mass of messages which have come to me, to the Secretary, and to Daniel Tobin as the result of simple public statements in favor of peace.

The opportunities for a united and vital labor movement to make a contribution to American life of help to the present and future generations were never better. The National Manufacturers' Association recently has made a statement expressive of a better understanding of the problems of labor relationships and of their willingness to work with labor in a realistic effort to improve their mutual relations and to better general working conditions. The complicated economic and social problems of today require the cooperation of responsible groups of citizens of all walks of life and the effectiveness of labor in this type of council can only be realized by its fundamental unity of purpose and program.

I do not need to remind you of the great variety of opportunities to be of service which will come to a united labor movement. Many of your members have spoken to me of these opportunities and many of them have also pointed out to me the hazards and dangers to which the labor movement is subject, both internally and from without, if it cannot find a pattern of unity.

Therefore, first, because it is right; second, because the responsible officers from both groups seem to me to be ready and capable of making a negotiated and just peace; third, because your membership ardently desire peace and unity for the better ordering of their responsible life in the trade unions and in their communities; and, fourth, because the Government of the United States and the people of America believe it to be a wise and almost necessary step for the further development of the cooperation between free men in a democratic society such as ours, I am writing to ask you to appoint a committee to represent your organization and to negotiate the terms of peace between the American Federation of Labor and the Congress of Industrial Organizations. Whatever assistance we in the Government can give you in this matter will be gladly given.

I wish to reiterate the sincerity of my belief in labor's capacity to end this breach and my faith in the intention of the wage earners of America to play their part along with all other groups in our community in overcoming our mutual problems and bringing about the good American democratic life.

I am sure that these results can be achieved if the parties come together with open minds and a clear intention to effect genuine peace and harmony in the labor movement.

In addressing this letter to you, my dear John, I have great satisfaction in knowing that I am dealing with a man whom I respect, a man of honor, intelligence, and good will. I trust I shall very shortly receive a reply giving me the names of the members of the committee which you will appoint.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

AGRICULTURAL PROBLEMS

Mr. TRUMAN. Mr. President, I ask unanimous consent to have placed in the RECORD as a part of my remarks a letter from a farmer constituent of mine, together with my reply.

There being no objection, the letter and reply were ordered to be printed in the RECORD, as follows:

KNOBNOTER, Mo., February 15, 1939.

HON. HARRY TRUMAN,
Washington, D. C.

DEAR SIR: Please find enclosed newspaper clippings which are appearing daily in regards to the farm situation. These express the farmer's views exactly. The present plan will not work, and the money that is being spent does no real good, as the men that are getting this help generally have some other source of income. I know the situation in two counties, Pettis and Johnson, and there is not as many as one-fifth that have been able to qualify.

Now, Mr. TRUMAN, a great many of our best farmers have lost or are about to lose their farms, which represents their life's savings. These good farms which the loan companies have accumulated are reselling to the Government, and they in turn are spending large sums on them and then putting men on them that never farmed in their lives. Would it not be better to help save the farms for the men who have been on them for years?

Mr. Wallace's plan simply will not work, as the only ones it does help is the field men and farm agents. Now the eyes of the farmers are on Congress this year to see if they can bring out some plan that would really help. The Frazier-Lemke refinancing bill and cost of production would save these homes and put money in our pockets. I operate a large farm, and I am worse off the more I try to do. I have a \$40,000 investment here and have had to resort to the Frazier-Lemke moratorium to try and save my home. What money the average farmer draws from the Government is a mere drop in the bucket according to his expenses and debts.

We know this situation well and speak for a large majority of farmers, as we campaigned this county of Pettis last summer and talked to many farmers.

The farmer of today is worse off than he ever has been, and if what they have tried to do for the past 6 years had not failed the farmers would not be in this condition.

Mr. TRUMAN, we hope you will help get the Frazier-Lemke refinancing and cost-of-production bill through.

Sincerely,

JOE E. THOMPSON.

WASHINGTON, D. C., February 21, 1939.

Mr. JOE E. THOMPSON,
Knobnoter, Mo.

MY DEAR MR. THOMPSON: Appreciated very highly your letter of the 15th regarding the farm situation.

I have been giving the farm problem a lot of serious consideration. It is perfectly apparent that the present plan is not working satisfactorily and that some other means of meeting the farm problem is going to have to be found. I have been studying the cost-of-production bill, and the only difficulty that I see is how to arrive at the matter of the cost of production.

A real farmer on a good piece of land, with weather conditions right, can produce corn, oats, wheat, and hay on one basis, which is the cost of production to him, and the poor farmer on poor land, with weather conditions against him, will have an entirely different cost. Now, if you can show me how to arrive at cost of production so that it will be fair to every farmer in the United States—and there are seven or eight million farms being operated in the country—I will be most happy to go along with you on the proposition.

Farming is just like any other business. The man on one side of the road can do it successfully because he knows how, uses brains, and works at it. The man on the other side of the road, with exactly the same sort of land and the same sort of a set-up, will spend his time in a car or at the country store discussing public affairs and wonder why he is not successful.

I am a farmer myself, and I think I know something about these conditions. I want to find something that will work, and I am not entirely satisfied that the so-called cost-of-production plan is a workable one. If you are a practical farmer—and I judge that you are—maybe you can tell me how to arrive at the solution to that problem.

Hoover's Farm Board was a failure. The present cotton plan is a failure. We are not right sure yet whether the wheat plan is a failure or not, because it hasn't had a chance yet to operate, but I haven't a great deal of faith in it.

I am in constant correspondence with practical farmers all over the State, trying honestly and earnestly to find a plan that will work in Missouri on the farm and not one for ballyhoo purposes on the floor of the Congress.

Sincerely yours,

HARRY S. TRUMAN.

THE RAILROAD PROBLEM—ADDRESS BY SENATOR WHEELER

[Mr. HILL asked and obtained leave to have printed in the RECORD an address on the railroad problem delivered by Senator WHEELER before the Atlanta (Ga.) Freight Bureau at its annual dinner meeting on the 25th instant, which appears in the Appendix.]

OUR CITIZENS, OUR COUNTRY, FIRST—ADDRESS BY SENATOR REYNOLDS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a radio address delivered by him on Thursday, February 23, 1939, on the subject Our Citizens, Our Country, First, which appears in the Appendix.]

THE PROBLEM OF THE W. P. A.—RADIO ADDRESS BY SENATOR WILEY

[Mr. McNARY asked and obtained leave to have printed in the RECORD a radio address delivered by Senator WILEY on February 25, 1939, on the subject of the Problem of the W. P. A., which appears in the Appendix.]

ADDRESS BY SECRETARY OF COMMERCE HOPKINS AT DES MOINES, IOWA

[Mr. HERRING asked and obtained leave to have printed in the RECORD an address delivered by Harry L. Hopkins, Secretary of Commerce, before the Des Moines Economic Club in the Fort Des Moines Hotel, Des Moines, Iowa, on the night of February 24, 1939, which appears in the Appendix.]

A UNITED PARTY OR A MINORITY PARTY—ADDRESS BY SOLICITOR GENERAL JACKSON

[Mr. HILL asked and obtained leave to have printed in the RECORD an address by Hon. Robert H. Jackson, Solicitor General of the United States, at the annual State banquet of the Democrats of Kansas on February 22, 1939, in the Masonic Temple, Topeka, Kans., which appears in the Appendix.]

SPECULATION AND DEPRESSIONS—ARTICLE BY W. HUME LOGAN

[Mr. LOGAN asked and obtained leave to have printed in the RECORD an article entitled "Speculation and Depressions," by M. Hume Logan, which appears in the Appendix.]

HEARINGS BEFORE NATIONAL LABOR RELATIONS BOARD

[Mr. LOGAN asked and obtained leave to have printed in the RECORD an editorial entitled "Dragging On and On," published in the Ashland (Ky.) Daily Independent of February 26, 1939, which appears in the Appendix.]

NEUTRALITY OR PARTICIPATION IN TIME OF WAR

[Mr. HOLT asked and obtained leave to have printed in the RECORD statements by Bertrand Russell, Charles A. Beard, John Dewey, John T. Flynn, and Harry Elmer Barnes on the question If War Comes—Shall We Participate or Be Neutral? which appear in the Appendix.]

WAR ON POVERTY—ARTICLE BY BENJAMIN C. MARSH

[Mr. FRAZIER asked and obtained leave to have printed in the RECORD an article entitled "Americans Must Win War on Poverty, or Be Kicked Into Foreign Wars," by Benjamin C. Marsh, executive secretary of the People's Lobby, Inc., which appears in the Appendix.]

THE FRONTIERS OF THE UNITED STATES

[Mr. GIBSON asked and obtained leave to have printed in the RECORD an editorial by Walter Lippmann, published in

the New York Herald Tribune of February 14, 1939, entitled "The Frontiers of the United States," which appears in the Appendix.]

UNITED STATES PARTICIPATION IN FOREIGN WARS

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an editorial by John P. Harris, published in the Hutchinson (Kans.) News-Herald of February 19, 1939, on the subject of United States Participation in Foreign Wars, which appears in the Appendix.]

THE SILVER-PURCHASE PROGRAM

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD excerpts from letters relative to the joint resolution introduced by him providing for the creation of a joint committee to investigate the silver program, which appear in the Appendix.]

THE CALENDAR

The VICE PRESIDENT. The routine morning business is concluded. The consideration of bills on the calendar under rule VIII is in order.

The first business on the calendar was the bill (S. 326) for the payment of awards and appraisals heretofore made in favor of citizens of the United States in claims presented under the General Claims Convention of September 8, 1923, United States and Mexico.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

MIKE CHETKOVICH

The bill (S. 1093) for the relief of Mike Chetkovich was announced as next in order.

Mr. KING. Let the bill go over.

Mr. SHIPSTEAD. Mr. President, will the Senator from Utah withhold his objection for a moment?

Mr. KING. Yes. Several objections have been made heretofore by other Senators, not by myself, and I assumed that the objections still persisted.

Mr. SHIPSTEAD. The Senators who objected have now withdrawn their objections, so far as I am aware.

Mr. VANDENBERG. Mr. President, if the Senator will yield, I previously objected to the bill. I am now prepared to let it pass, so far as I am concerned.

Mr. KING. I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mike Chetkovich the sum of \$10,000. Such sum was the face amount of a certificate of war-risk insurance (No. T-3229247) issued to the said Mike Chetkovich following his induction into the military service on July 2, 1918. Such insurance was in effect when he became totally and permanently disabled as the result of an operation performed on or about August 12, 1918, at the Army base hospital at Camp Lewis, Wash.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

RESOLUTIONS PASSED OVER

The resolution (S. Res. 58) providing that a calendar day's notice shall suffice in connection with suspension of a rule was announced as next in order.

Mr. McNARY. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

The resolution (S. Res. 74) providing for a Committee on Civil Aviation was announced as next in order.

Mr. VANDENBERG. Let the resolution go over.

The VICE PRESIDENT. The resolution will be passed over.

RELIEF OF DISBURSING OFFICERS, ETC.

The Senate proceeded to consider the bill (S. 884) for the relief of disbursing officers and other officers and employees of the United States for disallowances and charges on account of airplane travel, which was read as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of disbursing officers of the United States, to remove charges raised against officers and employees of the United States, and to refund to such officers and employees upon application amounts collected from them, representing the excess in cost of airplane transportation used by such officers and employees on official business prior to December 10, 1935, as compared with the cost by rail: *Provided,* That action as herein provided shall be taken only when the head of the department or establishment shall certify that the use of airplane transportation was necessary in the interest of the United States: *Provided further,* That in cases of refunds there shall be charged the appropriations to which the collections were credited, and the amounts found due certified for payment in the usual manner.

Mr. KING. Mr. President, I should like an explanation of that bill.

Mr. LOGAN. Mr. President, I will say to the Senator from Utah that I can add little to what has been said by the Department.

The Interior Department prepared the bill and sent it here, and I introduced it. It seems that during 1935, and probably during 1936 and 1937, some officials used airplanes for transportation; and under the law as construed by the Comptroller General they had no right to do so. Then, however, Congress passed a law authorizing them so to travel, and to compensate them. As I understand, this bill is simply to give the Department of the Interior authority to approve the claims of those who have used such transportation and could not have their accounts paid.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 828) to permit the President to acquire and convert, as well as to construct, certain auxiliary vessels for the Navy, was announced as next in order.

Mr. CLARK of Missouri. Mr. President, I should like to have an explanation of this bill.

Mr. KING. So should I.

The VICE PRESIDENT. The Chair is informed that the bill was reported by the Senator from Iowa [Mr. GILLETTE].

Mr. KING. Let it go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 829) to authorize alterations and repairs to certain naval vessels, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I should like to inquire why this bill, or the provision for the payment of \$5,000,000, is not included in the naval appropriation bill. Instead of having separate bills dealing with appropriations for the Navy, it seems to me that bills dealing with naval vessels and appropriations ought to be included in the naval bill.

The VICE PRESIDENT. Does the Senator desire to have the bill go over?

Mr. KING. Let it go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, was announced as next in order.

Mr. LODGE. Mr. President, may we have an explanation of this bill?

Mr. KING. I do not think we can take it up under the unanimous-consent order.

Mr. BARKLEY. Why not?

Mr. KING. There will be some discussion and some amendments. I have no objection to its being taken up.

Mr. CLARK of Missouri. Mr. President, at the proper time I intend to move to recommit this bill to the Committee on Commerce with instructions to hold hearings on it.

Mr. McNARY. Mr. President, may I make an inquiry? I thought we were considering Calendar No. 77, Senate bill

1045. If that bill follows, I should like to have an explanation of it. I am not now referring to the stream-pollution bill. According to the calendar, Senate bill 1045 comes ahead of the stream-pollution bill.

The VICE PRESIDENT. There seems to be some confusion. One of the clerks at the desk seems to think the bill referred to by the Senator from Oregon went over, and the other thinks it was inadvertently passed over. The clerk will state the title of the bill.

The CHIEF CLERK. A bill (S. 1045) to give effect to the International Agreement for the Regulation of Whaling, signed at London June 8, 1937, and for other purposes.

Mr. McNARY. Mr. President, I do not know that I have any objection to the bill, but I should like to have an explanation of it from the able Senator from Iowa [Mr. GILLETTE].

The VICE PRESIDENT. The Chair remembers now that the bill went over because an explanation was asked for and was not given at the time. If the Senator wishes to have the action reconsidered, very well.

Mr. McNARY. I am not asking for a reconsideration. I do not think the bill was called the first time the clerk referred to the calendar by that number.

The VICE PRESIDENT. The Chair believes the bill was called, because the Chair asked who was the author of the bill and who reported it, and the clerk responded that the Senator from Iowa [Mr. GILLETTE] reported the bill. Some Senator asked to have it go over, and it went over.

Mr. McNARY. If it has gone over, I do not wish to recall it.

The VICE PRESIDENT. The bill has been passed over. Senate bill 685 has now been reached on the calendar.

Mr. BARKLEY. Mr. President, in view of the suggestion that Senators want to discuss that bill, I shall not press it now. At a very early date I shall move to proceed to the consideration of the bill; but I do not wish to detain the Senate now on the call of the calendar.

The VICE PRESIDENT. The bill will be passed over.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 439) to confer the Distinguished Service Medal on Col. Richard C. Patterson was announced as next in order.

Mr. VANDENBERG. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S. J. Res. 45) to amend the act of July 3, 1926, entitled "An act conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and render judgment in claims which the Crow Tribe of Indians may have against the United States, and for other purposes," was announced as next in order.

Mr. KING. Let the joint resolution go over.

The VICE PRESIDENT. The joint resolution will be passed over.

SPECIAL COMMITTEE ON TAXATION OF GOVERNMENTAL SECURITIES AND SALARIES

The Senate proceeded to consider the resolution (S. Res. 86) extending the time for filing of a report pursuant to Senate Resolution 303, Seventy-fifth Congress, a resolution establishing a Special Committee on Taxation of Governmental Securities and Salaries, which was read, as follows:

Resolved, That Senate Resolution 303, Seventy-fifth Congress, third session, agreed to June 16, 1938, is hereby continued in full force and effect until June 1, 1939, and the time for making the report required by such resolution is hereby extended to such date.

Mr. McNARY. Mr. President, I should like to have an explanation of the resolution from the Senator from Michigan.

Mr. BROWN. Mr. President, the resolution proposes to extend the life of a special committee appointed last June to examine into the question of taxation of Federal and State salaries and the taxation of Federal and State bonds. We reported to the Finance Committee on the salary question last Tuesday, but we were unable to complete our report on the matter of taxation of State bonds. The extension of the life of the special committee will not involve the appro-

priation of any additional money. We have expended but \$315 out of our appropriation of \$5,000. I know that the extension is satisfactory to the Senator from Delaware [Mr. TOWNSEND], who is the ranking Republican on the committee. I trust the resolution will be agreed to.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

BILL PASSED OVER

The bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress was announced as next in order.

Mr. BARKLEY. This is the national-defense bill, and I suggest that it be passed over until the consideration of other measures on the calendar shall have been concluded.

The VICE PRESIDENT. The bill will be passed over.

CHARLES E. NAGHEL

The Senate proceeded to consider the bill (S. 539) for the relief of Charles E. Naghel, special disbursing agent, Department of the Interior, and Kammeyer & Medack, contractors, from disallowance of charges for additional work under a construction contract, which was read, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the amount of \$61.15 in the accounts of Charles E. Naghel, former special disbursing agent of the Department of the Interior, at Juneau, Alaska, and to remove charges raised against such officer and against the contractor, Kammeyer & Medack, in that amount, representing a part of the payment made May 8, 1933, on voucher No. 6800, for extra services performed and material furnished in connection with contract No. 1 Ind-5796, dated June 10, 1932, for the construction of an Indian Service hospital at Unalaska, Alaska.

Mr. KING. Mr. President, I have some objection to this bill, and I ask the Senator from Oklahoma if he will not let it go over?

Mr. THOMAS of Oklahoma. Mr. President, this bill has to do with a building in Alaska. The Department let a contract for a building for the Indian Service in Alaska. After the contract had been let, some additional material was required, which was not covered by the contract, in the amount of \$61.

Mr. KING. I have no objection.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 863) to provide for the payment of attorneys' fees from Osage tribal funds was announced as next in order.

Mr. KING. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1476) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, was announced as next in order.

Mr. KING. I should like to have an explanation of the bill. Let it go over.

The VICE PRESIDENT. The bill will be passed over.

J. G. MAYFIELD

The bill (S. 754) for the relief of J. G. Mayfield was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, the United States Employees' Compensation Commission be, and the same is hereby, authorized and directed to receive and consider, if filed within 6 months after the enactment of this act, the claim of James George Mayfield, of Springfield, Ill., for disability alleged to have been caused by injuries sustained by him on August 3, 1937, while in the performance of his duties in the employment of the Bureau of Internal Revenue, Treasury Department.

FRED HARVEY TRANSPORTATION DEPARTMENT

The Senate proceeded to consider the bill (S. 10) for the relief of the Fred Harvey Transportation Department, which had been reported from the Committee on Claims with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Fred Harvey Transportation Department the sum of \$125 in full satisfaction of the claim of the Fred Harvey Transportation Department against the United States, arising out of the destruction of a certain mule called Pima, leased to the National Park Service, under contract No. 1-5P-574, 1935: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROSCOE C. PRESCOTT

The Senate proceeded to consider the bill (S. 911) for the relief of Roscoe C. Prescott, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "\$404.13" and insert in lieu thereof "\$300.59; to Howard Joslyn, the sum of \$155.50; to Arthur E. Tuttle, the sum of \$109.10; and to Robert J. Toulouse, the sum of \$466.29", and on line 10, before the word "personal", to strike out the word "his" and insert the word "their", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Roscoe C. Prescott the sum of \$300.59; to Howard Joslyn, the sum of \$155.50; to Arthur E. Tuttle, the sum of \$109.10; and to Robert J. Toulouse, the sum of \$466.29, in full settlement of all claims against the United States Government for loss of their personal effects in a fire at the Civilian Conservation Corps camp at Warren, N. H., on December 31, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse."

ALEX ST. LOUIS

The Senate proceeded to consider the bill (S. 1174) for the relief of Alex St. Louis, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "\$150" and to insert in lieu thereof "\$25"; on line 7, after the word "for", to insert "time lost by reason of"; on line 8, before the word "horse", to strike out "a" and insert "his"; on line 10, after the word "Vermont", to insert the words "and to Dr. J. P. Lake, of Manchester Depot, Vt., the sum of \$10, in full settlement of his claim against the United States for professional services rendered as a result of said injuries: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in

the Treasury not otherwise appropriated, to Alex St. Louis, of Windham, Vt., the sum of \$25, in full settlement of all claims against the Government for time lost by reason of injuries to his horse which was struck by a Forest Service truck on December 9, 1934, at Camp Peru, Vt., and to Dr. J. P. Lake, of Manchester Depot, Vt., the sum of \$10, in full settlement of his claim against the United States for professional services rendered as a result of said injuries: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Alex St. Louis and Dr. J. P. Lake."

HUBERT H. CLARK

The Senate proceeded to consider the bill (S. 11) for the relief of Hubert H. Clark, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "\$195.95" and to insert "\$169.96, and to Dr. W. C. Copeland the sum of \$353.62"; on line 7, before the word "claim", to strike out "his" and insert "their", and to insert a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Hubert H. Clark the sum of \$169.96, and to Dr. W. C. Copeland the sum of \$353.62, in full settlement of their claim against the United States arising out of the destruction of certain personal property as the result of a fire at the Petrified Forest National Monument on January 22, 1937: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Hubert H. Clark and Dr. W. C. Copeland."

HARRY F. BAKER

The bill (S. 749) for the relief of Harry F. Baker was announced as next in order.

Mr. KING. I should like to have an explanation of this bill.

The VICE PRESIDENT. The bill was introduced by the Senator from Delaware [Mr. HUGHES].

Mr. KING. It seems to provide for a double payment. Let it go over.

The VICE PRESIDENT. The bill will be passed over.

JOHN B. DOW

The bill (S. 1253) for the relief of John B. Dow was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John B. Dow, of Cookeville, Tenn., the sum of \$354.65, in full satisfaction of his claims for fees for services rendered by him as United States commissioner during the period from November 1, 1937, to March 22, 1938, such fees having been disallowed by reason of the fact that his appointment as such commissioner expired on November 1, 1937, and he was not reappointed until March 23, 1938: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

COHEN, GOLDMAN & CO., INC.

The bill (S. 1374) for the relief of Cohen, Goldman & Co., Inc., was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. BAILEY. Mr. President, I introduced the bill pro forma. A similar bill passed the Senate last year, and came into my hands as chairman of the Committee on Claims. The bill was favorably reported by the committee; but if the member of the committee making the report is not prepared to explain it, I shall ask that it go over until he can be prepared.

The VICE PRESIDENT. The bill will be passed over.

BANKING TRANSACTIONS IN THE DISTRICT OF COLUMBIA

The bill (S. 794) relating to banking, banks, and trust companies in the District of Columbia, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That where a check or other instrument payable on demand at any bank or trust company doing business in the District of Columbia is presented for payment more than 1 year from its date, such bank or trust company may, unless expressly instructed by the drawer or maker to pay the same, refuse payment thereof, and no liability shall thereby be incurred to the drawer or maker for dishonoring the instrument by nonpayment.

Sec. 2. Notice to any bank or trust company doing business in the District of Columbia of an adverse claim to a deposit standing on its books to the credit of any person shall not be effectual to cause said bank or trust company to recognize said adverse claimant unless said adverse claimant shall also either (1) procure a restraining order, injunction, or other appropriate process against said bank or trust company from a court of competent jurisdiction in a cause therein instituted by him wherein the person to whose credit the deposit stands is made a party and served with summons; or (2) execute to such bank or trust company, in form and with sureties acceptable to it, a bond indemnifying said bank or trust company from any and all liability, loss, damage, costs, and expenses, for and on account of the payment of such adverse claim or the dishonor of the check or other order of the person to whose credit the deposit stands on the books of said bank or trust company: *Provided*, That this section shall not apply to any instance where the person to whose credit the deposit stands is a fiduciary for such adverse claimant, and the facts constituting such relationship, together with the facts showing reasonable cause of belief on the part of the said claimant that the said fiduciary is about to misappropriate said deposit, are made to appear by the affidavit of such claimant.

Sec. 3. (a) No bank or trust company doing business in the District of Columbia, which has paid and charged to the account of a depositor any money on a forged, altered, or raised check issued in the name of said depositor shall be liable to said depositor for the amount paid thereon unless either (1) within 1 year after notice to said depositor that the vouchers representing payments charged to the account of said depositor for the period during which such payment was made are ready for delivery, or (2), in case no such notice has been given, within 6 months after the return to said depositor of the voucher representing such payment, said depositor shall notify the bank or trust company that the check so paid is forged, altered, or raised.

(b) The notice referred to in subsection (a) may be given by mail to said depositor at his last-known address with postage prepaid.

(c) This section shall not be construed to relieve a depositor from due diligence in the examination of returned vouchers or in otherwise discovering that a check has been forged, altered, or raised, or in notifying the bank or trust company of his actual discovery of a forgery or alteration.

(d) When used in this section the word "check" shall also include drafts, notes, acceptances, or other negotiable instruments payable at a bank or trust company, and the word "forged" shall also include an unauthorized signature by an agent or officer of a depositor.

(e) The provisions of this section shall not be held to apply to the forgery of an endorsement.

Sec. 4. Whenever a deposit, which is in form in trust for another, shall be made by any person in any bank or trust company doing business in the District of Columbia, and no other or further notice of the existence and terms of a legal and valid trust shall have been given in writing to the bank or trust company, such deposit, or any part thereof, together with the dividends, or interest thereon, may, in the event of the death of the trustee, be paid to the person for whom such deposit was made or to his legal representative.

Sec. 5. It shall be unlawful for any notary public who is a stockholder, director, officer, or employee of a bank, trust company, or other corporation to take the acknowledgment of any party to any written instrument executed to or by such corporation or to administer an oath to any other stockholder, director, officer, employee, or agent of such corporation, or to protest for nonacceptance or nonpayment drafts, checks, notes, acceptances, or other negotiable instruments which may be owned or held for collection by such corporation: *Provided*, That it shall be unlawful for any notary public to take the acknowledgment of an instrument executed by or to a bank or corporation of which he is a stockholder,

director, officer, or employee, where such notary is a party to such instrument, either individually or as a representative of such corporation, or to protest any negotiable instrument owned or held for collection by such corporation, where such notary is individually a party to such instrument: *Provided further*, That it shall be unlawful for any notary public to take the oath of an officer or director of any bank or trust company of which he is an officer, or to take an oath of any person verifying a report of such bank or trust company to the Comptroller of the Currency.

Sec. 6. No bank or trust company doing business in the District of Columbia shall be liable to a depositor because of the nonpayment through mistake or error and without malice of a check, draft, note, acceptance, or other negotiable instrument, payable at any bank or trust company, which should have been paid unless the depositor shall allege and prove actual damage by reason of such nonpayment and in such event the liability shall not exceed the amount of damage so proved.

Sec. 7. Any bank or trust company doing business in the District of Columbia receiving for collection or deposit any check, draft, note, acceptance, or other negotiable instrument drawn upon or payable at any other bank, located outside the District of Columbia, may forward such instrument for collection directly to the bank on which it is drawn or at which it is made payable, and such method of forwarding direct to the payer shall be deemed due diligence, and the failure of such payor bank, because of its insolvency or other default, to account for the proceeds thereof shall not render the forwarding bank liable therefor: *Provided, however*, That such forwarding bank shall have used due diligence in other respects in connection with the collection of such instrument.

Sec. 8. (a) Section 456 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended (D. C. Code, title 24, sec. 132), is amended by adding at the end thereof the following new sentence: "The garnishee, in any case in which the property or credits attached or sought to be attached is held by him in the name of or for the account of another than the defendant, shall retain such property or credits during the period pending determination by the court of the propriety of the attachment or the rightful owner of such property or credits, and, during such period, shall incur no liability whatsoever for such retention."

(b) Section 1090 of such act, as amended (D. C. Code, title 24, sec. 238), is amended by adding at the end thereof the following new sentence: "The garnishee, in any case in which the property or credits attached or sought to be attached is held by him in the name of or for the account of another than the defendant, shall retain such property or credits during the period pending determination by the court of the propriety of the attachment or the rightful owner of such property or credits, and, during such period, shall incur no liability whatsoever for such retention."

Mr. McNARY subsequently said: Mr. President, what action was taken as to Senate bill 794, Calendar No. 98?

The VICE PRESIDENT. No objection was made, and the bill was passed.

Mr. McNARY. I was engaged at the time, and I should like to have an explanation of the bill.

Mr. KING. Mr. President, the Senator from Delaware [Mr. HUGHES], who reported the bill, is not present. It is a bill which was unanimously approved by the committee, and was recommended by the District Commissioners and by the banking organizations of the District. If that is not sufficient explanation, it may go over.

Mr. McNARY. I will not ask for a reconsideration, but I may do so tomorrow.

Mr. KING. There will be no objection to that.

BURIAL AND ILLNESS EXPENSES

The bill (S. 1523) to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the head of any executive department which maintains permanent staffs of employees in foreign countries is hereby authorized to pay out of any appropriation available to the department concerned for miscellaneous or contingent expenses, burial expenses, and expenses in connection with last illness and death, not in excess of \$100 in any one case, of the native employees of such department in those countries with respect to which the Secretary of State shall determine it is customary for employers to pay such expenses; and the head of any executive department, which maintains permanent staffs of employees in foreign countries where such custom does not exist, is authorized, upon finding that the immediate family of the deceased is destitute, to make such payments within the limitations prescribed above to the family, heirs-at-law, or persons responsible for the debts of the deceased, as the officer in charge of the office abroad in which the deceased was employed shall determine to be proper.

BILL PASSED OVER

The bill (S. 783) to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925, was announced as next in order.

Mr. KING. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

WINNEBAGO AGENCY, NEBR., INDIANS

The Senate proceeded to consider the bill (S. 784) for the relief of certain Indians of the Winnebago Agency, Nebr., which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$38,352.84, to the Treasurer of the United States for deposit in the official disbursing account of the superintendent and special disbursing agent of the Winnebago Indian Agency, Nebr., to replace a deposit of individual Indian money in like amount with the State Bank of Winnebago, Nebr., defunct: *Provided*, That any sums, not exceeding in the aggregate the amount of this appropriation, recovered from said bank or the sureties on the bonds thereof shall be deposited into the general fund of the Treasury.

Mr. KING. Mr. President, I regret exceedingly to object to this bill and other bills of similar import, but an able Member of the House of Representatives [Mr. COCHRAN] recently made some observations in regard to these Indian claims, and I think I shall have to ask that the bill go over.

Mr. THOMAS of Oklahoma. Mr. President, if the Senator will withhold his objection to the bill, I desire to make a very brief explanation.

The Indian Bureau approved the bank covered by the bill as a depository for Indian funds. Under the law the bank had to give a bond, and the bond was given. The bond was partly personal and partly a surety bond. The bank failed. The surety company paid its part of the liability, but for some reason the personal bond has not been collected. The personal sureties have not made good. That leaves a loss to the Indians of some \$38,000, and the bill provides for the payment of that loss. Suit is now being instituted, and if something is recovered from the bondsmen it will be covered back to the Federal Government. That is the usual way of handling such matters. Of course, it is up to the Congress to pass upon them.

Mr. KING. Mr. President, I can only supplement what I stated a moment ago by saying that attention has been given and is being given by one of the distinguished Representatives at the other end of the Capitol to Indian claims of all kinds and character. I had hoped to confer with him with respect to many of the claims in the near future. I received a statement from him yesterday which I have hastily examined. For the reasons I have stated I have indicated that I would object to these Indian bills. However, this one seems to be of a different character from the others, so I have no objection to it.

The PRESIDENT pro tempore. The bill will be passed over.

BILL PASSED OVER

The bill (S. 790) conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Prairie Band or Tribe of Pottawatomie Indians of Kansas and Wisconsin against the United States was announced as next in order.

Mr. KING. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ANDREW J. CROCKETT AND WALTER CROCKETT

The bill (S. 875) for the relief of Andrew J. Crockett and Walter Crockett was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of \$1,394.13 to Andrew J. Crockett and Walter Crockett, in full settlement of their claims for compensation for improvements constructed by them upon the land transferred to the Zuni Indian Reservation, N. Mex., by the act of June 20, 1935 (49 Stat. 393): *Provided*, That no payment shall be made until certification by the Secretary of the Interior that the claimants have executed a satisfactory release of any and all claims arising out of the said transfer of lands.

PAYMENT TO OSAGE INDIANS

The bill (S. 1222) authorizing an appropriation for payment to the Osage Tribe of Indians on account of lands sold by the United States was announced as next in order.

Mr. KING. Let the bill go over.

Mr. THOMAS of Oklahoma. Mr. President, this bill has been before the Congress for many years. The Senate has approved the bill on at least two or three occasions. At every one of the last several sessions the Senate has approved the bill. For some reason the House of Representatives has not seen fit to pass it. This year the attorneys for the tribe submitted the bill in a different form. The amended form was not agreeable to the committee; so the committee amended the text by substituting the exact text which has heretofore passed the Senate on two or three different occasions. The Indians are now asking that the Senate repass the bill which it has passed at previous sessions.

Mr. KING. Mr. President, with due respect, I still persist in my objection.

The PRESIDENT pro tempore. Objection being heard, the bill will be passed over.

BILLS PASSED OVER

The bill (S. 767) conferring jurisdiction on the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Assiniboine Indians may have against the United States, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 864) authorizing the Arapahoe and Cheyenne Indians to submit claims to the Court of Claims, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

PURCHASE OF LANDS FOR APACHE INDIANS

The bill (S. 876) to authorize the purchase of certain lands for the Apache Tribe of the Mescalero Reservation, N. Mex., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized in his discretion to purchase with any available funds heretofore or hereafter appropriated pursuant to authority contained in section 5 of the act of June 18, 1934 (48 Stat. L. 984), lots 1, 2, 3, and 4, north half northeast quarter southwest quarter northeast quarter, north half southeast quarter northeast quarter, section 24, township 15 south, range 15 east, and lots 4, 5, and 6, section 19, township 15 south, range 16 east, New Mexico principal meridian, New Mexico. Title to the lands shall be taken in the name of the United States in trust for the Apache Tribe of the Mescalero Reservation.

LANDS FOR TURTLE MOUNTAIN INDIANS, NORTH DAKOTA

The bill (S. 1036) to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota was considered, ordered, to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to acquire, by the method most advantageous to the United States and within the limits of the funds herein authorized to be appropriated, land adjacent to the Turtle Mountain Indian Reservation in the State of North Dakota, such land to become a part of such reservation and to be used for the benefit of the Turtle Mountain Indians.

SEC. 2. There is hereby authorized to be appropriated the sum of \$200,000, or so much thereof as may be necessary, to carry out the purposes of this act.

CHOCTAW AND CHICKASAW SANATORIUM AND GENERAL HOSPITAL

The bill (S. 1104) to provide for conveying to the United States the land, buildings, and improvements comprising the Choctaw and Chickasaw Sanatorium and General Hospital was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation be, and they are hereby, authorized to grant and convey to the United States of

America, with the consent and approval of the Secretary of the Interior, not less than 160 acres and all buildings and improvements thereon comprising the Choctaw and Chickasaw Sanatorium and General Hospital.

SUBMISSION OF CHECKS OR BONDS BY BIDDERS

The Senate proceeded to consider the bill (S. 1477) to repeal section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended, which was read, as follows:

Be it enacted, etc., That section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended (U. S. C., title 25, sec. 95), providing for the submission by bidders of certified checks or bonds in the amount of 5 percent of each proposal in excess of \$5,000 for goods, supplies, transportation, etc., for and on account of the Indian Service, is hereby repealed.

Mr. THOMAS of Oklahoma. Mr. President, in former times, when we did not have the present rapid means of transportation, and business was not so highly organized, the Indian Office required a bond when a contract was offered for letting. It took some time for the Office to get the contract in shape to be signed, and that made it necessary to have a bond. At the present time, in respect to small contracts, a contract is let immediately upon approval, so there is no interim between the letting of the contract and the actual signing of the contract. The Indian Office is, therefore, of the opinion that it is surplusage and a useless expense to require the bidder to put up a bond, when the work is all done simultaneously.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADDITION OF LAND TO ROCKY BOY INDIAN RESERVATION, MONT.

The bill (S. 877) to add certain public-domain land in Montana to the Rocky Boy Indian Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby withdrawn from the public domain and added to the Rocky Boy Indian Reservation, in Montana, subject to all valid existing rights and claims, all public-domain land in the following described area: Sections 19 to 36, inclusive, township 31 north, range 14 east; sections 1 to 5, inclusive, sections 8 to 17, inclusive, sections 20 to 29, inclusive, sections 30 to 36, inclusive, township 30 north, range 13 east; township 30 north, ranges 14 and 15 east; west half, southeast quarter section 6, section 7, west half west half section 8, west half northwest quarter, southwest quarter section 17, section 18, section 19, west half, west half east half section 20, sections 29 to 32, inclusive, township 30 north, range 16 east; sections 1 to 5, inclusive, sections 8 to 17, inclusive, sections 20 to 29, inclusive, sections 32 to 36, inclusive, township 29 north, range 13 east; township 29 north, range 14 east; northeast quarter, west half southeast quarter, west half section 5, section 6, section 7, west half, west half northeast quarter, southeast quarter section 8, sections 17 to 20, inclusive, sections 29 to 32, inclusive, township 29 north, range 16 east; sections 1 and 2, township 28 north, range 13 east, sections 1 to 30, inclusive, township 28 north, range 14 east; and sections 6 and 7, sections 17 to 20, inclusive, and sections 29 and 30, township 28 north, range 15 east, Montana principal meridian.

PUBLIC-SCHOOL BUILDING, FORT PECK INDIAN RESERVATION, MONT.

The bill (S. 961) for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of \$50,000 for the purpose of cooperating with the public-school board of district No. 45, town of Wolf Point, County of Roosevelt, Mont., for completing the construction, extension, equipment, and improvement of the public high-school building at Wolf Point, Mont.: *Provided,* That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of the Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district: *Provided further,* That plans and specifications for construction, extension, or improvement of structures shall be furnished by local or State authorities without cost to the United States, and upon approval thereof by the Commissioner of Indian Affairs actual work shall

proceed under the direction of such local or State officials. Payment for work in place shall be made monthly on vouchers properly certified by local officials of the Indian Service: *Provided further,* That any amount expended on any project hereunder shall be recouped by the United States within a period of 30 years, commencing with the date of occupancy of the project, through reducing the annual Federal tuition payments for the education of Indian pupils enrolled in public or high schools of the district involved, or by the acceptance of Indian pupils in such schools without cost to the United States; and in computing the amount of recoupment for each project interest at 3 percent per annum shall be included on unrecouped balances.

EXPENSES OF INDIANS, QUINAIELT RESERVATION, WASH.

The bill (S. 643) authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinaielt Reservation, State of Washington, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to pay the attorneys of record for those Quinaielt Indians who received their allotments on the Quinaielt Reservation, State of Washington, pursuant to judgments or decrees of a United States district or appellate court in a case wherein they were named parties plaintiff, the reasonable and fair value of the services rendered and expenses incurred, as heretofore fixed and determined by said Secretary; and the sum of \$35,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, to make said payments, the amount so paid for the account of each allottee to be reimbursed to the United States out of any funds now or hereafter accruing to the account of each such Indian allottee from the sale of his or her allotment, or the timber thereon.

BILLS PASSED OVER

The bill (S. 962) to define the status of certain lands purchased for the Choctaw Indians, Mississippi, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 18) authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 498) authorizing an appropriation to carry out the provisions of section 26 of the agreement with the Muscogee or Creek Tribe of Indians, approved March 1, 1901, was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 645) to provide funds for cooperation with Wapato School District, No. 54, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation was announced as next in order.

Mr. KING. I should like an explanation of the bill.

The PRESIDENT pro tempore. The Senator from Utah asks for an explanation of the bill. The Chair does not see the Senator from Oklahoma [Mr. THOMAS] or the Senator from Washington [Mr. SCHWELLENBACH] in the Chamber at the moment.

Mr. KING. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 3790) relating to taxation of the compensation of public officers and employees was announced as next in order.

Mr. HUGHES and Mr. KING asked that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

PAYMENT TO CERTAIN NONINDIAN CLAIMANTS

Mr. HATCH. Mr. President, when Calendar No. 89, Senate bill 1476, was called, I had just entered the Chamber, and I heard the Senator from Utah [Mr. KING] ask for an

explanation of the bill. I did not realize at the time what bill was referred to. I ask unanimous consent to recur to Senate bill 1476, and that my colleague [Mr. CHAVEZ] be allowed at this time to give an explanation of the bill which the Senator from Utah requested.

Mr. KING. I have no objection to the bill being taken up and an explanation of it given.

Mr. HATCH. I ask unanimous consent to recur to Senate bill 1476 in order that my colleague may make an explanation of it.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1476) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, which had been reported from the Committee on Indian Affairs with an amendment.

Mr. CHAVEZ. Mr. President, the legislation contained in Senate bill 1476 was suggested by the Secretary of the Interior, in keeping with the act passed in 1933 settling the claims under the Pueblo land-grants law enacted in 1924. The bill passed in 1933 contained a provision that in case some settler or citizen had not made his proper showing at the time the investigation was made under the Pueblo Land Grants Act, he could come before the Secretary of the Interior and show that he had not been paid for the land which had been taken from him and given to the Indians. That is authorized, as I stated before, by the law enacted in 1933.

The Department of the Interior knows all about the matter. The Department investigated the claims and they are the claims we are suggesting be paid. We do this practically at every session of the Congress, because in many instances small settlers out there did not make their proper showing at the proper time. But the matter has all been investigated by the Department of the Interior, which passes on the merits of the claims, and which has suggested the amount which should be paid.

Mr. KING. Mr. President, will the Senator yield for an inquiry?

Mr. CHAVEZ. I yield.

Mr. KING. Did any other persons receive payment for the lands in question?

Mr. CHAVEZ. No one else has been paid for these particular lands.

Mr. KING. This payment would not be a duplicate payment?

Mr. CHAVEZ. No; it would not be a duplicate payment.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The clerk will state the committee amendment.

The amendment was, on page 2, line 9, after the word "Taos", to strike out "\$9,733.05" and insert "\$10,733.05"; and in line 10, after the word "all", to strike out "\$9,826.05" and insert "\$10,826.05", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum to compensate white settlers or non-Indian claimants whose claims have been extinguished under the act of June 7, 1924 (43 Stat. L. 636), but who have been found by the Secretary of the Interior, in conformity with the proviso to section 3 of the act of May 31, 1933 (48 Stat. L. 108, 109), to be entitled to increased compensation by reason of errors in the amount of award previously allowed, or entitled to original awards by reason of errors in the omission of legitimate claimants, the non-Indian claimants, or their successors, as found and reported by the Secretary of the Interior, to be compensated out of said appropriation, to be disbursed under the direction of the Secretary of the Interior in the amounts found to be due them, as follows:

Within the pueblo of Taos, \$10,733.05; within the pueblo of San Felipe, \$93; in all, \$10,826.05.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PAYMENT TO THE SAN CARLOS APACHE INDIANS

Mr. HAYDEN. Mr. President, I am advised that while I was called out to answer the telephone objection was made when Calendar No. 115, Senate bill 18, was called. I should

like to state to the Senate that an identical bill was passed in the last Congress and also in the preceding Congress. The bill had difficulty in the House of Representatives, but the Senate Committee on Indian Affairs, which has reported the bill, again very properly recommends its enactment this year.

I will state what the situation is. Certain lands were excluded a long time ago from the Apache Indian Reservation with the idea that they contained coal. They were opened to settlement and entry. Coal in satisfactory quantities was not found, but the lands in the area with any kind of water supply have been taken up and patented by white people. To return the remaining land to the Indians, which is practically valueless, would be of no benefit to them. It would be better to compensate them at the rate specified in the bill, or \$1.25 an acre.

I am frank to say that I do not know whether the House will agree to appropriate the total sum of money specified in the bill, but I should like to have the question presented again to the House, as it has been on two previous occasions.

Mr. KING. Mr. President, one of the distinguished Representatives at the other end of the Capitol has made a searching investigation of these Indian claims which are being submitted. Claims aggregating three billion or more dollars have been and are being submitted, and great pressure is being brought by attorneys and others representing the Indians for prompt action upon these claims.

Mr. HAYDEN. Mr. President, I am thoroughly familiar with the work being done by Mr. COCHRAN, of Missouri, in the other House. He is carrying out a policy that I inaugurated when I was a Member of the House. As a member of the Indian Affairs Committee of that body, I prevented the passage of a great many Indian claims bills. I am heartily in agreement with what Mr. COCHRAN is doing. The effect of that character of bills is to pay large sums of money out of the Treasury, a considerable proportion of which goes to attorneys.

The question presented by such bills is very different from the situation covered by the pending bill. Here are certain lands claimed by the Indians which have been restored to the public domain. There is no attorney representing anyone in this case. The only beneficiaries in any sum of money, if the bill becomes law, are the Apache Indians themselves, and the amount is strictly limited to \$1.25 an acre as a maximum.

Mr. KING. I am not very familiar with this measure, but I have made some investigation and I am somewhat familiar with the excellent work which the Senator from Arizona did when he was in the House and the fine work now being done by Representative COCHRAN, of Missouri.

So far as I am concerned, I do not want to have passed any of these bills which provide for money payments to Indians for alleged taking of their lands, which bills involve claims, as I have indicated, for more than \$3,000,000,000. In many instances payments were made 20, 30, or 40 years ago, and if direct payments have not been made for the lands there have been other gratuities given to the Indians which, if deducted from the amount which they claim, if they are entitled to anything at all in virtue of their original claim, would leave them but a moiety.

Mr. HAYDEN. That is exactly the proviso which should be attached to every one of the Indian claims bills, and I sought to do that when I was in the House. When such a case was brought before the Court of Claims the Government was authorized to submit gratuities to the Indians as an offset. This bill does not propose to submit any issue to the Court of Claims. It is a proposal recommended by the Interior Department. It is a question only of the exclusion of land from an Indian reservation with the understanding that it was to be open to coal mining, and the Indians were supposed to receive royalties. No coal in commercial quantities has been found on the land. Instead of the land being utilized for that purpose the valuable parts of it were located and patented to white settlers, so it is impossible for the Indians to reoccupy it. They ought to be compensated for

their lands, and I am quite sure that whatever sum is finally granted will be agreed to by Mr. COCHRAN.

Mr. KING. I think this claim is different from the ones to which I have made objection heretofore, so I shall not object to the measure.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 18) authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury of the United States not otherwise appropriated, as payment in full to the San Carlos Apache Indians, at the rate of \$1.25 per acre for 232,320 acres of land ceded by them under the agreement of February 25, 1896, ratified by the act of June 10, 1896 (29 Stat. 358), less \$12,433.63 received by the Indians as royalty under mining permits, the sum of \$277,966.37 to be deposited in the Treasury of the United States to the credit of the San Carlos Apache Indians, and to be available for expenditure for the benefit of such Indians: *Provided,* That none of the funds herein authorized to be appropriated shall be subject to the payment of any claims, judgments, or demands against the San Carlos Apache Indians accruing prior to the approval of this act.

Sec. 2. The lands referred to in the first section of this act are hereby reopened to location and entry under the public land and mineral entry laws of the United States.

PAPERS OF CHARLES COTESWORTH PINCKNEY AND THOMAS PINCKNEY

Mr. BARKLEY. Mr. President, from the Committee on the Library I report back favorably, without amendment, Senate bill 917, and ask for its present consideration.

The bill authorizes the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City. It is a measure which was passed by the Senate at the last session and went to the House, and was favorably reported from the Committee on the Library of the House, but failed of passage because of objection on the part of someone on the floor of the House.

The Library of Congress is very anxious to purchase these historic papers. Dr. Putnam, of the Library of Congress, came before the committee and urged the purchase of the papers because of their historical value, and the price at which they can be purchased is only half of the price fixed upon them originally. Therefore, I hope the bill will pass.

The PRESIDING OFFICER (Mr. CLARK of Missouri in the chair.) Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 917) authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Library of Congress is hereby authorized and empowered to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of 24 East Fifty-eighth Street, New York, N. Y., and there is hereby authorized to be appropriated to the Library of Congress for that purpose not to exceed the sum of \$37,500.

AUXILIARY VESSELS FOR THE NAVY

Mr. ELLENDER. Mr. President, I ask unanimous consent to recur to Calendar No. 75, Senate bill 828. The reason for my request is that I understand that the Senator from Missouri [Mr. CLARK], who previously objected to it, withdrew his objection when it was shown to him that the purpose of the bill was not to appropriate more money for additional ships but merely to give authority to the President to purchase an oil tanker from the Standard Oil Co. at cost,

and that the tanker could be purchased at an actual saving to the Government of more than \$1,500,000.

The PRESIDING OFFICER. The Senator from Louisiana asks unanimous consent to recur to Calendar No. 75, Senate bill 828. Is there objection?

Mr. KING. Mr. President, I think we had better take it up at some time when it may be discussed, rather than under the 5-minute rule.

The PRESIDING OFFICER. Objection is heard.

That completes the calendar.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 185) making additional funds available for salaries and expenses, Federal Housing Administration, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, and it was signed by the President pro tempore.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 185) making additional funds available for salaries and expenses, Federal Housing Administration, was read twice by its title and referred to the Committee on Appropriations.

ADDITIONAL FUNDS FOR FEDERAL HOUSING ADMINISTRATION

Mr. BYRNES. Mr. President, the House has passed a joint resolution making available certain funds for the Federal Housing Administration. The joint resolution has been ordered to be reported favorably by the majority of the Committee on Appropriations. From the Committee on Appropriations I report back favorably, without amendment, House Joint Resolution 185, and I ask unanimous consent for its consideration at this time.

The PRESIDING OFFICER (Mr. MINTON in the chair.) Is there objection to the request of the Senator from South Carolina?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 185) making additional funds available for salaries and expenses, Federal Housing Administration, which was ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That in addition to the funds made available to the Federal Housing Administration for administrative expenses by the Independent Offices Appropriation Act, 1939, not to exceed \$1,375,000 of the mutual mortgage insurance fund and not to exceed \$1,125,000 of the funds advanced to the Administration by the Reconstruction Finance Corporation are hereby made available for administrative expenses of the Administration for the fiscal year 1939, including the same objects specified in the provision for such expenses of such Administration in such act: *Provided,* That such additional funds shall be available for administrative expenses of the Administration for the fiscal year 1939 heretofore or hereafter incurred and otherwise properly chargeable thereto.

THE NATIONAL DEFENSE

Mr. SHEPPARD. Mr. President, I move that the Senate proceed to the consideration of House bill 3791.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas that the Senate proceed to the consideration of House bill 3791, the title of which will be stated.

The CHIEF CLERK. A bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

Mr. JOHNSON of California. Mr. President, I wish it understood that if we proceed to the consideration of the bill, we may today listen to the chairman of the committee, to whom we always listen with respect and admiration, and that after he concludes consideration of the bill may go over. The reason for that is that the record of the hearings was not received until noon today. At the time

the committee concluded its labors I asked the committee for a copy of the record. On Thursday it was promised to me Thursday afternoon. Friday morning came, and it was promised me Friday afternoon, then Saturday afternoon. I received it today at noon. I know there was good reason for not delivering the particular record, because it had not been thoroughly investigated concerning pagination, and that appeals to our imagination. So, with pagination forgotten in the record, and our imagination staggered in considering what pagination was, of course there was a delay in the record, and it reached the Senate only today at noon. Therefore, I make the suggestion that the Senator from Texas may proceed. I am not making this suggestion because, necessarily or at all, I am opposed to the bill, but in order that I may familiarize myself with it. I know it is a terrible thing for any Senator to rise and ask that he be permitted to familiarize himself with the record of hearings before the Military Affairs Committee. In this instance it is like solving a conundrum or a crossword puzzle. One must take the parts that are off the record and the parts that are on the record and piece together all that is said by various witnesses and members of the committee. Perhaps in the study of the record I shall be involved in pagination that will stagger my imagination. [Laughter.]

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. JOHNSON of California. I yield.

Mr. BARKLEY. I appreciate the suggestion of the Senator from California. There is no desire to hasten the vote on the bill before Senators understand its provisions or can look into the hearings. I do not know just when the hearings were printed in bound form, but last Thursday I obtained parts of the hearings in print and took them home with me over the week end and attempted to study them. However, I do not think the Senate ought to limit itself today to the speech of the Senator from Texas. If any other Senator is ready and desires to proceed, I see no objection to permitting him to do so. I can assure the Senator from California that there is no desire to have a vote today, either on the bill itself or on the amendments, unless the Senate is ready. I think Senators who are prepared to go ahead with the argument ought to be permitted to do so.

Mr. JOHNSON of California. Do not misunderstand me as desiring to eliminate any words that may be uttered upon the floor of the Senate from the lips of Senators. I am willing that any Senator who wishes to make an argument today may do so.

Mr. BARKLEY. The Senator's suggestion was that after the Senator from Texas concluded we should let the bill go over.

Mr. JOHNSON of California. I was not aware that there would be such preparation on the part of other Senators, because the record had not been disclosed to them.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. McNARY. The able Senator from California simply wishes it understood that there will be no final disposition of the bill today. I think that understanding was had at the time the request was made by the Senator from Kentucky that we proceed to the consideration of the bill today, provided the report was filed.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas that the Senate proceed to the consideration of House bill 3791.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, which had been reported from the Committee on Military Affairs with amendments.

Mr. SHEPPARD. Mr. President, I ask unanimous consent that action on any of the amendments, or on the bill itself, be not had until after today.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. BARKLEY. In that connection, does not the Senator wish to ask unanimous consent that the committee amend-

ments be first taken up and disposed of in the consideration of the bill?

Mr. SHEPPARD. I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendments, the amendments of the committee to be first considered, and that neither any committee amendment nor the bill itself be voted upon today.

The PRESIDING OFFICER. The Chair assumes the Senator means the calendar day. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The clerk will state the first amendment of the committee.

The first amendment of the Committee on Military Affairs was, on page 1, line 8, after the word "exceed", to strike out "5,500" and insert "6,000", so as to read:

SEC. 8. The Secretary of War is hereby authorized to equip and maintain the Air Corps with not to exceed 6,000 serviceable airplanes, and such number of airships and free and captive balloons as he may determine to be necessary for training purposes together with spare parts, equipment, supplies, hangars, and installation necessary for the operation and maintenance thereof. In order to maintain the number specified above, the Secretary of War is hereby authorized to replace obsolete or unserviceable aircraft from time to time.

Mr. SHEPPARD. Mr. President, I wish to say to the Senator from California [Mr. JOHNSON] that personally I made every effort to secure the publication of the hearings by the Printing Office before last Friday.

Mr. JOHNSON of California. I am sure of that. I am sure the Senator was not responsible for the lack of "pagination," and that indeed he did all that could be done to see that the record was printed.

Mr. SHEPPARD. In connection with the correction of the record, and also copies of hearings, the Printing Office uses the word "pagination." That word is in use at the Printing Office. It is used there in connection with the paging of documents.

Mr. President, in presenting the bill before us, a bill to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12 to the Congress, it seems appropriate to review certain facts connected with the program this measure proposes.

This program is so vital to our future, the time consuming elements involved in adequate protection so insistent, that failure to recognize the soundness of the present proposals might result in perilous consequences.

No one who heard, or who has seen in print, President Roosevelt's messages of January 4 and 12 could fail to be impressed with the need of the program contained in the pending bill. It is a fair deduction from what he said that the hostile attitudes of certain dictator-controlled and imperialistic nations are becoming more menacing toward free, independent, self-governing, democratic nations as the years elapse and call for the immediate expansion of our armed forces to the end that they may make the most effective resistance possible in the light of modern knowledge and modern conditions.

Aside, however, from this special world situation to which the President so earnestly and properly directs our attention, it may be well to say that the normal development of our permanent defense policy justifies the prompt adoption of the President's proposals. The question here occurs as to why we have lagged in certain respects in relation to national defense. It will be recalled that the World War left us with a tremendous reserve of munitions, that is, weapons, equipment, and ammunition. For a number of years there were practically no appropriations for replacements of these munitions, except limited allotments for the development of tanks and aircraft. As the years passed these World War munitions gradually deteriorated and the necessary replacements were not made. It is true that larger appropriations for the Air Corps were provided, that an increase of the enlisted strength of the Regular Army and the National Guard was authorized, and that more funds were provided for matériel, that is, for the various types of equipment described as a whole by this single term. It is also true that

insufficient funds, indeed very little funds, were allowed by Congress for research and study, the primary foundation of a national-defense system that meets new and current needs. The plan before us makes adequate provision for research in the future.

Here let us examine our present defense requirements. We cannot draw a line around the sea and land frontiers of continental United States and say that this alone is what we will defend. It is not so simple as that. The Panama Canal, Hawaii, Puerto Rico, and Alaska are vital links in our defense chain. These possessions are often referred to as outposts. So to designate them is to commit an error. Outposts are usually considered as warning or delaying forces to be withdrawn when they have accomplished their mission. There can be no withdrawal from Panama, Hawaii, Puerto Rico, and Alaska. To permit these strategical areas to fall into the hands of an enemy would jeopardize the security of continental United States itself.

The whole defense story, however, has not yet been told. If there is one foreign policy to which the American people subscribe, it is the doctrine that the western world belongs to the western nations, and that freedom and democracy must be preserved on this hemisphere. A violation of the Monroe Doctrine would probably not occur as a sudden, overt act. It could easily take the form of a step-by-step movement, of a peaceful penetration by foreign nationals until definite and powerful minorities would be established, with the result that before military force replaced diplomatic negotiations hostile nations might already have a foothold in areas that would threaten the most important link in our entire system of defense, the Panama Canal. With the Panama Canal out of commission permanently or for a prolonged period our Navy as at present constituted would be helpless as the guardian of the two oceans and our present defense system would collapse. It is to be hoped that it will never be necessary to fight to preserve the Monroe Doctrine and the liberties of this hemisphere, but if we must fight, prompt action will be imperative. Inability to act promptly would in the end necessitate a long and costly war effort. But what is more important, ability to act promptly is the best form of security against the necessity for action.

If war should occur, existing naval air bases must be defended and additional ones occupied. The Army's responsibilities in this respect are not generally understood. Both the Army and the Navy are maintained to provide that great objective mentioned in the preamble to the Constitution, namely, the common defense. Together they constitute the Nation's military power. Each has its function. Each may on occasion be our first line of defense. Each contributes to the success of the other's mission. The Army is responsible for the defense of all permanent naval bases and also conducts operations in support of the Navy for the establishment and defense of naval bases. When additional bases are needed by the Navy, either in peace or war, the Army must provide for their protection. It is this Army protection that affords the Navy the freedom of mobility and action essential to the Navy for the accomplishment of its mission. For example, the sole mission of the 20,000 soldiers in Hawaii is to defend the naval base at Pearl Harbor. There is almost no necessity for Army troops in the Canal Zone except to defend that most important adjunct to our naval strength, the Panama Canal.

With respect to bases, the ground forces of the Army have much the same relation to aviation as they do to the Navy. The bombing plane must have a base, a place to land, and facilities for refueling and reconditioning. Without such a base it is helpless. As in the case of the Navy, the ground forces of the Army must occupy and defend the bases required by our aviation. The important and necessary functions of the Army are not always appreciated when matters pertaining to the national defense are discussed.

Mr. President, this Nation recently celebrated the anniversary of the birth of Washington. We observed that anniversary in the Senate with the reading of his Farewell Address. I now call your attention to what he said among other things in his first annual message to the Congress;

namely, "Among the many interesting objects that will engage your attention, that of providing for the common defense will merit particular regard. To be prepared for war is one of the most effectual means of preserving peace."

It cannot in reason be denied that probably the foremost desire of this Nation is to preserve peace with the world. Neither can it in truth be questioned that, if this Nation is to preserve peace with the world, it must be known all over the globe that it is strong enough to protect its rights by armed forces if necessary.

With this end in view our Nation has developed a policy of defense resulting in our present armed set-up on land and sea. The principal object of this bill is to adapt the Army portion of that set-up to new conditions. These new conditions consist mainly in the growing power of aircraft as a fighting force, its growing importance in Army operations in peacetime or in wartime, and the growing use of instruments of warfare of such character as to require long periods of time for construction.

That set-up consists at present of a Regular Army of 165,000 men and 14,000 officers, a National Guard of 205,000 men and officers, an Officers' Reserve Corps of 100,000 subject to call for active service, a regular enlisted Reserve of about 30,000 at present, subject to call for active service, an air force of about 1,073 combat planes of all types, including observation planes, and about 724 additional planes, including training types and cargo. In addition, 558 planes are now under construction, 348 are appropriated for, but not yet contracted for, and 219 are included in the 1940 Budget. This makes a total of 2,922. By June 30, 1941, it is estimated that there will be a loss of 454 airplanes, due to wrecks and obsolescence, leaving a net balance under the current program of 2,468. The present authorized strength of the Air Corps of the Army is 4,120 planes.

This bill adds 1,880 planes to the present authorized strength, making a maximum authorization of 6,000 planes.

While the difference between the present number of current program planes, 2,468, and the number authorized in this bill before us is 3,532, it should be remembered that the sum requested for new planes by the President is \$170,000,000, and that only the additional number of planes which this sum will enable us to obtain will be purchased. It will not be known what the average cost per plane will be until after the bids are in. The President in his message of January 12 stated that the amount set aside for additional planes should secure a minimum number of 3,000, but added that it is hoped that orders placed on such a large scale will materially reduce the unit cost and actually provide many more planes. He did not make the statement that 3,000 would be sufficient. When it is remembered that, whatever number is secured under the maximum of 6,000, the total fighting front-line plane strength will be under 2,500, and that not until 1941, I trust no objection will be raised to the maximum of 6,000 planes.

Mr. BARKLEY. Mr. President, would it interfere with the Senator's argument if I should interrupt him at that point?

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Texas yield to the Senator from Kentucky?

Mr. SHEPPARD. I yield very gladly to the Senator from Kentucky.

Mr. BARKLEY. The Senator stated a moment ago that the present authorized force of the Air Corps of the Army was 4,000 planes.

Mr. SHEPPARD. Yes; 4,100.

Mr. BARKLEY. In reading the testimony before the committee I understood the Army officer to say that the number was slightly in excess of 2,300 planes.

Mr. SHEPPARD. He was referring to the number authorized by the act of 1936.

Mr. BARKLEY. Why is it that with that authorization of 4,000 planes in 1936 we now have, the Senator says, only about 2,300 planes? Is it because Congress has not appropriated the money?

Mr. SHEPPARD. That is exactly the point. The actual number of planes, of course, is controlled by the appropriations made from time to time under the authorizations.

Mr. BARKLEY. This bill authorizes a maximum of 6,000 planes—

Mr. SHEPPARD. That is true.

Mr. BARKLEY. Which is a couple of thousand more than the present authorization. Of course, this is only an authorization. It is not an appropriation. The same thing that has already happened might happen again if Congress should not later appropriate the money to carry out the program authorized in this bill. In other words, while we have an authorization of 4,000 planes, we have only 2,300; and when we have an authorization of 6,000 planes, unless Congress appropriates the money, we shall still be short of our full authorized strength.

Mr. SHEPPARD. That is quite true; and the President has suggested the amounts of money that could properly be used at this time; that is, \$170,000,000 for planes and \$130,000,000 for organizational equipment, bombs, instructional equipment, flying-school tuition, personnel, construction, maintenance, and research.

Mr. BARKLEY. I think we all realize that there is a maximum or a sort of a peak of expenditure that can be economically indulged in any one year; and for that reason the recommendation of the President was that this whole program be staggered over a period of 2 years.

Mr. SHEPPARD. Of this \$170,000,000, perhaps not half will be actually expended in the next fiscal year.

Mr. BARKLEY. Has the Senator any reliable information as to the air forces of other nations—for instance, Italy, Germany, Great Britain, and France?

Mr. SHEPPARD. The last reports we have, presumably from expert sources, fix the number in Germany at anywhere from 10,000 to 20,000, and the number of actual fighting planes between 6,000 and 10,000, whereas this whole program after 2 years will give us less than 2,500 combat planes. Italy has 5,000, Britain 3,000, France 2,000. Russia is credited with 10,000 by the authority I have consulted, but that authority admits that this figure is little more than a mere guess.

Mr. BARKLEY. I have been informed by those who are in a position to know, as far as we can know, what goes on in a foreign country—we cannot get exact information on the subject—that Germany at the beginning of this year, for instance, had in the neighborhood of 10,000 airplanes, and that Italy had between 4,000 and 5,000, making their combined strength between 14,000 and 15,000 planes. Of course, they are not all first-line fighting planes. They are auxiliaries, training ships, and all that. The other day, however, I saw a statement in some New York paper, I think the New York Times—I am not certain about it; I clipped it out and laid it aside, and have misplaced it and have not been able to locate it—in which it was claimed, on what the writer thought was reliable authority, that Germany alone now has 16,000 planes actually in existence.

Mr. SHEPPARD. That harmonizes roughly with my statement as to Germany.

Mr. BARKLEY. Does the Senator know the average speed of those planes?

Mr. SHEPPARD. The Senator may rest assured that they are of the greatest speed obtainable under modern conditions. They would probably average 300 miles per hour, perhaps more.

Mr. BARKLEY. Does the Senator know what the range of those planes is—how far they can go and come back if they do not land anywhere?

Mr. SHEPPARD. I do not know definitely.

Mr. BARKLEY. The program which is outlined in this bill, then, when it is completed, will give us probably in the neighborhood of one-third of the fighting ships now possessed by the strongest nation in the air, so far as we can learn from all sources, will give us about the same strength as the next strongest, and will give us more strength than is possessed in the air by any other nation, unless those nations—for instance, England and France—should from now

on increase their strength so as more nearly to approximate that of the other two nations to which I have referred.

Mr. SHEPPARD. And they are increasing it quite rapidly—more rapidly than this program will increase ours.

Mr. GEORGE. Mr. President, may I ask the Senator from Texas a question?

Mr. SHEPPARD. Certainly.

Mr. GEORGE. I was interested in the question propounded by the distinguished leader, the Senator from Kentucky [Mr. BARKLEY], as to the number of planes. I should like to know if the chairman of the committee has any authentic information tending to show the capacity of these various countries to produce planes; in other words, what their production capacity is?

Mr. SHEPPARD. The latest report on Germany, apparently authentic, is that they are now turning out about a thousand planes a month, but that they can turn out at least 2,500 a month.

Mr. GEORGE. And Russia, for instance?

Mr. SHEPPARD. So far as I know there is no definite information from Russia on this subject.

Mr. GEORGE. And Great Britain, about 500 a month?

Mr. SHEPPARD. Four or five hundred a month under the plan recently adopted, and perhaps nearly the same production is under way in France.

Mr. GEORGE. And how does our own production capacity rank?

Mr. SHEPPARD. We are below those figures at present.

Mr. GEORGE. Mr. President, if I may interrupt the Senator from Texas to interject an observation, the number of planes seems to me to be comparatively unimportant, but the capacity to produce them is the important point.

Mr. SHEPPARD. The Senator is quite correct.

Mr. GEORGE. In case of any great major war most of these planes would of course be crashed.

Mr. SHEPPARD. One of the great countries figures that its entire front line fighting-plane strength would be out of commission in 30 days, necessitating more than a hundred percent reserve for that country.

Mr. GEORGE. Undoubtedly so, in any great major conflict. Therefore, when we are speaking of national defense in the air, the question is the capacity of the country to provide planes. That seems to me to be the important point.

Mr. SHEPPARD. That is true. If all the factories in the United States were producing at utmost capacity, we could turn out something like a thousand planes a month; but they are not working at capacity. Numbers of them are without much to do at present.

Mr. GEORGE. We have a potential power to produce, then, of approximately a thousand planes per month?

Mr. SHEPPARD. That is true.

Mr. KING. Mr. President, will the Senator permit an inquiry?

Mr. SHEPPARD. Gladly.

Mr. KING. Do not the Army and the Navy work together in the production of planes, and have some sort of correlation and coordination? Is the Army interested only in the production of planes for the Army, not taking cognizance of the production for naval purposes?

Mr. SHEPPARD. If the Senator remembers, I made a statement a while ago as to how the Army and the Navy work together as a whole; and they do that also in regard to information as to what each branch is purchasing, all to carry out the same objective—the common defense.

Mr. KING. In giving the number of planes in reply to the question of the Senator from Kentucky [Mr. BARKLEY], the Senator did not take into account the production of naval planes?

Mr. SHEPPARD. No; I was discussing the part the Army plays. I did not give the data as to the Navy.

Mr. KING. I may say to the Senator, if he will permit me, that I have seen a number of statements from correspondents, as I recall, in Spain during the war, to the effect that the German planes proved quite unsatisfactory in their operations in Spain, and that the planes from Mussolini's regime were not up to the standard; in other words,

that they were not of as high a grade as had been predicted and as had been supposed, that some of the French planes that had been purchased were superior to those from Germany and those from Italy. I have no information on the subject other than what was stated in the newspapers to which I have called attention.

Mr. SHEPPARD. It seems that Germany and Italy used Spain as a sort of proving ground for various types of planes. It is doubtful whether they or France would have sent their latest and best types to Spain in any large numbers.

Mr. BARKLEY. Mr. President, will the Senator further yield?

Mr. SHEPPARD. Certainly.

Mr. BARKLEY. The Senator may have covered this subject while I was out of the Chamber; but, following the question of the Senator from Utah, there is in existence an aeronautical board, composed of Army officers and naval officers and others, I believe, which was, of course, created largely for the purpose of coordinating the purchase of airplanes for both services.

Mr. SHEPPARD. That is true.

Mr. BARKLEY. Following the question of the Senator from Georgia as to the potential capacity of our airplane factories, all of which are privately owned and operated, the Government has no airplane factories either for the Navy or for the Army. How long would it be before the potential capacity of a thousand planes a month could be realized, by a process of speeding up, and by coordination of the activities of all these factories so that we could realize, if necessary, their maximum capacity?

Mr. SHEPPARD. They could begin some deliveries in 6 months, but it is my understanding that perhaps a year would be required for most of our factories to reach maximum production.

Mr. BARKLEY. As I understand, unless a great emergency should occur, it would not necessarily be desirable that they should produce all these planes at once, because if that were done, unless there should follow another program, or the necessity should arise as soon as this program was completed, all these factories would then have to close and cease operations, which would be an undesirable thing from an economic or industrial standpoint. Having in view the length of time necessary to bring about the delivery of the first planes provided for, and having in view also the economic and employment situation, it would not be desirable, even if they could all be turned out and delivered in 6 months, that that should be done.

Mr. SHEPPARD. That is correct. Under the plan proposed in this bill the new planes are to be delivered over a period of 2 years in increments, and the first delivery will take place within about 6 months.

Mr. KING. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. KING. Has not the experience of Germany and France and other countries in the matter of airplanes demonstrated that technical changes occur so rapidly in the construction of airplanes that it would be unwise to construct an enormous number, ten or fifteen or twenty thousand, within a very limited time, because if they followed the same pattern, perhaps in 6 months or a year thereafter they would be valueless?

Mr. SHEPPARD. That is quite true. Rapid advances are being made in the science of aviation, and the rate of obsolescence may increase. This is one of the reasons for increasing the maximum authorization. It may enable us to meet more satisfactorily the increasing rate of obsolescence.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. CLARK of Missouri. I do not desire to interrupt the Senator at this point, except that I am very much interested in the last statement he made. I do not see any connection whatever between increasing the limit from 5,500 planes to 6,000 planes and the fact that planes rapidly become obsolete. It is my purpose at the proper time to oppose as vigorously as I can the committee amendment, and I should like to

have the Senator explain what connection or relation there is between those two propositions.

Mr. SHEPPARD. When the ships become obsolete they have to be replaced. I call the attention of the Senator to the fact that we only get the number of planes that can be purchased with \$170,000,000.

Mr. CLARK of Missouri. I understand that, but General Arnold, General Craig, Secretary Woodring, and all the other officials who appeared before the Committee on Military Affairs testified that the program of 5,500 was a complete and adequate program. It seems that the rule as to what they can be purchased for works both ways.

Mr. SHEPPARD. They can do better with more, however; and the President expressed the hope in his message of January 12 that many more might be secured for the \$170,000,000 he had suggested for planes.

Mr. CLARK of Missouri. They might also be in a position to get 5,500 cheaper by lowering the cost limit, perhaps. It works both ways.

Mr. SHEPPARD. Evidently the War Department stands a better chance to secure more planes by saying to producers "How many planes will you give us for \$170,000,000," than by saying "We want 5,500 planes."

Mr. BARKLEY. Mr. President, in the matter of obsolescence of planes, the Senator says, and we all know, that a plane which is current today may be obsolete tomorrow. The same thing is true of automobiles. The manufacturers are always changing the type, and bringing about new improvements, and all that sort of thing. I do not understand that an airplane becomes useless in a year. The Army has planes now which have been in operation for 5 or 6 years, and even longer.

Mr. SHEPPARD. The usual life of an airplane is about 5 years, but it may be rendered obsolete as a first-line fighting plane in much less time by the development of a better fighting plane.

Mr. BARKLEY. Yes. What the Senator says means that these planes are not strictly up to date for combat purposes.

Mr. SHEPPARD. I am speaking of combat activities.

Mr. BARKLEY. They would not be suitable for first-line planes in a combat engagement.

Mr. SHEPPARD. The Senator is right.

Mr. BARKLEY. They are still useful for training purposes.

Mr. SHEPPARD. And transport purposes.

Mr. BARKLEY. For scouting and transport.

Mr. SHEPPARD. The Senator is correct.

Mr. BARKLEY. And all other purposes for which a plane may be legitimately used.

Mr. SHEPPARD. Except combat purposes.

Mr. BARKLEY. If a difficulty should arise, or a war should start, naturally we would want our first-line planes as up to date and as efficient as possible, and so much so that they could excel any possible enemy against which they would have to fight.

Mr. SHEPPARD. I agree with the Senator.

In support of the action of the Senate Military Affairs Committee in raising the maximum strength of the Air Service to 6,000 planes, let me again emphasize the importance of modern aviation. Our combat aviation must be prepared instantly to perform a variety of missions in a war emergency. The interruption of the operation of the Panama Canal must be prevented at all costs. As one of the greatest threats to the Panama Canal would be from the air, our air forces in Panama must be prepared and must have sufficient numbers to intercept and drive off enemy aviation and to destroy enemy bases. The importance of a secure defense of Hawaii needs no emphasis. It is an indispensable bulwark for the defense of our Pacific continental frontier. It must be made an invulnerable base for the operation of our Navy. A sufficient air force is essential to these purposes.

New naval bases are under discussion now, all of which involve the Air Service.

The development of aviation emphasizes the strategic importance of Puerto Rico in the defense of our Gulf coast and

the Panama Canal. That is due mainly to the increased speed and range of aviation, which are constantly being developed.

The vast extent of Alaska and its lack of adequate communications present a difficult problem to which the characteristics of aviation are peculiarly adaptable. Exploration and tests must be conducted by Army aviation to determine actual requirements peculiar to that Territory and to develop operating facilities.

The uncertainties of present-day conditions require the retention of the bulk of our combat aviation in continental United States. In any major war we may have several active theaters of operation and many potential ones. Our aviation force in the United States must be prepared to assist in the protection of our land and coastal frontiers and to dispatch reinforcements to the Panama Canal Zone, Hawaii, Puerto Rico, or Alaska. Active operations over large and widely separated areas and the probability of operations in distant areas, therefore, must be visualized. This will call from the very start for the maximum employment of the mobility and fighting power of the Air Corps in order to insure the immunity of our territory and will require a strong air force.

In view of these facts, I trust the President will not be denied the additional planes by the increased maximum provided in the Senate bill, especially when no increased sum of money over the sum he proposed originally will be used.

The bill also provides for the selection and training of the new officers and enlisted personnel required by its terms, for additional housing and personnel for the Canal Zone, and for the placing of educational orders with private industry for munitions requiring special knowledge and equipment to produce.

About \$360,000,000 comprise the sum authorized in this bill to carry out the new armament program suggested by the President. The remainder of the five hundred and fifty million requested by him for the program is already authorized and is a matter for the Appropriations Committees of the House and Senate to pass upon directly, as, indeed, they must also pass upon the amounts authorized herein, as to whether all or a part of them shall be used, and as to the extent they shall be used, for what periods, and so forth. About 2 years will be required for the gradual enactment of the program.

The bill provides an Army and aircraft nucleus well balanced, well trained, fairly well equipped, capable of enlargement within a reasonable time so as to include the entire eligible manpower of the Nation, if necessary, and of presenting in connection with the Navy a formidable resistance to any peril in which war possibilities and war conditions throughout the world may involve us.

Let those who say that there is no probability of another world war remember that at the beginning of 1914 it was generally believed in this country that civilization was so firmly established that such a thing as an earth-wide clash of arms belonged to the dead and distant past. And yet in August of that year began a struggle in which eventually 28 nations took part, including our own, comprising nearly all, or about eleven-twelfths of the seventeen hundred million people of the earth and occupying seven-eighths of its land surface. Among the results of that conflict were 7,000,000 dead, 20,000,000 wounded or missing, two hundred and fifty billions of expenditure, infinite suffering and devastation. Where or when or for what reason the next orgy of death and sacrifice and mutilation known as a general modern war will occur we know no more today than we knew in January 1914. Already the science of destruction has advanced beyond the devices of the late strife, horrible as they were. Gases are being devised that are deadlier than ever. Guns are being developed with wider caliber and larger firing radius than ever before. Machine power and chemicals so useful in time of peace may be utilized on a larger scale than ever for human slaughter in periods of war. Airplanes are acquiring an increasing deadliness as instruments of battle. Marshal Foch once stated that one of the greatest factors in

the next war will be aircraft and that the potentialities of aircraft attack were beyond measure. Before the close of the World War airplanes were carrying bombs and machine guns. Since then their capacity in these directions has been steadily growing. The heaviest bomb they now carry weighs 2,000 pounds and its explosion on the ground makes a crater about 25 feet deep and about 25 feet wide. Modern warfare employs every human and material resource, making towns, cities, homes, fields, factories, lines of transport, entire populations—men, women, and children—objects of attack.

Let it be noted that sea vessels known as airplane carriers are now in the navies of all the leading countries and can provide a base 200 to 500 miles from shore for an air attack. The need of a proper and adequate degree of preparedness is emphasized by our increasing liability to attack under modern conditions.

Let those who say that there is no probability of our involvement in another world war recall that when the last contest began in 1914 the feeling was practically universal in this country that our remote geographical position would save us from involvement.

And yet our military weakness and lack of organized ability to defend our rights led one of the combatants to commit acts of war against us in such fashion that the only courses open to us were to fight or meekly surrender to probable conquest and spoliation. As a result we, who had thought that the way of right and safety was that of a virtually unarmed and defenseless nation so far as our Army was concerned, found our Republic suddenly and frantically mobilizing the energies and resources of a hundred million people, assembling and equipping an army of 4,000,000 men, sending 2,000,000 of these to battle across the seas at a cost in lives and funds so staggering, due to lack of even a fair degree of preparedness for such emergencies, that the lesson should never be forgotten. In fact, it is, in my judgment, fairly certain that if we had been in possession of a military set-up at the beginning of the World War of sufficient size and efficiency to have impressed the world with a sense of our ability to expand within a reasonable period into a force capable of vigorous action the provocation that brought us into the late world struggle would have never occurred.

What tragedy, however, is compressed in the thought that a long-established policy of equipment for war sufficiently vigorous to have convinced mankind of our capacity to develop a small but efficient nucleus into a formidable force would in all reason have caused the Central Powers to have avoided the final acts of anarchy and barbarism on the seas which compelled our entry.

Mr. LEWIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Illinois?

Mr. SHEPPARD. I yield.

Mr. LEWIS. I ask the able chairman of the Military Affairs Committee to recall an observation he just made touching the air force. I was waiting for him to reach a point at which I could properly interrupt him and bring him back to his statement concerning airplanes. However, until this moment I did not feel I could interrupt the splendid utterance he was making with such volcanic force. I did not wish to disturb the course of his statement. I invite the Senator's attention to this thought: In answer to a question of the Senator from Georgia [Mr. GEORGE] and also the Senator from Missouri [Mr. CLARK], the chairman of the Committee on Military Affairs made a statement with regard to the cost for which airplanes could be secured. He was asked the sum of money which is to be paid for the planes and, if I did not misunderstand him, and I am quite sure I understood him correctly, he said that soon we can add to the number that he has described as desired at the present time, but that the addition to the number will not add to the amount of money which the bill defines.

Mr. SHEPPARD. That is what I said.

Mr. LEWIS. Then, I ask the Senator, are we not in such a position that we can be criticized, possibly, and weakened, possibly, by the assertion that we may pay a million dollars

for 100 planes, and then be told afterward that we may increase that 100 to a greater number and still not pay more than a million dollars? Would not the result be a weakening in the construction of the planes by reason of the fact that before the point of capacity was reached the subsequent planes might have to be of lighter frame and suffer from ineffectual workmanship, because of the addition of so many more to the number which was intended at the time the figure was first arrived at?

Mr. SHEPPARD. The specifications of the War Department will be a sufficient safeguard against having to accept a less desirable form of plane. The difficulty here is that this bill, as it came to us from the House, contained a certain limit. If we raise that limit, with the same amount of money we may be able to get a larger number of airplanes.

Mr. LEWIS. That would call for some increase of the fund, would it not?

Mr. SHEPPARD. Not at all.

Mr. LEWIS. The worry in my mind is how far will it be said, "Well, gentlemen, if you obtain so many planes for so much money, and you say you are going to obtain so many more planes but not expend any more money, will you not have to stretch the amount out so that there will be a sacrifice in quality?"

Mr. SHEPPARD. The War Department will guard against such danger in its contracts. It will say, "All the planes delivered must come up to a certain specification. We will not leave any leeway for the offer of an inferior plane."

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. CONNALLY. May I say to the Senator from Illinois that it appears to the junior Senator from Texas that his colleague is entirely correct. For example, we appropriate \$170,000,000 to buy airplanes. The Army does not have to buy a single plane unless it can obtain the kind of plane it wishes.

Mr. SHEPPARD. That is correct.

Mr. CONNALLY. No doubt the planes will be purchased on competitive bids. The company which builds the planes which the Army wants will compete with every other company.

Mr. SHEPPARD. Yes; so long as the present law remains.

Mr. CONNALLY. If we can obtain 6,000 planes for \$170,000,000, we are just that much better off than if we obtained 5,500.

Mr. SHEPPARD. The specifications will require approved standards of excellence.

Mr. CONNALLY. The Army would not ask merely for bids on so many airplanes. It would ask for bids on so many airplanes "of the following description," with strict specifications.

Mr. SHEPPARD. Exactly.

Mr. CONNALLY. It is conceivable that all the appropriation might be required to purchase 5,500 planes. On the other hand, we might obtain 6,000. If we can obtain 6,000, we shall be no worse off than if we obtained 5,500 for the same amount of money.

Mr. SHEPPARD. It is hoped that the number obtained will be somewhere between 5,500 and 6,000.

Mr. CONNALLY. I thank the Senator.

Mr. LEWIS. I also appreciate the complete explanation. I was left a little uncertain as to whether or not a criticism would follow, which I knew the Senator did not intend.

Mr. SHEPPARD. I am glad the Senator asked the question.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. SHEPPARD. I do.

Mr. JOHNSON of Colorado. The whole difficulty is in the confusion between authorization and actual appropriation.

It is well that we have the authorization a little ahead of the appropriation. We do not want the authorization to come after the appropriation, and thus be handicapped.

Mr. SHEPPARD. That is very true.

What further occasion for solemn pause arises from the reflection that even after our entry thousands of lives could

have been saved and tremendous suffering and immense material loss could have been avoided by an adequate system of military training and study extending through the decades preceding the last world struggle. Col. E. M. House, confidant and adviser of Woodrow Wilson for years, who as Wilson's representative contacted conditions at first hand throughout Europe prior to our entry, said in effect that, given a larger and efficient Army and Navy, the United States would have become the arbiter of peace and probably without the loss of a single life.

The development of the airplane, of quicker transport on land and sea, the increase in populations, and the growing dependence of nations on outside sources for essential elements of sustenance and decent living standards, are making it more and more difficult for any country of importance to take no part in anything like a general or an extensive conflict among the nations. In the event that a conflict of world proportions became so desperate that both sides realized that our resources meant survival, neither side would hesitate to commandeer those resources if we were inadequately armed for successful resistance. Neither could we with an inadequate force utilize the foreign sources of supply and exchange essential to our existence—an objective which would call upon us for armed activity whether we endeavored to remain neutral or to cooperate with either side.

In order to maintain the economic well-being, the independence, and the progress of the United States it is necessary that we continue to draw on foreign sources for a number of essential raw materials and that we be accorded access on just and proper terms to the markets of the world for inevitable surpluses. We use about one-half of the important raw materials of the entire world. Of some of the most essential of these we do not have an adequate domestic production. In fact, with respect to some of them we have no production at all. In order to secure a steady supply of the articles necessary to our civilized existence and to our further progress we must be able to send abroad commodities of our own production to be exchanged for such articles. The lines of transport on sea and land in every part of the globe along which these articles must be conveyed are as much our lines of defense as our land borders. These lines must be kept unbroken and intact if the present status of our civilization, that colossal agricultural, industrial, and financial set-up that has produced for the American people more of the necessities and facilities of modern life than any other people have ever known, is to be preserved, if disintegration, chaos, and the ultimate alternatives of barbarism or despotism are to be prevented.

It is necessary, therefore, that a definite understanding shall prevail throughout the earth that any attack upon the processes and sources of the existence of this Republic will find us prepared to sustain our rights. Nothing will contribute more effectively to such an understanding and to world peace than the maintenance by the United States of an adequate military and naval defense.

Our position is typical of that of the rest of the world. Virtually all the leading nations must look to foreign regions for many of the necessary materials of industry and life and for the necessary exchange of surpluses. This means that the lines of defense which the principal nations, including our own, must maintain or must be prepared to maintain in connection with lines of import and export essential to modern existence and development, cross and recross in every part of the world, on sea as well as on land.

This means that the world is always faced by the danger that the struggles for raw materials and markets, too often characterized by aggressions, exactions, deceptions, and retaliations, and by distrustful and suspicious bargainings, will become sources of international friction and hostility, increasing provocations of war. Under existing world conditions, war between two or three nations anywhere on the globe may bring to any other nation whose vital transport and trade connections with the outside are suspended disasters beyond control or calculation, and thus force other nations having no part whatever in the original outbreak

of hostilities into the conflict, together with the rest of the world. Under such circumstances the nation without adequate means of preserving and defending its sources of supply will lose its power to maintain for its people decent standards of existence, its power to preserve them from ultimate economic degradation, and its power to retain its own independent identity.

The possession of that power is the surest safeguard of a nation against war. The possession of such power by the United States is the surest safeguard of the world against war. In a protective and defensive system adapted to such an objective lies the chief hopes of the peace, the security, and the happiness, not only of our country, but of mankind.

Mr. VANDENBERG obtained the floor.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	Hughes	Pepper
Andrews	Danaher	Johnson, Calif.	Pittman
Ashurst	Davis	Johnson, Colo.	Radcliffe
Austin	Donahay	King	Reed
Bailey	Downey	La Follette	Reynolds
Bankhead	Ellender	Lee	Russell
Barbour	Frazier	Lewis	Schwartz
Barkley	George	Lodge	Sheppard
Bilbo	Gerry	Logan	Shipstead
Bone	Gibson	Lucas	Stewart
Borah	Gillette	Lundeen	Taft
Bridges	Glass	McKellar	Thomas, Okla.
Brown	Green	McNary	Thomas, Utah
Bulow	Guffey	Maloney	Tobey
Burke	Gurney	Mead	Townsend
Byrd	Harrison	Miller	Truman
Byrnes	Hatch	Minton	Tydings
Capper	Hayden	Murray	Vandenberg
Caraway	Herring	Neely	Van Nuys
Chavez	Hill	Norris	Wagner
Clark, Idaho	Holman	Nye	White
Clark, Mo.	Holt	Overton	Wiley

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. VANDENBERG. Mr. President, in my view the question of national defense is inevitably geared to the question of foreign policy. Therefore, at the outset of this discussion, I wish to deal generally with both, and inasmuch as I am merely seeking to present a position rather than to invite a controversy, I am going to ask what for me is the usual practice of proceeding without interruption until I shall have concluded, at which time I shall be very glad to be interrupted.

Mr. President, this is the first of the bills to sustain what are asserted to be the new needs of a vastly expanded national defense. It is the proper time, it seems to me, to address myself to the whole related subject which inevitably stems from our foreign policy itself. There should be no politics in such a contemplation or in such a discussion, and neither should there be any restraints upon frank, patriotic discussion, restraints which might conveniently but unjustly ascribe politics to dissent. When the destiny of 130,000,000 people is in issue, with peace or war at ultimate stake, we are all entitled to speak our minds and hearts. Duty will be satisfied with nothing less.

To make my own defense attitude clear, let me say at the outset, that I have voted for every regular Army and Navy appropriation bill throughout my 11 years in the Senate. I believe in thoroughly adequate defense; I believe in rational preparedness. I voted against last year's extra super-supernavy bill, however, because I did not believe a showing was made to justify it, and I particularly did not want America, while protesting simultaneously against a world naval race, to be the first Government on earth officially to set the new battleship tempo at 45,000 tons.

I voted against it because we had been told only 10 days previously that the unprecedentedly large regular naval authorization gave us everything our situation required. I voted against it, I may add, because I felt it put too much emphasis upon the capital ships and too little upon air defense. But the super-supernavy bill was passed, and now

once more we are told that our action was inconclusive, that infinitely more must now be done all over again.

I readily concede that defense is a relative term to a considerable extent, and that the enormous increase elsewhere in the mechanisms of war during the past year undoubtedly requires us, at least partially, to catch up; I welcome particularly a new emphasis upon air defense in this connection; but the whole thing dramatizes the awful futility of international competition in the implements of war. It is always a stern chase; each nation pursues the other. What we did last year having been overtaken by others is the new starting point from which we must undertake more this year, and our more simply puts it up to the other fellow to equalize or exceed what we shall do. Then, next year we all start around the vicious circle all over again. It finally leads to the disintegration of civilization through bankruptcy, if not through conflict. I hope and pray that the peoples of the earth may come to their senses before it is too late, and be able to impress their governments with the conviction that agreements to limit arms are the sole defense against this final calamity, and I would wish that the Government of the United States may very emphatically keep this objective before the other governments and the other peoples of the earth.

If we have a "rendezvous with destiny," this surely is our supreme assignment.

But it is accurately said that at the moment we confront a condition, not a theory. As realists, we must take the world as it is, and not as we would wish it to be. This undoubtedly calls upon us to review our defense resources, and, however reluctantly, to make them adequate. That will be my purpose; and, reluctantly again, I do not dismiss the probability that practically everything now sought by way of additional defense may be required to make our defense resources adequate.

But, Mr. President, adequate for what? That is the controlling question. Its answer must precede all other answers to all other questions.

Adequate for what? Adequate to implement national defense in the traditional American sense of minding our own business? To that I can uncompromisingly answer, "Yes."

Adequate for what? Adequate to sustain the realities of the Monroe Doctrine in the sense that we cannot allow alien ideologies to close in upon us through Western Hemisphere approaches? Again, "Yes."

Adequate for what? To implement the President's Chicago speech which talked of quarantines and suggested the use of American sanctions against so-called "aggressor nations" on other continents? This time, "No," unless the sanctions are the deliberate and conscious order of Congress, reflecting the conviction of the whole American people.

Adequate for what? To help police the world under theories of "collective security"? Again, "No." It would leave us the residuary legatee of a responsibility which would require so vast an enginery of war that even the pending mammoth program would be wholly impotent.

Adequate for what? That, I repeat, is the key question.

Perhaps the Military Affairs Committee and the Naval Affairs Committee of the Senate know and hold this key. I am not a member of either of those committees. I am merely a member of the Committee on Foreign Relations, which is as much in the dark upon these matters as is the man on the street. We do not know. We are not permitted to know. These other committees have met in all the sinister mystery of secret sessions, and the information they have received is sealed against the rest of the Senate and against the country.

Mr. President, so long as our foreign policy is a conundrum, so also must be this defense program. One is geared to the other. What is intended? Whither do we trend? National defense adequate for what?

I could wish for one of two things, Mr. President, before this bill and its accompanying legislation for defense come to final roll call. I could wish for one of two things:

First. Either that the President shall state the specifications and harmonize his various discussions of the subject of foreign relations; or

Second. That these bills themselves shall be first referred to the Foreign Relations Committee for a conclusive declaration of what we believe and intend to be the foreign policy of the United States which we are implementing with these "defense" bills.

The situation in which the country finds itself in respect to these matters is itself a matter of grave concern. This flows less from any actual exposure than from constant propaganda, fed through one source or another, constant propaganda that stimulates fear, invites apprehension, and may too easily precipitate some of the very troubles which it presumes to forefend.

One of the dangerous misconceptions which are taking possession of our thinking in some quarters is the notion that we can thrust ourselves into foreign quarrels and mold alien destiny by methods "short of war." That is the treacherous phrase—"short of war." We hear it in high places. We can assert ourselves in respect to the clashes and the conflicts and the conquests of other peoples, it is said, but we shall always stop "short of war."

That, Mr. President, is a deeply dangerous infatuation. Perhaps there are some things, Heaven willing, which we can do "short of war" in attempting to influence the course of events in foreign controversies which find other nations preparing to fight for their own objectives; but it is an utterly treacherous reliance. When we once assert ourselves as partisan in one of these foreign collisions of self-interest we have taken a step which may put subsequent destiny entirely beyond our own control. If we take the next step in the form of some one-sided punitive action or support we definitely are no longer in control of destiny. We may still complacently and short-sightedly tell ourselves that we intend to stop "short of war," but we are unfortunately no longer in control of these tragic traffic lights. If the answering reprisals become intolerable, we have no alternative but to resist them by force of arms. Regardless of our original intention to stop "short of war," we may too easily find ourselves plunged into war itself.

We should never take the first step, Mr. President, unless we are deliberately and consciously ready and willing to take the final step if it becomes inevitable. Otherwise we invite not only humiliation but also the complete disintegration of our international influence.

There is no such thing as a partial interference in the quarrels of other nations which can dependably stop "short of war." I am speaking not only of the application of economic sanctions, I am speaking equally of provocative speech which ignores the time-tested admonitions in Washington's Farewell Address; and I want to read again from that address:

The nation which indulges towards another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation prompted by ill will and resentment sometimes impels to war the government, contrary to the best calculations of policy.

Still quoting from the Farewell Address:

The government sometimes participates in the national propensity and adopts through passion what reason would reject; at other times it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives.

Listen:

The peace often, sometimes perhaps the liberty, of nations has been the victim.

Ah, Mr. President, this address may be 150 years old but, like the law of gravity, it is as constant in its wisdom and accuracy today as it was the day it was uttered.

I continue reading briefly from the Farewell Address:

So likewise a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the

enmities of the other, betrays the former into a participation in the quarrels and wars of the latter without adequate inducements or justifications.

Still reading from the Farewell Address:

Excessive partiality for one foreign nation and excessive dislike for another cause those whom they actuate to see danger only on one side—

And let that sink in—

only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious, while its tools and dupes usurp the applause and confidence of the people, to surrender their interests.

Europe has a set of primary interests—

Still reading from the address—

Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns.

That fundamentally will often be found true; in fact, almost constantly so.

Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities.

Our detached and distant situation invites and enables us to pursue a different course.

Why forego the advantages of so peculiar a situation? Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?

Mr. President, if that message had been penned last night, its words could not fall upon our ears with more significant and pertinent application at this moment. True, we do live in a foreshortened world in which, compared with Washington's day, time and space are relatively annihilated. But I still thank God for two insulating oceans; and even though they be foreshortened, they are still our supreme benediction if they be wisely and prudently used.

Let no man, let no nation mistake what I am saying. I hate many of the alien ideologies that have taken possession of certain quarters of the globe; but it is not my business or my country's business to dictate internal forms of government to other people, and that which I would resist if the situation were reversed, and aliens were attempting to undermine the institutions of my Government, I cannot reasonably embrace and invoke against others. I would resist fascism or communism in my own America to the last breath of my life. I would sustain representative democracy to the last trumpet's call. But I would not jeopardize my democracy by any halfway interference—said to be "short of war"—in the affairs of others.

I would have America mind her own business, in the spirit of Washington's Farewell Address, at least until such time as the conscious and deliberate judgment of her whole people would sanction a complete and conclusive assault upon one whom we are prepared to resist and defeat with every force at our great disposal. And let this be plain: I do not close the door upon that possible eventuality. But I would not make "partial war" on anybody. There is no such thing, in grim reality, as "partial war." I would never take the first step that puts our feet again upon the bitter road to war unless my country, speaking through the whole Congress of the United States, be consciously and deliberately ready and willing to carry this cross to its last step, whatever that may be.

It is with the theory that somehow or other, in the midst of this armed and maddened world, we can mix in foreign conflicts "short of war," that I have my quarrel at the moment. I believe this to be a viciously treacherous mode of calculation. Take the latest Gallup Poll as an example. It asked this question:

If Germany and Italy go to war against England and France, do you think we should do everything possible to help England and France win, except to go to war ourselves?

And the country answered 69 percent "Yes," 31 percent "No."

Suppose that final insulating phrase, "except to go to war ourselves," had been put into the grim reality of the thing. Suppose it had read, "even to the extent of going to war ourselves." Would 69 percent of Americans have said "Yes"? They would not. I am no crystal gazer, but I doubt if 10 percent would have said "Yes." Yet the very phraseology invoked—in keeping, to be sure, with high precedent—invites our people to believe there is such a thing as being half in and half out of these foreign troubles. I fear, Mr. President, that there is no such safety zone where a truculent Uncle Sam may stand with a chip on each shoulder and with complete assurance that no one will knock them off.

From 1914 to 1917 we discovered that preliminary aid to one belligerent is calculated finally to precipitate alliance with that same belligerent; and though our hearts then sustained that particular eventuality, it does not alter the lesson we should have learned, a lesson which most Americans have no wish to learn over again.

Any foreign power which would read ultrapacifism or congenital fear or "peace at any price" into these traditional American attitudes would be sadly disillusioned. Any foreign power which would interpret them as a weakening of our attachment to constitutional democracy, a willingness to compromise our own position and to accommodate the totalitarian idea would suffer rude awakening. We are willing and ready to fight for the life of our America whenever and wherever the life of our America is attacked or is in danger, but we shall be more formidable in these attitudes because of the restraint and temperance which will precede them. Our determination to continue unentangled, our purpose to have no part of war which is not unavoidably our own, is not a posture of weakness; it is a posture of invincibility—because we are invincible when the real defense of our America is the stake.

Recently the House of Representatives declined to permit the further development of the island of Guam under a program which, rightly or wrongly, invited the interpretation that we thus propose ultimately to extend our Pacific Ocean frontier to this far-flung speck of land thrusting toward the Far East. I hope the news story on the front page of the Washington Post the next morning, February 24, was wrong when it said:

In Navy circles defeat of the proposed Guam base in the House was being characterized as an invitation to the dictator nations to make further demands on the democracies and thereby to make war more likely.

In the first place, Mr. President, it is not the Navy's business to interpret congressional decisions. In the second place, it certainly is not the Navy's business to invite the world to an erroneous interpretation of congressional decisions. In the third place, if the Navy has done either of these things—in the present circumstance—it is guilty of a saber rattling which deserves severest condemnation. In the fourth place, it would be guilty of inviting the American people to suspect their Congress of surrendering the welfare of their country—simply because it refuses to surrender to every item in a war program which the Navy may wish to undertake.

We have a superb Navy, and I join in proudest compliments to its efficiency, its patriotism, and its zeal; but I shall never join in permitting it to make policy decisions in respect to peace and war. If that hour ever strikes, we, too, shall have delivered ourselves to the mercies of militarism—and militarism—no matter how nobly meditated or how benignly intentioned, is death to democracy.

No; the Guam decision has no such untoward implications. On the contrary, it precisely typifies this whole problem. We are entitled to weigh every item in the defense program on its merits and from the viewpoint of sound American foreign and domestic policy. We are entitled to make our decisions in the light of our own conception of our own defense necessities. If we conclude to maintain the historic American policy set down in Washington's Farewell Address, if we believe in close-knit insulation as a defense objective, other

nations simply fool themselves if they put wrong interpretations upon our attitudes.

I should put it this way: We propose to consult our own safety and our own peace and to act accordingly. We have no promises to make to any other nation that we will aid them in their martial enterprises. By the same token, we have no assurances to give to yet other nations that we will not join in a resistance to conquest and freebootery. The future—speaking through the authentic voice of an American Congress, which alone possesses the final war-making power in the United States—the future will speak for itself as eventualities require. Meanwhile, we mind our own business—and that "business" at the moment is 90 percent internal, despite the potential war crises which are served up to us each morning for breakfast.

I quote an observation by the well-informed Ernest Lindley in the morning newspapers of yesterday:

The war-scare fever in Washington has been rising and falling for several months without rhythm and perhaps without much reason. As this is written it seems to be subsiding a little. Several well-informed observers—some official, others outside the Government—are beginning to take a more hopeful view of the European scene. Even some of those who do not believe that the facts justify much optimism are beginning to feel that a calmer atmosphere is desirable.

Let me repeat the final phrase:

That a calmer atmosphere is desirable.

In Washington, emphatically yes, "a calmer atmosphere is desirable." We are a long, long way from war, unless we impatiently seek it. Even though there be war in Europe or new war in Asia, still we are a long, long way from war, if we mind our legitimate insulations. Theodore Roosevelt's advice was "to speak softly and carry a big stick." No one is seriously objecting to getting a bigger and a better "stick", but "speaking softly" seems to be something else. I content myself with the Lindley admonition, "A calmer atmosphere is desirable."

Walter Lippmann wrote significantly along these same lines a few days ago. After specifically analyzing the British-French-German-Italian situation, Mr. Lippmann said:

If this is the real situation, the practical conclusion to be drawn from it is quite simple and clear. It is to keep cool; to be confident; to speak quietly and resolutely and firmly to proceed with the armament programs in Great Britain, in France, and in the United States. War is not in the least inevitable. War is not even probable provided it is made clear that no one is organizing a crusade to impose democracy on Germany and that no one of the democracies will fail to defend itself if it is attacked.

Continuing the quotation:

A purely defensive policy is not only the one which fits morally the ideals of all free peoples: it is also, as a matter of diplomacy and military strategy, the soundest and strongest policy. If the situation in Europe, particularly inside Germany, is what it appears to be, then the defensive policy—the policy of armaments without hysteria and without any entangling commitments, the diplomatic policy of nonintervention in Germany's, China's, or Spain's internal affairs, the policy of emphasizing the virtues of freedom rather than the vices of tyranny—is best calculated to save mankind from the catastrophe of another world war. And in averting a world war the liberties of men will more surely be preserved and restored than by any other conceivable method.

I read the concluding paragraph from the quotation, as follows:

The supreme fact in these days is that a world war has probably been averted, can almost surely be averted. It will not be averted by becoming frightened into provocation nor by being frightened into cowardice. It can be averted, it is being averted, by being calm, by being confident, and by being resolute.

Mr. President, I accept and repeat those final words. We must become neither frightened into provocation nor frightened into cowardice. I am not conscious of the remotest scintilla of cowardice in the attitudes which any of us would have our country take. It is not cowardice to be honestly critical of defense programs if they contain any element beyond traditional American defense. That is not cowardice. It is self-enlightened, self-serving prudence. It is not cowardice to want our America, as far as possible, to avoid the suction of this utterly suicidal international arms competition, which threatens disintegration by bankruptcy if

not by war. That is simply the sanity which recognizes that a sound public credit is the keystone of all national defense; that, in this element, despite the ominous hazards of deficit-spending, we still lead the world; and that we must not sacrifice this indispensable element in the pursuit of other elements.

And it is not cowardice, Mr. President, to think of America first. It is the simplest mandate of Holy Writ:

If any provide not for his own, and especially for those of his own house, he hath denied the faith and is worse than an infidel.

Our task, Mr. President, in the words I have quoted, is to be calm, confident, and resolute. I know we are resolute. I believe we have a right to be confident. I hope we also may be calm.

We all have our sympathies and our natural emotions in behalf of the victims of national or international outrage all around the globe; but we are not, we cannot be, the world's protector or the world's policeman. The price of such assignment would be the jeopardy of our own democracy. Our wise course is to be wholly neutral, unless and until it is the deliberate and conscious decision of the American people, speaking through their Congress, to be wholly unneutral—which is ultimate war. There is no safe twilight zone. There is no assurance that a course which we think of as being "short of war" will not produce war itself in spite of us—war or insufferable humiliation. Let us avoid entanglement in any chain of circumstances which may be too strong for us to break. Yes; let us be "calm" even as we are "resolute." And let the still vital, still vivid admonitions of Washington's Farewell Address continue to be the genius and the inspiration of our international relationships.

I thank the Senate for its consideration.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LOGAN. I believe that no American citizen will disagree with the general conclusions and statements of the Senator from Michigan. I have listened to him with a great deal of interest. But there are one or two things about which I should like to ask the Senator, merely for information. I have a hard time finding out things to satisfy my own mind.

The Senator, as I understood him, believes very strongly in the principles announced by George Washington in his Farewell Address. The Senator also believes that our national defense should be adequate to defend the Monroe Doctrine. How can the Senator reconcile the principles of Washington's Farewell Address and the principles announced in the Monroe Doctrine?

Mr. VANDENBERG. I think they harmonize themselves in the self-defensive eventualities of history. The defense necessities which brought about the Monroe Doctrine arose subsequently to the Farewell Address. But it does not alter, as I can see, the fundamental determination of the American people to gear their entire foreign activity to their own business, because the Monroe Doctrine is based upon our own defense needs.

Mr. LOGAN. I agree with the Senator there thoroughly. But if we had not departed at all from Washington's advice in his Farewell Address, is it not probable that even at this time we would have unfriendly nations south of us?

Mr. VANDENBERG. It is entirely possible, and I am not sure that we have not in some intimate instances, anyway.

Mr. LOGAN. I rather think perhaps that is true. There was one other matter that I did not exactly understand.

Mr. BORAH. Mr. President, may I ask a question?

Mr. LOGAN. I yield.

Mr. BORAH. Do I understand the Senator from Kentucky to contend that the principle of Washington's Farewell Address is in conflict with the principle of the Monroe Doctrine?

Mr. LOGAN. I would put it the other way, I may say to the Senator from Idaho, that the Monroe Doctrine is in conflict with Washington's Farewell Address.

Mr. BORAH. Thomas Jefferson, when he wrote to Monroe in regard to the Monroe Doctrine, linked the doctrine of non-

entangling alliances with the Monroe Doctrine, and said in effect that each one was supplemental to the other.

Mr. LOGAN. I recall that very directly, I may say to the Senator from Idaho, but notwithstanding the greatness of Jefferson, I believe there is no American citizen, much less no Senator, who does not know that if we undertake to defend South America from the aggressions of nations of Asia or Europe that we must be entangled in some way with those nations, which is contrary to the advice given by Washington.

Mr. BORAH. I cannot agree with the Senator. The Monroe Doctrine is nothing but a doctrine of self-defense. That is all it was ever intended to be, and all it can be, and when we are carrying out the Monroe Doctrine we are defending this Nation.

Mr. LOGAN. I am glad the Senator puts it that way. I agree with that. But if these totalitarian states have determined that they are going to destroy the democracies of France and England, would not any help that we might give to France and England be in our own self-defense the same as when we give help to South America?

Mr. BORAH. I do not think so. However, if the Senator can demonstrate that our going into Europe and making an agreement results in our becoming entangled through agreement with other nations, of course he is on the sound side of his contention. What Washington advised against was entangling alliances, that is, associating ourselves politically, by agreement or understanding, with other nations, and committing ourselves to a certain course of policy through such understandings. In defending our rights in South America, and in protecting our interests by reason of invasion of South America, we enter into no entangling alliances with any nation. We have no understanding with any nation. We do not depart in the slightest from Washington's doctrine. We simply say that the invasion of that territory endangers the United States, and we defend it upon the same theory as though the port of New York were invaded. It is a matter of self-defense, and is in no way related to entangling alliances.

Mr. LOGAN. If the Senator from Michigan will yield, I will say to the Senator from Idaho that what is bothering me at this time is that it seems to me that France and England are just as important to the defense of the United States as is any of the South American countries. We should keep out of entangling alliances, but if we know almost certainly that France and England will be destroyed, then it seems to me that if we render assistance to them we do it in our own self-defense.

Mr. BORAH. It may be said that the people of the United States are interested in preserving some parts of Great Britain, but it is no part of our concern that Great Britain retain all her colonies and far-flung possessions, in some of which millions of people are without freedom, and remember what they are quarrelling about in Europe are lands, territory, and colonies, and not democracy.

Mr. LOGAN. I agree with the Senator in that respect. However, I should like to ask the Senator from Michigan just one question. I believe he is opposed to entangling alliances. So am I. I think Washington condemned only alliances covering a long period of time. I do not think he opposed every alliance.

I should like to ask the Senator from Michigan a question. He referred to neutrality. If it be the declared purpose and policy of some of the nations in Europe to destroy democracy, and they intend to make an attack on the democracies of Europe or of the world, does the Senator believe that neutrality calls upon us, the greatest democracy on earth, to treat the nations which are fighting to destroy democracy exactly as we would treat the nations which are fighting to preserve democracy?

Mr. VANDENBERG. I wish to answer the Senator very frankly. If he had followed my argument he would understand that I left that question definitely open. My point is that if America is proposing to help any of the European so-called democracies it should do so openly, conclusively, and convincingly as an ally, under the conscious and deliberate decision and order of the Congress of the United

States, and should not half do it through the side door or back door of some policy which is less than a definite commitment of the whole American people.

Does the Senator understand what I am trying to say?

Mr. LOGAN. Am I to understand the Senator to mean that he is against the sale by our manufacturers of airplanes and articles of that kind to England or France at the present time?

Mr. VANDENBERG. Not so long as those nations are not engaged in war and such sale is not in violation of the Neutrality Act. I fail to understand why there must be any mystifying secrecy about the French purchases of planes unless there is something involved which I do not know.

Mr. LOGAN. I will say to the Senator that from the information I have about the subject I do not think there is anything involved that the Senator does not know. The French came over here and bought planes. The fact was publicized throughout the United States, by front-page headlines, that France had entered into a contract to buy planes, and that England had entered into a contract to buy planes. Perhaps some of us are responsible for creating the impression that there was something mysterious about it.

Just one more question and I shall conclude.

Mr. VANDENBERG. Before the Senator leaves that point, I will say that from my point of view it is the mystery rather than the purchase which seems to be sinister.

Mr. LOGAN. As I said to the Senator—and I think I ought to explain what I meant—there really was no mystery about it that I have been able to see. The French commission came here and, after consultation with a number of officials, was sent to the division of the Treasury which knew most about the business of the country, so that it could obtain advice. The commission was sent to investigate and look over the planes. It did so and bought them.

I have listened to every word of the Senator's speech. It was an excellent speech. I do not often listen so attentively.

Mr. VANDENBERG. I thank the Senator for his patience.

Mr. LOGAN. I understood the Senator to say in his speech that he did not know what took place in the Military Affairs Committee.

It is my impression—if I am in error, I should like to be corrected—that all the evidence which was taken has been made public. I think I saw a copy of the record on my desk.

Mr. VANDENBERG. Has the testimony of the Ambassadors been published?

Mr. LOGAN. The Ambassadors were not before the Military Affairs Committee, except for a joint meeting when no hearing was in progress.

Mr. VANDENBERG. I am referring to the whole general body of information, which is still locked up.

Mr. LOGAN. If the Senator has to depend on the newspapers for what committee members said, or what the newspapermen say they said, the Senator will be very much confused.

Mr. VANDENBERG. That source is my sole reliance. I have no other.

Mr. CONNALLY. Mr. President, the speech of the Senator from Michigan is one with which probably none of us will disagree if we look only at the generalities and platitudes of that speech. No one can take issue with the Senator from Michigan in his broad outline of foreign policy. However, no one could have listened to the speech without having an idea that certain implications and insinuations may be deduced from the speech of the Senator, which I think he, in all frankness, should elucidate.

For 2 or 3 weeks it has been heralded in the press that soon the artillery would open up in the Senate on our foreign policy. I assume, of course, that the opening gun has been fired by the Senator from Michigan.

I do not take issue with the broad outlines of policy announced by the Senator from Michigan, but I ask, what is wrong? What is it that Senators are insinuating, and what are they suspicious about? The Senator has just told the Senator from Kentucky that he has no complaint about the sale of airplanes to France, a foreign government. Is

there anything going on in secret that Senators have a right to know, and which they do not know?

Mr. VANDENBERG. Is the Senator asking me?

Mr. CONNALLY. Just a moment. I shall yield presently, although the Senator would not yield.

Mr. VANDENBERG. I merely wanted to know whether or not the Senator wished me to answer his question.

Mr. CONNALLY. No. I shall answer the Senator.

As I understand the law, if Germany wishes to buy airplanes in America, she has a perfect right to do so. I understand she has been doing it. If England wishes to buy airplanes in America, she has had a right to do it, and no doubt she would buy them here if she thought we had the best planes. She probably does, because she has been buying them here. If France wishes to buy them here, our manufacturers are prepared to supply her needs.

What is the point, then, about this whole question? The Senator from Michigan has delivered a speech on the bill, but he has not told us how he intends to vote on it. He spoke for an hour on the bill, and yet he did not tell us whether he was for it or against it. He says that the bill ought first to have been submitted to the Committee on Foreign Relations, and that the Navy bill ought to be submitted to the Committee on Foreign Relations, and that the Committee on Foreign Relations, of which the Senator from Michigan is a distinguished member, should give its advice and counsel with regard to these measures before they are enacted.

From the trend of the Senator's speech I assume that he believes that Congress ought to undertake to direct and control the foreign policy and the foreign intercourse of the United States of America.

Mr. President, the history of America demonstrates the fallacy in any such assumption. During the War of the Revolution, when there was no central government except the Continental Congress, it made a muddle of our foreign affairs. However, in 1778 it did bring about an alliance with France, which very largely aided us in winning the War of the Revolution. However, such a policy was a failure. Committees of Congress could not properly conduct the foreign affairs of the Colonies.

Again, Senators know that under the Articles of Confederation the foreign relations of the United States were poorly handled. They did the best they could, but we all know that under the Constitution, as Congress has interpreted it and as we have lived under it for almost a hundred and fifty years, the responsibility for the conduct of the foreign relations of the United States, in their essence, must rest in the Chief Executive of the Nation.

The ambassadors he sends abroad are but his servants and agents. Senators and others may say, "Oh, that is too much power to give one man"; but we do not have to answer for that, because the Constitution gives the President that power. It is one of those powers which have got to rest somewhere, and a unified conduct of foreign affairs can only be accomplished properly by the Chief Executive of the Nation.

Senators may say the President may do something we do not want him to do. Of course, that is so; he may do something, in the discharge of any of the high functions of his office, which we do not like; but so long, Mr. President, as he is within the boundaries of his jurisdiction, the Senate and the House of Representatives have no more right to intervene and interfere than he has a right to invade this Chamber and assume functions that belong to the Senate. To both those things the Senator from Texas is opposed. The President cannot declare war; the Congress alone can declare war. Only the Members of the House of Representatives and the United States Senate, who come here bearing the commissions of their own electorates, can declare war. It is true that any President who might so desire, through impure motives, through corruption, through lack of patriotism, might conspire to bring about a situation from which it would be difficult for Congress to recede; but I cannot conceive of any man who has ever been President of the United States or who, in the course of human events, may ever in the future become President of the United States, becoming such a traitor to his own people and his own

country as that he would deliberately, for any selfish or corrupt or impure motive, bring about a situation that would force the United States to embark upon war. If such there ever be, let him be pilloried even higher than was Benedict Arnold.

Congress and Congress alone can declare war. I want to say to the Senator from Michigan and to other Senators who are present that we shall never enter a war by the declaration of any Congress until that Congress believes, at least, that the sentiment of America favors war. Congress is not going to plunge this great and mighty Nation into any armed conflict through any caprice or any idea or particular inclination of its own. We are not ever going to take that step until we are firmly convinced that the people of America feel that our national interests and the protection of our territory or our people or, I will add, our institutions require that we draw the sword. It has ever been so in the past. Every foreign war that this Nation has fought has been declared only after the people of the Nation gave evidence of the desire that we embark on that war.

Mr. President, what is all this noise about? What is all this newspaper comment about the foreign policy of the United States? What does the President say is his foreign policy? I ask the attention of the Senator from Michigan. I listened to his announcement of his foreign policy; but in the generalities, in the broad outlines of his statement, in his rounded phrases and oratorical flourishes I could not distinguish any difference between his policy enunciated in the speech and that calm statement of the President.

The Senator from Michigan invoked blessings of one of our great newspaper correspondents, who said we were not going to have any war if we shall act in calmness. He invoked calmness on everybody except himself. He is now more disturbed about this matter, I believe, than is anybody else in the Senate.

What does the President of the United States say about our foreign policy? What is that foreign policy? Here is the statement he gave to the press. I am sure the Senator from Michigan read it. He gave the press representatives this statement of policy; and if anybody wants to dispute it, I yield time for him so to do.

We are against any entangling alliances, obviously.

That is the language of the President of the United States. Does anybody dispute that statement? Oh, some may say that "entangling alliances" is a general term; that it does not mean much. Well, it means just as much when the President of the United States uses it as it does when those who assail him use it. What do Senators who are complaining of the conduct of our foreign policy mean when they say we are against any entangling alliances? They are no more definite, they are no more certain, they are no more meticulous in pointing out what they mean than is the statement of the President that "We are against any entangling alliances, obviously." I hear no dissent to that.

They quote the language of Washington in his Farewell Address. Of course, we do not quarrel with that announcement of policy of General Washington; yet we know that after he delivered his Farewell Address, in 1797, when this Government was threatened with becoming embroiled in war with France and, perhaps, with Great Britain, General Washington was called back from his retreat at Mount Vernon, had the title of lieutenant general conferred upon him, and was to take command of the military forces of this Nation in the war which it was then thought was imminent with France.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BARKLEY. Reference has been made today to the Farewell Address of Washington, and emphasis has been placed upon the fact that he advised us against entangling alliances. Will the Senator permit me to read a paragraph from the address which I think is very appropriate?

Mr. CONNALLY. I shall be glad to yield.

Mr. BARKLEY. I should like to have the Senator's interpretation of it, and also to have the interpretation of the

Senator from Idaho [Mr. BORAH], who, I observe, is not at the moment on the floor. After a somewhat general discussion of the theme, on page 33 of the pamphlet which was read the other day, Washington said:

It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it; for let me not be understood as capable of patronizing infidelity to existing engagements. I hold the maxim no less applicable to public than private affairs, that honesty is always the best policy. I repeat it, therefore, let those engagements be observed in their genuine sense. But, in my opinion, it is unnecessary and would be unwise to extend them.

Taking care always to keep ourselves by suitable establishments, on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies.

In discussing the Farewell Address of Washington, emphasis is always laid upon his admonition against permanent alliances, but nothing is rarely, if ever, said about his suggestion that we may depend upon temporary alliances in time of emergency. What is the Senator's interpretation, if he is at liberty to give it, of the distinction that was in Washington's mind when he cautioned as against permanent alliances, which, as I understand, are long-term alliances somewhat like the two alliances that were set up in Europe before the World War, the Triple Entente and the Triple Alliance, which were permanent arrangements for the preservation of the balance of power in Europe? Our cooperation in that war 20 years ago was not an alliance; we had no alliances with any of the nations of Europe; we did not enter that war as a result of any alliance. We entered it, as we thought and as I now still think, in defense of our own rights, and we cooperated with the Allies in the prosecution of the war, but our action did not result in an alliance. Would the Senator, if he feels at liberty so to do, advise me and the Senate what he believes Washington had in his mind at the time he drew that distinction between permanent and temporary alliances?

Mr. BONE. Mr. President, will the Senator from Texas yield to me so that I may ask the Senator from Kentucky a question?

Mr. CONNALLY. I should prefer first to answer the question, but I yield.

Mr. BONE. I should like to ask the Senator from Kentucky if he regards the last temporary alliance which we had, which has cost us at least fifty or sixty billion dollars up to the present time and perhaps will cost us a hundred billion dollars before we are through paying for it, and which also cost us an army of dead and insane, and brought about communism, bolshevism, fascism, and the Nazi philosophy as the sort of temporary alliance he thinks Washington had in mind?

Mr. BARKLEY. I just said that that was not even a temporary alliance.

Mr. BONE. How would the Senator characterize this last alliance that cost us in the fashion I have suggested?

Mr. BARKLEY. An answer to that would, I think, be entirely beside the question which I am trying to get at, namely, the interpretation of the passage quoted from Washington's Farewell Address. As I said, we did not have any alliance with England, France, or Italy; we did not enter the war as a result of an alliance; but after we got into it, because of conditions which existed after it began, we cooperated with those nations. That, however, was not an alliance. I should like to have the Senator from Texas, if it will not divert him, give me his interpretation of the statement I have read from the Farewell Address.

Mr. CONNALLY. I thank the Senator and shall try to answer his question. According to the view of the Senator from Texas, to which I adverted a while ago, a great deal depends upon the adjective "entangling" in connection with the noun "alliances." General Washington no doubt had in mind that it would be unwise for the United States to negotiate secret treaties of alliance with any particular nation or any group of nations by which they would be bound one to the other to support each other, no matter what occurred, no matter what the issue that might arise. That was the

case in Europe before the World War. There were the Triple Entente and the Triple Alliance, and it was understood that, through secret agreements and arrangements, they were leagued together almost as a unit and that when one of those nations would become embroiled in war, regardless of what the issue might be, it would become the duty of the others to respond with their armies and navies and all their resources.

There might be alliances of a political character. There might be alliances of a military character. There might be alliances to maintain certain forms of government, certain monarchies in Europe, from all of which General Washington wanted to flee, because they were entangling. That is why they were entangling. They were not limited to one particular transaction. They were not limited to one particular war. If we had only one incident in which we might act with another government, that would not be entangling, because when the occasion for action with them passed away the alliance would no longer subsist. That is what I had in mind a moment ago when, for instance, in the World War, we were associated with England and France and other nations; but we had no alliance. We simply had a common enemy, and, like wise generals and wise soldiers, we acted in conjunction to try to vanquish the common enemy; but when the war was over there was no alliance. Even in connection with the peace treaty the United States did not act in conjunction with Great Britain and France and their representatives in the peace council. Their views were divergent. Of course, the treaties finally were supposed to represent agreement, yet the United States was not tied. It was not leagued. It was not bound to any nation of Europe. When peace came and the enemy was vanquished, our alliance, by the very nature of things, came to an end. Is that what the Senator from Kentucky had in mind?

Mr. BARKLEY. Yes; that is what I had in mind. I do not think, by any stretch of legal terminology, what happened in 1917 to 1918 or 1919 could have been described as an alliance.

Mr. CONNALLY. Not at all.

Mr. BARKLEY. It was a fortuitous combination of circumstances which associated a number of nations together in a common enterprise.

Mr. CONNALLY. Exactly.

Mr. BARKLEY. But there was nothing that bound us to stay in for any given length of time, nothing that bound us to the terms of settlement when the war should end; and, of course, as history transpired, we were not bound to enter and did not enter into any engagements as the result of that war.

Mr. CONNALLY. Let me say to the Senator from Kentucky that, of course, it was not an alliance. We had no treaty except through conversations as to joint action. It is just as if the Senator from Kentucky were going downtown to a department in a taxicab, and I also wanted to go to the same department in a taxicab, and we both got in the same taxicab instead of having two. That is all there was about the World War. We were both fighting Germany and Austria and their allies, and it became good common sense for both of us to fight as one army rather than to scatter all around over the face of the earth without any harmony of action. That was the issue, and that was the only issue; and the critics of this administration, and even the critics of Mr. Wilson, have never charged that after the war was over we continued in any sort of alliance, open or secret, with the allied powers of Europe.

Mr. President, nobody disagrees, then, with the first chapter; and I should be glad if the Senator from Michigan would give audience. I want him to know what the President's policy is, if he has not read it. I shall read it to him now, and I ask him whether he disagrees with it.

Second. We are in favor of maintenance of world trade for everybody—all nations—including ourselves.

I assume that nobody will dispute that policy. That simply means that every nation has a right on the highways of the sea. They have equal rights. We stand for that policy.

I hear no dissent to that. I hear no audible dissent and I see no inaudible dissent from the expression of features or things of that kind.

Third. We are in complete sympathy with any and every attempt made to reduce or limit armaments.

The Senator from Michigan says the primary duty of America is to limit armaments. Mr. President, the Senator from Texas heartily agrees to that theory—that theory—that theory; but what has been the practice? The Senator from Texas was a Member of the House of Representatives when we had the Disarmament Conference of 1922, and he was the author of an amendment urging that that conference be called. It was called, and we brought about an agreement; and what was the result of that agreement? Why, Senators know the result. Senators know that as a result of that agreement the United States junked some of its finest and best fighting material, naval equipment. We were pretty well outraded.

Mr. LUNDEEN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Minnesota?

Mr. CONNALLY. I yield.

Mr. LUNDEEN. Mr. President, the able Senator from Texas would not do that again, would he? The Senator would not again favor sinking our ships, or at any other time, I take it.

Mr. CONNALLY. No. That is just what I am going to say. I believe in the theory. That is why I accented awhile ago the word "theory." I am in favor of disarmament in theory, but I am not in favor of it in practice as we have practiced it heretofore.

Mr. LUNDEEN. I am glad to hear the Senator from Texas has changed his mind. I opposed the sinking of the \$40,000,000 capital ship *Washington*, and all the other ships, costing hundreds of millions of good American dollars, sunk by men in high office who now, one by one, are admitting their serious, terrible mistake. It was a terrible blunder. I favor an American fleet sailing the surface of the seas and guarding our coasts. I do not favor any policy which sinks our ships to the bottom of the ocean.

Mr. CONNALLY. We were moved by a lofty idealism. We were willing to scrap battleships if other nations did likewise in behalf of peace. If the other nations would all disarm, fine. I am reminded, however, that the other nations of the world are somewhat like a historic example.

It is related that the great Bob Toombs, a brigadier general in the Confederate Army and a former Member of Congress, was one of the fire-eaters in the South before the War between the States. As the war was coming on he boasted that his people from Georgia and elsewhere in the South could whip the Yankees with cornstalks. After the war was over, and Toombs was again a candidate for public office, one of his friends twitted him. He said, "Look here, Bob, you told us that we could whip the Yankees with cornstalks. What about it?" "Well," Toombs said, "now, look here, old friend, we could have done it, but they would not fight us with cornstalks." [Laughter.]

If all the nations of the earth would disarm tomorrow, we could disarm tomorrow because we probably would have more cornstalks than they would have, and we could fight them with cornstalks, but, unfortunately, they are not willing to fight with cornstalks. I conjure the Senator from Michigan to look around over the world. He says that because we are going to pass this little Army bill, authorizing the expenditure of \$300,000,000—just \$300,000,000; there it is, \$300,000,000 for the whole Army of the United States—somebody, somewhere, somehow, is going to conclude that we are about to form an entangling alliance and bring about a world war.

Why, Mr. President, this bill authorizes the expenditure of \$300,000,000 to do what? Simply to provide some airplanes. George Washington did not say anything about airplanes in his Farewell Address [laughter]; but if George Washington were here today, and if he were to walk into the Senate Chamber, in view of airplane development and in

view of battleship development and in view of mobile artillery in the form of mechanized motor-propelled cannon and other artillery, what would George Washington say? He would not say, "Here; appropriate some money for some old muskets." He would not say, "Give me some of those old muskets that we used at the Battles of Brandywine and Long Island and Yorktown." George Washington would say, "Get the best and the most modern equipment that you can buy to defend the United States"; and this is what Gen. George Washington would say.

I again conjure the attention of the Senator from Michigan. He ought to read all that George Washington said. "A little learning is a dangerous thing," even for statesmen. Read it all when you read it. This is what George Washington said:

Among the many interesting objects that will engage your attention—

The attention of Congress—
that of providing for the common defense will merit—

What kind of regard? Not just ordinary regard, not just casual regard, but—
will merit particular regard.

Particular regard!

To be prepared for war is one of the most effectual means of preserving peace.

The Senator from Michigan says he wants peace, and I believe he does. God knows I want peace. God knows I hope this country may never again be plunged into any kind of a war. I do not want to see our soil reddened with the blood of our sons. I do not want to see our resources drained. I do not want to see misery and horror and destruction stalk through this land of ours, or through any foreign land. Therefore, I want peace. George Washington says the way to have the peace which all of us want is to be ready to secure that kind of peace by being prepared. I imagine that when General Washington said that, as the first President of this Nation, his mind perhaps looked back yonder to Valley Forge, where he spent a terrible winter with a little starving army, with a lot of inadequate weapons, with ragged soldiers who had insufficient shoes, assailed not only by the threat of the enemy but by the storms and the snow and the sleet. I imagine General Washington was thinking, "If I had been prepared, if we had had better weapons and more food and more clothing, if we had been prepared for the Revolutionary War, we would have ended it not away off yonder in 1781 at Yorktown but perhaps in 1777 or 1778."

I invite the attention of the Senator from Michigan to these wise words of George Washington.

Mr. President, something has been said here about foreign ideologies, foreign totalitarian states, and foreign democracies. I am supporting the pending bill, not with any idea that we are getting ready to go out and attack any nation. It is none of our concern the kind of government Germany has; it is none of our concern the kind of government France has. We would prefer that they had governments like our own; but that is their business. We have never undertaken to tell Japan that it should not have an emperor. In the old days we never told Russia that it should not have a czar. We do not tell Italy today that it shall not have a king. Of course, we would prefer that all the nations of the earth embraced the democratic doctrine of self-government, under constitutions which guaranteed the rights of representative government, the rights of individuals, the rights of courts, and the rights of citizens under governments of law and of order. But after all, while Germany has a perfect right to have whatever kind of government she wants, while England has the same right, France has the same right, and Italy has the same right; when they leave the boundaries of their governments it then becomes the concern of the United States of America, and if any of these governments should be found to be infiltrating their influences into South or Central America for the purpose of stirring up insurrections there for the establishment of their systems in Central or South America,

I then agree heartily with the distinguished Senator from Idaho that, under the Monroe Doctrine, it would become our national duty to tell them that they must get out and stay out.

Mr. Monroe, I believe it was on the 2d day of December 1823, gave to the world that great document, the Monroe Doctrine. It had the hearty support of Mr. George Canning, who was then the foreign minister of Great Britain. Mr. Canning did not want to see the Spanish power grow up again in South and Central America. Most of these South American and Central American countries had achieved their independence from Spain; but Spain entertained ambitions of reconquest, and it convinced and persuaded the then Holy Alliance, consisting of the Emperors of Russia, Prussia, and Austria, to aid its ambitions. This association of great military powers in Europe was proposing to aid Spain in the reconquest of South America and the reerection there of the institutions of monarchy.

Mr. Monroe knew that such a thing would be a direct threat, a direct attack, upon the safety of republican government in North America. Mr. Canning, the great Englishman, did not want to see the power of Spain rebuked; he did not want to see monarchy again erected in Central and South America; and it was largely through the support of Canning and the British Government that Mr. Monroe's policy was accepted in Europe, though many of the governments complained secretly of its announcement.

The Monroe Doctrine is just as good today as it was 115 years ago. So America, while not becoming entangled with foreign countries, America, while not wanting war with any nation, has a primary duty; and I ask the attention of the Senator from Michigan at this point. The Senator said the primary duty of America, our primary duty, was to get the rest of the nations to disarm. I answer him, the primary duty of the American people is to be prepared to defend ourselves, not alone our persons, not alone our property, if need be, not alone our territory, but our institutions. We have the right in America to have the kind of government and the kind of institutions which we prefer, and any assault upon that conception is an assault upon things which ought to be as dear as life itself, and dearer, of course, than property and material resources.

Mr. President, I am in favor of the pending bill. We have moved a long way since George Washington and Valley Forge. We have to have airplanes because other nations have them. They have developed into one of the greatest offensive weapons known to man. They are valuable not only for offense but for defense. They are valuable for observation and scouting purposes, and today, in 1939, no nation on earth which has an armed force would even dare to undertake to conduct a war without airplane equipment.

Why should our action be construed as a threat against any nation? If it is, whom are we threatening? If we prepare for an expenditure of only \$300,000,000 on airplanes and aircraft guns and other military equipment, we are charged with having made a threat against some nation. What of the great military powers? Whom are they threatening? They do not maintain their armies and their navies for domestic purposes, do they? They have armies and navies with which to fight some nation, if necessary, and whom do they fight? As a rule, they fight the nation they think they can whip the quickest and the easiest. If anyone does not believe that, I invite him to look at the case of Ethiopia; I invite him just to turn his gaze eight or ten thousand miles to the west and consider China.

Ah, Senators, the armies and the navies of powers which are ambitious, of powers which are aggressors, of powers which love conquest, of powers which are dominated by men whose vaulting ambition reaches the stars—those armies and those navies are to fight some nation when they get ready to fight. We may be that one. I do not know. I pray God America may not be that one. But we are rich in soil, we are rich in resources, we have great seacoasts, we have many things to which the cupidity and the desire for loot of human beings might well be attracted.

It is said, however, that we are protected by two great oceans, that we are in no danger, that we have the Atlantic on the east and the Pacific on the west, that we can just sit calmly here at home and we do not need any Navy, we do not need any Army, that the Atlantic is going to protect us on the east and the Pacific will protect us on the west.

Mr. President, an ocean is no longer a protection. An ocean merely affords a paved highway, a four-way highway, for the navies and the armed forces of foreign governments if they want to attack us. They do not have to climb any mountains in order to come across the sea. They do not have to go through any forests or swamps or morasses in order to reach us. They simply get out on the ocean with a good navy and steam right up to our coasts and attack us if they desire to. The same that is true of the Atlantic is true of the Pacific. Six thousand miles of ocean, yes; 6,000 miles of ocean, but not a defense as substantial as the paper I hold in my hand, because a potential enemy can come across it, and with its mother ships, can bring airplanes within striking distance of the coast of the United States.

Talk about being defended by two oceans; the only way we can defend ourselves with two oceans, Mr. President, is by having a navy good enough and strong enough to dominate two oceans. We ought to have an unbeatable navy. That is the kind of a navy the Senator from Texas favors. The Senator from Michigan told the Senate a little while ago that he voted against the last naval bill. He was for it, but—Whenever I hear a man make an argument of an hour and a half or 2 hours in favor of some principle and then say "but, but," and vote the other way, I know there is something wrong either with his ratiocination or his rationalization.

I voted for the Navy bill at the last session. I believe that the United States ought to have the finest and the most superb navy that floats on the seven seas. I believe that, not because I want to see a war, not because I want the United States to attack any other country, because God knows I do not. We have enough country to keep most of us busy for the rest of our natural lives. We do not want a foot of foreign territory, we do not want a mile of any country under the sun except our own land. But by the same token, while we shall never take another foot of land by conquest, I am not ready to give up a single inch of American territory to any conqueror or any aggressor on the face of the earth. In order that we may be able to defend such a principle, I want this Government to have the best navy we can possess, so that instead of an enemy landing on the Atlantic coast we can destroy him away out beyond Bermuda before he ever sees the American coast.

I want a navy sufficiently large to keep the enemy away from our shores so we will not have to rely on the Army alone to protect San Francisco; I want a navy that can defend the Pacific coast, that will chase the enemy back even before they get to Hawaii.

While I do not care much about Guam—I do not think it amounts to a great deal—I see no objection to the United States spending money at Guam in deepening the harbor and, if it wants to, fortify Guam. To whom does Guam belong? It is ours, is it not? It belongs to us, does it not? Whose business is it, then, what we do with it?

Talk about Japan. Is not Japan armed? Is she not now with bloody hands and bombing planes and other weapons assailing a nation which lies helpless and broken and shattered? We are afraid we are going to hurt her feelings. Let me tell you about Japan. We do not need to hurt her feelings. When she makes up her mind that she can whip the United States and she takes the notion to do it, she is going to attempt to do it, whether Guam is fortified or whether Guam is not fortified.

Mr. President, I hope no Senator will conclude that I believe in war or that I want a war. God knows, I do not want any war. I have an only son. Not for his sake alone, but for the sake of all the sons of America, I pray God we may never have to send these young men from training camps or from their peaceful pursuits out upon the red battlefields.

I do not want the homes of America desolated. I do not want to witness wreck and ruin either here in America or abroad. But we cannot control that. If there be forces loose in the world—and there are—if there be people who have a spirit of aggression in their hearts, if there be great military or political masters who seek to build up their own greatness by conquest, and by attacks on foreign nations, we cannot help that. The only answer that we can make to them is, "We want no war with you. We want no quarrel with you. But if you do provoke us into a quarrel, if you do assail us, if you attack our territory, if you attack our institutions here at home by infiltrating among our people your spies and your emissaries and your secret societies that do not believe in the American form of government, and seek to beguile our own people into following a foreign allegiance, worship a foreign flag, we shall say: 'If you assail us, if you attack us, we are going to protect ourselves with all the means of which we have command.'"

Mr. President, I shall vote for this bill through no spirit of truculency. I do not want to threaten anybody over the world. I do not want another foot of territory. I do not want this Nation to go down in history as a great militaristic power and an aggressor nation. But we know there are aggressors. And when there are aggressors they show a lack of consideration of the rights of others, and the only standard that keeps an aggressor from attacking another power is either that he is afraid that he cannot triumph over him or he does not care for his possessions.

So, Mr. President, let me ask the Senator from Michigan and other Senators who have been making certain insinuations in the press, making implications—What is wrong with the foreign policy of the United States? What has the President done to bring us toward war? What has the Congress done to bring us toward war?

Mr. President, they say we ought to have everything public; that there is some secrecy. A great big noise was made about the secret purchase of airplanes by France. That matter has all been made public. I dare say anyone could have found out all they wanted to know about it at the time, because the French Government had been buying airplanes here right along. So after the secrecy was all over we asked what was wrong with it? The Senator from Michigan says there was nothing wrong with it.

Mr. President, is it simply a spirit of curiosity? Is it simply a spirit of trying to pry into the President's councils? Is it simply an anxiety to listen at a keyhole to see what is taking place? And after you have learned what it is, is it found to be entirely innocent and there is no harm in it at all.

Mr. President, it is impossible to conduct foreign relations in all of their angles and in all of their aspects out on the front porch. When the President of the United States appoints ambassadors he gives them instructions. When the ambassadors receive those instructions, would you have them printed in all the newspapers, or have have them cabled over to the country to which the ambassador is accredited, and before the ambassador arrives, have the foreign country to which he is going know all about what he is going to do and what he is going to say?

Mr. President, I dare say that there are moments when in conducting his correspondence the Senator from Michigan himself closes the door and no one is in the room but himself and his secretary. Does he invite everyone in Michigan to occupy a place in the gallery while he is dictating his correspondence; while he is transacting his business? I dare say not. There are certain things which have to be conducted, if they are conducted at all, in secrecy.

The American people have never in recent years, at least not in my time that I know of, been denied knowledge of any important governmental transaction by the President of the United States. I refer not alone to Mr. Roosevelt but Mr. Coolidge and Mr. Hoover and Mr. Harding and Mr. Wilson. No one has ever, so far as I know, charged that these men ever broke faith with their country and carried on any secret

negotiations that were not finally communicated to the people of the United States.

Mr. President, in conclusion let me say to the Senator from Michigan that for years foreign countries have bought all sorts of machinery here in the United States, including automobiles. No one pays any attention to that. Yet because they bought a few airplanes we have all of this ruction, and commotion, and stir, and excitement.

I am supporting this bill because I take it to be one of my duties here as an humble Member of this body, representing millions of people. If they are going to be defended by adequate armies and adequate navies, they cannot create them themselves. If it is to be done, it has to be done by the Senate and the House of Representatives, and as one of the Members of this body I regard it as my duty to vote for adequate national defense.

The Senator from Michigan makes a great turn—and I am anxious about this—he makes a great turn about what “adequate” means. He says that if it is adequate to do this thing, why, that is all right. If it is adequate to do something else, he answers, “yes.” But if “adequate” means something else, then he says “no,” and if it means something else, then he says “no.”

I will tell Senators what “adequate” means, according to my mind. Adequate means a force big enough, strong enough, good enough to defend ourselves successfully. I never did believe that it was the wise thing to have an army just big enough to get licked. [Laughter.] I do not believe we should spend hundreds of millions of dollars for a navy only to find when war comes that it is just big enough to be defeated by an enemy navy, and then have to say, “Well, we mighty near licked them. We mighty near licked them.”

I do not mean that we should all the time keep a standing army big enough for war purposes. Nobody believes that. But you cannot build a navy in a moment. You have got to have a navy ready. That is why I believe in building up the finest one that floats around upon this revolving globe of ours.

What about an army? You can have a regular army of sufficient size to train an adequate force, to be an aid in the organization and equipment of the reserves, of the National Guard, the citizens' military training camps, and the R. O. T. C., and other units, with the view of sending out throughout the civilian population bright young men capable in time of war to become officers, and to train the great mass of unorganized reserves which we in time of war would have to call to the colors.

We remember the lessons of the World War. We finally then, after a little over a year, got into the field as fine an Army as was ever gathered under the flag of this Republic or any other flag. But it took over a year to do it. We did not have sufficient officers trained. We had to wait for the training camps to turn them out. One of the War Department's proposals before us now has to do with the maintenance of its reserves. We have nearly 100,000 young officers now out through the country, in all kinds of lines of endeavor, who belong to the Army Reserve. The purpose is that when war comes they will be potential officers, able and willing to train the great mass of reserves that we shall call.

So, Mr. President, “adequate” means adequate. It ought to mean the same in Michigan as it means in Texas. It ought to mean the same in every part of the Republic as it means in this Chamber. George Washington knew what “adequate” meant. In the Battle of Brandywine he knew that he did not have an adequate army and he had to retreat. In the Battle of Germantown he knew what “adequate” meant. He found he did not have an adequate army and he had to retreat. In the Battle of Long Island he found that he did not have an adequate army and he had to retreat. He had to go into winter quarters above New York City, bottled up, as it were, and later to Valley Forge.

Finally, however, when he had an army that he thought was adequate, he quit retreating. He became the pursuer. He stood his ground. He bottled up Cornwallis at Yorktown,

and, with an adequate force, with proper armament, he vanquished the armies of a king and ran up the standard of a great people.

Mr. President, I shall vote for this bill for adequate defense of the territory, the lives, the liberties, the governmental institutions, and the culture of the United States of America.

Mr. REYNOLDS. Mr. President, it is true that the Father of his Country, George Washington, did bottle up the British at Yorktown in the State of Virginia. However, I rise at this hour to say that if it had not been for the patriots of my great State of North Carolina there never would have been a Yorktown, because it was at King's Mountain, in the State of North Carolina, where the Revolutionary patriots of my State were joined by the frontiersmen from the political subdivision of Tennessee and by the patriots of my sister State of South Carolina, that the Redcoats were defeated and turned northward to Richmond. From there they went southward to Yorktown, in Virginia. Had it not been for North Carolinians, tourists who today visit that section of historic Virginia would not be interested in visiting the old Moore farmhouse, wherein the articles of surrender were drafted one night for the signature of Cornwallis the next morning.

I have listened with much interest to my distinguished colleague from the State of Texas [Mr. CONNALLY], and I am thoroughly in accord with what he says in reference to keeping our powder dry. I am particularly in accord with what he says with regard to the development of our forces in the air. Here let me pause to remind my colleagues again that had it not been for North Carolina, the probabilities are that the nations of the world today, particularly France and Great Britain, would not now be interesting themselves in the difficult problem of airplanes. At Kitty Hawk, N. C., 35 years ago, occurred the first successful flight of a mechanically driven airplane carrying a weight equal to or in excess of that of the body of a man. So I am happy that my distinguished friend has provided me the opportunity to rise upon the floor of the Senate and again bring to the attention of the American people North Carolina's part in the development of the world itself.

Mr. President, I am not concerned with the problem of our being assailed or attacked by enemies from without. However, like my colleague from the State of Texas, I believe that we should at all times keep our powder dry, and that we should be prepared to repulse an attack made upon us by any nation upon the face of the earth.

However, the danger we are experiencing today is that of destruction from within. Through the columns of one of the local newspapers which has within the hour been handed to me, I observe that while we in the United States are talking about war, and doubtless are giving more attention to war than is any other section of the world, in Europe today the thoughts are of peace. I have in mind the fact that a settlement has been made of the internal affairs of historic Spain, which is attributable to the successful conquest of Franco. I observe that both France and Great Britain are expected to give recognition to the government of Franco. After the battles which have been raging in Spain since July 1936 in which, unfortunately, more than 1,000,000 persons have been killed, France, which contributed everything she possibly could to the side of the Loyalists, is one of the very first nations of the world to accord recognition to the Franco form of government. A few days ago I ventured to predict upon the floor of the Senate that immediately after the downfall of those opposing the progress of Franco, Great Britain would be the very first nation to recognize his conquest. So it has come to pass. As I have stated, both the French and the British today have made recognition, or at least are preparing to make recognition of the Franco government. Let me state in passing, Mr. President, that I think the United States of America should also make recognition of the Franco form of government.

We are thoroughly interested in the protection of our shores through the utilization of the airplane. At this hour we are

interested in the question of the construction of 6,000 additional airplanes. The airplane having annihilated both time and space, of necessity we have extended our outposts, or at least desire to do so, both into the Pacific and into the Atlantic.

Speaking of outposts, I reflect upon the statement which was made several days ago by a Member of this body to the effect that in order to provide proper protection for the Atlantic shores of America and for the Panama Canal we should establish additional outposts in the West Indies. In the Pacific, as will be recalled, we have sufficient outposts in the form of the Hawaiian Islands. In the north we are now establishing outposts along the coastal sections of Alaska, an American Territory. However, on the other side of our continent, unfortunately, we are not provided with outposts in the North Atlantic.

Mention has been made of our participation in the World War, and incidentally mention was made a moment ago of the fact that in order to help our allies, Great Britain and France, we contributed more than 37,000 lives, and to date have contributed more than \$67,000,000,000. I wish to say that in the development of our outposts in the Atlantic we should now take seriously into consideration the development of outposts in the North Atlantic, where we have none at the present time.

According to the World Almanac, Great Britain is indebted to us in principal and interest, taking into consideration the shaving that we gave to that indebtedness immediately following the settlement of the World War controversies, in the sum of approximately \$5,437,000,000. Apparently Great Britain does not intend to make an effort, serious or otherwise, to liquidate that obligation. As I have stated, she is in a financial position to liquidate that debt, because we read from day to day that during her program of rearmament she has voted the expenditure of \$7,500,000,000.

Despite the fact that we know she can pay, we know at the same time that she is not going to pay in cash as the indebtedness was contracted. So I have to suggest to the representatives of the British Empire that Great Britain pay us something on account; and, in view of the fact that we are getting ready to establish outposts in the Atlantic, I again suggest that Great Britain arrange to turn over to us Nassau, Bimini, and Bermuda; Bermuda being off the coast of North Carolina approximately a distance of about 500 miles. In addition to that, I suggest that Great Britain turn over to us or arrange to convey to us Newfoundland; and, in addition to that, let her convey to us a strip of Labrador. Some one might ask, "What is the use of doing that? We will never have any difficulty with Great Britain." Well, we have had two wars with Great Britain. One can never tell. Our friend today may become our enemy tomorrow.

Insofar as France is concerned, in view of the fact that we are preparing to spend more money to the south, particularly in South America, I suggest that France might be called upon to make delivery to us of her possession in South America, French Guiana; and, in addition to that, she might arrange to turn over to us a couple of small islands which she has in the North Atlantic, which are to be found between Newfoundland and Labrador. Let these countries make payment to us before we start making any sort of effort to relieve and save the world for the sort of democracy they have over and beyond the blue waters of the Atlantic.

I believe in adequate national defense; I believe it helps toward peace. Of course George Washington, the Father of his Country, not only in his Farewell Address but in many of his other state addresses and conversations with prominent men of the day, advised by all means that we stay clear of any and all foreign entanglements, for the reason that they might lead us into serious trouble. In addition to our staying clear of any foreign entanglements, I am thoroughly of the opinion that we should be prepared at all times to meet the aggressions of any nation that might be so bold as to proceed across either the Atlantic to the east or the Pacific to the west.

Despite the fact that I know and all others who are well-informed likewise know, that no nation now is going to attempt an invasion of our shores, it is well always, as I have said, for us to keep our powder dry and to continue the development of our defenses, so that if ever the time arrives we will be there with the implements of war and the machines for the protection of the people of our country.

Mr. President, in speaking of foreign relations and foreign affairs, I make the statement without hesitation that, in my humble opinion, there will be no general war in Europe this year, but at the same time, regardless of what may happen over there, as the Senator from Texas [Mr. CONNALLY] stated so ably a moment ago in his address—and I was delighted to hear him make the statement upon the floor of the Senate—it is none of the business of the people of the United States of America what sort of government they have in Germany or what sort of government they have in Spain or in any other country in the world. I repeat that if Uncle Sam wants to stay out of war he had better keep his nose clean and avoid involvement in the domestic and internal affairs of the other nations of the world. I am firmly convinced that the people of America share with me 100 percent that view and idea as to what should be the attitude of the United States of America. I think that we should keep clear of any entanglements of any sort that might tend to bring trouble to our shores.

In a newspaper published today I observe the headlines, "Loyalists may flee in United States battleships." I should like to ask those in charge of what concern to the United States of America is the means of transportation by which loyalists in Spain are to make flight from dangerous shores? I say that it is none of the business of the United States of America, and that we should keep our skirts clean and our ships away from those shores. It is none of the business of our country to see that certain of the loyalists, whose lives perhaps may be imperiled, leave the shores of Spain, a country which today was fully conquered, according to the reports in the press, by Franco.

Mr. President, in reference to Guam, I am very happy, indeed, to note that the House of Representatives refused to endorse an appropriation of \$5,500,000 for the purpose of making certain improvements in Oriental waters, Guam, a little bit of an island, 30 miles long and from 3 to 5 miles wide, about 6,500 miles away from the shores of the United States of America and thousands of miles beyond our sphere, perhaps, some day may be coveted by those whom we do not like, those with whom we may at some time have difficulty. In view of the fact that we are now endeavoring in certain places to economize, to cut down expenditures, to save some money, I say that, in my opinion, it is downright foolishness to make an expenditure of millions of dollars on an island thousands upon thousands of miles away from the shores of America, when, as a matter of fact, in the first place, if our outposts in the Pacific Ocean extended only to the Hawaiian Islands, that, in my opinion, would be quite sufficient, but we must remember, Mr. President, that in the Aleutian group, obtained by us in the Alaskan purchase in 1867 from Russia, Attu, the most western of that group, extends several hundred miles farther into the Pacific Ocean than do the Hawaiian Islands; and that, I contend, is far enough for us to go into the Pacific.

Do not let us get into trouble; let us stay out of troubled water; do not let us look for trouble, regardless of the fact that we would be in a position physically to combat successfully with any of the nations of the world were we called upon so to do.

I wish now to read an editorial which I clipped from the Washington Times-Herald of the issue of Monday, February 27. It is entitled "Guam as Japanese Bait."

As controversial as any item in the administration's national-defense program is the proposed fortification of the island of Guam. A surprise vote in the House last Thursday temporarily knocked out a provision in the Navy defense bill for taking the first steps—\$5,000,000 worth of Guam harbor and airport improvement. But that doesn't kill off the proposal. It may be approved by the Senate, and subsequent Senate-House conferences on the Navy defense bill may put the proposition across.

A Guam naval base has the backing of several United States Navy admirals, at least. Whether the administration is actively backing it behind the scenes we don't know.

We're against it.

Says the editor of this newspaper:

We favor letting Guam remain the 30 mile by 8 mile naval station that it is, 6,000 miles west of San Francisco, and keying our Pacific defense plans to Hawaii and the Aleutian Islands. It would be better still, we think, just to give Guam away to anybody who would take it, along with the Philippine Islands. Might tie it to the Philippines as a sort of bonus for taking them off our hands.

As a matter of fact, in speaking of Guam, an island in troubled waters 6,000 miles away from San Francisco, I might mention that it is my opinion that the two nations of the earth that are vitally interested in having us retain possession of Guam are the Republic of France and the so-called democracy of Great Britain. Great Britain, as you know, Mr. President, has immense interests in the neighborhood of the island of Guam, not far withdrawn from Hong Kong, a British-owned island, and not far withdrawn from her commonwealth possessions. Great Britain would like to see us maintain our financial and moral interest in the Philippine Islands, because the interests of Great Britain and the interests of the Netherlands in the Dutch East Indies are now or certainly at some time will be imperiled, and so the British want the taxpayers of the United States of America to continue to spend millions of dollars, totaling into the billions, in oriental waters, in order that we may continue to serve Great Britain in that area, and discourage Japan from organizing the empire of the Orient.

In addition to that, the French are greatly interested over there. The French became somewhat exorcised a few days ago with regard to the occupation of the island of Hainan by Japanese troops, because the Japanese are getting closer and closer to the interests of the French. It was well said by one of the Washington newspaper columnists that the Japanese have said that they would give up Hainan when they found that they no longer needed it, but his fear was that that will be a long, long time, because one of the greatest supplies of tin to be found anywhere upon the face of the earth, and particularly in that section of the world, outside of the Straits Settlements, is upon the island of Hainan.

The Japanese have always lacked tin; and, as a result, they are going to keep that island, because they never have been able to get the supply of tin that they desired from the Straits Settlements, owned by the British. If they can command the tin supply and the tin ore on the island of Hainan, I contend that they are going to keep it. It is a very valuable deposit.

I might mention incidentally that we found during the World War that tin was a very precious metal. At the time the World War broke out we learned that the United States used about half the world's supply of tin. At that time we began to make investigations as to the deposits of tin over the face of the earth, and we found to our utter surprise and our great delight, that the peninsula of Seward, not far from Nome in Alaska, has some of the finest tin deposits to be found in all the world. I hope that in the development of our national-defense program we shall decide to expend some considerable amount of money in Alaska for the development of these deposits, so that we may not be entirely shut off in case we are forced to go to war.

I desire to read the rest of this editorial, Mr. President:

We're moved to feel this way by a picture of possible events regarding Guam which keeps coming to mind.

Suppose we should decide to make Guam a grade A naval base, at a cost of some \$150,000,000 and 5 to 10 years' time.

Suppose we finished the job, and settled a garrison of the proper size among the floating drydocks, antiaircraft and coast-defense guns, buried munition and oil and food stores, and so on.

And then suppose Japan should acquire an astute government—something which has happened before and might happen again—though Japan at present appears to be suffering a vacation from astute governments. What would this astute government do about that American naval base at Guam, 6,000 miles from San Francisco, 3,850 from Hawaii, and only about 800 from Japan's big naval stronghold in the Bonin Islands? Guam, furthermore, is surrounded by islands mandated to Japan after the war, many of them improved if not fortified by the Japanese since that time.

This astute Japanese Government, we believe, would attack the Guam naval base by sea and air. But it would not be in any hurry to capture it. And it would take pains to keep Guam's radio communications with Hawaii or the United States clear and unjammed.

Horror tales from Guam would thus begin bombarding the emotions of all of us in the homeland. Our gallant boys would be picked off one by one by the Japs—Lt. Joe Murphy machine-gunned yesterday by a dastardly low-flying Japanese airman and buried this morning with full military honors, while his comrades stood around wondering who would be the next to go, and all that.

Indignation in this country would mount to such a degree that eventually our high command would have to shelve its better judgment and order the main fleet to the rescue of Guam. The Japanese fleet could then meet our fleet, far from our fleet's base and close to the Japanese bases—and our chances of victory would be lessened. We'd have been tricked into making one of the prime mistakes in sea warfare; that of letting the enemy pick his own battleground.

The Japanese know about this sea tactic, at least. That was exactly what Admiral Togo did May 27–28, 1905, at the classic naval battle of Tsushima. The Russians sent Admiral Rozhdestvensky's fleet all the way around from the Baltic via Suez and the Indian Ocean to replace the Russian Pacific fleet broken up by the Japanese before Port Arthur. Togo lay in wait in the Straits of Tsushima until the Russian ships were lined up like ninepins, then bowled them over one by one. Those he didn't sink he captured, thus wiping the Russian flag off the Pacific for years to come.

Altogether, we think our smart play is to maneuver unendingly for a choice of battleground, if we must fight Japan, somewhere off Hawaii. That is our strategic outpost in the central Pacific. Guam and Manila, we believe, are perilously weak salients.

Two ships for one.

In reference to the airplane in comparison with battleships, I say that I am thoroughly enthusiastic in regard to the development of our air forces, for this reason:

For instance, today we have in mind the construction of some superbattleships. According to the estimates that have been furnished, a superbattleship of 45,000 tons will cost anywhere from \$100,000,000 to \$110,000,000. As a matter of fact, at the high cost of construction at the present time, battleships in this country are costing anywhere from sixty to seventy-five million dollars. A battleship leaving San Francisco, steaming southward, passing through the Panama Canal and then going full steam ahead northward to the city of New York, requires a period of 11 days; whereas an airplane weighing many tons, traveling from San Francisco in the west to the city of New York in the east, can cover the same distance in 11 hours. For \$100,000,000, in gross quantities of purchase, scores upon scores of planes, carrying tons upon tons of high explosives, could go in 11 hours from San Francisco to New York at a minimum cost, whereas battleships traveling from the waters of the Pacific in the west southward through the Panama Canal and northward to New York would require a minimum of 11 days, full steam ahead, at a cost, I dare say, far in excess of the cost involved in the flight of planes from the west to the east.

Mr. President, a moment ago I stated my opinion as to the danger the people of the United States are about to experience, unless something radically interesting on the part of patriotism is demonstrated by the people of the United States in the way of meeting with a solid front the encroachments of the aggressor nations in the form of propaganda in this country. We are at the crossroads. The enemy is boring from within. In this land of ours, within the confines of the United States of America, the political battles of the foreign "isms" of the world are being fought. Whereas heretofore the physical battles of the Communists, the Nazis, and the Fascists were fought out in old historic Spain, today the political battleground of those forces is right here in the United States of America.

We all recall that the other night, in the once-upon-awhile melting pot of the world, the city of New York, more than 28,000 persons identified with an organization of "isms" assembled within Madison Square Garden, and there stood without more thousands who were opposed to that form of foreign "isms." I have before me a copy of the Los Angeles Evening Herald and Express, published only a few days ago, on February 23, 1939. Not only in New York do we find those who are teaching principles false to the fundamental ones of the American Government, but we find demonstrations of that sort in all the largest cities of the United States of

America. I take this opportunity to bring this article to the attention of the Members of this body, because I repeat for the benefit of the Members of this body and the benefit of the American people that the danger we are experiencing today in the Western Hemisphere is the danger incurred by the boring from within of the alien enemies who are in America.

The article is headed:

OFFICERS HALT ANTI-NAZIS' RIOT AT BUND

In a clamorous riot between members of the German-American Bund and anti-Nazis who picketed their meeting here, at least six persons were injured, missiles were hurled, and police had to threaten to use tear gas to disperse the mob, officers reported today.

The riot was staged last night in front of Deutches Haus at 634 West Fifteenth Street, where debris knee deep consisting of vegetables, eggs, fruit, rocks, and other missiles remained as an aftermath today.

As members of the German-American organization gathered for the meeting, lines of pickets formed outside the hall, booing, cat-calling, and waving placards reading, "Down with Hitler," or "Fight against fascism."

Arriving members, many of them clad in uniforms and wearing the Nazi swastika emblem, were pelted with overripe vegetables or rotten eggs.

Inside bund speakers sang The Star-Spangled Banner and likened George Washington to Hitler, while outside the number of pickets increased and threatened to get out of control of the 30 police assigned to maintain order.

ROCKS SMASH WINDOWS

Seven more police cars full of officers were dispatched to the scene as pickets started hurling rocks through windows of the hall, increased their catcalls and booing, and a sound truck blared out invectives against Hitler and nazi-ism.

Several persons inside, all men, were struck by rocks but not seriously injured, it was reported.

The demonstration reached its height when bund members attempted to leave the hall after the speech-making.

This description is similar to the description of a like occurrence that took place in the great city of New York.

RIOTERS BEAT UP MAN

One member, clad in a silver shirt uniform, was caught by the picket crowd, by then numbering hundreds, and beaten severely. He left without aid, however.

Women's gowns and men's evening clothes were spattered with juice from lush tomatoes or ancient eggs, and the debris was piled knee high on the steps to the hall.

At this point threats of more serious trouble came when Herman Schwinn, Pacific coast bund director, and one of the speakers at the meeting, announced he would clear the streets with his own strong-arm squad if police did not act.

"We are not worried," he said. "If the police can't clear the street we'll send out our men and do it ourselves."

PEACE OFFICERS BOOED

Meanwhile police were working furiously to maintain order. While no arrests were reported, officers occasionally led a ring-leader to the fringe of the mob and bade him depart.

Then the officers attempted to form a wedge through the crowd in order to let the departing bund members pass out. The crowd stood firm, booing both police and bundsters.

Finally the officers cleared a space in a parking lot in back and bund members departed through rear and side doors.

By threatening to use tear gas, the officers kept the crowd fairly well at bay, while they escorted the women members to cars and got them safely off.

Many departing bundsters were escorted away in police cars which went through the crowd with sirens wailing.

A sudden move on the part of the pickets to break into a side door was frustrated by quick police action as reserve officers came up to hold the entrance.

Some of the bund members, it was said, carried clubs or other weapons as they ran the cordon of missile-hurling pickets. Police disarmed one bundster who had a short length of iron pipe.

Picketing of the meeting was sponsored by the Socialist Workers' Party and the Young People's Socialist League, and was said to have been participated in by members of other liberal and labor groups.

Placards carried by the pickets bore such legends as the following:

"Solidarity with German workers against Hitler," "Labor unite against fascism," "Repeal criminal syndicalism law," "Fight against anti-Semitism," "Capital breeds fascism," and "Socialist Party leads the fight."

FLAY NEW DEAL

Principal speakers at the meeting were Schwinn and David Hall, Jr., Glendale writer and pamphleteer.

Hall, in his speech, was fourth as calling Washington "a leader of a revolution who was like Hitler of today."

High New Deal officials were criticized at the meeting, President Roosevelt for his airplane deal with France, Secretary of Treasury

Morgenthau, as holding the balance of financial favor for France and England, and Secretary of State Hull for "blocking German trade."

Mr. President, I have read this article in order that the American people may know that our land, our soil, is being used as a ground for the "isms" of the world; that political battles are being fought here; and yet we raise not our voices to speak for explicit American truth.

I find here pictured by the photographers and published in the columns of this paper, the Los Angeles Evening Herald and Express of February 23, 1939, various signs:

"Fight against anti-Semitism."

"Repeal criminal syndicalism law."

"Socialist Workers' Party leads anti-Fascist fight!"

"Build worker's defense guards!"

We find in the United States those who are opposed to our form of government advancing almost every kind of "ism" at this time.

In speaking of the battle between fascism and communism, I call attention to the fact that several days ago I presented in the Senate of the United States a resolution in reference to our looking into affairs pertaining to our sister Republic of Mexico, the country lying beyond the Rio Grande, for the reason that millions upon millions of dollars of the American people are invested there. It so happens that one of the leading Communist Bolsheviks of the world resides on the outskirts of the City of Mexico. That man, who read my statement made in the United States Senate, declared to the people of Mexico—whom I declare he is inciting to revolution—that I lied, and that I was leading the American people to believe that which was erroneous. As a result, having read about a week ago the statement of Trotsky, this leader of the Communists, who has unquestionably established communism in our sister Republic of Mexico, I took occasion to prepare a statement as the result of his declaration in regard to my having lied and misled the people. I read from that statement:

On January 27 I introduced Senate Resolution 72, providing for a Senate investigation of our relations with the Mexican Government.

The preamble of the resolution stated that:

According to widely published newspaper articles, Mexico is using certain property that it has confiscated from American citizens to enter into commercial and economic relations with countries in Europe and Asia and that if the establishment of these relations with these countries is true, as stated, would make the Government of Mexico subservient to the governments that are said to be acquiring such economic and financial control as to enable these foreign governments to control the political affairs of Mexico, as a mere colony, in violation of that policy of the United States enunciated to safeguard the republics of this hemisphere.

In the resolution I also stated that:

A revolutionary from Europe—

Those are the words I used. I mentioned no names. I read further:

A revolutionary from Europe is now in Mexico and that the un-American policy of government that he aided in establishing in Russia has now been adopted by Mexico.

Since making that statement I have obtained a copy of one of the principal newspapers of Mexico City in which there is an article, of February 3, 1939, which may be translated as follows:

Leon Trotsky said yesterday that the North American Senator REYNOLDS lies and is misleading public opinion in the United States. The exiled Communist made the above statement at his home yesterday to refute the charge made by Senator REYNOLDS to the effect that Trotsky is the instigator of the policies of the Mexican Government. "On several occasions I have categorically stated that I have had and have nothing to do with the policies of this Government."

"Senator REYNOLDS' assertion means that he holds my categorical statement is a lie. Therefore I must say that Mr. REYNOLDS is misleading public opinion in the United States. It is bad to lie and doubly bad to lie if one is a Senator, and even worse if the lie is uttered in the tribune of the Senate."

As I have been referred to as "a liar" and that I am "misleading public opinion in the United States," I believe that the Senate and the people of the United States will be

interested in having brought to their attention certain facts which bear directly upon the Mexican situation, particularly as there seems to be an element of secrecy concerning Mexican affairs.

I stated a few moments ago, in my remarks upon national-defense matters, that Great Britain might liquidate some of her obligations to us by way of causing to be ceded to the United States some of the islands of the West Indies. I made a similar suggestion in regard to France. At this juncture, in view of the fact that Mexico is indebted to us in a sum of many millions of dollars as the result of confiscation of American property and similar actions, I might suggest that she cede to us all of Southern California, which we could use to very good advantage in fortifying more securely our immediate coastal section to the south of California.

I stated in my resolution that a "revolutionary" was now living in Mexico, and that the un-American policy of government he has aided in establishing in Russia has now been adopted by the Mexican Government. I called no one by name. However, the revolutionary in question has identified himself—yes, effectively identified himself as the world's greatest international troublemaker.

This gentleman, I find, was born in Russia, the son of middle-class Jews named Bronstein, and that as a political troublemaker he was first arrested in 1898 and exiled to Siberia, escaping in 1902 to England by a forged passport under the name of Trotsky. In 1905 Mr. Trotsky returned to Russia and was made a member of the St. Petersburg soviet of workers deputies and thereafter was exiled again to Siberia; but not for long, for soon thereafter he escaped to Vienna, thence to Copenhagen, where he defended a position midway between Mensheviks and Bolsheviks. During the World War he wrote a book in German on the Origin of the War, which resulted in his imprisonment. It is well known that he was against the allies and was expelled from France, at which time he came to the United States and edited a Russian revolutionary newspaper, *The New World*. In 1917 subscribers to that paper paid his way to Russia. On the way to Russia he was arrested by the British and taken ashore at Halifax. Thereafter Lenin asked for his release. The same year this now experienced anarchist, together with Lenin, organized the bloody Russian Revolution of 1917.

It was in this revolution in which Trotsky was a leading figure, that thousands of men, women, and children were executed without judicial trial. History shows that they were murdered to get rid of them as possible political opponents—opponents with contrasting ideologies—as it is termed in more modern language. They were murdered so that Bronstein-Trotsky and his aides in anarchy could seize the property of these people, most of which had been acquired by small tradesmen and farmer landowners. The wholesale murders, confiscations, and depredations in Russia startled the world.

In my speech over the radio of January 24, I stated that Russia owes the American Government around \$600,000,000 which was renounced by the gentleman who so fondly refers to me in the Mexican press. I said that they have closed the churches, murdered priests, assaulted nuns, and that they are sending propagandists to this country in an effort to destroy or weaken our American form of government.

Again, I wish to repeat that the Communist Party in the United States of America today has in its employ the most astute and the most alert propagandists the world has ever known, because they have very adroitly succeeded in turning the interest and the eyes of the American people from Lenin and the Communists and the murderers of the Soviet Union and focusing American eyes upon Germany and Italy, Hitler and Mussolini.

Let me remind my colleagues that in 1920 this Trotsky, this breeder of international hate, organized the new Red Army as the "labor armies" of Russia. Speaking of international hates, I take time to refer now to a Miss Mann, from Germany, whom I mentioned a few days ago as being one in this country from foreign shores insisting upon Amer-

ica entering war to avenge Miss Mann and those whom she represents. Throughout the length and breadth of this country today and tonight are to be found people from foreign shores, who are not American citizens, lecturing in public places, creating hatreds on the part of millions upon millions of our people, separating homes, and bringing unhappiness to the firesides of America as the result of the hatred which is being engendered by the words spoken and distributed by way of printed pamphlets throughout the country.

Mr. President, I think some check should be made upon the people who come from foreign shores to this country to deliver their lectures and to spread their hatred. I think the time has arrived when the United States Government itself should make an investigation as to who they are and as to what they are talking about. But we let things go along in a slipshod fashion and are not giving the attention to them which we ought to.

In 1920 this breeder of international hate organized the new red army as the "labor armies" of Russia. In 1923 Trotsky adopted a questionable attitude that made other Communist leaders attack him and his policy. At this time he was vigorously assailed by Stalin. He was on his way to the Caucasus when Lenin died, and immediately afterward lost his position as Commissar of War. In 1927 he was expelled from the Communist Party, and it was at this time that Stalin said "Trotsky must die." However, on account of his power in Russia, Stalin was afraid to kill him, so Trotsky was exiled to Turkestan. As Senators recall, he remained in Turkestan for some time. From there he was banished to Constantinople, in 1933 to Norway, and in 1936 was given sympathetic asylum in Mexico, where the existing government of President Cardenas styles itself, "The government of the revolution." He arrived at the port of Tampico amid fanfare and local and international publicity. As Senators know, he later moved south to the city of Mexico, the capital city.

Since then this "man without a country," this master anarchist, has established himself in a suburb of Mexico City—Coyacan—where, closely guarded by the Mexican secret police, he is inaccessible to everyone except by written appointment. It is officially stated that he is carrying on what he prefers to term "literary work." However, it may be remembered that on the occasion of Trotsky's taking up his residence in Mexico Stalin, the present dictator of Russia, remarked, "This means Mexico will soon be having a revolution."

Mr. Trotsky has, on too many occasions and too emphatically, denied having had a hand in Mexican internal affairs, but press articles in Mexico and in the United States have stated that the notorious influence of Trotsky has had its effect upon Mexican political affairs. At this point I want to call to the attention of the Senate the major premise of Trotsky's teaching. He has taught this for many, many years. It is this: That communism cannot be successful unless it is simultaneously fomented in all countries.

What can be Mr. Bronstein-Trotsky's mission in this hemisphere? As has recently been stated in the press:

Trotsky is perhaps the greatest destructionist the world ever saw. Compared with him, Stalin is a conservative, constructive statesman. Trotsky's sole aim wherever he goes is to tear down in the name of world revolution.

His record shows him to be the arch enemy of law and order—an arch enemy of our American form of government. Whether he is personally directing the governmental affairs of Mexico can be determined only by what is happening in Mexico and by the Mexican Government's attitude toward the people of the United States; by the adoption of communistic anti-American policies, and by other conditions which exist and which are growing worse every day.

Not only are crime and political assassination reported by the press to be rife but that industrial warfare abounds among the labor organizations, one of which is headed by a well-known Communist radical labor leader, Lombardo Toledano. Other press articles report that one must be

a hero—Mexican style—to walk the streets of the capital city at night; that crime is widespread, due in part to the corruption of justice; that some 28,000 crimes were committed last year in Mexico City alone; and that American tourists are assaulted and robbed and no serious effort is made by authorities to punish the wrongdoers. There is hardly an industry or enterprise in Mexico, national or foreign, which is not already threatened with or demoralized by strikes and disorders. As is natural, this brings about a food shortage, high prices, unemployment, and general political unrest, made more difficult by the failure of agricultural program and interunion conflicts. Other strikes are reported to be rampant in the coastal regions where shipping has been seriously hampered for periods lasting for months. Such internal political and economic strife fomented armed conflict. I have here hundreds of excerpts in English of articles appearing in the Mexican press since January 1, 1939.

The doctrine of the Fourth International appears to have made long strides in Mexico since Cardenas gave asylum to Leon Trotsky, but his teaching cannot become successful until civil war ensues, which may involve other nations and the United States.

A recent issue of the Mexican newspaper *Universal*, which is one of the chief daily newspapers of the capital city of Mexico, in discussing economic conditions in Mexico, says the country is fast reaching the most acute and difficult period of its history; while another paper of Tampico attributes to an army man the statement that:

The pretext of giving military training to thousands of Mexican workmen and guns to the Mexican agrarians is nothing but a farce and an excuse to form an army which at the opportune time could start a campaign of violence under the command of labor leaders.

While Mr. Trotsky fills the press with denials and accuses me of attempting to mislead the American people, it is well to remember that this subverter of peace and order was the organizer of the Red Army in Russia which he himself designated as the "labor army."

While Mr. Trotsky denies that he is the instigator of the present policies of the Mexican Government, those policies, according to widely published newspaper articles, seem to square exactly with policies of Communist Russia while he was in power, and with those of the Fourth International which he now heads.

The present political animosities, engendered by conflicting theories of economics and government in Europe, may any day cause outbreak of civil war in Mexico. Why, with intimate knowledge of the background, the policies, and influence of this subtle plotter upon conditions in Mexico, has the Government of the United States subsidized and supported the Cardenas government? And that we have done. We have given them almost unlimited help during the past 7 years by purchasing their silver, and millions of dollars have been distributed in Mexico by the more than 300,000 tourists who go there annually. Why, without serious protest have we allowed Mexico to confiscate properties of enormous value belonging to citizens of the United States, Great Britain, and the Netherlands and barter the product of those properties to other nations? Why have not the American people been better informed about what is going on in Mexico?

I have said that Trotsky was banished from Russia by Stalin. While both men are Communists, each is an avowed personal enemy of the other. Trotsky's hatred of Stalin is obvious, and this has been stated to be a prime cause why Mexico is bartering oil to the totalitarian powers, for it is they who may cause the fall of Stalin. Other reports are that Stalin now has emissaries in Mexico. Whatever the motives, I believe we ought to realize the Mexican Government is not friendly toward the United States. If there is likely to be any European or Asiatic political domination of Mexico, we should know it and act in the light of such knowledge.

Although the Mexican Government fills the press with excuses that it is dealing with the totalitarian nations because it cannot sell to the democracies, the fact remains that it has

stolen an entire industry from citizens of the United States, France, Great Britain, and Holland. For these nations to permit domestic commerce in stolen goods would be in effect ratification of Mexico's confiscatory acts and the policies of government which Leon Trotsky champions. France, Great Britain, Holland, and Belgium are reported in the press to have barred such goods. What is the status of these goods in the United States? Why have we not barred them, and thereby made it plain to all the people of our Nation that our Government did not approve Trotsky communistic activity in the United States or in Mexico?

I assert here without the slightest hesitation that if the trade pact, the barter agreement, is carried out between the Government of Mexico and that of Hitler in Germany, goods received by the Mexican Government should certainly be barred in this country.

I am not quite sure of the number of Mexicans residing in the United States who have not applied for citizenship.

In reference to that matter, I may state in passing that a bill has been introduced in the House of Representatives by the able young Representative from West Virginia, Mr. JENNINGS RANDOLPH, which would make mandatory the acquisition of American citizenship after a person from foreign shores had been in the United States of America for a period of 1 year, and I understand that bill is going to have widespread support. I make mention of it on account of the Mexican situation which I am discussing.

Some persons report that the number of Mexicans residing in the United States who have not applied for citizenship is greater than 1,000,000—with thousands on relief. At one time some 50,000 Americans went to our neighboring Republic of Mexico upon the direct invitation of its Government. They all worked there to develop Mexico. Today there are less than 5,000 Americans in Mexico, and many of that number are being driven out daily. Mexican aliens in this country above the number of Americans in Mexico should be sent home. The Mexican Government is unfriendly toward citizens of the United States. It has been doing everything it can to stir up feeling in other Latin American countries against the United States, and it has been doing all it can to embarrass our Government in world affairs by making and threatening to make alliances by economic ties with European and Asiatic powers—economic alliances, Mr. President, as a result of the confiscation of properties purchased by American capital and owned by Americans in the Republic of Mexico.

I desire to emphasize the fact that the present Government of Mexico, by its acts, seems to have become an active satellite of Trotsky's communistic Fourth International, embracing a theory of government which is wholly foreign to this hemisphere, and perilous to its cherished institutions. I stated in a recent radio address that:

The present Mexican Government is a government of anarchy. They fly the red and black flag of revolution. The workers' internationale is a hymn of hate against all foreigners, including Americans.

They teach hatred in their schools, they broadcast it. They print it in their press. Fact of the matter is, neither private property nor individual investment is safe. Human life is cheap. There they are purging the country of all foreign capital by intimidations, if not by assassinations, and by wholesale confiscations. They have confiscated farm lands belonging to Americans, and stolen oil wells dug by American capital.

When the Mexicans confiscated the oil fields belonging to Britain, John Bull immediately severed diplomatic relations with them. When the Mexican confiscated oil lands belonging to Uncle Sam were seized, we closed our eyes to these confiscations.

That is the end of the quotation from the radio address. We closed our eyes to these confiscations and to other unfriendly acts, thereby creating a world-wide impression that we were not only supporting Mexico's communistic government, but that we approved of its acts.

By barter deals, future contract arrangements, and other economic ties with European and Asiatic powers, Mexico becomes directly subservient to one or all of the governments which now or soon will be enabled to control the political affairs of Mexico as a mere colony, in violation of the Monroe Doctrine.

The Monroe Doctrine was mentioned this afternoon in the speech of the able Senator from Texas [Mr. CONNALLY]. If we enforce that doctrine, it may be termed by some aggression on the part of the United States. It may be that several governments acting with the Mexican Government are purposely testing our ability to deal with affairs at home.

As champion of peace of the Western Hemisphere, poor old Uncle Sam has been preoccupied for the past few years. More recently he has been active in European affairs, while in Mexico, right at our door, conditions dangerous to the peace and welfare of our Nation have steadily gone from bad to worse.

Apparently the stage is being set for Mexico to become, in the very near future, a battleground for ideologies of the Stalin-Trotsky communistic variety as opposed to both the totalitarian governments and the democracies.

The time of reckoning for the Mexican Government is close at hand; and if civil strife does arise in Mexico, or if outside armed aggression and resulting complications occur, it may well be laid at the door of Leon Trotsky, nee Bronstein, who so hostilely states that I am misleading the public of the United States.

I am happy to be able to state, Mr. President, that the gentleman to the south of us, Mr. Trotsky, is not today being permitted to formulate a revolution in the United States. The thousands upon thousands of Communists in the United States of America are creating more trouble and danger to this country by boring from within than we shall experience from all the armies from without for many years to come.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 185) making additional funds available for salaries and expenses, Federal Housing Administration, and it was signed by the President pro tempore.

LAWS OF FIRST NATIONAL ASSEMBLY OF THE PHILIPPINES

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate the following message from the President of the United States, which was read, and referred to the Committee on Territories and Insular Affairs.

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," I transmit herewith a copy of Commonwealth Act No. 253, passed by the first National Assembly of the Philippines during its second session, from October 16, 1937, to November 21, 1937, and copies of laws enacted during its third session, from January 24, 1938, to May 20, 1938, and its fourth special session, May 23 and 24, 1938.

The missing numbers will be transmitted to you hereafter when copies are received from the Philippine Islands.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 27, 1939.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. ELLENDER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. HUGHES, from the Committee on the Judiciary, reported favorably the nomination of Francis Biddle, of Penn-

sylvania, to be a judge of the United States Circuit Court of Appeals for the Third Circuit, to fill an existing vacancy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several general officers in the National Guard of the United States, and also the nominations of sundry citizens and officers for appointment, or for promotion, in the Regular Army.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That concludes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 53 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, February 28, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 27, 1939

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants with rank from date of appointment

Capt. William Calaway, Medical Corps Reserve.
 First Lt. James Edward Tate, Medical Corps Reserve.
 First Lt. Jack Segal, Medical Corps Reserve.
 First Lt. Harold Augustus Vinson, Medical Corps Reserve.
 First Lt. Orval Thomas Needels, Medical Corps Reserve.
 Capt. John Michael Collins, Medical Corps Reserve.
 First Lt. William Theodore Lane, Medical Corps Reserve.
 First Lt. Marion Fielding Green, Medical Corps Reserve.
 First Lt. Laurence Alexander Bilotta, Medical Corps Reserve.
 First Lt. Richard Ray Cameron, Medical Corps Reserve.
 First Lt. Charles Culmer Scamahorn, Medical Corps Reserve.
 First Lt. Philip Jack Smith, Medical Corps Reserve.
 First Lt. Frank Paul Pipia, Medical Corps Reserve.
 First Lt. Granville Leon Richey, Medical Corps Reserve.
 First Lt. Carl Bennett Stilson, Medical Corps Reserve.
 First Lt. Alonzo Bee Christie, Jr., Medical Corps Reserve.
 First Lt. Robert Farris Loughmiller, Medical Corps Reserve.
 First Lt. William Leroy Vogt, Medical Corps Reserve.
 First Lt. Robert H. Looney, Jr., Medical Corps Reserve.
 First Lt. Richard Irving Crone, Medical Corps Reserve.
 First Lt. George Frederick Ellinger, Medical Corps Reserve.
 First Lt. Raymond Taylor Jenkins, Medical Corps Reserve.
 First Lt. George Raymond Farrell, Medical Corps Reserve.
 First Lt. Philip Weber Smith, Medical Corps Reserve.
 First Lt. William Kirby Sullivan, Medical Corps Reserve.
 First Lt. Harold Thomas Little, National Guard of the United States.
 First Lt. Robert Nathan Lehman, Medical Corps Reserve.
 First Lt. Louis Franklin Saylor, Medical Corps Reserve.
 First Lt. Raymond Bender Croissant, Medical Corps Reserve.
 First Lt. Richard Stirling Bolten, Medical Corps Reserve.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY
TO QUARTERMASTER CORPS

Capt. Richard Tonkin Mitchell, Infantry, with rank from August 1, 1935.

TO FINANCE DEPARTMENT

Capt. Benjamin Harrison Graban, Cavalry, with rank from June 16, 1930.

TO ORDNANCE DEPARTMENT

First Lt. Paul Nelson Gillon, Coast Artillery Corps, with rank from June 13, 1936.

First Lt. Russell Roland Klanderman, Infantry, with rank from June 13, 1936.

TO CAVALRY

Second Lt. John Fleming Polk, Infantry, with rank from June 12, 1937, effective June 12, 1939.

TO FIELD ARTILLERY

First Lt. John Eidell Slaughter, Infantry, with rank from June 12, 1938.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. Donald Hilary Connolly, Corps of Engineers, from February 18, 1939.

Lt. Col. Raymond Foster Fowler, Corps of Engineers, from February 18, 1939.

TO BE LIEUTENANT COLONELS

Maj. Francis Artaud Byrne, Infantry, from February 18, 1939.

Maj. Farragut Ferry Hall, Quartermaster Corps, from February 18, 1939.

TO BE MAJORS

Capt. David Marshall Ney Ross, Infantry, from February 18, 1939.

Capt. Robert Battey McClure, Infantry, from February 18, 1939.

APPOINTMENT TO TEMPORARY RANK IN THE AIR CORPS IN THE
REGULAR ARMY

Lt. Col. Harold Aron Strauss, Air Corps, to be colonel, from February 18, 1939.

APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES
GENERAL OFFICER

Brig. Gen. Thomas Alexander Frazier, Adjutant General's Department, Tennessee National Guard, to be brigadier general, Adjutant General's Department, National Guard of the United States.

PROMOTIONS IN THE NAVY

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the 23d day of June 1938:

Richard W. Ruble

William E. Hennigar

Samuel G. Fuqua

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

Joyce A. Ralph, September 1, 1938.

Philip D. Lohmann, December 1, 1938.

John A. Morrow, January 1, 1939.

William J. Mullins, January 26, 1939.

John R. Johannesen, February 1, 1939.

Lt. (Jr. Gr.) Oscar E. Hagberg, to be a lieutenant in the Navy, to rank from the 1st day of December 1938.

The following-named surgeons to be medical inspectors in the Navy, with the rank of commander, to rank from the 23d day of June 1938:

Enoch G. Brian

Harry A. Keener

Chaplain Harry M. Peterson to be a chaplain in the Navy, with the rank of commander, to rank from the 23d day of June 1938.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 27, 1939

POSTMASTERS

LOUISIANA

Ella D. Farr, Gilliam.

Philip C. Girlinghouse, Jena.

Leon S. Haas, Opelousas.

MONTANA

Alvin O. Lien, Brockton.

NEW JERSEY

Ethel Cranmer, Ship Bottom.

HOUSE OF REPRESENTATIVES

MONDAY, FEBRUARY 27, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Spera Montgomery, D. D., offered the following prayer:

To Thee, O Lord, we breathe our grateful prayer of praise. For the refreshment of divine truth and love, for the bread that feeds the immortal soul, for the treasures of conquering faith, and for the gift of Him who brings tidings of peace on earth to men of good will—for these undying blessings do Thou receive our humble thanks. Grant that our thoughts may be large, our ideals lofty, and our service heroic. As servants of our Republic, help us to set them forth in actual life and in practical conduct. Heavenly Father, remember the great army of workers who serve without trumpet, whose names are written only in the book of human life. Almighty God, multiply their numbers and increase their power, and assure them that they will yet change the scarred face of this torn earth. We beseech Thee to swell the current of peace that comes from across the sea. May it surge and live until the legions of war are transformed into the ranks of good will and brotherhood and lifted to the higher states of power and blessing. In the name of Jesus. Amen.

The Journal of the proceedings of Friday, February 24, 1939, was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hess, one of his secretaries.

EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include certain excerpts and an explanation thereof.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include a speech made by the Solicitor General of the United States at Topeka, Kans., on the 22d of this month.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. HOUSTON]?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein Senate Memorial 2, passed by the Senate of Montana, in relation to the Townsend plan, and also Senate Joint Memorial 5, passed by the Senate of Montana, in reference to the beet-sugar industry.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. O'CONNOR]?

There was no objection.

Mr. LEWIS of Colorado asked and was given permission to extend his own remarks in the Record.

Mr. THORKEKELSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. THORKEKELSON]?

Mr. WOODRUM of Virginia. Mr. Speaker, reserving the right to object, may I ask that the gentleman withhold that request for a few moments?

Mr. THORKEKELSON. I will be glad to.

ADDITIONAL FUNDS FOR FEDERAL HOUSING ADMINISTRATION

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 185, making additional funds available for salaries and expenses, Federal Housing Administration.

The Clerk read the joint resolution, as follows:

House Joint Resolution 185

Joint resolution making additional funds available for salaries and expenses, Federal Housing Administration

Resolved, etc., That in addition to the funds made available to the Federal Housing Administration for administrative expenses by the Independent Offices Appropriation Act, 1939, not to exceed \$1,375,000 of the mutual mortgage insurance fund and not to exceed \$1,125,000 of the funds advanced to the Administration by the Reconstruction Finance Corporation are hereby made available for administrative expenses of the Administration for the fiscal year 1939, including the same objects specified in the provisions for such expenses of such Administration in such act: *Provided*, That such additional funds shall be available for administrative expenses of the Administration for the fiscal year 1939 heretofore or hereafter incurred and otherwise properly chargeable thereto.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

Mr. TABER. Mr. Speaker, reserving the right to object, to ask the gentleman from Virginia a question. This item, as I understand it, comes in a unanimous report from the Committee on Appropriations?

Mr. WOODRUM of Virginia. That is correct.

Mr. TABER. It provides funds which were originally carried in the independent offices bill as that bill passed the House, and takes care of funds which are required to meet the additional duties imposed on the Federal Housing Administration subsequent to the consideration of the last deficiency act?

Mr. WOODRUM of Virginia. That is correct.

Mr. TABER. There has been no previous opportunity to provide this money?

Mr. WOODRUM of Virginia. That is correct.

Mr. TABER. And this amount has been eliminated from the independent offices bill?

Mr. WOODRUM of Virginia. In conference; yes.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

The House joint resolution was agreed to, and a motion to reconsider was laid on the table.

PHILIPPINE ISLANDS

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs.

To the Congress of the United States:

As required by section 2 (a) (11) of the act of Congress approved March 24, 1934, entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes," I transmit herewith a copy of Commonwealth Act No. 253, passed by the First National Assembly of the Philippines during its second session, from October 16, 1937, to November 21, 1937, and copies of laws enacted during its third session, from January 24, 1938, to May 20, 1938, and its fourth special session, May 23 and 24, 1938.

The missing numbers will be transmitted to you hereafter when copies are received from the Philippine Islands.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, February 27, 1939.

EXTENSION OF REMARKS

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein Joint Resolution 23 of the California Legislature.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

Mr. BARTON asked and was given permission to extend his own remarks in the RECORD.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address made by myself last week.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. THOMAS]?

There was no objection.

Mr. THORKEKELSON and Mr. GREGORY asked and were given permission to extend their own remarks in the RECORD.

DISTRICT OF COLUMBIA

The SPEAKER. This is District of Columbia Day.

JOHN PHILIP SOUSA BRIDGE

Mr. RANDOLPH. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up for immediate consideration the bill (S. 494) to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King," John Philip Sousa, composer of The Stars and Stripes Forever.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the bridge authorized to be erected over the Anacostia River, in the District of Columbia, in the line of Pennsylvania Avenue be hereafter known as the John Philip Sousa Bridge.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIGHTING OF STREETS IN THE DISTRICT OF COLUMBIA

Mr. RANDOLPH. Mr. Speaker, by direction of the Committee on the District of Columbia, I ask unanimous consent to take from the Speaker's table the bill (S. 1294) to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, and so forth, shall be lighted, and ask its immediate consideration.

I may say in this connection, Mr. Speaker, that the Committee on the District of Columbia has reported out an identical House bill which is now on the calendar.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia, subject to appropriations therefor, are hereby authorized and empowered to require that all public and other lamps under their control be lighted during such hours as in their judgment will most effectively promote the safety and convenience of the public.

Mr. RANDOLPH. Mr. Speaker, in connection with this bill I wish to take just a few minutes of the time of the House to say that at present the lights on the District of Columbia streets, which you and hundreds of thousands of other persons in the District of Columbia use every day, are so regulated by statute passed by Congress that they have to be turned on at a certain time and turned off at a certain time, and these times have been designated by law. We believe the Commissioners should certainly have discretionary power to turn on and off the lights on the streets of the District of Columbia. They should be given regulatory power at once.

I bring this matter to your attention because we know of the sadness which came recently to one of the Members of this body, the gentleman from Florida [Mr. CALDWELL] when his son was hit and killed by an automobile. The driver and the car vanished. This accident happened on a damp, foggy, wet morning, at a time when it was dark in the District, yet

under the statute the lights had been turned off instead of remaining on at that hour.

This is the only explanation I desire to make, but I felt the membership would want to know the reason for a bill such as this being brought to your attention.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3948) was laid on the table.

DAVID R. THOMPSON AND RALPH S. WARNER

Mr. RANDOLPH. Mr. Speaker, I call up the bill (H. R. 2261) to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department, and ask unanimous consent that it may be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 316) may be considered in lieu of the House bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia; compensation to commence from the date of such reappointment only, and no pay or compensation to be paid them from the date of their dismissal from the Metropolitan Police Department to the date of such reappointment.

Mr. RANDOLPH. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANDOLPH: Strike out all after the enacting clause and insert in lieu thereof the following:

"That the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to set aside the trial-board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department of the District of Columbia."

Mr. DIRKSEN. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I just wish to say to the membership of the House in connection with this bill that over the last 6 or 7 years since I have been a member of the Committee on the District of Columbia I have made it a policy to oppose any effort to reinstate any police officer if he has had a hearing by the trial board and has been dismissed as a result of the findings of such board.

In the case of the officers, however, who are covered by the pending bill, it would appear that a very apparent and palpable injustice has been done these two gentlemen. The matter has been thoroughly investigated. A special investigating committee has labored on the matter at great length. The Commissioners of the District of Columbia have notified the chairmen of the House District Committee and the Senate District Committee that in their judgment an injustice has been done. Hence, there is before you now the reinstatement of the two officers who were dismissed.

I wish to make it very clear to the House that as a general thing the Committee on the District of Columbia as such seldom seeks to go beyond the findings of the trial board whenever it comes to reinstating officers, as the thing works at the present time. The trial board takes testimony and makes its findings. The officers are dismissed. It is so easy for them to enlist their friends on the House and Senate District Committees, and we have had this matter to contend with over a period of years. It is only because there is a

very evident injustice in the present case that I go along with the chairman of the District Committee and support the measure.

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Iowa.

Mr. DOWELL. Have the Commissioners any power to reconsider and change the decision of the trial board without an act of Congress?

Mr. DIRKSEN. No. That is the reason the bill is here at the present time. The Commissioners of the District of Columbia are without any authority whatever to make a reinstatement after there has been a dismissal on the basis of findings by the trial board, so the matter must come back here for legislative action.

Mr. DOWELL. The trial board cannot reconsider its action?

Mr. DIRKSEN. No.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. DIRKSEN. I yield.

Mr. TABER. Have the District Commissioners indicated to the gentleman's committee that they do not object to this bill?

Mr. DIRKSEN. That is right, so it is a satisfactory procedure all the way along the line.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. I may say that what the gentleman from Illinois [Mr. DIRKSEN] has said is absolutely true. Further, we of the House committee believe that in being reinstated these men should be compensated for the time they have been off the force. If we pass this bill containing the amendment I have offered, the Senate and the House of Representatives will go to conference on that matter. We desire to do what it is fair and right. Justice certainly must be extended to these two former officers of the Metropolitan Police force.

The SPEAKER. The question is on the amendment offered by the gentleman from West Virginia.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A House bill (H. R. 2261) was laid on the table.

The title was amended so as to read: "A bill to authorize and direct the Commissioners of the District of Columbia to set aside the trial-board conviction of Policemen David R. Thompson and Ralph S. Warner and their resultant dismissal, and to reinstate David R. Thompson and Ralph S. Warner to their former positions as members of the Metropolitan Police Department."

Mr. RANDOLPH. Mr. Speaker, this finishes the business on the calendar today from the District of Columbia Committee.

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an excerpt from a bill I have introduced and also a letter and resolution with reference to it.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. St. Claire, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 185. Joint resolution making additional funds available for salaries and expenses, Federal Housing Administration.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1940

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

state of the Union for the further consideration of the bill (H. R. 4492) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes; and pending this motion, I would like to develop the prospect of a unanimous-consent agreement to limit general debate. I may say to the House that we have very few requests for time on this side of the Chamber; and may I ask the gentleman from New York [Mr. TABER] how he is situated with respect to such requests?

Mr. TABER. Mr. Speaker, I have requests for about an hour and a half of time, but I may be able to be released from part of it, although I shall certainly require most of that time.

Mr. LUDLOW. The gentleman knowing the present situation, can he make any suggestion with respect to the time?

Mr. TABER. Suppose we try 3 o'clock? I think we can get through in that time.

Mr. LUDLOW. I am sure that will be satisfactory on this side.

Then, I couple with my motion, Mr. Speaker, the request that general debate be concluded at 3 o'clock this afternoon, the time to be equally divided between the gentleman from New York and myself.

The SPEAKER. The gentleman from Indiana moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4492); and pending that motion, asks unanimous consent that general debate on the bill be concluded at not later than 3 o'clock this afternoon, the time to be equally divided between himself and the gentleman from New York. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4492, the Treasury and Post Office Departments appropriation bill, fiscal year 1940, with Mr. BOEHNE in the chair.

The Clerk read the title of the bill.

Mr. LUDLOW. Mr. Chairman, I believe we are about 37 minutes ahead of the gentleman from New York with respect to time consumed in general debate. Would the gentleman from New York care to yield some time now?

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, you will observe, on page 35, of the hearings on the pending bill, that the Secretary of the Treasury accounted on the silver-purchase program carried on under the Silver Purchase Act of 1934.

Ever since the Silver Purchase Act of 1934 has been on the books I have been deeply interested in the administration of that act and have come, of course, to the same conclusion that is shared by most of the economists and most of the students of the silver problem of the country, in that we can best serve the people of the United States of America by expunging from the statute books as quickly as possible the Silver Purchase Act of 1934.

All the figures that are necessary in order to get some idea of what has happened under the Silver Purchase Act are disclosed by the Secretary of the Treasury and you will find them in the hearings.

You may recall, of course, and I shall refresh the memory of those who do not recall acutely, what the basic provisions are in the Silver Purchase Act. It sought to establish in our monetary system an amount of silver equal to one-fourth of the gold supply. It not only authorized the Secretary of the Treasury to purchase silver, but it directed the Secretary to purchase silver and ever since that act has been on the books, the Secretary of the Treasury has been purchasing silver both in this country and in foreign countries and will continue to do so until such time as silver reaches the value of \$1.29 an ounce, or until the ratio of silver to gold in our monetary system shall be as 1 to 3.

Now here are the purchases that have been made since 1934. First of all, under the act, Congress nationalized silver and then authorized the purchase of domestic silver, not newly mined, at the rate of 50 cents an ounce. Under that program the Secretary has purchased up to the 20th of January, 113,000,000 ounces of silver, costing \$56,500,000.

Secondly, he carried on a great silver purchase and acquisition program in foreign countries, including Great Britain, Spain, Mexico, India, China, and other countries, and under that portion of the program there was purchased up to the 20th of January 1,535,760,000 ounces of silver costing \$820,000,000.

The third leg of the program provides for the purchase of newly mined silver, ostensibly as a subsidy to the silver mines of the country and, probably, to bring some degree of relief to those who are engaged in silver mining in the Western States. We pay 64.64 cents for newly mined silver and thus far, under the program since 1934, there has been purchased about 253,000,000 ounces of newly mined silver, costing \$185,500,000.

There you have acquisitions that cost this country over a billion dollars under the silver-purchase program of 1934, and the only virtue in this whole program is the acquisition of a lot of useless metal with money that must be reflected in the national debt and in the deficit borrowings. It constitutes a tremendous burden upon the taxpayers, will reflect an increase in the interest cost, and the net result is that we take the silver and bury it in a hole up at West Point, N. Y., so that for all practical purposes, and so far as our monetary base is concerned, it does not do this country one iota of good.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Let me finish this statement, please; then I shall be pleased to yield.

Now we have over \$1,000,000,000 worth of purchased silver, but let us see how close we have come to the objectives of the Silver Purchase Act. Understand, there are two stops. They will stop when silver reaches \$1.29 an ounce, or when the ratio of silver to gold is as 1 to 3 in our monetary system. On the 20th of January 1939 we had in our gold stock \$14,607,000,000, and if we take silver at its monetary value of \$1.29 an ounce, it would have been necessary to have or to acquire \$4,869,000,000 worth of silver. How much is to be acquired after we have already purchased 113,000,000 ounces of domestic, 253,000,000 ounces of United States newly mined silver, and one and a half billion ounces from foreign countries? When would you think, after these astronomical figures, we would reach our objective? As a matter of fact, the amount of silver still to be acquired before we reach that objective at \$1.29 is \$1,531,000,000, so that despite the tremendous accumulations of useless metal acquired under an edict that has been forced upon the Secretary of the Treasury by Congress in 1934, we are spending the taxpayer's money and increasing the national debt and increasing the carrying charge and the interest cost on the national debt and taking the silver up to New York and burying it in the ground at West Point.

At the present time we have a total of 2,575,000,000 ounces of silver. It is the greatest quantity of silver that has been held by any nation in the history of the world. We have enough silver to make two dozen sterling-silver teaspoons for every man, woman, and child of the 130,000,000 population in this country, and I say that it is about as useless as two dozen sterling-silver spoons would be to a 6-months-old baby in diapers.

What is the effect of this program? First of all, it is a subsidy to the silver producers in the West, and, oddly enough, it is in large part a subsidy to only a very select group.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. TABER. On top of that, it is a subsidy running to a few dollars to the silver purchased in the West, but running to millions and millions and billions of dollars to the foreign producers of silver.

Mr. DIRKSEN. Precisely so; and I will come to that directly, but first I want to point out that it is a subsidy to a very limited group in our population. Insofar as I can find out from the report of the Department of Commerce, and from the Minerals Year Book, there were 2,838 persons, including those who work in the silver mines, the executives and the superintendents, who were actually identified with the mining of silver in this country. There were only 78 actual silver mines, but whatever subsidy there is, goes in large measure to 25 mines. The Minerals Year Book of 1938 issued by the Bureau of Mines indicates on page 67 that 72 percent of the silver that was produced in 1937 was produced by 25 top mines. That means that if there is a subsidy, 25 mines are getting 72 percent of that subsidy. I remember when the Silver Purchase Act was before the House in 1934. I remember also the debates on the Senate side. I remember that one distinguished member of another body got up and indicated that this would not cost the country anything, because it would operate as a relief for 400,000 people out in the western States. Frankly, Mr. Chairman, I have been unable to find those 400,000 people, and I suppose the Bureau of Mines and the Department of Commerce have not been able to find them either.

The names of these large silver producers are most interesting and I hope that if and when some of the devotees of the silver-purchase program essay to speak on this matter, they will make some comment on how these huge companies who have always been the target for the administration's wrath, should come in for such a generous subsidy.

The list includes the Anaconda Copper Mining Co., the Phelps Dodge Corporation, the United States Smelting, Refining & Mining Co., the Hecla Mining Co., the Butte Copper & Zinc Co., the Tonopah Mining Co. of Nevada, the Utah Copper Co., the Treadwell Yukon Co., Ltd., and many others.

I can remember the time when some of these corporations were assailed as the corporate octopi whose tentacles were wound around the economic structure of America but somehow, they bask in the light of popularity today because they are the recipients of the silver subsidy that is paid out of the pockets of the American taxpayers.

We have bought newly mined silver to the extent of 253,000,000 ounces. Some of it we bought at 77½ cents an ounce, some at 71 cents, and some at 64.64 cents an ounce. At the present time, under the President's proclamation, we are paying 64.64 cents an ounce for newly mined silver. What is the world price today? Pick up any New York newspaper and look at the market reports, and you will find that the world price is about 43 cents an ounce. The dentist who buys silver to fill a tooth pays 43 cents an ounce and the jeweler who buys it pays 43 cents an ounce, but when Uncle Sam buys newly mined silver he pays not 43 cents an ounce but 64.64 cents an ounce, so that you have a subsidy or a premium of something over 20 cents an ounce. Assume that subsidy has continued at about that net level figure since 1934, then you have had a subsidy for a very small group of people amounting to pretty close to \$50,000,000 since 1934. If we subsidize the rest of the people of the country in like proportion, we might as well lock up shop and go home, because then we will have put the skids under the United States of America. That is No. 1 reason why the Silver Purchase Act ought to be repealed. It is an unparalleled and outrageous subsidy that is unnecessary, that goes to but a small group of producers, that has effected no economic good for the Nation, and which has not lived up to a single claim made for it when it was enacted in 1934.

Reason No. 2 is that it has been purveying great and indefensible benefits to speculators everywhere in the world and to smugglers in foreign countries who saw an opportunity to smuggle silver out of their countries and sell it to the United States at a fancy profit and at a burdensome cost to our taxpayers.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?
Mr. DIRKSEN. I yield.

Mr. WOLCOTT. The gentleman's first point calls attention to the fact that the price of silver is 42 cents now. I want to call the attention of the Committee to the point

that that is in the terms of the new gold dollar. If it were on the basis of the old gold dollar, the price of silver would be less today than it had been at any time in 25 years, or, in other words, about 25 cents.

Mr. DIRKSEN. I will say that I wanted to be charitable and I did not include the factor of gold devaluation. Even on that basis it presents a rather staggering picture that requires the attention of the Congress, and very soon.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. LEWIS of Colorado. The gentleman objects to this entire policy; is that correct?

Mr. DIRKSEN. I certainly object to that portion of the Silver Purchase Act that calls for the acquisition of the amount of silver that shall be at the ratio of 1 to 3 in the gold system, for in my judgment it is injecting into our monetary system a cancerous growth that ultimately is going to add, and does add now, to the lack of confidence in the country, which is at the very basis for the failure of this country to move forward. You cannot have a dependable monetary system when you get to jockeying around with it as we have done under the Silver Purchase Act of 1934, and acquire at the expense of an increase in the public debt, a vast amount of useless metal for an amount that is right now 20 cents above the world price. That is something that will not stand up in the light of argument or reason.

Mr. LEWIS of Colorado. Will the gentleman yield further?

Mr. DIRKSEN. I yield.

Mr. LEWIS of Colorado. Passing for a moment that phase of the question, that is, the objection to the purchase of foreign silver, does the gentleman still object to the purchase of newly mined domestic silver?

Mr. DIRKSEN. I think I do if we are going to have to buy silver at a premium of 20 cents an ounce when the world price today is 43 cents an ounce.

Mr. LEWIS of Colorado. You regard it as a subsidy, do you?

Mr. DIRKSEN. I regard it as an outrageous subsidy, when we could have purveyed relief to every silver miner in the country and bought him a new bungalow and 10 acres of land and put him on a pension for life for what this Silver Act has cost the country.

Mr. LEWIS of Colorado. For the purpose of the argument only, let us dismiss all except the purchase of newly mined silver. You say it is a subsidy. Let us grant that, for the purpose of the argument. The gentleman regards it, though, as an objectionable subsidy, as I understand?

Mr. DIRKSEN. I just so characterized it, I think.

Mr. LEWIS of Colorado. You do characterize it as an objectionable subsidy. The gentleman realizes that there are other subsidies in this country granted by the Government of the United States, does he not?

Mr. DIRKSEN. None in the proportion that this was granted.

Mr. LEWIS of Colorado. It is a matter of degree, then, and not a matter of principle; is that right?

Mr. DIRKSEN. I object to the principle and I object to the degree.

Mr. LEWIS of Colorado. Has the gentleman objected to the subsidies granted to the farmers?

Mr. DIRKSEN. No. If there is going to be a subsidy by enactment of this Congress, then let it be a uniform subsidy. But this kind of a subsidy cannot be defended on any ground that I know of, both as to the degree and as to the principle. When you talk about a subsidy for farmers, you are bringing in some considerations that certainly are not as divergent as you will find in the world price of silver.

Now, I want to get to the end of this without taking too much time, and I do not yield further, Mr. Chairman.

When the Silver Purchase Act was on this floor in 1934, men just literally beat their breasts, and their stentorian voices went up to the ceiling as they talked about the tremendous amount of good that would be done for foreign countries. It was going to stimulate the purchasing power

of foreign countries. It was going to make it possible to do some business with China. It was going to substantially increase purchases by Mexico. In proportion as it did, manifestly, according to them, it would solve the unemployment problem. Let us see what has happened. The record is very clear.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DIRKSEN. Now, let us look at China, as far as the benefits of the Silver Purchase Act were concerned. Instead of assisting China it resulted in the debasement of China's coin. It stimulated Chinese speculators and smugglers to get silver out of the country. It introduced a wave of price devaluation in China, and it ran China off the silver standard and on to a managed currency standard. There is nobody who will stand up in his place and deny that that has been the effect of the silver-purchase program.

Mr. WHITE of Idaho. Will the gentleman yield right there?

Mr. DIRKSEN. No; I will not.

Secondly, with respect to Mexico, everybody in this House will remember the sharp message that came from the Mexican State Department and the President of Mexico as a result of the effect of the silver act upon the economic fabric of Mexico.

They have been a long time getting over the disastrous effect that this silver policy had upon the internal economy of our neighbor to the south.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. No; I decline to yield.

Mr. WHITE of Idaho. The gentleman knows better.

Mr. DIRKSEN. So while we gave a subsidy to the domestic producer of newly mined silver, this silver program is at the same time the delight of the foreign producers, smugglers, and speculators, since 80 percent of our silver comes from foreign countries. It has had a very definitely disturbing effect upon the economy of other silver countries.

Finally, we are left here with a huge hoard of silver which if we ever undertook to sell must be sold at the world price and at very much of a loss. Look at the hearings, page 65. There you will see Mr. Bell's testimony. We paid from \$1,500,000,000 to \$1,750,000,000 for the silver. Mr. Bell was asked what we could get for it if we had to sell it, and he said either \$900,000,000 or \$1,000,000,000. It means a loss of almost half a billion should we attempt to liquidate this hoard of metal which is a canker and a sore to the monetary system of the country. It is high time we were doing something about it, and this Congress can do something about it. Last week I filed a discharge petition at the Clerk's desk. Incidentally, it is the first discharge petition filed in the Seventy-sixth Congress. It calls for the repeal of the Silver Purchase Act of 1934. If this Congress, in line with the demands of the people and in line with the mandate that was expressed on the 8th day of November in this country, wants to resolve confidence on the part of the business structure, let us give them a dependable monetary system. One of the first steps in the direction of resolving confidence and stimulating a wedlock of idle dollars and idle hands in the direction of prosperity will be when this abomination which is known as the Silver Purchase Act of 1934 is taken off the books.

Foreign newspapers, like the India Times, for instance, said that so far as the preamble to the Silver Purchase Act was concerned—when we had a preamble in the bill—

For sheer economic nonsense, the preamble to the silver declaration is hard to beat.

That is the evaluation placed upon it by experts in silver countries like India.

It is about time this Congress got wise and took this abomination from the books. We can do it now; and I admonish you that if you want to do something in the direction of resurrecting confidence in the country so we can start on

the long, uphill climb that represents the high road of prosperity, I suggest that you march right up to the Clerk's desk and put your signature on the discharge petition so we can get action. There is a reason for this. The Silver Purchase Act expires on the 30th day of June. I suppose that in the last week of June a resolution will be brought in to continue it—you know how such things are done in the last days of Congress when adjournment fever strikes Congress—and then the resolution will have to be acted on at the other side of the Capitol. The better way to do it is the more leisurely way of considering now the ultimate repeal of the Silver Purchase Act, to discharge the Ways and Means Committee from further consideration of the bill, and then have it brought to the floor while we still have time and leisure and are still free from that sense of haste under which such an act ought not to be considered. [Applause.]

[Here the gavel fell.]

Mr. LEAVY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. The time is under the control of the gentleman from Indiana and the gentleman from New York.

Mr. DIRKSEN. One other important aspect of this matter needs consideration also, and that is the inflation of our currency. The Treasury purchases silver at 43 cents, or newly mined silver at 64.64 cents per ounce, and then issues certificates on the basis of \$1.29. On June 30, 1933, before this Silver Purchase Act was on the statute books, there was \$360,399,000 worth of silver certificates in circulation outside the Treasury and the Federal Reserve. On June 30, 1938, silver certificates in circulation had reached the staggering total of \$1,230,000,000. Thus by leaps and bounds we have inflated our currency by the specious device of issuing silver certificates far in excess of the bullion value of the silver. Some day this house of silver may topple upon its sponsors, and they will then wonder what is wrong with the country.

The Secretary of the Treasury is under a mandate. He can do no other than fix the price of silver every day and then buy whatever is offered. No one can read the hearings on this bill without detecting in the answers of the Secretary to the questions propounded to him an earnest hope that the Congress will get busy without delay and repeal this monetary monstrosity.

Now is the time to do yeoman service in the interest of the Nation by going to the Clerk's desk and signing the discharge petition.

Mr. O'NEAL. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, in the light of recent happenings, I think this is an appropriate time for someone to offer observations on Americanism; and I should like, in the time at my disposal, to give utterance to a few random thoughts on this subject to you, my fellow Members of the House of Representatives, who, in my judgment, take your Americanism straight.

I have been very much gratified to receive lately many letters from people in various walks of life who live in the district I have the honor to represent stating vehemently their indignation at the meeting recently held in the city of New York by the German bund. I am glad to see that there is an awakening of the public conscience with reference to the dangers within our own borders to the Americanism that we prize coming from propagandists of foreign governments. From such little knowledge as I have of the German tongue, I think the word "bund" means "bound." Consequently those in our country who profess allegiance to the German bund are bound to Germany; and I for one—and I think in company with the great mass of American people—would be glad to change that to "bound for Germany." [Applause.] Whatever the lineage or the location of our ancestors, it behooves everyone who claims to be an American to be bound to America. And fortunately we have patriotic citizens whose ancestors lived in many lands.

I think it well for the people of this country to know the solid ground upon which our American Government is founded, and I believe that we, as missionaries to them,

should disseminate that information and spread the enduring doctrines of our republican form of government at every time and in every place within our power.

It has been many centuries since Tacitus said that a republican form of government is more easily applauded than realized. That statement is true. In theory it is the most perfect form of government; in practice, naturally, it has many obstacles to overcome. This fact probably led to the remark of an eminent Englishman to the effect that in a democracy the people are ever eager for rapid progress, and the only progress which can be rapid is progress downhill. Perhaps the difficulties of a democracy arise from the facts that people are people and that human nature is human nature. It cannot come into full flower in a single generation.

Let us look for a few moments at this Government of ours and see upon what it is based.

You will remember that Mr. Gladstone said of the Constitution of the United States that it was the greatest document ever struck off at a given time by the brain and purpose of man. The statement with reference to the pre-eminence of that immortal document is, in my judgment, quite correct, but I cannot agree with that part of it which says that it was struck off at a given time. It came, rather, as the heritage of the ages, through slow processes of progress and development, attended with strife, suffering, hardship, and even bloodshed.

Let us go back and trace briefly at least one source of our Government, that part of it which came from the Anglo-Saxon people. You will recall that in the early centuries the great masses of people had no liberties and no privileges except such as were vouchsafed to them by the kings and the ruling classes. The Crusades and the English wars decimated the ranks of the nobility, and the masses of the people then began to feel a sense of greater power. This was a very gradual process.

There came the extension of the postal system that enabled the people to correspond with one another and exchange ideas. There came the invention of the printing press, which enabled the man in the hut to read the printed page as well as the prince in the palace. There came the invention of firearms, by which the humblest could protect himself against the most mighty. With these means of communication and with this means of defense, the sense of class consciousness and power grew and developed and the people determined to rise and claim for themselves their own rights, formerly accepted perforce as mere privileges granted to them from the ruling classes. This led, as you know, to the Magna Carta, when the barons wrested from old King John at Runnymede that great charter of liberty. So, having wrested from the kingly authority these rights which belonged to the great masses of the people, our fathers came over to this country imbued with those ideas and determined not to surrender those rights, and so they sought to establish a government quite different from that of the kingly or dictatorial rule.

It will be recalled that some of the followers of Washington, remembering the conditions under which their people had lived for centuries, wanted to make him king but that great patriot was done with things kingly and was a leading spirit in helping with the organization of this democratic country. So in contradistinction, it is quite significant to note that our doctrine of government begins not with the king or with the nobility, but with the people and that they stated in the organic law that we, the people of the United States, ordain and establish this Constitution. It devolves upon you and upon me and upon all Americans to keep our country true to these principles upon which the fathers founded it.

I wonder at the foresight and vision and prescience of these marvelous men who gave us this organic law and the principles upon which our Government is founded, coming as the rich heritage of the ages through slow processes and through much suffering. Their wisdom is reflected in the fact that these principles have not been changed in 150 years. They have not been changed because truth does not change. The

Bible is just as applicable today as when the written words came from the hands of the sacred writers. We have in our Nation enduring principles of government, and it behooves us all to realize this fact in full appreciation of its worth.

If you will look at the amendments to the Constitution of the United States—and practically speaking, there have been only 11, inasmuch as the first 10, or the Bill of Rights, were substantially a part of the original instrument—you will see that they go principally to the machinery of government and not to the principles upon which the fathers founded this country. I wish I had time to elaborate upon that, but through your own study and your own research you will attest the accuracy of the statement I have made. It is significant also that, though the men who gave us our Government in our organic law were eminent statesmen, the commercial interests of our country, the businessmen, if you please, were principally responsible for the formation and the adoption of this instrument.

Why do I say that? It will be recalled that the year before the Constitutional Convention there was a convention held at Annapolis, the purpose of which was to amend the old Articles of Confederation so that the Thirteen States, which in many instances had their own tariff restrictions, their own moneys, and their own armies, might have an opportunity to trade among themselves and break down the commercial barriers at State lines. There was no disposition for a central government with great authority and with the power to tax; but they wanted some basis of commercial intercourse, and the Constitutional Convention was, as a matter of fact, the aftermath of that convention at Annapolis. The tardiness in the ratification of the Constitution was due in some degree to the fact that the delegates had exceeded their authority, inasmuch as it had been their designated purpose to get some basis of trade among the Thirteen States. So I say that this document is in contradistinction to those which prevail in some countries across the seas, because ours is a Government of the people. And inasmuch as business was so largely responsible in giving us this Government, it devolves upon business also to preserve and promote it.

Business in its various phases is the natural, the normal, and the only source of governmental revenue and of private employment. In my judgment, we could relieve many of the ills that exist today if legitimate business were permitted to proceed with certainty and with a reasonable expectation of a fair profit, and if we could get back into the great body of our people that same spirit of stamina, self-reliance, and thrift which characterized the men who gave us the United States of America. [Applause.]

Let a governmental bond issue bearing 2½ percent be offered to the American people and it will be oversubscribed many times, which is an indication of the fact that the idle capital of this country, and there is plenty of it, cannot find a commercial investment from which it can be assured that the capital will be protected and the yield be as much as 2½ percent.

So I say if we want to relieve unemployment, if we want to get this country back on the basis on which the fathers founded it, it behooves us to return to and adhere to those original principles.

With reference to the distinction between America and some of these lands across the sea it is readily observed from this random recital that we build this country for permanence, and the institutions reflect that spirit. Listen! If three men in Europe were to pass away before the rising of tomorrow's sun there would be a state of chaos over there. Just what it would be no man knows, but I think no one would dispute the fact that conditions would be chaotic, because those countries in each instance are founded upon one man, and the people are actuated by fear of that man and not by love of their institutions as we are over here. In this country a thousand of our most important men in all branches of our enterprise and endeavor might pass away before the rising of tomorrow's sun, and this great Nation of freedom, of liberty, of faith, and of hope that the fathers gave us would go right

on, because it is builded for permanence upon enduring and eternal governmental truths which must have come in the first instance from the Almighty Himself.

I believe I called attention in a talk I made in this Chamber last year to a very pertinent remark. When James Russell Lowell, the American poet and a statesman of no mean ability, was visiting in France he had a talk with Francois Guizot, who had been a Prime Minister of France, as you know, and was a great historian. Guizot asked Lowell how long the American Republic would endure. Lowell answered very aptly:

As long as the principles of its founders remain dominant in the hearts of its people.

I am glad to see the people are awakening to the dangers of these spurious "isms" which propagandists from abroad are spreading in this land of ours. You will recall that in the Farewell Address of George Washington, read in our hearing a few days ago, he himself uttered words that were practically prophetic when he stated that the time might come in this country when some would rise seeking to undermine what they could not overthrow.

What I think of those propagandists who are preaching these spurious doctrines is pretty well illustrated by an incident about which I read many years ago in that book of the old-timers by Mr. Baldwin, *The Flush Times of Alabama and Mississippi*. In those days executions were public. A man was passing along the road when a very notorious and desperate criminal had just been hanged and was still wriggling at the end of the rope. This law-abiding citizen pointed up at him and said, "There he is, standing on nothing and kicking at the Government." I hope the time will come when these propagandists over here, who are standing on nothing and kicking at this Government, will be sent back to live under the regimes that practice the things they preach, where there is no such thing as liberty, where there is no such thing as freedom of speech, where there is no such thing as freedom of religious worship, where there is no such thing as freedom of fraternal gatherings, and where they live in an atmosphere of constant fear and uncertainty.

You know, we made a very laudable effort a good many years ago to make the world safe for democracy. In that struggle we sacrificed some of the flower of the manhood of this great country of ours. It was a noble enterprise, but unfortunately it has failed. It has left many boys sleeping beneath the poppies in Flanders fields and brought others back sick and maimed and wounded to our own shores to be cared for. It was a laudable undertaking to make the world safe for democracy, but what behooves you and me today as representatives of the American people in the Congress of the United States is to see that we keep democracy safe for America. [Applause.]

I like to reflect often upon the epitaph of Thomas Jefferson. You are all familiar with its lines. In that epitaph, which he wrote to be engraved on his tomb, he did not mention the fact that he had been President of the United States or that he had served in important posts abroad, but he mentioned three things: That he was the author of the Declaration of Independence, which back in that day when they were having, even in this country, imprisonment for debt, was in a sense a declaration for physical freedom; that he was the founder of the University of Virginia, which represented the freedom of the mind; and that he was the author of the statute for religious freedom in Virginia, the freedom of the soul.

Upon these three pillars on which our Government and all free institutions must rest, Jefferson predicated the memory of his service to the people of the United States. There is nothing more important for you and me as representatives of the people than to keep these pillars secure—freedom of the body, freedom of the mind, and freedom of the soul—that these tenets of liberty given us by the fathers may remain inviolate in this beloved country of ours.

I like to think about this country. I am glad the people are beginning to understand more of its history and the

worth of its institutions. No artist can paint our picture of it. No poet can pen our psalm to it. No orator can speak our devotion for it. We love it. God bless it and keep it true, through your efforts and mine and those of the people we represent, to these enduring principles upon which the fathers founded it. [Applause.]

Mr. McLEOD. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. Gross].

Mr. GROSS. Mr. Chairman, it might be well for me to say a word of introduction, because I have not yet learned to know a good many of you.

It is not often, I believe, that a bona fide farmer has the privilege of standing up here and addressing the House. It is not very often that a Member who goes home over every week end and milks cows, comes back here to tell you about it, but yesterday I milked 15 cows, which is a common occurrence with me on every Sunday in order to give the boys a break. I am not telling you this for any other reason than to show you that I am a farmer and proud of it. I live on the farm where I was born, in a brick house built by my grandfather out of bricks that he made himself on that farm. In that house he raised 11 children and my father raised 9 and I raised 8, and I would like to have you see those 8 children just so you would know how boys and girls do grow on a good farm in a great State. [Applause.]

I now want, in farmer fashion, to spend a few minutes setting forth certain facts relative to Pennsylvania, my State, and the New Deal.

In the northeastern part of the United States lie approximately 45,000 square miles comprising Pennsylvania, known as the Keystone State. Pennsylvania for many generations has been the wonderland of the Nation. Today it contains the homes of 10,000,000 souls who are proud to call the Keystone State their own.

Pennsylvania, all things considered, is the greatest State in the Union. With its alabaster cities; its golden harvests; its mines; its oil wells; its rivers. From Philadelphia to Erie and from Waynesburg to Honesdale, is a treasure land of wealth and potential happiness beyond the ability of man's mind to comprehend. There is no State in the Union better adapted to the development of a hardy, vigorous people. It has a bracing, temperate climate—free from earthquakes, tornadoes, and hurricanes that often affect and afflict other States. As for a place to live wisely, healthfully, and happily, Pennsylvania is unsurpassed on this continent.

From the Delaware River to the Allegheny, and beyond, the Keystone State is a colorful pageant of natural beauty. Rugged, forest-clad mountains, and smiling fertile valleys, rushing streams and placid lakes, rolling hills and broad fields of wheat, corn, and tobacco, an abundance of wild game and bass that rise eagerly to the sportsman's lure. These are only a few of the riches of this wonderland.

Pennsylvania's natural wealth does not end there. Beneath the beauty of the mountain, meadow, and river lie fabulous strata of black gold. And beneath that soil flow torrents of liquid gold waiting to be converted to the uses of the motorized age. Across the State's broad reaches, in myriad cities, towns, and hamlets blaze the fires of countless furnaces, foundries, and mills of great diversity provide a livelihood for Pennsylvania's workers.

Pennsylvania's industry is a symbol throughout the world for prosperity and progress. Coal, oil, steel, cement, textiles, and innumerable others—it is upon these that the well-being of Pennsylvania and of its people rest.

For many, many years the Keystone State has annually loaded more freight cars with its products to distribute throughout the world than any other State in the Union. Her products have been recognized as a national asset and Pennsylvania for many years was not only the pride of her own citizenry but the glory of the Nation. The stability of her people has been widely recognized, and throughout the Nation today, wherever you find people who trace their ancestry back to the Pennsylvania Dutch you will find strong,

honest citizens who are still on their own and who resent the fact that the Government wants to help everybody.

We in Pennsylvania refused to be regimented by the New Deal and our farmers never will be regimented. In 1910 President Theodore Roosevelt, speaking on the York fairgrounds, said to York County: "I am proud of your big barns and happy in the fact that every fall you have them full." Little did anyone think that day that 28 years later another Roosevelt would come along with a communistic Secretary of Agriculture and tell us that we cannot fill those barns, but we Pennsylvania Dutch are going to continue to fill those barns, regardless of the Roosevelts, Wallaces, and the New Deal threats. We love to see corn grow tall. We glory in 40-bushel wheat. We delight in clover and alfalfa knee high, and bluegrass sods that never tramp through, and we are going to continue to fill these barns as God blesses us with rain and sunshine—regardless of the New Deal.

Pennsylvania, a preponderantly Republican State, maintained her position through the first Roosevelt election, but then, due to the New Deal assault 2 years later Pennsylvania did fall by the wayside and elected the first Democratic Governor the State has had in 40 years. Then is when Pennsylvania's troubles began. The little new deal was set up, patterned after the New Deal in Washington, and we found ourselves wallowing in the New Deal mire. We soon found our great industries paralyzed—people going out of employment and being forced onto the relief rolls. We saw the State pay rolls padded, and in a short time the little new deal had inflicted upon Pennsylvania's industry the ghastly sum of \$340,000,000 of additional taxes yearly. We saw labor troubles arising and strikes in our great industrial areas, and witnessed the humiliating scene of the Governor of a great commonwealth flying into an industrial section and closing plants, depriving thousands of men and women of a livelihood, who had work and wanted to work—in order to cater to the whims of a few hell raisers. And this debauching procedure was carried on within the confines of Pennsylvania until at Hershey the sturdy Dutch farmers of the community took the situation in hand and set an example for public officials by going into the great Hershey chocolate plant and taking out the sit-down strikers and clubbing them out of the community. And this thing all happened after a week of striking and rioting in the chocolate plant, and within 3 miles of the Pennsylvania State police barracks. Here we again had concrete evidence that the application of just good horse sense from the common people was the solution for some very troublesome questions.

For 3 years Pennsylvania suffered at the hands of the New Deal beast, when the righteous indignation of a great citizenry began to assert itself, and in the summer of 1938 everywhere on the streets men and women were expressing their resentment to the assaults on the State by the New Deal, and it was evident that something was going to happen. War had been declared on the New Deal by that great middle class of God-fearing, liberty-loving Pennsylvanians, that band of men and women who on Sunday morning can be seen going to church, taking their children with them, like pioneer mothers used to take their babies and small children, as they trekked westward after the prairie schooners.

The 8th of November was the day when the decisive battle was fought. That great group of uncontrolled, serious-minded people, the middle class, who can always be depended on when they act to act rightly, went to the polls and voted in their traditional manner, as their better judgment had directed them. And on Wednesday morning of November the 9th, when the smoke of the battle had cleared away, the New Deal beast lay slain at the feet of the modern David, the red-headed breaker boy from Plymouth, Pa., and a new song arose in the Keystone State—it was Forward Pennsylvania. Boys and girls playing on the school grounds were singing it. Housewives were humming it in the kitchens. Men everywhere were expressing optimism and confidence that was based upon the foundation built by the pioneers. To us had been be-

queathed a great tradition, and in the singing of this new hymn Pennsylvania was declaring that it would carry on. New Hope had arisen and Pennsylvania is again coming into her own. On January 17 hundreds of thousands of people, on a cold and dreary day, flocked into Harrisburg to see the breaker boy assume the governorship. Early in the day trains came pouring in and unloaded their thousands. Traffic had to be suspended. At 12 o'clock the parade began. Thousands and thousands in solid formation passing in parade, which lasted far into the night. Such a large, happy, and optimistic group had never before assembled in Pennsylvania. They were not celebrating someone's defeat. They were celebrating a great victory, in the firm belief that this was the beginning of a better day in our national life. The great damage inflicted by the beast is by no means beyond repair, and today we find industrial leaders declaring that the pay rolls will again be in excess of \$1,000,000,000, as they at one time were. Today a great revival of business is on in the Keystone State, and Pennsylvania's contribution to the national income, unless we have too much New Deal interference from Washington, will in a few years again reach the sum total of \$8,000,000,000, as it at one time was. And when I say New Deal interference from Washington I mean just that.

Mr. Chairman, members of the Committee, I have studied a graph of industry in the United States running back 150 years, and I find during that period we have had four major price swings; all brought about by war. We have had numerous depressions. But if we add together all the depressions in the 150 years, they will not equal in severity and duration this one depression in which we now find ourselves. And it is all because President Roosevelt refuses to let the natural economic laws function. On the doorstep of President Roosevelt and a few New Deal "rubber stamp" Congressmen can be laid the blame for our present economic troubles. With this New Deal interference eliminated, may I repeat that Pennsylvania's contribution to the national income will again reach the sum total of \$8,000,000,000, as it at one time was, made up of the following items: Metals, textiles, minerals, mines, paper, food products, clay, glass, stone, leather, rubber, natural gas, tobacco and its products, lumber, railroad repair shops, agricultural and farm products, and many others. One great highway project will employ 10,000 men. Farm machinery heads are optimistic. Great gain is seen in the anthracite coal region. Shipbuilding in our navy yards is going forward. Our steel mills, the greatest in America, are preparing for record jobs. Automobile manufacturers foresee much better business in Pennsylvania. Relief will be administered more economically. Mail-order sales are already increasing. More carpenters are being employed. Banks are going to extend more credit. Business, instead of being antagonized, has now got public sympathy. Pennsylvania's retail merchants are increasing their stocks. Meat-packing industry in Pennsylvania is being expanded. Kitchen toil will be reduced. Farmers and workers will be able to buy labor-saving devices for the housewives. Hotels have launched new advertising campaigns. The great textile industry, with a \$103,000,000 pay roll, rapidly leaving the State, has stopped and will stay in Pennsylvania. More insurance is already being bought. The Pennsylvania Railroad is reconditioning thousands of cars to meet the needs of the new administration. Already the Governor has lowered the retail price of milk to consumers in metropolitan areas, showing his sympathetic attitude. Farmers are more optimistic and are purchasing much-needed equipment. Great gains in the electrical field are seen.

While it will be impossible to reduce taxes, as the new Governor had hoped, because of the New Deal extravagance in the last few years, Pennsylvania's industries are confident that the promise will be made good and the State's budget balanced in the near future, and have pledged to stand by and take it on the chin a little while longer.

And I want to say to you New Deal Members of the House who are not coming back after 1940 I have taken this time in order to give you the information you are going to need to carry back to your people.

I want to say to you from the South—some of you will be here, I know—but take this message back to your poor, be-deviled, poverty-stricken cotton farmers: Tell them that Pennsylvania has started a great movement that is rapidly gaining momentum that no force on earth can stop; that the Republican Party is going into power again in 1940—that party that set up the protective tariff and enthroned cotton king by that tariff; that tariff which has rested on your cottonfields like a heavenly benediction for years and years and made it possible for cotton and the South to find its place. Tell them that the day is coming—and it will be here in 1940—when the cotton farmers who have 10 or 50 bales of cotton will again have money enough to buy a cotton shirt, which they do not now have.

And you New Deal Members west of the Ohio to the Mississippi River who are not coming back here in 1940, tell your good people out there that they should hold on and stand by. Tell your corn and hog raisers that the Nation will again use pork and lard produced in the United States of America.

And you New Deal Members in the Missouri River Valley, tell your farmers, as you join their ranks, that Pennsylvania has started something that is going on. Tell them to feed the cattle and take care of calves—the Nation is going to eat beef again one of these days—and it is going to start in a big way in 1940.

And you New Deal Members from the Rocky Mountain States, tell your sheep herders we are going to be wearing woolen suits again. They shall not let the flocks go to pieces. Tell your cattlemen to raise calves—the Middle West is going to feed cattle again.

And you New Deal Members on the Pacific coast, tell the boys out there that we of the East are going to visit them, and we will leave a lot of money there, and there is a better day awaiting them. We are not afraid of your six-shooters, and we are not afraid of your women, but we will not come unless they get rid of that hell raiser, Harry Bridges.

Now, Mr. Chairman and Members of the Committee, I have been prompted today to set forth these facts because the New Deal has the Nation on the brink of a mighty precipice, and in fear, horror, and distress. We find our people not knowing whither they are going.

I have presented these facts to you in the earnest hope that they will be heralded throughout the land and that men will take on new courage, buckle up their belts, and renew their faith in democracy, and, with confidence in themselves and their fellow men, be in a position to enjoy the blessings that are going to be made possible by that parade that has been started in Harrisburg, headed by the red-headed breaker boy, and which will in 1941 carry him into the White House. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I want first to express my very sincere appreciation for the very splendid timely remarks of the distinguished gentleman from Texas [Mr. LANHAM]. I quite agree with what he said, and while it may be that some people will say that it is the recital of a platitude to rehearse the glories of this great Nation of ours, it seems that in view of the tendency of modern times we cannot reiterate too often the opportunities and the advantages that America has to offer against the world. I am afraid, however, that some of us in our zealotry to preach patriotism may, at some time, unthinkingly and unwittingly, refer to some of our citizens in a manner that I consider highly improper.

I recall very distinctly at the time we were approaching our entrance into the World War that people of German descent in my State were hounded and driven under suspicion, in a manner that was unbecoming this great country that we love so much. Today, in this country of ours, because some little minor group has banded together under the name of "the bund" and held meetings throughout the country that we all despise, perhaps, and condemn, let it not be said that the bund, or any other organization of that character, represents the true character of the German people whom I have known and lived among my entire life.

I do not think for one minute that the bund is representative of the German people and I want the Members of this House to know that the German people as I know them in Wisconsin, and I live in a community which is predominantly German in character, are among the finest citizens in the entire United States. There are no more hard-working, frugal, intelligent people in this country than the people who came here from Germany, who have been able to assimilate our traditions and who have been assimilated in this country of ours, and who are real Americans.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. Yes; I yield.

Mr. CRAWFORD. I wish to add to the gentleman's statement that throughout my district we have numerous German communities, and I subscribe to their character and integrity and Americanism just as the gentleman has with respect to the Germans that reside in his State.

Mr. KEEFE. The thing I fear, Mr. Chairman, is that there will be upon this floor, as a result of a proper provocation, perhaps, or the continuance of such meetings as were held in New York, inflammatory speeches that will bring discredit upon the German people who are not entitled to receive any such discredit.

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman.

Mr. ENGEL. I served as an officer in France in the Thirty-second Division, which was a Michigan-Wisconsin division, and also in the army of occupation in Germany. That division received 3,000 replacements in 3 days. During the occupation in Germany we had a banquet of officers of that division, and on the same program the names of the officers of the division were printed, many of whom came from Wisconsin—Rhinelander, Milwaukee, and elsewhere—and 60 percent of the names on that program of officers who served in that division in France against Germany had German names.

Mr. KEEFE. I thank the gentleman. May I state this further. I am beginning to wonder what has become of these people who just a short time ago were so loud in their praise, vocally or secretly, of the Soviet Government of Russia and the communistically inspired organizations that there are in this country today. I have seen meetings held in this country under the guise of patriotism that were conducted by communistic front organizations, where the ideals of this country of ours were torn to shreds, and its flag trampled upon. I failed to hear these gentlemen who are now telling about the bunds getting on their feet and condemning that type of organization. I want it said that so far as I am concerned I condemn both of them, and I think it is high time that we do not just simply transfer our attention from the communistic party to the bund, but that in the speeches which are made on the floor of this House we condemn in no uncertain terms both those types of organization that are un-American and contrary to the ideals and traditions of this country. [Applause.] I despise any organization of that type, and it seems to me, Members of the Committee, instead of our standing up here and mouthing our patriotic sentiments, instead of standing here from day to day and week to week and month to month condemning the activities of organizations such as I have described, it is high time that we as Members of Congress do something about it. Why is it possible that in America the Communist can stand on the platform and condemn and seek to destroy the very principles of this Government? Why is it that representatives of the bund are permitted to stand on the platform and give vocal expression to the ideas given up in New York the other day, and that all we do is to talk about it and try to tell the people of the beauties and glories of Americanism?

I say to the Members of this Committee that it seems to me that the time is here now when we ought to begin to be responsive to the wishes and demands of the people of America. The time is here now when we ought to do something in the shape of real legislation to bring relief from the intolerable conditions that give rise to such organizations. [Applause.] What have we actually done aside from just administering a temporary injection in the arm of the working people in

America? What are we doing for the farmers instead of merely talking about them and standing here and mouthing weasel words to them? What are we doing that evidences that this Congress intends to solve these domestic problems? The bills that have been introduced by Members of this House lie locked up in committee rooms waiting the will and caprice of the majority side of this Congress to bring them out into the open and do something for the people of America.

I am happy to state, and I address my remarks to the Democratic side of the House, that I saw in the paper this morning that the Democratic administration has finally determined that the course they have pursued for the last 6 years is finally found to be wrong, and that from now on we are going to have no more reforms. They say we are going to have progress and recovery with full steam ahead for business. The President himself timed his remarks addressed to the two captains of labor, Mr. Green and Mr. Lewis, with those of the Secretary of Commerce delivered out in Iowa.

They are beginning to scatter the propaganda to the people of this Nation that they really need business after all—business that has been hamstrung. Business designated as "Bourbon," "blue blood," "these economic royalists." With business hamstrung with taxes, with every sort of punitive legislation, these "plutocrats," these "economic royalists," are now being called upon to arise and shake off these shackles and go to work because they are the only ones in America, so Mr. Hopkins finally concludes, and so the President finally concludes, who can bring employment to America and put these idle people back on the pay roll. I say to you Members of the Democratic side that I hope the President means what he says; I hope Mr. Hopkins means what he says; I hope that they intend to embark upon a sane course of recovery. I hope that they have finally determined to renounce the destructive, unworkable parts of their program which has resulted in the staggering debt that is paralyzing business with taxes and threatens to bankrupt the entire Nation. But I say to you that, so far as I am concerned, there will have to be something more than just mere words. Why do you not repeal the iniquitous undistributed-profits tax? Why do you not put a curb on Mr. Hull, with his reciprocal-trade agreements that are killing our domestic industry? Why do you not recall the nomination of Thomas R. Amlie to the Interstate Commerce Commission? Why do you not do one of the thousand things that could be done by legislating through the acts of this Congress, and telling the people of the country that you mean what you say? You promised us the abundant life many times before, Mr. Roosevelt, and you have gone the other way. I cannot believe that you mean exactly what you say when you say that you are going to give business a chance to recover. We want recovery; and as one Republican, if the gentleman in the White House or in the Department of Commerce would offer a constructive program that will do something for business, for labor, for agriculture, and for the aged, I will support it and get behind it with everything that I can and stop bickering about it. Let us get down to work and do something; jerk some of these bills out of the committee and bring them here and let us get this Government of ours started toward real recovery. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, my purpose in asking for time today is to analyze this bill with respect to the appropriation provided for post-office buildings.

You will notice on page 51 of the bill it provides for an appropriation of \$30,000,000, but as I construe that appropriation, in the light of former enactments of Congress, I do not think it provides for the construction of a single new post-office building during the coming fiscal year. It simply provides for the completion of the construction of buildings for which allotments have already been made.

The act of August 25, 1937, authorized an appropriation of \$70,000,000 for public buildings outside of the District of Columbia. The act of June 21, 1938, authorized an additional sum of \$60,000,000, making a total appropriation for the purpose \$130,000,000. On August 25, 1937, \$23,000,000

was appropriated out of this authorization. On March 28, 1938, \$11,000,000 more was appropriated, and on June 21, 1938, \$25,000,000 additional was appropriated, making a total of \$59,000,000 appropriated from the authorization of \$130,000,000, as a result of both acts of Congress. Thirty million dollars is asked for in the pending bill to be expended during the fiscal year 1940, making the appropriation \$89,000,000 out of the authorization of \$130,000,000.

In view of the fact that this bill is simply carrying out the provisions set forth in House Document No. 177, it is high time this Congress increased this appropriation of \$30,000,000 for the needed post-office buildings throughout the territories which have not, in my opinion, been treated properly.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield? Mr. O'CONNOR. I yield for a question.

Mr. COCHRAN. The gentleman knows that the Congress eliminated the "pork barrel" in public buildings by setting up the Building Commission. What the gentleman speaks of is the result of the work of the Building Commission. Under the provisions of the act setting up the Commission it is necessary to qualify in order to get a post office. The mere fact that a Congressman wants a post-office building in his district now does not get him the post office.

Mr. O'CONNOR. Please do not take up all my time. Under the provisions that were adopted, wherever the postal receipts exceeded \$10,000, that city is qualified. The State of California, for instance, has suffered. The State of Montana has suffered. I want you to compare those States with the gentleman's own State of Missouri, as shown by this House Document 177, and see how it has gotten along. I want the Members of Congress who have in mind trying to get post-office buildings in their respective districts, to study the provisions of this House Document 177. It will show how some of the States have gotten nearly all of their needs, and others very few buildings. I say to the gentleman from Missouri [Mr. COCHRAN] in my own State there were 18 eligible cities a year ago. Under the operations of the said act passed in 1937, it will take 51 years before the people of my district are supplied with buildings now urgently needed for carrying on the business of the United States Government in the form of post offices.

Mr. COCHRAN. I have complimented the gentleman from Montana on several occasions for getting things done for his constituents, and I compliment him again. No Member of the House works harder for his people. My district is part of the city of St. Louis. All that I have been able to get for my district is about one-third of a post office, a branch post office. That new branch post office covers territory about one-third of which is in my congressional district and two-thirds in another congressional district.

Mr. O'CONNOR. I want the Members of Congress to see how the State of Missouri has gotten along, the State of Alabama, the State of Georgia, the State of Arkansas, the State of Tennessee, and the State of Kentucky. Texas has not done so well, but as far as California, New York, Montana, and Nebraska are concerned, they have all suffered.

I want to acquit the committee of any neglect or criticism in that respect, because I think they have tried sincerely to carry out what they considered an equitable distribution of the amount authorized during the 3 years as provided by the act of 1937. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, a moment ago I wanted to interrupt the gentleman from Illinois [Mr. DIRKSEN] long enough to display something and ask him a question. While he was speaking I needed to step down to the office of the Sergeant at Arms to get a little of "what makes the wheels go round," and this green paper is what the Sergeant at Arms handed me. I would like to ask whether other Members of the Committee are not also glad to get occasionally this same sort of thing from the Sergeant at Arms? Is this money? I certainly so regard it. I notice that this \$5 bill and this \$1 bill that I have before me are

marked "silver certificate." The gentleman from Illinois [Mr. DIRKSEN] said we have been buying a lot of silver and burying it in the ground, absolutely useless. I do not regard this paper which represents that silver as useless. I did not discount this bill one bit. I took this \$5 bill as worth \$5, and I fancy you do the same thing.

Now, as a matter of fact, we have been buying silver. I notice that we have now about \$1,600,000,000 outstanding in silver certificates. I feel that issuing such certificates against this silver is a perfectly legitimate and wise function in our monetary system. At the last session of this House last week the gentleman from New York had a great deal to say both about the purchase of domestic silver and foreign silver. At that time on last Friday I attempted to differentiate between the two ideas. I want you Members from the South, who have a surplus of cotton and would like to dispose of it, to think along this line—we may be able to sell more cotton abroad if we can sell to those countries which have a silver basis for their money system. Why should we not exchange our surplus farm products for foreign silver?

I ask you if it is not a good policy for us to take foreign silver for our surplus cotton, for our surplus wheat, and for our other surplus commodities if we can do so? This, however, is not the reason I rose.

I rose primarily, Mr. Chairman, to say that it is plainly evident to me that this age-old battle, between those who want a certain kind of money and those who want a different kind of money, continues with increasing intensity down to this very moment. In the few minutes allotted to me I cannot go adequately into the monetary policy. I wish I could. One Member who stood in this Well this morning contemptuously spoke of "a managed currency." I ask that gentleman, Who now manages the currency? Who has been doing so? If it is a managed currency on the part of the Government perhaps in his eyes it is contemptible. But what is the alternative? The alternative is a currency managed by the banks. We have had a great banking history. No country on earth, not even England, has had a more unique and interesting banking history than has the United States of America. This holds true of our metallic money history as well. I wish I had time to go into it more fully.

Let us first look at our metallic money or coinage history. One hundred years ago we had no mint and felt the need of establishing a system of coinage, so that was done in the administration of the first President. We are told that George Washington took a great interest in the mint and that Alexander Hamilton and Thomas Jefferson made important contribution to our coinage scheme. At first it was contemplated that the dollar should be made either of gold or of silver and that the legal or mint ratio should be 15 to 1. Why was that ratio adopted? Because for many years the market ratio of gold and silver had been 15 to 1. Paul Revere was a goldsmith working with the precious metals, and his fathers before him for several generations had been workers in the precious metals. It was found when our mint was established that an ounce of gold was worth as much as 15 ounces of silver, approximately, and that that market ratio had prevailed for a long time. Accordingly, our first laws provided for a mint ratio to correspond with the market ratio of 15 to 1, and such it remained until about the year 1834, as my memory serves me.

A little over 100 years ago the mint ratio was changed and made 16 to 1, which it has remained to this present time. This change was necessitated by a fluctuation in the market price of the two precious metals. With the violent fluctuations in the market price of the two precious metals, especially of gold about the year 1849 with the discovery of gold in California and elsewhere, and especially of silver about 10 years later with the discovery of the great silver mines in our West, it seemed probable that we could not have bimetallism with such fluctuations. Meanwhile our country turned more and more toward paper money.

One hundred years ago banks were increasing in number and just prior to the panic of 1837 banks were furnishing most of our currency in the form of bank notes. There was

a lot of slipshod banking in those days. Many of these bank notes were not well secured and became known as wildcat notes. One of the great evils at that time was a monetary system in which "bank managed currency" was allowed to run riot and do much harm.

During the great struggle between the North and the South, greenbacks were issued; and thus we substituted a governmental currency for the preceding bank currency. At the same time we reformed the banking system by the National Banking Act of 1863, which gave the country a new kind of bank currency which at least was far superior to the bank currency which had prevailed during the preceding 20 years. For about 20 years after the war there was a fierce conflict between those who favored a governmental currency, such as United States Treasury notes, and those who recommended bank currency represented by national bank notes. The advocates of the bank currency were quite successful over their opponents in spite of the fact that the national-bank currency was based upon an interest-bearing, bonded debt, and was not sufficiently elastic in character to serve the needs of business. The financial interests pointed out the fiat nature of greenbacks and contended that they were inadequate for our financial needs, in spite of the fact that they represented a non-interest-bearing obligation of the Government. Thus while the "battle of the standards" raged between gold and silver, which had been the money of our fathers and in which silver lost by being demonetized, an equally fierce battle raged between the currencies.

The banking element succeeded in getting more and more control over the money supply of the country. Those provisions of the Constitution were lost sight of which read as follows: "Congress shall have power to coin money and regulate the value thereof. No State shall make anything but gold or silver a legal tender in payment of debt." Thus it came about that we got a money system closely regulated and controlled by the banks which, in my judgment, put relatively too great a value on gold and which gave too great a control over the volume of our money to the banking fraternity. Perhaps we ought to be grateful that our money system from 1863 to 1913, under the national banking structure has been as well managed as it has been. However, there is a difference of opinion on that point.

I have been inclined to regard myself as a "sound-money man" and I have not cried out much against this usurpation of sovereign function on the part of American banks. I realize that there must be a greater volume of money than can be afforded alone by the two precious metals or by paper-money representatives of the two precious metals. I am also aware of the fact that the volume of money ought to vary from time to time and that a money based exclusively on gold and silver might not vary enough to meet business needs. Accordingly, I have looked with complacency upon the banks furnishing an elastic currency based upon the requirements of business. Yet I do think that it is a dangerous power to put in the hands of a business class whose interest might not always square with the general welfare and public interest. I am not at this moment advocating an entirely new money system, for that is an unusually difficult matter and one in which we must make gradual progress.

One reason why technocracy has not made a wider appeal to our people, in my judgment, is that it speaks in terms of a scientific exchange scheme which the ordinary citizen cannot understand. It is worse than attempting to change the "mother tongue" for our citizens when you try to change and substitute something else for the "dollar of the daddies." I say the American people want to retain our coinage system, including both gold and silver, and I am sure we are foolish to move as some of the gentlemen have suggested here today. Really it is a matter of degree. I do not demand that gold and silver or their representatives be used solely, nor that they be used only for subsidiary coins, but that both shall have a larger part to play in our whole monetary scheme. Of course, the complexity and the immensity of our American industry and business life today

may require something more now for our country than the coinage scheme established by the fathers plus the governmental currency which later came into use. However, I am here to warn the banking interests that the mass of American people are getting more and more hostile to the control of money and credit, this vital necessity of industrial life, by a small class of private citizens. Our monetary system exists for the benefit of the American people and not for the enrichment and power of a few.

I am not inclined to look with favor upon some of the freak money proposals which bob up eternally, but I do believe that if the precious metals, gold and silver, prove to be inadequate as a base for our money system and that our money and credit cannot fairly and safely be furnished by our banks under close supervision of public authority, then we shall get something else. We may have a new money system where the dollar will be backed by commodity value—not the commodity of gold or silver, but several hundred commodities vital to the American people. I urge an improvement of the system that we now have rather than a foolish clinging to a part of our present scheme to such an extent as to bring on a complete change in our present monetary plan.

Since 1913 we have had a peculiar kind of managed currency, and that is the kind the gentleman from Illinois favors when he would abolish this kind of currency—silver certificates and, no doubt, greenbacks. I submit to you that we are going to have some kind of managed currency. What kind do we want? Since the Federal Reserve Act was passed we have put in the hands of a small group of men the very important function, that is regulating the volume of the currency we have for use. We say that it shall be managed according to business needs. There is inflation at times and there is deliberately planned deflation at times. I submit that this country has suffered terribly from these surgical operations known as deflations.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. MURDOCK of Arizona. My time is about up.

Mr. TABER. Does the gentleman consider that we are in a deflationary period right now?

Mr. MURDOCK of Arizona. I have reference to the deflationary period that followed the great inflation of the World War. There have been others, too, for that matter.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Chairman, a moment ago the gentleman from Montana in his address to the committee was interrupted by the distinguished gentleman from Missouri [Mr. COCHRAN] with the statement that the Democratic administration should have the credit for changing the old "pork barrel" system of constructing public buildings in this country. I am sure the gentleman from Missouri made this statement inadvertently, because he must know, being so familiar with the departments in Washington, that he is incorrect in making that statement. The change from the old "pork barrel" system to the present system took place during the administration of Calvin Coolidge, in 1925. Prior to that time, post-office buildings were located according to the whim of the Congressman affected, but since 1925 buildings have been located on a showing of the greatest need. This change from the "pork barrel" to the merit system was a great reform and credit for it belongs to the Republican Party, and not to the New Deal.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I listened with much interest and approval to the remarks of the gentleman from Wisconsin [Mr. KEEFE] and particularly to his denunciation of Nazi activities and propaganda in America and his high commendation of Americans of German origin. I think we are all agreed, whether we be Republicans or Democrats, that people of German descent in America are among our most loyal and industrious citizens. Wherever they may be found, in the North, East, South, or West, they have always been

patriotic and law-abiding American citizens and can be depended upon to oppose communism, nazi-ism, fascism, and all subversive and un-American activities.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. LANHAM. Inasmuch as I made a talk today with reference to Americanism and referred to the meeting recently held in New York, I would like to get in the Record, in connection with my remarks, the fact that I realize all our ancestors came from some foreign land. There are patriotic American citizens today whose fathers—and many themselves—who came from every country of the world. We are all in sympathy with them. We are out of sympathy with those who are not in sympathy with America.

Mr. FISH. Mr. Chairman, I rise today to an unusual role in the House of Representatives and possibly in the country. I happen to represent the district from which the President of the United States comes. I have probably been foremost amongst those who have criticized his policies, and I have repeatedly pointed out the failure of those policies. But last week at a Washington's Birthday celebration the Nazi bund, or German-American Bund, which aims to destroy American liberties, our free institutions, and our republican and constitutional form of government, met in Madison Square Garden in the city of New York. Their spokesmen abused and vilified the President of the United States. They called him "President Rosenfeldt." They attacked him viciously. I want to say as the Representative in Congress from his district, the district where he and his family have lived for over 200 years—and President Roosevelt and his family have lived in this country for nigh on 300 years—that when it comes to Nazis or hyphenated Americans heaping personal abuse and vilification on the President of the United States, I, as a Republican, resent such slurring attacks and openly denounce them. [Applause.] That is a typical example of Nazi insolence. Every one of these Nazis know that if he attacked Hitler or any man in authority in Germany, he would lose his head overnight; yet, taking advantage of our free institutions, these Nazis—just as bad as the Communists—seek to destroy our free institutions, including freedom of speech, of the press, and of assembly. They meet in public under the protection of our laws and use scurrilous and insolent language against the President of the United States, who has been elected by the people under our free institutions.

We Republicans will continue to attack the policies of President Roosevelt, we will continue to expose his unsound and radical policies, but we will not resort to personal abuse or to mud-slinging attacks upon the President of the United States.

I want to call to the attention of the House a little book entitled "Secret Armies" that is now being circulated in the House of Representatives and in the Senate.

This book, of course, is aimed against the Nazis, but when an attack is made upon the Nazis we must look at who is making the attack. The book is written by a man by the name of John L. Spivak, who writes for the Daily Worker, a Communist newspaper, and that kind of propaganda is just as bad as Nazi propaganda.

Mr. GEYER of California. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from California.

Mr. GEYER of California. May I say that I am of German descent, both on my father's side and on my mother's side, so far be it from me to say anything against them as a people. However, I happen to have a copy of this book, which was sent to every man by Walter Winchell with the request that we read it. I think there is much in there we might look at. He mentions our own \$100,000 Dies committee. It might be well if we read this, and if the man is not telling the truth we should find out a little bit more about the matter.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from New York [Mr. FISH] 1 additional minute.

Mr. FISH. Mr. Chairman, in answer to the gentleman, may I say that I believe that Walter Winchell is a patriotic American citizen and had only the best intentions. I do not

believe Walter Winchell has the slightest idea that this is Communist propaganda. I have no objection to anyone reading the book and getting the Communist side as well as the Nazi side. My own attitude is a plague on both their activities and propaganda.

I have introduced a bill in the House of Representatives that should have the support of both sides of the House. This bill prohibits the arming, drilling, and disciplining of all foreign groups, the Nazis, Communists, and Fascists. [Applause.] The way to stop this propaganda, this arming, drilling, and goose-stepping is to nip it in the bud, because if we do not stop it now, we will have private armies of Nazis and anti-Nazis, Communists and anti-Communists, and labor and anti-labor groups waging private wars throughout the Nation. So I ask the Democrats and Republicans, particularly those on the committee to which the bill has been referred, to report it to the House and give us a chance to enact it into law. [Applause.]

[Here the gavel fell.]

Mr. McLEOD. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, a distinguished writer once made the remark, "Uneasy lies the head that wears a crown." May I add, that statement applies whether it be made of silver or of gold.

On December 21, 1933, the President issued an Executive order in connection with the silver-purchase program. The objectives, as I understand them, of the Executive order and the Silver Purchase Act were the stabilization of prices of products internally, the protection of the dollar exchange, the promotion of trade with other countries, and, no doubt, there was also an element which goes into the conception of the "good neighbor" policy. I personally feel that all of these objectives have failed, and I think most of the Members of the House will agree with me in that statement, because we know today that the price level is not anything like what we would care to have it. This is somewhat evidenced by a bill introduced only a few days ago, S. 1057, by Senator THOMAS of Oklahoma, one of the objectives of which is the regulation and stabilization of agricultural and commodity prices through the regulation and stabilization of the value of the dollar.

I think the whole situation is more clearly evidenced by statements made within the last few days by the Secretary of the Treasury, Mr. Morgenthau, and by the Secretary of Commerce, Mr. Hopkins, as well as by a statement made by the Chief Executive at his press conference the other day before he went on a trip to the Caribbean Sea. It is further evidenced by the fact that business in this country is some fifteen or twenty-five billion dollars per annum below what we have every reason in the world to expect it should be.

Another bill was introduced the other day by Senator TOWNSEND, S. 785, to repeal the Silver Purchase Act of 1934 and to provide for the sale of silver, and for other purposes.

I am enumerating these bills today so that the Members of the House may take occasion to secure copies and study the bills in connection with hearings that are now being conducted in the Senate on Senate Resolution 137 by a special committee on investigation of silver, United States Senate, Seventy-fourth Congress, first session.

Mr. MURDOCK of Utah. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. Does not the gentleman from Michigan believe that to consider the silver question and direct legislation, whether it be repeal of the Silver Purchase Act or not, is a far more intelligent and a much more efficient way to determine the badness or goodness of the silver question than the back-door attack that is now being made on it in connection with an appropriation bill?

Mr. CRAWFORD. I agree with the gentleman in some respects, but I disagree that this is a back-door attack insofar as I am personally concerned. That is the reason I am tying up the whole proposition together; the Senate bills and the hearings on the appropriation bill now under consideration and also those hearings which the gentleman has been attending I believe by special invitation, along with representatives from other silver-producing States. So far as I

am personally concerned I am delighted to know this careful study is being made by a special committee. I simply want to get a few of these facts before the Members of the House so that they may further look into the matter.

Mr. MURDOCK of Utah. I did not imply that the gentleman was making a back-door attack, but I am sure this type of attack is being made during the consideration of an appropriation bill.

Mr. CRAWFORD. If such an attack is being made, I regret it, because I know that this is an exceedingly important subject which the Members of the House will have to give attention to, either before we adjourn the present session or before we finish the Seventy-sixth Congress.

The remarks made a few minutes ago by the gentleman from Arizona with reference to exchange of cotton for silver are something I wish to comment on for a moment before yielding further for a question, because it may develop one or two additional thoughts.

If we break down the importation of silver under the Executive order and the Silver Purchase Act, and determine the amount of goods actually traded thereunder for silver, we will find it is a negligible amount of goods thus traded. As a matter of fact, if we go a step further and consider the dollar price paid for silver, we may find, as I know we would, that if we carried out the gentleman's suggestion made a few moments ago with reference to trading cotton for silver, the other countries would hold the valuable products and we would hold the silver. The value of the silver in the long run may prove to be very little—probably no more than its actual commercial use value, and far below present dollar value.

Mr. MURDOCK of Arizona. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. May I call attention to the fact that I qualified my previous statement by saying "if we can exchange cotton for silver, it might be a wise policy." Does the gentleman, in wishing to repeal the Silver Purchase Act, desire that we shall be entirely and virtually on a paper-money basis? If so, what kind of paper money—bank currency or Government currency?

Mr. CRAWFORD. I may say to the gentleman that in the first place I have not advocated the repeal of the act. I called attention to the bill S. 785, which has been introduced, looking forward to the repeal of the Silver Purchase Act, together with the sale of silver under certain conditions and with certain reservations, which would, as I understand the bill, take care of the silver certificates issued. I suggest a very careful study of the proposal to repeal the Silver Purchase Act, and especially by those who represent silver-producing States. I do not feel that the people of this country will continue to support the administration in its present program. We do not need the silver that is being imported. We are paying a price far too high for the silver we are purchasing. We are diluting our currency. We are stimulating unnecessarily the production of silver throughout the entire world and at the same time maintaining an artificial price on silver which prevents its commercial use in the quantity the world should be consuming. Merely piling up silver in the vaults of this country will eventually lead to a "silver debacle" as serious for silver producers as that now faced by the cotton producers of the South. If the silver was going into consumption as rapidly as produced, that would be an entirely different proposition to that which now governs. The taxpayer will eventually rebel in a most understandable manner.

Mr. MURDOCK of Arizona and Mr. CHASE of South Dakota rose.

Mr. CRAWFORD. I will yield in just a minute.

Let me say that I believe in subsidizing American industry, whether it be the peanut industry in the Southeast; the cotton industry of the South; the silver industry of the West; the sugar industry of the West, or the South, or the Middle West; the manufactures of New England and all other sections; the maple sap of New England; and so on down the line, "provided it is done on a proper basis"; but let me assure the gentleman that I do not believe it is a proper procedure

when we subsidize the demonetization of the silver produced in other parts of the world. I believe that is exactly what we are doing under the Silver Purchase Act insofar as it applies to silver produced in other countries and sent to this country.

As an illustration, let me read this testimony by Senator KING, given the other day before the Senate Special Committee on the Investigation of Silver. The Senator is quoted as having said:

I recall going to see the Secretary of the Treasury and telling him that if I were he I would not buy silver for a little while, because they were speculating. When I was in Shanghai and when I was in Tokyo, I learned that the Japanese—I will not say the government, but the Japanese—were speculating in silver, taking it out of China, transshipping it to London and then to the United States, and we got a large quantity of Chinese silver as a result of speculation. Then Sir Henri Deterding took 60,000,000 ounces which he had on deposit in China or in India, he shipped that to the United States, and we became the beneficiaries of that silver.

Is not that a fine predicament for us to get into?

It was my privilege to be in Canton, China, the day the people were coming to the banks, turning in their silver under the Chinese Nationalizing Act, and taking back Chinese paper currency. I transferred some silver, myself, and have the Chinese paper currency in my desk at the office. There we were, through speculating procedure, teetotally destroying the entire internal economy of the Chinese Republic and fertilizing the soil for the depredations which are now being carried out against the Chinese people by the Empire of the Rising Sun.

I now yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Would the gentleman from his study of this question be able to say whether China or Japan has been more subsidized by the extension of our silver purchasing to foreign silver?

Mr. CRAWFORD. Without qualifying as an expert, I would give it as my frank opinion that Japan has reaped the reward and China has been harmed.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield for a question?

Mr. CRAWFORD. I yield to the gentleman from Arizona.

Mr. MURDOCK of Arizona. If I may make just one statement before I ask the question, I should like to say I am no more in favor of the sort of thing the gentleman has just mentioned than he is.

Mr. CRAWFORD. I am sure the gentleman is not in favor of it.

Mr. MURDOCK of Arizona. We had an extensive buying program back in 1878 under a silver-purchase act—the Bland-Allison Act—and again in 1890 under the Sherman Silver Purchase Act. Does the gentleman know whether the silver we bought under the acts of 1878 and 1890 was not sold 20 years ago for more than it cost us?

Mr. CRAWFORD. I am informed it was not. It is also my understanding that no other country in all history has ever pursued a silver policy such as we have been and are now following. So far the program has utterly failed. To continue it further will, in my humble opinion, bring us great trouble. I admonish the Members of the House to give the whole question most serious study in order that we may be able to avoid further mistakes in this connection.

Mr. LUDLOW. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Chairman, I desire briefly to call your attention to the cut the subcommittee has made in the appropriation for the Federal Alcohol Administration. The committee has cut the appropriation to \$425,000. It was my intention to ask that the previous appropriation of \$450,000 be restored. However, when the point of reading the bill for amendment is reached I shall not offer an amendment to that effect, because, in view of the scarcity of Members on the floor and the lateness of the opportunity to present to a majority of the committee the reasons for continuing the present appropriation, it is apparent to me this proposed amendment would not carry.

Those of us who believe the Federal Alcohol Administration is doing a very necessary and vital work feel that somewhere along the legislative line, perhaps in the other body, the original appropriation should be restored or perhaps even increased. I do not care whether the sympathies of the Members are with the prohibitionists or with those who are more liberal. They must recognize that the F. A. A. is doing a unique and valuable work. This organization, which was created through a bill reported from the Committee on Ways and Means some years ago, was brought into existence for the purpose of stamping out the chiselers in the alcohol industries, of promoting fair trade practices, and protecting the consumer. There is no other organization that can run down those who manufacture fake wines, adulterated and misbranded whiskies other than this particular Alcohol Administration.

To do this it is necessary that a staff of competent investigators be supplied and that they be paid sufficient salaries to overcome any offers in the line of temptation that may be presented to them. At the present these investigators must all operate out of Washington, because they may have to run down adulterations in Boston one week, violations of the law in Chicago the next, and in San Francisco the third. Regional centers have not been established out of which these investigators may work for the reason that Congress has not appropriated money other than to maintain the central office at Washington. There are 27 investigators, and they cover the entire United States out of the Washington office. The subcommittee has explained that they feel traveling expenses of these investigators are too high; but it is because of the fact that there are only 27 of these investigators covering the entire United States that the traveling expenses must be run up. The only way you can cut down these traveling expenses legitimately and protect the honest manufacturers of beer, wines, and liquor, who are trying to live up to the provisions of the Federal laws, is by giving more money to the Federal Alcohol Administration to establish regional offices where they should be established and assign them permanent investigators who can work and cover their own territories without transcontinental travel being involved. I submit that this should be done, and before this bill is enacted into law the old appropriation should at least be restored, and, in my opinion, be increased.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. McLEOD].

Mr. McLEOD. Mr. Chairman, the legislative branch of the Government, from all intents and purposes, is again functioning independently as it was designed to function. Since its inception on January 3 last, the Seventy-sixth Congress has impressed the country with its individuality and independence. It is showing the country that the Congress again is ready to work and operate according to the Constitution—coordinately with the other two branches. However, Mr. Chairman, it appears that if the Congress is to work effectively it should not be subjected to unnecessary handicaps especially relative to obtaining necessary information.

A governing administration should have a definite plan of action charted and have complete specifications to support it.

However, if we are to judge by the testimony of the Secretary of the Treasury on the pending bill, this country is wandering in a financial maze, guided only by men who do not know where they are going and will not know where they are when and if they get there.

Faced with the most stupendous public debt in the history of this or probably any other country, the man who is at the head of our fiscal department tells your Appropriations Committee that he does not have any opinion where the danger point of such a debt is to be reached.

Admitting a complete lack of knowledge as to that danger point and even a lack of opinion as to whether we have or have not reached it, yet this Cabinet officer tells the committee that the administration is going to send the debt higher and that it is going to ask that the ceiling of debt limit, set by the Congress, be raised a least \$5,000,000,000.

That is in order that the mad spending of money may continue.

But the administration and the Secretary of the Treasury are not going to accept the responsibility for the increased debt if they can shed that responsibility onto the shoulders of this Congress.

Let me quote the answer which the Secretary gave to a question I asked him as to how much higher the debt could go with safety:

Well—

He said—

I would not be worried to see it go the other four or five billions which is in the present Budget; and we are going to have to ask Congress, if you vote this money, to increase the Treasury's power to borrow another \$5,000,000,000.

Note what the Secretary said, "if you vote this money." Of course, it will be the fault of Congress. But the Secretary will not say, and the administration, when it goes to the people, will not say, that a \$5,000,000,000 Budget was necessitated by spending schemes which the administration rammed through this Congress when the minority was so small as to be without adequate means of protest.

But let us get back to the danger point of public debt. The Secretary says he does not know whether this additional five billions the administration proposes to pile on is going to bring us to the breaking point. And he says that he plans "only to ask for an increase of five billions."

Ordinarily we might be able to accept that from a Secretary of the Treasury. But in the present state of affairs in Washington you or anyone else cannot tell from one day to another whether the Secretary of the Treasury is actually running the Treasury.

And another fiscal official strongly indicates that the goal in this game of "lifting the lid" is not going to be a \$5,000,000,000 lift but a \$25,000,000,000 lift. That is what the head of the Federal Reserve Board says they are going to demand.

Billions, billions, billions. Always going up. Never coming down. How long can the American people take it?

When I asked the Secretary at the hearings if it were possible to ascertain with any degree of reasonableness how much further up this debt could go without danger to the country, he said that he did not know and that he could not answer the question.

Not only does this high-ranking instrumentality of the present administration not know where the danger point is. He does not even know if the danger point can be ascertained. This condition is a real sample of the truth to "the problem of uncertainty" business is and has been faced with.

I am convinced that it can be ascertained. And this administration seems to be taking one way to ascertain it. The administration way is apparently to pass the breaking point. After that, after disaster has been brought upon the entire country, then the administration can look back and possibly the several Cabinet members may then be able to tell us just when we passed the breaking point. By that time it will be too late for us to care any more than the administration seems to care right now.

It is inconceivable to me, however, that this Congress, which seems to be gaining back its respect for its duties as a coordinate branch of the Government, is going to let the administration continue its program of advancing to the brink of the financial precipice, with its eyes blindfolded.

Now is the time to stop, look, and listen. Within the next few days I propose to submit to the House a program for ascertaining what the administration and its Secretary of the Treasury either cannot or will not tell us.

If the responsible officials of the Government either are ignorant themselves, or propose to keep us in ignorance of the financial quicksands, then it is the duty of this Congress of the people to find other means to ascertain the truth. [Applause.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. Moser].

Mr. MOSER. Mr. Chairman, having in mind to address myself to the subject of the bill and being in the Committee

this afternoon listening to the general debate, certain things have been said on the floor here that I believe should command my attention by way of preface to my remarks, on the bill. The gentleman from Texas [Mr. LANHAM], having delivered a stirring and patriotic address on Americanism, prompted something that I shall mention by way of a preface to my remarks. This was followed by my colleague from Pennsylvania the gentleman from York County, Mr. Gross, who, I believe, inferentially perhaps—the wish being the father to the prophecy—sought to speak for the Pennsylvania Germans.

I would like to say that my county was settled by Germans. Berks County, originally a shire and as shown on the map given out by the Honorable SOL BLOOM as chairman of the United States Constitution Sesquicentennial Commission on the signing of the Constitution, extended from the Delaware River to the Susquehanna River. Out of that have been carved two additional congressional districts, the one represented by my colleague on the north, Mr. FENTON, and the other by my colleague on the south, Mr. DITTER.

To my county came Henry Melchior Muhlenberg, from Germany, and married the daughter of Conrad Weiser. He was a minister of the gospel and preached at the Old Trappe Church. He had three sons born there, and when his eldest was 17 years of age it became a matter of concern to him where these boys should be educated. The ages of the other boys ranged from 14 and 10. He determined that due to lack of educational facilities at that early day in this country, he would send them back to Germany to attend the university at Halle. Of these three sons, the eldest was John Peter Gabriel Muhlenberg, who did not conclude his studies, but joined a troop of dragoons and left his two younger brothers in school. The father, after some pains, got him released and got him back to this country and later he was ordained in the ministry and went to Woodstock, Va., where he preached. At Woodstock, Va., that gentleman from my congressional district and my home county, there became a contact of George Washington, Thomas Jefferson, and of Patrick Henry, Richard Henry Lee, and all the rest of the patriots of his era and locality. It is his statue which stands on the plaza of City Hall Square in Philadelphia, with cape and coat thrown back displaying his full uniform of a major general. It was he who made the famous declaration at the conclusion of divine service: "There is a time of war and a time of peace, and now the time to fight has come," as throwing back his clerical robe he stood before the large audience assembled, in a colonel's uniform, having given advance notice to his congregations of his farewell sermon.

He continued an intimate friend of Gen. George Washington until the end. His brother Frederick, at the time he came back from Germany, having been educated and ordained as a minister, was preaching in New York and had to flee when New York was captured by the British Army. His other brother, Henry, was preaching in Philadelphia, and had to flee when Philadelphia was captured.

It was he who, disguised as an Indian, went up to Trappe, in the upper end of what is now the district of the gentleman from Pennsylvania, Mr. DITTER, and very near where I was born, about 15 miles away, and his brother, Frederick, who had come back to Trappe to preach after he fled from New York, was, too, called to his country's service. He was the president of the Pennsylvania Assembly and later a Member of the Continental Congress. It was he who was ultimately elected the first Speaker of this House of Representatives. He had gone to Lancaster to preach and there was elected to the First Congress. Frederick Muhlenberg, whose picture appeared yesterday in the press as the first Speaker of the House, in connection with the one hundred and fiftieth anniversary of Congress, which will be celebrated in joint assembly on Saturday next, was of that same sound, German extraction. It was his nephew, Henry Augustus Muhlenberg, whose father fled from Howe at Philadelphia, clergyman, Congressman, and first Minister to Austria, who, as a staunch supporter of President Jackson,

on February 18, 1834, moved the previous question in this House after more than 2 months' debate on the United States Bank. He declined the Cabinet post of Secretary of the Navy and Minister to Russia but accepted the similar post to Austria at the hand of President Van Buren.

John Peter Gabriel Muhlenberg, having served in the Virginia House of Burgesses in 1774, returned to Pennsylvania after the Revolutionary War ended, and was, too, elected to the First Congress, where his brother was chosen Speaker. He served in the Third Congress and again in the Sixth Congress, March 4, 1799, to March 3, 1801, when elected as a Democrat to the United States Senate. He served from March 4, 1801, until he resigned to accept the appointment of President Jefferson as supervisor of revenue for Pennsylvania.

I feel that I have in Pennsylvania a typically German background, and I do not feel that I need apologize for but rather express pride in it, because wherever patriotism has been involved they have never been lacking. I have followed the precepts and the examples that have been laid down and the traditions as given to me from my earliest childhood. Some of these things are pretty dear to me, and before I would forsake them I would sacrifice everything else I possess.

So I again say that I do not believe the gentleman from Pennsylvania [Mr. Gross] can speak exclusively for the Pennsylvania Germans, because if I had to I could say exactly what I have said here in Pennsylvania-German idiomatic expressions that are colloquial in my community.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MOSER. I regret I cannot. I have something to say about the bill. I desire now to address myself to the Committee on the subject of the bill. I was for 12 years a post-office inspector. Having just given you an illustration of how I feel about the matter of loyalty to a cause, I feel resentment when this House appropriates money for a certain purpose to see it diverted by a department of the Government to other uses. Last year we appropriated money to pay for 10 additional post-office inspectors. Since 1935 Mr. Mague says appropriations to increase salaries under the classification act have been passed. He means passed up. It has not been popular to raise Federal salaries. At least, not publicly. He fell behind \$92,000, so he re-allocated the money for the additional inspectors. I did not know who the Mr. Mague was, who testified before the Appropriations Committee, until I inquired of an old inspector friend, Mr. Gartland, and he told me that Mr. Mague is superintendent of the post-office inspection service, and in the testimony of this gentleman, as advanced before the committee, he found himself in that uncomfortable position, that position I feel practically everybody would hate to be placed in, that of being under the compulsion of what he calls the Classification Act of 1925, more especially that portion thereof raising their own salaries to the prejudice of the will of this Congress, instead of increasing the personnel. I do not know how far I would like to go on that measure, but I feel this practice must be arrested. Feeling this resentment, I mentioned it to Mr. Farley. He took the side that I am advancing. He said they should not do that. I explained it in detail, and I do not believe he will permit it to occur again. The law of Congress is flouted time after time by the various departments, but I did not think the time would ever come when a service so well known, a service which has functioned so well, would disintegrate and get to the state where they would undertake to increase their own salaries to the prejudice of increasing the personnel, contrary to the will of the people of the United States as expressed by their Representatives in Congress.

Last year it will be remembered that we were under fire of public opinion, in the press, and in correspondence from constituents everywhere, relative to insufficient appropriations as hampering the opportunity for the advancement and prosecution of cases on the part of the G-men. The G-men, formerly agents of the Department of Justice, in my

time, have come to public notice to such a degree that there is a certain glamor about them. The gentleman from Virginia [Mr. Woodrum] stood where I am standing now, I questioned him, and the gentleman from Colorado [Mr. Lewis] questioned him last year on the bill relative to that allegation, and Mr. Woodrum made the statement from this Well, that they had taken over \$200,000 of their appropriated money and reallocated it to increase their salaries, limiting themselves in the personnel, just as the Post Office inspectors have done.

I wanted to bring that to the attention of this Committee for this reason. Becoming entirely familiar with the operation of the laws covering the Post Office Department and the regulation set up thereunder, as well as having delved into this Classification Act of 1925, I find no compulsion under the act, the policy which Mr. Mague has indicated they have been obliged to follow and increase their salaries to the prejudice of increasing their personnel, I could not help prefacing my remarks as I did, and now expressing my resentment of any bureaucratic branch of the Government that would do such a thing. I want to say that I never believed the Post Office Department was bureaucratic, but Mr. Mague, wherever they got him, is teaching them some very bad practices, strange and unnatural to the Post Office Department, and I feel it should be made known to this Committee at this time. Therefore I asked the gentleman from Indiana [Mr. Ludlow] for the time in order to make the Committee acquainted with that particular violation of the spirit of the appropriation law. [Applause.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. Gifford].

Mr. GIFFORD. Mr. Chairman, I regret I have only 10 minutes, because I wanted to share the time with any who might wish to interrupt. I have a very important subject. I wish to talk about a very great man, our Harry Hopkins, an old friend (?) of mine. After a heavy silence, we heard from him on last Friday evening. I understand that Heaven always welcomes the reformed penitent. We can only hope that he has been truly reformed, but I want to tell the Democratic side of the House that neither Harry Hopkins, the President, nor Mr. Morgenthau are deceiving anybody. We know Mr. Hopkins. No matter what he says, we know his viewpoint and his record. How can we listen to "what he says," with "what he is" ringing in our ears! And we know where he is. He rests in the arms of the President, to whom he will be loyal. We understand he is now the pipe line through which the businessmen can actually at least reach the ears of the President. But we are not so simple as not to know what causes this pretended change of heart and attitude. There were no apologies on Friday night in his speech for anything that has been done; no errors acknowledged. If businessmen have been "so damned dumb" when he has spoken heretofore, certainly they may fail to understand his language of Friday night. But he now says, "We have abandoned reform and will henceforth aim at recovery"—a perfect admission that what they have been doing has been essentially to reform and that recovery was not considered so important. This administration has denied all along that it was putting reform before recovery. Its spokesmen now say, "We will not punish any more but will cooperate." After 6 long years of constant harassment, and the most recent appointments to high places, can we rely on these spokesmen?

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes; I yield.

Mr. GEYER of California. I just wondered if the gentleman thinks he is contributing anything toward this matter of cooperation by such a speech as he is making here today?

Mr. GIFFORD. No; I am not trying to.

Mr. GEYER of California. I thought as much.

Mr. GIFFORD. I am not trying to. I am simply warning that we should have action rather than promises, from such people. We are no longer gullible, that is all. If that is not a contribution, well and good. I am simply saying we

have to judge by the past, if we are to have confidence in the future. We believe thoroughly that the Democratic Party and its spokesmen mean what they say. We must believe that. You want recovery. I know you will try, because 1940 is directly ahead. Unless you can bring about recovery you are doomed, and you know that. That is the only reason you are to desist from so-called reforms. It is not because you are sorry for anything. Your real nature has not changed. You will not change the silver policy just discussed nor acknowledge any other monumental failures of fiscal experiments. You will still persist in these; but you say, simply, that you will not spank business any more at present. My contribution is to tell you why you promise that. I now declare that if recovery does come during the next year it will be because of the hope and the expectation of the businessmen that the Republicans will return to power in 1940. It will not be because of anything that Hopkins, Morgenthau, and other rubber stamps may say, because the people do not believe in them any more.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. HAWKS. Is it impossible for the gentleman from California [Mr. GEYER] to stand the truth? Does he not like to have it dished out on the floor of the House?

Mr. GIFFORD. Oh, most of them love the truth and most of them love to have me speak it for them. [Laughter.] But I again remind you that we now know these men. They have performed for some time. "Spend and spend, tax and tax, elect and elect." We hear, "I didn't say it." But when you draw a perfect word picture of a man, he need not trouble to deny his identity. No one could mistake the perfect likeness of such a word picture. He will speak only according to the desires of his President. We know his exact location. That reminds me: A very prominent person was in an insane hospital on business and did not get good service from the telephone operator. He said, "I guess you don't know who I am?" The operator replied, "I do not need to know; I know where you are." [Laughter.]

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. KELLER. I wonder if the gentleman would be kind enough to enumerate for us the real mistakes that the administration has made in the New Deal?

Mr. GIFFORD. Oh, if the gentleman would ask me to enumerate any successful operations I could do it very briefly. [Laughter.] But I might try to enumerate a few of the many failures. Shall I begin with a national debt of \$44,000,000,000 and headed straight for \$50,000,000,000? Is that something of which to be proud? You usually boast of one particular act. You will name the Securities and Exchange Commission, which dried up and froze business and capital ventures so completely. It is still the great deterrent preventing release of capital. Only yesterday it was portrayed in the papers how the Securities and Exchange Commission is now trying to make peace. They realize that new business was frightened away by their activities. The index in the New York Times of yesterday shows that business has again been rocketing downward. The Securities and Exchange Commission is the acknowledged cause of the continuous thin market.

Someone said to me, "Did not the Securities and Exchange Commission catch this man Whitney, so prominent in the stock market?" No; they did not catch him. The horse was stolen before the Commission noted what had happened. What did Whitney do? He borrowed funds that were in his control—that is, he tried to borrow himself out of the depression. He borrowed 11 times. The Government has borrowed and squandered billions, more than 11 times, trying to borrow itself out of the depression.

Mr. KELLER. You think Whitney is right, then, do you?

Mr. GIFFORD. No, indeed. Neither do I think the Government is right. But, of course, the Government can do no wrong.

Mr. PIERCE of Oregon. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Oregon.

Mr. PIERCE of Oregon. Would the gentleman wipe off the work of the Securities and Exchange Commission if he could?

Mr. GIFFORD. I would wipe off a lot of these regulations that you and I had nothing to do with in passing the act. The intent of the legislation was good, but like the Federal Trade Commission which your own Democratic leader said was a dismal failure for 10 years, it has only frightened business, and I have heard it stated that the Securities and Exchange Commission has not caught even a cockroach yet. But I am not informed as to that. Certainly no criminals of importance have been mentioned and, judging from the arguments in favor of the legislation, there were plenty of them.

Mr. PIERCE of Oregon. There is no commission in the United States from the beginning of this Government that has gone more conscientiously and honestly trying to find out what the wrongs are and exposing them to the public.

Mr. GIFFORD. Oh, the intent of the act was commendable. But contemplate the results. Again I say "It was probably one of the greatest deterrents of recovery."

Mr. PIERCE of Oregon. The work they have done has been marvelous.

Mr. GIFFORD. What this administration has done; the cures advanced have been far worse than the disease which was at least supposed to afflict our social economy. The Securities and Exchange Commission has undoubtedly greatly hampered business. To catch a few crooks, all honest men were suspected and threatened.

Mr. PIERCE of Oregon. Put them in the penitentiary where they ought to be.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Certainly.

Mr. HOOK. The gentleman seems so well informed on political issues I was just wondering whether or not he could inform us the amount Mr. Whitney donated to the Republican Party last year.

Mr. GIFFORD. I have no information about that, but considering his financial condition it was very little; and the gentleman from Michigan must not infer that I favor what Whitney did. Of course, I condemn it. Neither do I favor heavy Government borrowings wiping out the people's savings and squandering them. A national debt of 50 billions tells its own story.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Gladly, yes.

Mr. TABER. Is there any significance in the conviction last Saturday on 13 counts of Mr. Roosevelt's dispenser of patronage in New York City?

Mr. GIFFORD. That is in truth a sad affair. It is bitter medicine indeed.

I wish I might have had the time to discuss the billions to be asked for housing in a few days.

I ask you to consider the projects already completed. Let us inform ourselves about this ill-advised legislation in spite of the "ballyhoo" in favor of it. We cannot greatly blame officials of the Government who are forced to act hurriedly under the lash of the administration in order to gain a little temporary upturn in the building industry. We may destroy the entire real estate balance of great cities. Considering the results attained, this administration has a sad record to contemplate.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. CRAWFORD. I should like to hear the gentleman's comment on this statement of Mr. Hopkins:

If necessary, such taxes can be replaced by increasing other taxes which do not have the same deterrent effect.

Mr. GIFFORD. I had that marked for comment. I wish I had time to refer to it.

Mr. CRAWFORD. Does the gentleman think business knows how to interpret that statement?

Mr. GIFFORD. Indeed, no. Let me say to the Democratic side of the House: "Your outward complacency fools nobody; we know that inner disquietude fills your hearts." [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I hope we will not get so embroiled in political arguments between the two sides of the aisle that we become completely unmindful of many very important things that are now before or will come before this body for consideration.

We have been in the formation of this Government now about 160 years. During this time your forefathers and mine have been busily engaged in doing those things of which we are now beneficiaries. Your parents and my parents and your grandparents and my grandparents were part of that great band of sturdy old pioneers who, with the watchword "Westward, ho!" less than a half century ago, started the final conquest of the West. When that conquest was completed your forefathers and mine had hewn out of a wilderness a civilization, the civilization we now enjoy. Its culture, its opportunity for education, its well-ordered public society is the heritage of ourselves and of future generations. We are and they will be the beneficiaries of that long toil and labor by your and my forefathers, those who are the old people of this Nation today.

In the Seventy-fifth Congress the Government of the United States recognized and by statute law admitted that those old pioneers who had become old and stooped by their toil for civilization were entitled to something from the Government and that the Government was ready to pay an obligation long past due. Then the Government did a thing for which I am ashamed. Congress passed the Social Security Act. The only excuse under the shining sun that we had for passing that act, included in which was the provision for the payment of an old-age pension, is based upon the thing that I have just talked about—payment to those who had so busily engaged in hewing a civilization out of the wilderness that they had not had time to amass enough of the world's goods to sustain themselves in their declining years. The Government admitted an obligation to them and then dodged the obligation.

Under the old-age pension title of the Social Security Act we did not say to the old people of this Nation that the Government of the United States will pay you so much money per annum, per month, semiannually, or at some other period. No. We said that if any State in the Union recognizes that they owe you a duty and they will pass an old-age pension law the Government of the United States will pay you as much money as the State will pay you up to a certain limitation. So we find today the spectacle of two aged couples in exactly the same economic circumstances and of the same age treated differently just because one lives in one State and one lives in another State, and this notwithstanding the fact that their needs are the same. Unless this is a Government obligation the Government has no business paying out any amount of money, whether it be 5 cents or some larger amount per month; but if this be a Government obligation, all beneficiaries under it should be treated alike by the Federal Government. My own State of Oklahoma is now a shining example of the evil of the system as it exists at present.

Mr. Chairman, I do not want the Members of the House to think I am leading up to the point where I am going to endorse somebody's wild isms, either. I do not want anybody to think I am leading up to the point of placing my endorsement and approval upon some thousand-dollar-a-month scheme or any other scheme as impossible of accomplishment, as are many schemes which have been presented to this Congress. I do say if the Federal Government owes an old man 65 years old living in Maine \$30 a month, then it owes \$30 a month to an old man living in Florida, California, and every other State in the Union exactly the same amount of money for everyone who falls in the same classification.

If the State wants to vote an old-age pension and pay the citizens of that particular State something in addition to what the Federal Government pays them, well and good; but if the Federal Government has any obligation, and I say it has, then this obligation is exactly the same in every

State and in every subdivision of every State in the United States.

We in the present Congress should stop bickering and playing politics and get down to the business of finding out how the Government, for which you and I legislate, can best discharge its duty, because the Government now admits it owes a duty to the old people of this country. I care not what the sum is. If it is the consensus of opinion of this body and the body at the other end of the Capitol that it be \$15 a month, well and good. If that opinion is that it should be \$30 a month, well and good. Whatever sum may be agreed to makes no difference to me. However, if it is a Federal obligation, then I want to see the Federal Government mail a check from Washington to the beneficiary in whatever State the old man or woman lives so that he or she may get the check under exactly the same rules and regulations, no matter what State they may live in.

I started to say a minute ago that my good State of Oklahoma is a shining example of the evils of this system.

After the Social Security Act was passed the State of Oklahoma passed a constitutional amendment to provide the State could pay old-age pensions, and levied a sales tax to finance such payments. The Governor named a State commission to administer this act, and the Federal Government was to contribute one-half of the amounts paid.

Since that time the State commission and the Federal Social Security Board have been in an almost continuous wrangle. The Federal Board has demanded the right to dictate the hiring and firing of employees by the State commission, and enforced its demands by withholding contributions until such demands were met. The State commission has been in hot water at home in political and other ways.

The commission recently fired the State director, saying this was done at the suggestion of the Federal Board. The Federal Board denied any such suggestion had been made and added that a bad situation had only been made worse. The members of the commission then resigned and the new Governor is now selecting a new commission.

The result of this endless friction has been that the old folks of Oklahoma have lost about \$3,000,000 in Federal contributions that they should have had. I am not passing judgment on the Social Security Board's actions in withholding contributions. I have about given up trying to find out what the row is about.

I do not blame the Federal Board or the State commission for the present situation in Oklahoma. I blame the Congress. The present dual control cannot work. It should be changed at this session.

We have many problems here in Congress. We have been talking a lot about national defense and voting money with a lavish hand for the implements of war. I maintain that the best defense we have is the patriotic spirit of our people. And I believe that the way the Social Security Act has been administered has done much to tear down the patriotic heritage and instincts of our people. The spectacle of a Federal board and a State commission bickering and mouthing over trifles, and spiting each other by withholding millions of dollars from old folks who are near the borderline of starvation is as sorry a sight as I ever hope to see. I hope this Congress will put an end to such spectacles forever by enacting a fair and sane and workable old-age pension law.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. LELAND M. FORD].

THE EFFECT OF COST OF GOVERNMENT AND TAXES UPON CONFIDENCE IN BUSINESS

Mr. LELAND M. FORD. Mr. Chairman, in consideration of the direct appropriation of \$1,700,471,354 in the appropriations bill to finance the operations of the Treasury and Post Office Departments for the fiscal year beginning July 1, it might be well to stop and think for a moment.

A short time ago, this amount would have run the whole Government. I am told that in the year of 1904 the total cost of all the departments of Government was \$730,000,000; in 1905, \$720,000,000; and in 1906, \$736,000,000. Now this

one item for the two Departments above named is costing twice and a half as much as all the governmental departments used to cost.

There is no question that Government costs should have had a normal rise, in keeping with natural development of the country and with the better governmental services given as time went on, but in my opinion these costs have recently risen at a ratio out of all proportion to the ability of the country to pay them, and far above that which good business judgment and common sense would dictate should continue.

The best practical evidence of this is our national debt, which Mr. Morgenthau now tells us will reach an all time high of \$44,000,000,000 by June 30, 1940, and he further tells us that the administration is going to ask Congress to increase the present debt limit from forty-five billion to fifty billion. He declines to state how much higher the national debt can go with safety, and further describes the present credit of the Government as "never better"—"100 percent good."

How long can credit be maintained in this condition, even if Mr. Morgenthau is right, with the constant increase in cost of government and the constant announcement of new high debt levels, with the constant increasing demand for more taxes, without future or permanent plans for the reduction or paying off of this debt?

What will be the final cost of Government if \$45,000,000,000 in principal is paid off in 33 years, at an interest rate of 3 percent per annum, including cost of accounting, handling, etc.? It will certainly be \$1,500,000,000 for principal amortization and \$1,500,000,000 for interest, or \$3,000,000,000 per year for the first year, for interest and principal only, if the debt does not go any higher, and this does not take into account the current cost of Government operation. If the cost of Government continues in the neighborhood of \$10,000,000,000, this is going to result in an annual cost of some \$13,000,000,000 per year.

Does Mr. Morgenthau think any banker would continue to extend credit to any commercial borrower, who used his credit always to the limit, kept pushing it up to new high levels, and did not occasionally reduce it, or make provision for the total final repayment of the whole amount? The answer to this should be very apparent, and it would be, "No," in no unmistakable terms, for the lender would want to know how safe his loan was, and in addition would want to know when he was going to get his money back. Instead of giving more credit, he would probably cut off any further extension of credit. The banker would probably rightfully demand a new balance sheet, or credit statement, and analyze it with the idea in mind of finding out if the borrower was operating within his means, or in other words, had a balanced budget, and had made any reasonable provision for repaying that which he had already borrowed. The country at large is the banker in this instance and it is beginning to ask some of the questions above, and it is entitled to an answer.

This money all has to be paid back if the credit and standing of the Federal Government is to be maintained. The country at large knows that there is one place only that Government can get the money to pay back this debt and the additional money to carry on government, and that place is from the country itself in the form of taxes on business in some of its ramifications.

It is no wonder that business and our people are concerned and have a lack of confidence in the future, when they look at this picture and know that all these billions must eventually come out of them in the form of taxes.

Much has recently been said of social security and the provision for certain groups toward the end of their security. This, no doubt, is as it should be; but at the same time how secure are all of our people, or any of our people, or any business under this tremendous burden of not only present taxes but those taxes that they know are sure to come in contemplation of the above figures?

This debt either is or is not going to be paid. It must be paid.

God forbid the day when the United States Government repudiates its debt, either directly or indirectly through inflation, reflation, or otherwise.

Any person with the capacity to think should be able to see what would happen to every individual, every bank, every insurance policy, mortgage, financial institution, and every business both large and small, if repudiation took place, or if any of the forms of inflation was resorted to, that would in effect strip them of practically everything they owned or that measure of security they have attained and obtained through diligence, honest work and planning, thriftiness, and by exercising that judgment in their affairs that makes them independent Americans. These people have the right to expect the same kind of security they have had in this country for the last 150 years, and they should get it. They cannot have it, however, unless this Budget is balanced, provision for full payment of the national debt is made, and the costs of government are reduced to the extent of materially lowering the taxes on business. Unless this is done, God forbid the day of reckoning to the taxpayer when the final tax bill is written.

Every person interested in relief, old-age pensions, security of any kind, and all persons interested in the safety and welfare of this Government should join in the demand that a financial inventory and check-up should be made to determine where we are finally going to arrive, with the ultimate object in mind to trim our sails before we hit the rocks. Those who are on relief and those who are dependent on the Government or expect any form of security must realize that in the long run the ability of the taxpayer to pay is the thing that keeps the whole operation going; and when taxes become so heavy that they can no longer be paid the result will be chaos for everyone. This might be likened to a child in a nursery room playing with blocks. We have all seen a child pile one block upon the other until rather a high, shaky structure is erected; with each additional block the structure becomes more shaky and insecure until finally, when a final effort is made to place one more block on the structure, the whole thing falls over. It might be wise to profit from this simple knowledge before it becomes too late. [Applause.]

[Here the gavel fell.]

Mr. LELAND M. FORD. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

Mr. GEYER of California. Mr. Chairman, reserving the right to object, I would like to know if my colleague, whose district adjoins mine, is going to extend in his remarks exactly what he asks to extend, or if he is going to do as he did on the last legislative day when he asked permission to extend in his remarks a letter from Dr. Nylander, of the National Labor Relations Board, and instead inserted an editorial in his remarks taken from an Inglewood paper?

Mr. LELAND M. FORD. I am going to do as I said I would. I did not extend in my remarks an editorial. If the gentleman will read the article in question he will find it is a news item. I extended that. It was printed in the paper and it stated the truth with reference to what was said at a certain meeting by Dr. Nylander.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD] to revise and extend his own remarks in the RECORD?

Mr. GEYER of California. Mr. Chairman, there is, unless he will assure me—

The regular order was demanded.

Mr. GEYER of California. Mr. Chairman, I object.

Mr. LUDLOW. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. MURDOCK].

Mr. MURDOCK of Utah. Mr. Chairman, if the gentleman from New York [Mr. TABER] will give me his attention, I would appreciate it, because I want to direct my remarks to

the gentleman with reference to statements made by him on Friday last.

I should not this afternoon be called upon to speak on the silver question if it were not for action contemplated by Republican members of the Appropriations Committee. As I understand it, the Appropriations Committee was created not for the purpose of legislating policies and enacting laws but for the sole purpose of taking care of the fiscal affairs of the Government and appropriating the money to carry out the legislative policy enacted by the Congress.

The Representatives from the Inter-Mountain States find that a back-door attack is being made on the Silver Purchase Act, which law was enacted in 1934. My position today, Mr. Chairman, is that if the Silver Purchase Act is not sound, if it has not worked successfully since its adoption, then a bill should be properly introduced to repeal the act. That bill should be brought to the floor and discussed thoroughly. However, this act should not be repealed by the back-door approach of attempting to strike out the item carried in this bill providing funds for the administration of the Silver Purchase Act. Such an attack is violative of the rules of the House; it is a usurpation of authority by the Appropriations Committee, if such a result were accomplished; and, in my opinion, it is high time for this House to take the position that the Appropriations Committee should not have appellate jurisdiction over legislative committees and should discontinue any attempts to change existing law by control of appropriation items. I have no fear for the Silver Purchase Act if I and other proponents thereof are given a fair chance to defend this legislation. But where we are taken by surprise by this back-door approach, when we are unable to get adequate time to intelligently discuss the silver question, it is wholly unfair to us and to the House that we should be called upon to combat efforts to control legislation by the methods contemplated by Republican members of the Appropriations Committee.

I have heard on the floor of this House the very distinguished gentleman who will offer tomorrow an amendment to strike the appropriation for the administration of the Silver Purchase Act, condemn, in very eloquent and in no uncertain terms, the practice, indulged in at the other end of the Capitol, of attaching legislative riders to appropriation bills. How he can condemn such action on the part of that other body, and then resort to the same practice himself, is beyond me. If we condemn such actions on the part of another great body of the Congress, there is certainly additional reason why we should not resort to a violation of our own rules here in the House. By using such tactics here we certainly lessen our own respect for our own rules, and invite disrespect for them in other branches of the Government. I therefore, Mr. Chairman, urgently implore the committee that when the amendment is offered to strike from the bill the item of appropriation necessary to administer the Silver Purchase Act, that it be emphatically voted down. I urge this action, not only to the proponents of the silver program, but also to the opponents, who cannot afford, in my opinion, to use this method of controlling legislation.

Mr. LUDLOW. Mr. Chairman, I yield my remaining time to the gentleman from Colorado [Mr. LEWIS].

Mr. LEWIS of Colorado. Mr. Chairman, I yield my time to the gentleman from Utah [Mr. MURDOCK].

Mr. MURDOCK of Utah. Mr. Chairman, I am very grateful to the gentleman from Colorado.

If I may now have the attention of the gentleman from New York [Mr. TABER] I should like to comment for just a minute on what the gentleman said Friday.

Since I came here 6 years ago I have had a great admiration for the gentleman from New York by reason of his usually close adherence to the facts. However, in reading the remarks the gentleman made here on Friday I find he has skidded badly on the facts as far as silver is concerned. I thought when the gentleman made his statement he probably had done it inadvertently, but when the gentleman leaves it in the RECORD as he has I must conclude that he has not given his usual close attention to the silver question or

he would not make such a statement as is included in the RECORD of last Friday.

Mr. Chairman, the gentleman from New York made the statement that under the silver-purchase program and under the proclamations of the President relative to silver we have accumulated in the Treasury 3,698,000,000 ounces of silver. The gentleman then complains of the fact that we have issued against these 3,698,000,000 ounces of silver \$1,600,000,000 in silver certificates. I know the gentleman's figures are wrong. I do not want to hold him to them, but I do call them to his attention.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Utah. Certainly.

Mr. TABER. If the gentleman will turn to page 37 of the hearings, he will see that I simply followed the language of the Secretary of the Treasury.

Mr. MURDOCK of Utah. That indicates only this, then, Mr. Chairman, that neither the gentleman from New York nor the Secretary of the Treasury knows what the figures of the Treasury Department are. I further ask the gentleman from New York, who is such a close adherent to the facts, to divide the 3,698,000,000 ounces of silver by \$1,600,000,000 in silver certificates, and he will find, if his figures are correct, that we can sell the silver in the Treasury for the world price of 43 cents an ounce and pay off every silver certificate in existence in the United States today.

I cannot conclude my remarks, Mr. Chairman, without referring to the very eloquent address delivered earlier today by the gentleman from Illinois [Mr. DIRKSEN]. I hoped he would be present when I spoke, but, notwithstanding his absence, I must say what is on my mind. He, in his usual emphatic and bombastic way, denounced the silver program as an "abomination." He denounced it as a "subsidy to the silver-mining industry" of the great West. How forgetful my friend from Illinois is in denouncing what he calls a "silver subsidy" of the fact that every person in the United States that takes a drink of liquor pays an extortionate amount to protect the liquor industry of the gentleman's district. How eloquent he waxes whenever anyone, even by implication, refers to the subsidy to the great liquor industry of his district. But with smug complacency he can condemn the program which means the very life of metal mining in the West. O Mr. Chairman, if subsidies are to be condemned as an abomination, then the gentleman from Illinois should be ever conscious of the vast subsidy the people of the United States pay to protect the rot-gut liquor that flows from the district of the gentleman from Illinois. The mining of silver provides labor for thousands of American miners. The wages so paid are conducive to a decent standard of living for decent American citizens. It provides homes, it improves morale, it furnishes a market for the great eastern industrial centers. It does not destroy homes, it does not produce criminals, it does not destroy the youth of America, it does not fill insane asylums and penitentiaries, and, although for the purpose of argument we admit that the silver program may in a way "subsidize" the silver-mining industry, we take the position that it is far better to subsidize the silver that flows from American mines than to subsidize rot-gut liquor that flows so freely in America today under a subsidy to the liquor interests of the United States. By this I do not mean that I am unwilling to protect even the American liquor industry against foreign industry. What I do mean, however, is that gentlemen like the gentleman from Illinois [Mr. DIRKSEN] should get out of their own glass houses before heaving stones so viciously at the silver program.

The CHAIRMAN. The time of the gentleman from Utah has expired. All time has expired.

The Clerk will read the bill for amendment.

The Clerk read as follows:

Old-age reserve account, Social Security Act: For an amount sufficient as an annual premium for the payments required under title II of the Social Security Act, approved August 14, 1935 (42 U. S. C. 401), and authorized to be appropriated to the old-age reserve account established under section 201 (a) of the act, \$580,000,000, of which \$30,000,000 shall be available immediately: *Provided*, That such amount shall be available until expended for making payments required under the act, and the amounts not required for current

payments shall be invested from time to time in such amounts and in such manner as the Secretary of the Treasury may deem most expedient in accordance with the provisions of such act.

Mr. WHITE of Ohio. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. WHITE of Ohio. Mr. Chairman, my point of order is against the language contained in line 21, page 3, beginning with the words "from time to time" and extending to the words "most expedient," the full language being "from time to time in such amounts and in such manner as the Secretary of the Treasury may deem most expedient." It is my contention this is legislation in an appropriation bill and imposes additional duties and power upon the Secretary of the Treasury.

It is my understanding that at the present time under the provisions of the original body of law the Secretary of the Treasury cannot invest this money until the revenues are received, and that this language is inserted in the bill for the purpose of permitting him to invest the money in this manner before the revenues are received by the Treasury Department. It would therefore constitute new power and new authority. On that basis, Mr. Chairman, I make the point of order.

Mr. LUDLOW. Mr. Chairman, I should like to be heard in opposition to the point of order.

I wish to call the attention of the Chair to the exactness of the language in the bill as compared with the original Old Age Security Act. My contention is that the language in the bill is identical in meaning, though not in verbiage, with the language in the act and does not extend the language of the act. If the Chair wishes, I shall be pleased to read the language of the bill and also the language of the act. I assume the Chair has this information before him. The language of the act to which I refer is contained in subparagraph (b) of the Social Security Act. The language of the bill, as I construe it, is simply in somewhat different words a repetition of the language in the act itself.

Mr. WHITE of Ohio. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield to the gentleman from Ohio.

Mr. WHITE of Ohio. Is it the gentleman's understanding that at the present time, under the substantive law, the Secretary of the Treasury cannot invest the money in this manner until the revenues are received by the Treasury Department?

Mr. LUDLOW. For the information of the gentleman from Ohio and of the House, let me read the language of the act:

It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the account as is not, in his judgment—

Note the words "in his judgment." There we have the discretion—

required to meet current withdrawals.

In the bill we have before us we provide:

That such amount shall be available until expended for making payments required under the act, and the amounts not required for current payments shall be invested from time to time in such amounts—

In other words, in his judgment—

and in such manner as the Secretary of the Treasury may deem most expedient.

It seems to me the purport of the language of the act is identical with the purport of the language of this bill, and vice versa.

Mr. WHITE of Ohio. Mr. Chairman, I call your attention to the language that was read by the gentleman from Indiana to the effect that the Secretary had the power to meet current withdrawals. I contend this new language goes beyond the power of meeting current withdrawals in that it places no limitation but states "from time to time in such amounts and in such manner as the Secretary of the Treasury may deem most expedient." This language goes beyond current withdrawals. It eliminates a restriction of the act

itself and therefore it represents new authority and new legislation.

Mr. LUDLOW. I call the attention of the Chair to the phraseology "in his judgment," which I believe conveys exactly the same authority the gentleman attributes to the language of the bill before us.

Mr. WHITE of Ohio. It exceeds the authority to meet current withdrawals, and there is no such power in the present law.

Mr. LUDLOW. Mr. Chairman, I have one other point. I am advised by the Bureau of the Budget that if the Secretary is not allowed the latitude conveyed by the language in the bill it probably will largely increase expenditures. I believe there is a probability, at least, that this comes under the jurisdiction of the Holman rule. As I understand the situation, the Bureau of the Budget is apprehensive that with this language deleted the Comptroller would hold that the minute the appropriation bill becomes effective for the next fiscal year there is a mandatory obligation on the Secretary of the Treasury to invest immediately these funds that are appropriated, at 3-percent interest, whereas if the Secretary has the latitude to stagger the investment of the funds and not make an immediate investment, there will be a saving of something like \$8,000,000 a year. I also submit the reasonableness of the point of view that this comes within the Holman rule.

Mr. WHITE of Ohio. Mr. Chairman, I contend that the statement which the gentleman has just made sustains my contention that this is a grant of new power.

The CHAIRMAN (Mr. BOEHNE). The Chair is ready to rule.

The gentleman from Ohio [Mr. WHITE] has made a point of order against the words found on page 3, lines 21 to 23:

From time to time in such amounts and in such manner as the Secretary of the Treasury may deem most expedient.

The gentleman from Indiana contends that this is in accordance with the Social Security Act and cites subparagraph (b) of paragraph 401, title II, in which there appear these words:

It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the account as is not in his judgment required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States.

The gentleman from Indiana [Mr. LUDLOW] has also contended that this comes within the meaning of the Holman rule, when, as a matter of fact, the Holman rule specifically provides that the saving to be effected must be shown, while the statement of the gentleman from Indiana shows that the saving to be effected is entirely speculative in character.

Mr. LUDLOW. If the Chair will permit a suggestion there, I recall distinctly that in the treatment of the Holman rule in Cannon's Precedents, it is expressly set forth that it is not necessary to show in so many words or in so many figures what the saving will be, but it is sufficient to show that in all likelihood there would be a saving.

The CHAIRMAN. The Chair desires to call the attention of the gentleman from Indiana to the fact there is nothing in the words against which the point of order has been raised to show any saving whatever.

The Chair believes that the words referred to do grant additional discretionary power to the Secretary of the Treasury, and, therefore, sustains the point of order.

Mr. COCHRAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on Friday, during the speech of the gentleman from New York [Mr. TABER], the gentleman from Ohio [Mr. CLEVELAND] made some remarks which will be found on page 2671 of the RECORD. The gentleman from New York [Mr. TABER] had been referring to money that had been appropriated for the W. P. A. and allocated to various Government agencies.

The gentleman from Ohio stated that he thought this was a very proper matter for the Committee on Expenditures in the Executive Departments to investigate. The gentleman

stated he was a member of the committee and that the committee had held only one meeting and he thought that the committee should investigate the matter referred to.

First, let me say to the gentleman from Ohio the authority to allocate this money will be found in the relief act and there is no reason why the Committee on Expenditures should investigate what the relief act authorizes done.

As far as the Committee on Expenditures having had one meeting is concerned, that statement is true. The committee had one meeting and it went through its entire calendar. The chairman was ordered to report one bill. He followed the instructions of the committee, the bill was reported, it has been passed by the House and is now in the Senate. The chairman was instructed to secure some reports from Government agencies on other bills, the letters went out the next day, acknowledgments have been received saying the reports will be sent to the committee as soon as possible.

Since that meeting two bills have been referred to the committee. Both of them are duplicates of bills already received by the committee.

Therefore it is not necessary to call the members of the committee together when there is nothing for them to consider and will not be necessary until the reports from the departments are received.

It so happens there is something in the hearings on this bill that shows that the Committee on Expenditures does function.

For years the Government paid insurance companies large premiums to insure valuable shipments. When this matter came to the attention of the committee we held an investigation, and a law was passed which provided for setting up funds in the Treasury Department to insure the Government's valuable shipments. In 10 years prior thereto there was paid to insurance companies over \$3,000,000 in premiums.

Two days after this bill became a law a deficiency bill was before the House. I drew up an amendment, took it to the gentleman from New York [Mr. TABER] and the gentleman from Virginia [Mr. WOODRUM], and they agreed to the amendment. It was added to the bill, the fund was set up, and we stopped paying the premiums to the insurance companies.

Now, what happened? Since that law was enacted several years ago there has been taken out of that fund exactly \$226; in other words, that one act of the Committee on Expenditures, for which the entire membership of the committee deserve credit, although I was the author of the bill, has saved annually more than the amount of money that is paid in salaries to the entire membership of the committee. If you desire to check on this statement, see page 238 of the hearings.

Whenever the gentleman from Ohio [Mr. CLEVINGER] has anything to place before the committee that is worth looking into, if the gentleman will present it to the committee, I will guarantee him it will receive its consideration. Demanding investigations is one thing and submitting to the committee evidence that will justify an investigation is another. Show the chairman of the committee, who is from Missouri, something worth while if you want an investigation.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I rise in opposition to the pro forma amendment in order to take advantage of the kind invitation extended by the gentleman from Missouri [Mr. COCHRAN], the present chairman of the Committee on Expenditures in the Executive Departments. The gentleman indicated a large saving to the taxpayers' Treasury because the Government carried much of its own insurance under legislation which his committee had enacted. I rise at this time to call his attention to the fact that the committee report on this bill, page 39, indicates that the subsidies for foreign air-mail service have been increased. In fact for twice weekly trans-Atlantic service, estimated on the basis of 7 months' operation, a \$996,000 increase is provided. The gentleman who boasted about the saving of the taxpayers' money by reason of the Government going into the private field of insurance no doubt observed in the press a short time ago that the Pan-American Airways is going to operate a trans-Atlantic air service, and the First Lady of the land is going to christen one of their trans-Atlantic airplanes in the near future. He also must

have noted that the First Lady of the land's insurance firm wrote the liability insurance for the Pan-American Airways trans-Atlantic transport planes. I rise to respectfully suggest in view of the fact that \$996,000 is provided in this bill mostly as a subsidy to Pan-American Airways, that the administration should consider the advisability of having the Government insurance agency write this insurance instead of the Roosevelt family.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last two words, merely in order that I may make a few brief remarks. Last Friday afternoon's colloquy has been referred to. The gentleman from Ohio [Mr. CLEVINGER] stated that he had been placed on the Committee on Expenditures. I am indeed sorry for him, if he thought he was being placed on an important committee for that committee is not allowed to function. The illustration just given by my good friend from Missouri [Mr. COCHRAN] shows what the committee could do. If he could do so well in saving insurance payments, think of the great savings he could accomplish through that committee. I have complained bitterly for 5 years on this floor because I was assigned as the ranking member of that supposedly very important committee, inducing me to forego requests for a real committee. I greatly sympathize with those who are assigned to this committee. It is apparently unthinkable that the Democratic side of the House would investigate anything happening during their administration. The chairman could not get any expression of willingness from the leaders to look into extravagances or inefficiency of officials. Plenty of these have been portrayed to you in magazines and newspapers and from the floor of the House but the committee refrains from taking any notice thereof. No spender was ever summoned before that committee except in one instance, and then it had to be at the instance of a Democrat. The gentleman from Ohio [Mr. CLEVINGER] need not think that he can successfully make a motion in that committee to summon anybody, unless it is one, or something, of no importance.

It must be a peanut matter. One Democrat did have the nerve to refute Harry Hopkins' testimony on the one day we were functioning, and just a day or two ago I found a printed copy of those hearings, and it was amazing to read that colloquy with Mr. Hopkins. We all appreciate very much the distinguished gentleman from North Carolina [Mr. WARREN], but it was he who acridly said, "The gentleman from Massachusetts [Mr. GIFFORD] is the only one who desires to conduct this inquisition." I demanded that he take the word "inquisition" out of the record, but it is there. I could not proceed to question Mr. Hopkins because so many Democratic Members insisted on getting into the conversation in order to protect the witness. But I did find, in looking over the record, that the Member of kindly memory, Mr. Gasque, of South Carolina, did take my part and declared, "Yes, they are ruining the South and paying more in relief than the farmers can pay, and we cannot hire anybody to work." If you ever wish to read an interesting hearing, get a copy of that record. You will become better acquainted with Harry Hopkins. That was the only instance of any importance whatsoever that committee has pretended to function during all these years—a committee, think of it, headed by a man of such great ability—the gentleman from Missouri [Mr. COCHRAN]. He is very watchful of little things to prove that he is on the job, but he will not touch the big things or anything that might be harmful to his party.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. KNUTSON. Congress has been in session now nearly 2 months. Can the gentleman tell the House of any plan that has been submitted by this administration in the last 6 years to put the twelve or fourteen million people who are out of work back to work?

Mr. GIFFORD. Oh, yes; there is a plan.

Mr. KNUTSON. What is it?

Mr. GIFFORD. The plan is the appeasement policy. They have appointed Harry Hopkins to apologize to business and beg the businessman to go ahead.

Mr. KNUTSON. Will that save the country?

Mr. GIFFORD. That is their plan. They dare not punish any longer, having 1940 to worry about.

Mr. KNUTSON. The gentleman undoubtedly read in the newspaper this morning or yesterday morning that Mr. Hopkins announced to the country that they were through now with the social experimentations, and they were going to work to put the country back on a self-supporting basis.

Mr. THOMAS F. FORD. Will the gentleman yield at this point?

Mr. KNUTSON. No; I do not.

Mr. THOMAS F. FORD. That is not what Hopkins said.

Mr. KNUTSON. The gentleman should get permission from the Chair when he interposes.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. GIFFORD] has expired.

Without objection the pro forma amendment is withdrawn. There was no objection.

Mr. THOMAS F. FORD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have just listened to the distinguished gentleman from Wisconsin [Mr. SCHAFER] orate on a subject about which he apparently does not know very much. He says we have appropriated a certain amount of money for subsidizing the trans-Atlantic air mail. I wonder if the gentleman is opposed to that? The only reason, apparently, that he is opposed to it is that he says the First Lady of the land wrote the insurance. Now, he knows and everybody knows that that is a pure demagogic misstatement.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. THOMAS F. FORD. Yes.

Mr. SCHAFER of Wisconsin. I said that the firm of Roosevelt & Sargent wrote the insurance.

Mr. THOMAS F. FORD. Of which Mr. James Roosevelt is no longer a member.

Mr. SCHAFER of Wisconsin. From which firm the insurance agent, James Roosevelt, resigned as a partner and was supplanted by the First Lady of the land, wrote that insurance, and it is not a lie.

Mr. THOMAS F. FORD. The First Lady of the land did not write that insurance and you know it.

Mr. SCHAFER of Wisconsin. Then the newspapers must all be wrong and the gentleman right?

Mr. THOMAS F. FORD. Yes. They are just like you. They are generally wrong. That is all that is the matter with the newspapers.

Mr. SCHAFER of Wisconsin. Is the gentleman indicting the entire press of America?

Mr. THOMAS F. FORD. I am—90 percent of them; yes.

Mr. SCHAFER of Wisconsin. He is following the President then?

Mr. THOMAS F. FORD. Ninety percent of them indulge in misstatements or half truths.

[Here the gavel fell.]

Mr. LUTHER A. JOHNSON. Mr. Chairman, I move to strike out the last four words.

Mr. LUDLOW. Mr. Chairman, it is not my purpose to object to the gentleman from Texas proceeding, but we have a bill to consider. While this is all very interesting, I think I shall have to object to other extraneous speeches and insist that the discussion be confined to the bill after this.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. LUTHER A. JOHNSON. Mr. Chairman, I am not on the floor for the purpose of any political sniping that seems to have been indulged in lately. I rise to get information about the bill. I would like to ask the chairman of the committee a question or two.

Referring to the bottom of page 50, which provides for the construction of public buildings outside of the District of Columbia, there is \$30,000,000 appropriated. I have read the hearings on that provision of the bill and have carefully read the section of the bill to which I have referred, and I find the language of the bill and the hearings both indicate that this \$30,000,000 is to be used only for the construction

and completion of post-office buildings heretofore allocated. That is, for which sums have been heretofore allocated.

Mr. LUDLOW. Outside of the District of Columbia, yes.

Mr. LUTHER A. JOHNSON. Outside of the District of Columbia, yes. There are a great many Members of the House, and I am one of those, who have within their districts post offices where the receipts are sufficient to make them eligible for the construction of a new building, and where buildings are needed, and for which no allocations have heretofore been made, and I very much desire that such be done. The question I desire to ask the chairman of the committee is, if the amount of the bill as framed should be increased from \$30,000,000, am I right that that would not extend its purpose so as to include new allocations?

Mr. LUDLOW. The gentleman is right. An amendment to the bill to include new allocations would not be in order.

Mr. LUTHER A. JOHNSON. Those of us who desire new post-office building allocations made under the terms of the bill, could not frame an amendment that would be germane?

Mr. LUDLOW. No, sir; it could not be done.

Mr. LUTHER A. JOHNSON. Have the allocations under the 3-year program heretofore established been allocated?

Mr. LUDLOW. Yes; the allocations have been made.

Mr. LUTHER A. JOHNSON. In other words, in order to get funds for a new post-office building where no allocation has been made, it will be necessary to have a new authorization bill passed?

Mr. LUDLOW. That is correct.

Mr. LUTHER A. JOHNSON. I thank the gentleman.

Mr. KNUTSON. Mr. Chairman, I move to strike out the paragraph.

I would like to have the attention of the chairman of the subcommittee. On page 3, beginning in line 12, I find it is proposed to appropriate \$580,000,000 for social security. Is that correct?

Mr. LUDLOW. That is correct. It is the old-age reserve account.

Mr. KNUTSON. Will the gentleman please inform the House what has become of the \$1,000,000,000 that has been collected under the Social Security Act, out of which only about \$10,000,000 has been paid out? What has become of the other \$990,000,000? I am asking for information. This is no laughing matter.

Mr. THOMAS F. FORD. It was covered into the Treasury.

Mr. LUDLOW. As the gentleman undoubtedly knows, the reason for setting up an old-age reserve account is that it was necessary, as I understand it, that that be done to meet the requirements of the Constitution that we could not tax for a specific purpose.

The taxes, when collected, have to go into the general fund of the Treasury of the United States and are subject to the general uses of that fund. The theory of the act is to set up an old-age reserve account into which there shall be appropriated from time to time sums commensurate with the taxes collected under the Old Age Security Act. The old-age reserve account takes the place of the taxes that have been collected, and the administrative officials are scrupulously careful to keep it even in amount with the taxes collected.

Mr. KNUTSON. As I understand it—and I have every sympathy for the gentleman who is being compelled to defend legalized embezzlement of the people's money—as I understand it, this money is collected from the employers and the employees for the purpose of being paid out in social-security benefits, and that about one thousand million dollars has already been collected. Instead of spending the money for that purpose it is being used to pay the general operating expenses of the Government. Is that correct?

Mr. LUDLOW. I may say to the gentleman that there has been a lot of unnecessary confusion about this matter. These taxes are collected and Congress appropriates into a fund known as the old-age reserve account, the amounts, as near as actuarial and other computations permit, which are the same in amount as the taxes collected. Under the law these appropriations are invested in a security that is created by

the Secretary of the Treasury especially for this purpose, a Government security which bears 3 percent interest.

Mr. KNUTSON. They are invested in I O U's, are they not?

Mr. LUDLOW. They are just as good as any other security of the United States Government, and presumably there is nothing better than a United States Government security.

Mr. KNUTSON. What I am getting at is that the money that has been taken in has been spent, and we are going to be taxed over again as the need arises; in other words, it amounts to double taxation.

Mr. LUDLOW. Oh, no. The gentleman is entirely mistaken.

Mr. KNUTSON. I cannot yield further. I want to elaborate a little. I would like to use a little of my own time.

Mr. LUDLOW. The gentleman is entirely mistaken. There is no double taxation.

Mr. KNUTSON. Upon whose authority does the gentleman make that statement?

Mr. LUDLOW. Upon the authority of common knowledge of how the act is being administered, on the authority of the act itself, and on the authority of the Secretary of the Treasury combined. As I have said, the fund set up equals as nearly as is possible the amount paid in in taxes.

Mr. KNUTSON. I cannot yield further, Mr. Chairman. The money that has been taken in for social-security purposes has been spent for the operating expenses of the Government, and as the need arises we are going to be taxed over again. Instead of being taxed once we are going to be taxed twice. As long as the American people want that kind of administration it is all right with me. I can pay my share of it.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from California for a question, not for a speech.

Mr. THOMAS F. FORD. This is a question. What would the gentleman have the Government do with the money it collects instead of investing it in Government bonds as the law directs?

Mr. KNUTSON. It should not be collected until it is needed. [Applause.] A large reserve fund to draw from is merely an incentive to spend and spend.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I was rather interested to hear the remarks of my distinguished friend from Minnesota [Mr. Knutson], particularly when he used the sensational word "embezzlement." It is the easiest thing in the world to make sensational remarks. It is the sensational statements that hit the headlines, but what are the facts? The Committee on Ways and Means is considering this question now, and the gentleman from Minnesota is a member of this committee. He knows the situation. The situation simply is as follows, as I see it: If there is any change to be made let us make it without charges of "embezzlement" and other sensational charges when anyone with common sense—and the gentleman from Minnesota is overendowed with common sense—knows there is no such thing involved.

What are the facts? When we passed the present Social Security Act, in order to impose the taxes we had to provide that the money raised go into the general fund of the Treasury in order to obviate a constitutional question. I see the keen eye of the former Governor of Maine who once said he voted against a bill because it was unconstitutional but the very next day appeared before the Ways and Means Committee and advocated the passage of a bill despite the fact it might be unconstitutional.

Mr. BREWSTER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Having referred to the gentleman, I yield.

Mr. BREWSTER. I would remind the gentleman that my stand on constitutionality was exactly the same as that taken by the gentleman himself.

Mr. McCORMACK. The only difference was that the gentleman from Massachusetts was consistent, whereas the gentleman from Maine was inconsistent.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. LUDLOW. The gentleman understands, of course, that there is no such thing as embezzlement of the Social Security funds?

Mr. McCORMACK. Yes; the gentleman from Minnesota knows that it is a meaningless word, and he does not mean it in the financial sense, he means it in the political sense.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield to me for one minute while I read what the Government actuary said?

Mr. McCORMACK. I yield to the gentleman.

Mr. LUDLOW. Here is what the Government actuary said when he came before the Committee on Appropriations:

The appropriations go into the Budget in the amount of taxes collected, less administrative expenses; and, as Mr. Bell has said, the appropriations and collections are practically in balance on an accumulative basis. These funds are placed in what might be called a trust fund. It is the same thing as the funds of an insurance company, except in the case of social security the funds are invested exclusively in Government bonds.

That explains the whole transaction.

Mr. McCORMACK. I would like briefly to resume my statement.

The situation that exists is as follows: Under the social-security law the taxes are levied generally and brought into the general fund, then appropriated out to a special fund. Whether we like it or not we have to do it that way. No matter what scheme of social-security law we have, where it is a contributory pension we have to do it that way unless we change the Constitution.

By this same law we say to the Secretary of the Treasury, in this case Secretary Morgenthau—at some future time it may be another Secretary, "You have got to get 3 percent interest on this money that we appropriate to you that has come into the General Treasury and which we are appropriating into the special fund." He can go out into the market and buy Government bonds, but if he cannot buy 3-percent Government bonds he is for all practical purposes forced to issue special obligations.

The Government guarantees 3 percent interest. If he cannot buy bonds carrying 3 percent interest, and you cannot do that today, he has to issue what are called "special obligations," guaranteed by the Federal Government. If he cannot buy bonds in the open market which bear 3 percent interest, and no Secretary of the Treasury can do that today, he has to issue special obligations. Whatever bond issues are outstanding which bear 3-percent interest, and I refer to governmental issues, are held closely. The average rate of interest on long-term indebtedness is about 2½ percent. So we say to the Secretary of the Treasury, "You have to pay 3 percent interest. Therefore, if you cannot buy 3-percent bonds you have to issue special obligations."

That is just exactly the situation that exists. This explains how meaningless is the charge of embezzlement.

[Here the gavel fell.]

Mr. BREWSTER. Mr. Chairman, I move to strike out the last 11 words.

Mr. Chairman, I did not begin this discussion, and I do not care to have it terminated by the gentleman from Massachusetts dragging me rather unceremoniously into the matter.

So far as the question of constitutionality is concerned, which I understand was raised by his discussion, I think it should be perfectly clear to the Members of the House—and I think we are indebted to his very precise statement of the situation—that it was necessary to tax the money into the general fund, then appropriate it for the special purpose of social security in order to avoid constitutional questions. I should like the gentleman to also inform the House whether or not the question of the constitutionality of the appropriation is any different, even though the tax may not be the subject of constitutional attack.

If my reading of the constitutional decisions are correct, the only reason the method adopted by the majority, so far as the Social Security Act is concerned, is able to continue, whereas the A. A. A. taxes under the Hoosac Mills decision were thrown out, was because some ingenious gentleman downtown or elsewhere invented the idea that if the taxes were levied for the general fund it was not then the subject of attack, whereas if it was levied for a specific purpose it might then be thrown out. This did not affect in any way the question of whether or not under the Constitution we have the power to appropriate funds for those specific purposes. I appreciate the claim of the gentleman from Massachusetts—that he is consistent in this situation. His consistency seems to consist in the consistency with which he violates the Constitution.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Is the gentleman opposed to the Social Security Act?

Mr. BREWSTER. I voted for it.

Mr. THOMAS F. FORD. But the gentleman is opposed to it now. He is opposed to the method of collecting the money for it?

Mr. BREWSTER. I have not said that. The gentleman from Massachusetts brought me into this matter because of the position I took before the Ways and Means Committee, at which time I stated that I would prefer a solution of this question along constitutional lines; that I regretted it had not been adopted; that I would prefer that solution. I feel very strongly about this question, and I do not believe the Constitution itself will be of much value if 10,000,000 remain unemployed here much longer.

Mr. THOMAS F. FORD. The question is, Is the gentleman questioning the constitutionality of the Social Security Act?

Mr. BREWSTER. I am asking the gentleman from Massachusetts if he will inform me whether the constitutional question he suggests on the tax is not equally applicable to the appropriation?

Mr. THOMAS F. FORD. That is not an answer, but I will accept it.

Mr. BREWSTER. That is what I am asking the gentleman from Massachusetts.

Mr. McCORMACK. Will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman from Maine is unnecessarily alarmed when he uses the word "unceremoniously." The state of mind of the gentleman from Massachusetts was not to unceremoniously bring the gentleman into the debate. It was simply to facetiously do so.

The position of the gentleman from Maine is this: When he appeared before the Ways and Means Committee advocating the Townsend plan, the gentleman from Massachusetts asked the gentleman from Maine if the gentleman from Maine felt there was a constitutional question involved, and he said, "Yes." The gentleman from Massachusetts then asked the gentleman from Maine how he voted the day before on the reciprocal-tax bill—"How did you vote?" "I voted against it." "Was the constitutional question one of the considerations involved in your vote against it?" And the gentleman from Maine frankly said "Yes." He voted against the bill one day because of the constitutional question involved, and the very next day admitting there was a serious constitutional question involved he still urged the members of the Ways and Means Committee to report out the bill.

Mr. KNUTSON. Will the gentleman yield?

Mr. BREWSTER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. May I suggest to the gentleman from Massachusetts, it is just barely possible that the gentleman from Maine has read the letter that the President wrote to the chairman of the Ways and Means Committee in which

he said, "Do not be too much concerned over the question of constitutionality."

Mr. BREWSTER. I still do not understand that the gentleman from Massachusetts has answered the question which I asked whether or not appropriating funds for social security is made constitutional by the fact that the tax is levied for the general fund of the Treasury? It is my understanding that the Supreme Court has simply indicated that by this procedure the tax and the appropriation are made immune from attack. The appropriation may still be beyond the purview of the Constitution but there is no constitutional method of challenging it.

[Here the gavel fell.]

Mr. McCORMACK. The gentleman from Massachusetts may say that the Supreme Court has passed upon that question and said that it is.

[Here the gavel fell.]

The pro forma amendments were withdrawn.

The Clerk read as follows:

BUREAU OF CUSTOMS

Salaries and expenses: For collecting the revenue from customs, for the detection and prevention of frauds upon the customs revenue, and not to exceed \$100,000 for the securing of evidence of violations of the customs laws; for expenses of transportation and transfer of customs receipts from points where there are no Government depositories; not to exceed \$84,500 for allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (5 U. S. C. 118a), but not to exceed \$1,700 for any one person; not to exceed \$500 for subscriptions to newspapers; not to exceed \$2,000 for improving, repairing, maintaining, or preserving buildings, inspection stations, office quarters, including living quarters for officers, sheds, and sites along the Canadian and Mexican borders acquired under authority of the act of June 26, 1930 (19 U. S. C. 68); and including the purchase (not to exceed \$87,500), exchange, maintenance, repair, and operation of motor-propelled passenger-carrying vehicles when necessary for official use in field work; \$21,153,000, of which such amount as may be necessary shall be available for the payment of extra compensation earned by customs officers or employees for overtime services, at the expense of the parties in interest, in accordance with the provisions of section 5 of the act approved February 13, 1911, as amended by the act approved February 7, 1920, and section 451 of the Tariff Act, 1930 (19 U. S. C. 261, 267, and 1451): *Provided*, That the receipts from such parties in interest for such overtime services shall be deposited as a refund to the appropriation from which such overtime compensation is paid, in accordance with the provisions of section 524 of the Tariff Act of 1930 (19 U. S. C. 1524); for the cost of seizure, storage, and disposition of any merchandise, vehicle and team, automobile, boat, air or water craft, or any other conveyance seized under the provisions of the customs laws, for the purchase of arms, ammunition, and accessories, and \$493,360 shall be available for personal services in the District of Columbia, exclusive of 10 persons from the field force authorized to be detailed under section 525 of the Tariff Act of 1930: *Provided*, That no part of this appropriation shall be expended for maintenance or repair of motor-propelled passenger-carrying vehicles for use in the District of Columbia except one for use in connection with the work of the customhouse in Georgetown: *Provided further*, That hereafter section 3648 of the Revised Statutes (31 U. S. C. 529b) shall not apply to payments made for the Bureau of Customs in foreign countries: *Provided further*, That the offices of the surveyor of customs at the port of New York and seven comptrollers of customs, with annual salaries aggregating \$51,600, are hereby abolished. The duties imposed by law and regulations upon the surveyor of customs at the port of New York and comptrollers of customs, their assistants and deputies are hereby transferred to, imposed upon, and continued in positions now established in the Customs Service by or pursuant to law, as the Secretary of the Treasury by appropriate regulations shall specify; and he is further authorized to designate the titles by which such positions shall be officially known hereafter. The Secretary of the Treasury, in performing the duties imposed upon him by this paragraph, shall administer the same in such a manner that the transfer of duties provided hereby will not result in the establishment of any new positions in the Customs Service.

Mr. FITZPATRICK. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. FITZPATRICK. Mr. Chairman, I make a point of order against the language on page 16, line 14, beginning with the words "Provided further," and extending down to line 5, on page 17, as legislation on an appropriation bill, especially that part of the language beginning in line 23, which states "and he is further authorized to designate the titles by which such positions shall be officially known hereafter."

To me this seems to be purely legislation on an appropriation bill.

The CHAIRMAN. Will the gentleman from New York state the citation again?

Mr. FITZPATRICK. On page 16, line 23, beginning with the word "and" and reading, "and he is further authorized to designate the titles by which such positions shall be officially known hereafter."

The CHAIRMAN. Does the gentleman raise the point of order on the words he has cited?

Mr. FITZPATRICK. On the entire proviso, on both pages.

The CHAIRMAN. In other words, the point of order is directed against the proviso?

Mr. FITZPATRICK. Yes.

The CHAIRMAN. Does the gentleman from Indiana wish to be heard?

Mr. LUDLOW. Yes, Mr. Chairman. I do not believe there is any necessity for extended comment on this point of order.

In 1932 a provision in substantially identical language was included in the Treasury-Post Office appropriation bill. The gentlewoman from California [Mrs. KAHN] made a point of order against the provision. The Chair ruled that the five considerations essential to the application of the Holman rule were present in the language proposed, namely, (1) that it was germane, (2) that it reduced the number and salaries of officers of the United States, (3) that it retrenched expenditures, (4) that the retrenchment was not speculative or argumentative but was specific, and (5) that every part of the legislation was essential.

The point of order was, therefore, overruled and I submit it should be in the instant case.

May I say further there is no doubt about the application of the Holman rule in cases where it is ascertainable that there will be a substantial saving, whether or not any specific amount of saving is indicated. However, in the instant case we have the peculiarly advantageous position of being able to certify to the exact amount in dollars and cents that will be saved, namely, \$51,600. Therefore, I submit to the Chair this comes clearly within the Holman rule. I direct the Chair's attention to the fact that we have complied scrupulously with the Ramseyer rule, and he will find set forth on page 47 of our report the text of existing legislation and the text of the legislation we propose in place of it. Having done this, we have only to comply with the Holman rule to make the provision invulnerable to a point of order, and this we have done. I ask for the ruling of the Chair.

Mr. FITZPATRICK. Mr. Chairman, the gentleman from Indiana states there will be a saving of \$51,600. If the Chair will refer to page 18 of the report he will see that new positions involving a total of \$51,000 will be created in the same department so the saving is just \$600. Therefore, any claim that there will be a saving of \$51,600 is just not so. The report shows new positions are being created in the same department.

Mr. MARCANTONIO. If the gentleman will yield, may I say that this particular proviso takes powers away from one branch of a department and confers them on another, which clearly is legislation.

Mr. LUDLOW. Of course, the one has no connection, relation, or relevancy to the other. All that is necessary for us to say is that in this transaction by abolishing certain positions we make a saving of \$51,600. If we appropriate a similar amount of money to another branch for some other purpose, what connection does that have with this?

Mr. FITZPATRICK. The money is to be appropriated to the same department for men to perform the same duties as the comptrollers whose positions you are abolishing.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from New York [Mr. FITZPATRICK] makes the point of order against the proviso on page 16 on the grounds that it embraces legislation in an appropriation bill. The gentleman from Indiana contends that although it is legislation on an appropriation bill it comes within the Holman rule and is therefore in order. The Holman rule may be found in the second sentence of clause 2 of rule XXI, and is as follows:

Nor shall any provision in any such bill or amendment thereto changing existing law be in order, except such as being germane

to the subject matter of the bill shall retrench expenditures by the reduction of the number and salary of the officers of the United States by the reduction of the compensation of any person paid out of the Treasury of the United States, or by the reduction of amounts of money covered by the bill.

In order to justify language in an appropriation bill under the Holman rule three things must concur: First, it must be germane; second, it must retrench expenditures in one of the ways enumerated in the rule; and, third, the language embodied in the provision must be confined solely to the purpose of retrenching expenditures.

The Chair has carefully examined the proviso to which the point of order is directed and is of the opinion that the language is germane and that on its face it definitely shows a reduction of the officers of the United States and a retrenchment of expenditures in the amount of \$51,600.

It is also apparent to the Chair that all the legislation to be found in the paragraph is necessary to accomplish the purpose of retrenching expenditures. The Chair has been fortified in his opinion on this proposition by a decision made by Chairman Howard on February 29, 1932, on a proposition almost identical with the pending proviso. In that instance the Chair overruled the point of order on the ground that the provision came clearly within the Holman rule.

For the reasons stated the Chair is of the opinion that the language to which the point of order has been directed clearly comes within the provisions of the Holman rule, and, therefore, overrules the point of order.

Mr. FITZPATRICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FITZPATRICK: On page 16, line 14, strike out, beginning with the colon down through the word "Service", on page 17, line 5.

Mr. FITZPATRICK. Mr. Chairman, last year there was a bill submitted to the Ways and Means Committee abolishing these positions, and they refused to take favorable action on the bill, and recommended its disapproval.

I have always been opposed to legislation on appropriation bills. I believe the committee is going very far when they attempt to legislate, especially when a similar bill was before the Ways and Means Committee at the last session.

The committee after recommending the abolishment of the offices of the surveyor of customs at the port of New York and seven comptrollers of customs whose salaries total \$51,600, created 17 new positions in the same department whose salaries will total \$51,000, which is just \$600 less than the total salaries for the positions that were abolished. The taxpayers will only save \$600. If my amendment is defeated it means that the surveyor of customs at the port of New York and the comptrollers in Boston, New York, Philadelphia, Baltimore, New Orleans, San Francisco, and Chicago will be eliminated.

These positions have been established for many, many years.

About 1,800 employees come under the surveyor of the port of New York. These positions were created by legislation and if they are to be abolished, let the Members of this House abolish them by legislation duly enacted, but do not let it be done by the Appropriations Committee. It is time we stop the Appropriations Committee, of which I am a member, from coming in here with legislation on appropriations bills.

I hope the Members of this House will agree with me in this matter and vote for my amendment and notify the Appropriations Committee that they can no longer bring legislation of this nature in here on appropriation bills.

I ask for the adoption of my amendment. [Applause.]

Mr. O'NEAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the psychology around a proposition of this sort is extremely interesting. Here the Appropriations Committee is charged with the responsibility of trying to defend the taxpayer and to promote the best interests of the Government in the work of its department, and suddenly we step on somebody's toes. In the interest of economy, in the inter-

est of trying to help the taxpayer and to do our job, we step on somebody's toes because a job is going to be abolished.

It is not the purpose of the Appropriations Committee to try to save the job of somebody who is not doing any work. I cannot understand how any Member can stand on the floor here and defend the proposition when the testimony is that there is no duty to be performed or that they do perform, and that the people holding the positions are absolutely useless as far as the department is concerned, and that it is a pure 100-percent waste of Government money. I do not see how anyone can try to defend it and say, "No; we must let the fellow who is holding this job stay on and receive money for work he does not do or work that is not needed."

How can any argument be made by the Appropriations Committee on any subject if we are willing to stand up here and defend a proposition that represents a 100-percent waste of Federal money?

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. O'NEAL. If I have time when I get through with this statement, I shall yield.

Let us read what the Bureau had to say about this. We always call them in for hearings and we always ask their advice. If a man is necessary, they say so; or if a position is needed, they say so; and if it is not needed, it is very rarely that they say so; but they do say so in this instance, and our position is doubly substantiated because of that fact.

We asked Mr. Ballinger about it and he said:

Yes, sir; in my opinion they can be dispensed with, because in every office we have competent assistants who are well qualified to do that particular job.

Again:

Mr. TABER. What duties do these people perform now?

Mr. BALLINGER. They are officials in charge of offices, and they are presumed to pass upon questions of policy and procedure that come to them in that capacity as heads of the offices.

Mr. TABER. Are they primarily political appointees?

Mr. BALLINGER. They are political appointees.

Mr. TABER. Are the deputy comptrollers under them civil-service employees?

Mr. BALLINGER. They are civil-service employees. * * *

Mr. TABER. The collectors have no sort of supervision of them?

Mr. BALLINGER. No, sir; they report directly to Washington.

In the very office they are in charge of, the deputies do not even report to the man over them, but report to Washington.

Mr. LUDLOW. If it should be the judgment of the subcommittee that these comptrollers of customs may be dispensed with, would that carry with it any suggestion of the elimination of any personnel under them, or would the public service continue to function with the various personnel in the offices?

Then the statement goes on to say they would function with the same personnel.

Then we have Mr. LUDLOW's question:

By way of summation, you do not know of any reason why the comptrollers should not be dispensed with, and you believe that it would be in the interest of the public service to dispense with them?

To which Mr. Ballinger replied "yes" and Mr. Dow said:

That is correct.

That is the whole question. You can read between the lines. I do not have to expand on that. There are seven positions where there were no duties to be performed and for which there is no justification.

Mr. FITZPATRICK. Then why did you create the new positions that will cost the taxpayers \$51,000 for the same work?

Mr. O'NEAL. They were not doing the same work.

Mr. FITZPATRICK. Exactly the same work. Their account is going on now.

Mr. O'NEAL. The positions that we created are held by civil-service employees, and they were doing the same work and these were doing no work.

Mr. FITZPATRICK. How about the post offices throughout the country? Are they political jobs?

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. DINGELL. Mr. Chairman, I move to strike out the last word. To me this is a question of a very important prin-

ciple. The Committee on Ways and Means, just as eager to save a dollar, just as intellectual as the Committee on Appropriations, had this matter under consideration. Treasury experts at that time tried to cut out the surveyor of customs at the port of New York, and the Ways and Means Committee, after very careful consideration, told them that it should not be done, and what happened? The Treasury then came before the Committee on Appropriations and asked that what they were unable to accomplish through a legislative committee shall now be accomplished through emasculation. I am asking the Members of this House, regardless of the committee to which they belong, whether they intend that clerks and others from executive departments shall come before a subcommittee of the Committee on Appropriations and gain, by artifice or circumvention, that which a legislative committee deliberately refused to grant them. I think it is a question of honor, a question of respect of one committee for another, to say to representatives of bureaus or departments in unmistakable terms that such things do not occur. They cannot appear before one committee and be denied a certain request and then go to the Committee on Appropriations and by another method gain their end. I think if the Committee on Appropriations will do the right thing at this time, it will agree to have this provision stricken out of this bill in order that we might show these departments that we are still working together while legislating. Mind you, Mr. Chairman, I am not asking now for the retention of the surveyor of the port of New York because it makes any difference to me, but because a great principle is herein involved, and the Committee on Appropriations should agree to curb these departmental heads and petty officials who come before the committee to circumvent the dictum of another great committee of this House which has precedence and legislative jurisdiction in the matter under discussion. That is the issue before this House.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes.

Mr. THOMAS F. FORD. Is it not peculiar, however, that while they are saving \$51,000 on this elimination, they are adding \$300,000 more for other salaries?

Mr. DINGELL. I am not discussing that phase, because I say there is considerable justification to sustain that action. The Committee on Ways and Means had considered that matter and acted favorably. The House passed that bill and that reflected the sentiment of the House, so for that reason I think there is justification in carrying out what we previously passed upon; but as regards the surveyor, I think the Committee on Appropriations has been taken advantage of by experts from the Treasury Department who intended to circumvent the actions of the Ways and Means Committee which previously declared its position.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes.

Mr. SWEENEY. I believe the gentleman is sound in his argument, and the House ought to take a stand to protect the rights of the different committees. If the argument of the gentleman from Kentucky [Mr. O'NEAL], who preceded the gentleman from Michigan, is sound, that Mr. Ballinger can come before a committee and say, "We have competent assistants, and, therefore, we do not need the head of the department," why not abolish all of the collectors of customs throughout the country and have the work done by assistants?

Mr. DINGELL. And why should they come before the Committee on Appropriations with their appeal when they were told definitely by the Committee on Ways and Means that their recommendations were disallowed? The bill known as the Customs Administrative Act was passed by the House and specifically provided that the surveyor of the port of New York shall remain.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes.

Mr. O'NEAL. The gentleman is speaking in terms of honor and right, but what right have we to vote a dollar for services not performed?

Mr. DINGELL. The Ways and Means Committee considered that phase with as much thoroughness and as conscientiously as did the Committee on Appropriations. It was admitted that the surveyor was not a sinecure, that he performed valuable and important service.

Mr. ENGEL. Is not this a case of where the Committee on Appropriations has brought in a provision which saves money, and the chairman of the committee has interpreted it as coming within the Holman rule? Is it not a fact that the chairman has ruled that this comes under the Holman rule and we have not violated any law or any rule?

Mr. DINGELL. I agree with my friend on a technical basis, but this is a question of precedence and the rights of a legislative committee functioning within its own province being later defeated by an official of an executive department.

Mr. ENGEL. And was not the Holman rule adopted for the purpose of saving money?

Mr. DINGELL. This has nothing to do with the question of saving money.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MAHON. Mr. Chairman, in this amendment offered by the gentleman from New York [Mr. FITZPATRICK] it is sought to prevent Congress from saving \$51,000. It is urged by the gentleman from Michigan [Mr. DINGELL] that as self-respecting Members of Congress we should vote for the amendment offered by the gentleman from New York [Mr. FITZPATRICK], who seeks to keep on the pay roll, among others, a gentleman who now draws \$3,000 a year for a job, a kind of political plum that he has, as comptroller of customs in New York City.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. Yes.

Mr. FITZPATRICK. Does the gentleman consider a postmastership in his district to be a political plum?

Mr. MAHON. Is that all the gentleman wants to know? I am not discussing that.

Mr. FITZPATRICK. Does the gentleman consider them political positions? The gentleman is getting very patriotic all of a sudden about politics.

Mr. MAHON. I quote from the testimony of the representatives of the Treasury Department and the Customs Bureau. I read the following from page 1338 of the hearing:

Mr. BALLINGER (Treasury). If this particular position were abolished, the saving would be \$51,000, and we would not have to replace them by anyone else in the Customs Service.

Mr. Dow (Customs). That is correct.

Mr. TABER (member of Appropriations Committee). You would not have to add to your employees list any personnel to take care of their work?

Mr. BALLINGER. No, sir.

Mr. McLEOD (member of the Appropriations Committee). No additional money would be required?

Mr. BALLINGER. No, sir; there would be a net saving of the salaries of the comptrollers.

It was asked that those positions in the cities of Boston, New York, Philadelphia, Baltimore, New Orleans, San Francisco, and Chicago be eliminated.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. MAHON. I decline to yield. There is nothing that we are attempting to do that is contrary to the rules of procedure of the House of Representatives. If there were, of course, the chairman would see to it that the rules of the House were followed. It is true that for the purpose of increasing the pay of some of the underpaid people in the Customs Service and for the purpose of raising the pay of others some additional appropriation was made, but we did not knowingly appropriate for anybody where his services were not needed by the Government. I can hardly see how any Member can vote to spend \$51,000 of the people's money when there is no reason under heaven to spend it, and the Treasury Department, charged with the performance of this work, says so.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. THOMAS F. FORD. I was going to ask why cut \$51,000 in one place and spend it in another?

Mr. MAHON. We cut \$51,000 and we increased the appropriation to raise the pay of some underpaid employees. In the Health Department we added \$2,000,000 over the Budget estimate. We cut where we could and we made increases in the appropriation where we thought they were justifiable.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. FITZPATRICK. You created additional positions in that very Department for \$51,000.

Mr. MAHON. I beg to differ with my good friend from New York. I think he is in error in offering this amendment but in fairness I am glad to say that he is one of the ablest and finest Members of the House and has been a valuable member of the Committee on Appropriations for a long time.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. O'NEAL. I would like to answer the question which the gentleman from California asked. One of them does some work for the money and the other does no work.

Mr. MAHON. I thank the gentleman.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. COCHRAN. In 1928 I think it was this committee, in this same way, abolished the surveyors of the ports, one of them in my own city, and I helped abolish them, because they were useless. They were not needed. No harm came as a result of that.

Mr. MAHON. The gentleman is not in favor of the amendment, then?

Mr. COCHRAN. I am not. I am supporting the committee.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. FITZPATRICK].

Mr. HOOK. Mr. Chairman, will the gentleman yield for a little information?

Mr. TABER. Yes.

Mr. HOOK. Not being a member of either committee, I would like information as to whether or not the Appropriations Committee knew at the time the Treasury Department officials came before the committee that this question had already been discussed before the Ways and Means Committee?

Mr. TABER. The Appropriations Committee did not know—at least, I did not know. I will not say about the Appropriations Committee, but I did not know at the time the hearings were held that the matter had been before the Ways and Means Committee. I did not know it at the time the bill was marked up. But even so, the House adopted rules when it organized, and it said the Committee on Appropriations could bring in a bill germane to the subject matter which shall retrench expenditures by the reduction of the number and salaries of officers of the United States.

So that clearly, just as the chairman of this committee has ruled, the Appropriations Committee was entirely within its rights in bringing in this bill to get rid of these seven superfluous positions which pay an average of \$7,000 each, and which are absolutely useless, and where the occupants of those positions do absolutely no work. The Department does not want them. They are ashamed of them.

I understand one of them—just think of it—used to come to the office once in 2 weeks to get his pay check, but now that has become too burdensome, and he is not able to come in once in 2 weeks. He has his check mailed to him.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. FITZPATRICK. Is that in the hearings?

Mr. TABER. It was information that was given to the committee.

Mr. FITZPATRICK. Is it in the hearings?

Mr. TABER. It was not printed in the hearings, but it is true. I do not see why we should hand out \$51,000 for that kind of a proposition.

Now, let me point to another fact. The money that was allowed to improve auditing conditions in the field goes to regular civil-service employees who are going to work and bring it up to date. I cannot see any analogy between that item referred to on page 18 of the report and the cutting out of the seven useless jobs.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield for a further question?

Mr. TABER. I yield.

Mr. FITZPATRICK. How many years have these been useless positions?

Mr. TABER. Oh, for a great many years. It is a good thing they are being abolished, because it will get rid of seven leeches on the pay roll of the United States for all time.

Mr. LAMBERTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. LAMBERTSON. I ask the gentleman from New York [Mr. FITZPATRICK] how many years they should be useless before they are taken off the pay roll? [Laughter and applause.]

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is a very simple proposition, resolving itself into the question: Do we want to save \$51,600 or do we want to throw away \$51,600? This is practically all there is to it.

I regret to find myself in disagreement with my esteemed colleague on the Appropriations Committee. The gentleman from New York [Mr. FITZPATRICK] is a very valuable Member of this House and he always protects his district very nicely and very adequately. One has to admire him for it, but that is no reason why we should stand here today in a time of widespread distress and colossal deficit financing and throw away \$51,600.

This was not of our initiation, I may say. This proposal was initiated in the administrative offices of the Treasury Department, the Department that administers the Customs Service. Secretary Morgenthau, the head of the Treasury Department, is a fellow citizen of the gentleman from New York [Mr. FITZPATRICK] and I am sure he understands the needs of the Customs Service in New York as well as any man on Capitol Hill. He sent Mr. Ballinger to us and Mr. Dow of the Customs Service.

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. No; I cannot yield.

Mr. Chairman, Mr. Ballinger and Mr. Dow came before our committee and told us that these places were useless, that these people did not do anything, and that the places ought to be abolished. They made it plain to us that these offices are as superfluous and unnecessary as the fifth wheel of a wagon would be. Acting on this information we abolished them.

The question arose here awhile ago as to the jurisdiction of the Appropriations Committee. We have the highest regard for the Committee on Ways and Means and we respect it because it is a great committee and we are not reaching out to assume any jurisdiction that belongs to that committee, but the gentleman from Michigan [Mr. ENGEL] was absolutely right when he said that under the Holman Rule there is in matters that involve saving a concurrent jurisdiction between the legislative committees and the Appropriations Committee. We are entirely within our rights, and our action is entirely proper in every way, when we try to bring about this slight reduction in the Federal pay roll. Would anybody have any respect for us if we had failed to bring in legislation to abolish these perfectly useless offices after we had been advised of their uselessness?

The question is, Is this an economy House or is it a House that wants to pile expenditure upon expenditure and throw away money? Here is the touchstone.

[Here the gavel fell.]

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. DINGELL) there were—ayes 28, noes 88.

So the amendment was rejected.

The Clerk read as follows:

BUREAU OF INTERNAL REVENUE

Salaries and expenses: For salaries and expenses in connection with the assessment and collection of internal-revenue taxes and the administration of the internal-revenue laws, including the administration of such provisions of other laws as are authorized by or pursuant to law to be administered by or under the direction of the Commissioner of Internal Revenue; including the Commissioner of Internal Revenue, Assistant General Counsel for the Bureau of Internal Revenue, an assistant to the Commissioner, a special deputy commissioner, five deputy commissioners, one stamp agent (to be reimbursed by the stamp manufacturers), and the necessary officers, collectors, deputy collectors, attorneys, experts, agents, accountants, inspectors, investigators, chemists, supervisors, storekeeper-gagers, guards, clerks, janitors, and messengers in the District of Columbia, the several collection districts, the several divisions of internal-revenue agents, and the several supervisory districts, to be appointed as provided by law; the securing of evidence of violations of the acts, the cost of chemical analyses made by others than employees of the United States and expenses incident to such chemists testifying when necessary; telegraph and telephone service, rent in the District of Columbia and elsewhere, postage, freight, express, necessary expenses incurred in making investigations in connection with the enrollment or disbarment of practitioners before the Treasury Department in internal-revenue matters, expenses of seizure and sale, and other necessary miscellaneous expenses, including stenographic reporting services; for the acquisition of property under the provisions of title III of the Liquor Law Repeal and Enforcement Act, approved August 27, 1935 (49 Stat. 872-881), and the operation, maintenance, and repair of property acquired under such title III; for the purchase (not to exceed \$25,000), exchange, hire, maintenance, repair, and operation of motor-propelled or horse-drawn passenger-carrying vehicles when necessary for official use of the Alcohol Tax Unit in field work; printing and binding (not to exceed \$525,000); and the purchase of such supplies, equipment, furniture, mechanical devices, laboratory supplies, law books and books of reference, and such other articles as may be necessary for use in the District of Columbia, the several collection districts, the several divisions of internal-revenue agents, and the several supervisory districts, \$59,772,500, of which amount not to exceed \$10,812,000 may be expended for personal services in the District of Columbia: *Provided*, That no part of this amount shall be used in defraying the expenses of any officer designated above subpoenaed by the United States court to attend any trial before a United States court or preliminary examination before any United States commissioner, which expenses shall be paid from the appropriation for "Fees of jurors and witnesses, United States courts": *Provided further*, That not more than \$100,000 of the total amount appropriated herein may be expended by the Commissioner of Internal Revenue for detecting and bringing to trial persons guilty of violating the internal-revenue laws or conniving at the same, including payments for information and detection of such violation: *Provided further*, That not to exceed \$942,000 of the total appropriated herein may be expended for personal services of the Intelligence Unit, of which not to exceed \$50,500 may be expended in the District of Columbia.

Mr. LUDLOW. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUDLOW: Page 20, line 10, strike out "\$59,772,500" and insert in lieu thereof "\$59,877,500."

Mr. LUDLOW. Mr. Chairman, I may say in explanation of this amendment that it is offered simply to correct a miscalculation that was made. It does not in any way have any significance or indicate any change of attitude on the part of the committee.

The CHAIRMAN. Without objection, the committee amendment will be agreed to.

There was no objection.

The Clerk read down to and including line 4 on page 27.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOEHNE, Chairman of the Committee

of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4492, the Treasury-Post Office bill, 1940, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. JARRETT (at the request of Mr. RUTHERFORD), for the balance of the week, on account of sickness.

To Mr. GIBBS (at the request of Mr. PETERSON of Georgia), indefinitely, on account of illness.

To Mr. ROBERTSON, for March 1, on account of official business.

Mr. COCHRAN. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. COCHRAN. To submit a unanimous-consent request.

The SPEAKER. The gentleman will state it.

SELECT COMMITTEE ON GOVERNMENT REORGANIZATION

Mr. COCHRAN. Mr. Speaker, I have conferred with the ranking minority member, the gentleman from New York [Mr. TABER], and I ask unanimous consent that the Select Committee on Government Organization be permitted to sit during the sessions of the House on Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. WARREN. Mr. Speaker, I ask unanimous consent to extend my own remarks by including an editorial from today's Philadelphia Inquirer, and also an article by Gen. Hugh Johnson on the new reorganization bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. MURDOCK of Utah. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein certain excerpts from documents published by the Senate with reference to silver.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill H. R. 4042 and to include therein three brief tables.

The SPEAKER. without objection, it is so ordered.

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial comment on the duty of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Idaho [Mr. WHITE]?

There was no objection.

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a certain table.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. SPARKMAN]?

There was no objection.

Mr. EDMISTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution adopted by the Legislature of West Virginia on H. R. 1888.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. EDMISTON]?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a couple of quotations from outstanding citizens of my State.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to

include therein a petition signed by 40 members of the faculty of the Evening School of New York City.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. GEYER]?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by the Hon. Henry Ellenbogen, a former Member of this body.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. EBERHARTER]?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and include therein a letter which I received from the Veterans of Foreign Wars, Department of Minnesota.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

There was no objection.

CORRECTION

Mr. LELAND M. FORD. Mr. Speaker, on page 1852 of the RECORD it is stated that I asked unanimous consent to extend my own remarks in the RECORD and to include therein a letter of Dr. Nylander, of the National Labor Relations Board. I ask unanimous consent that the words "a letter from" be stricken and the words "a news item from the Inglewood Daily News giving the speech of Dr. Nylander" be inserted in lieu thereof.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

Mr. THOMAS F. FORD. Mr. Speaker, reserving the right to object, permission was granted under this extension to include a letter from Dr. Nylander, of the National Labor Relations Board. The matter included in the RECORD was a newspaper article by the Inglewood Daily News. I do not understand why anyone should confuse a newspaper article with a letter from a public official.

Mr. LELAND M. FORD. The fact that the word "letter" is stated instead of "newspaper article" is simply an error on the part of the reporter taking it down. I never said "letter." I said "a newspaper article." The fact is that a newspaper article was submitted and not a letter. I never had a letter, and it was an error in taking it down.

Mr. THOMAS F. FORD. I know the gentleman never had a letter.

Mr. LELAND M. FORD. I never said that. It was an error.

Mr. THOMAS F. FORD. I do not know about that.

Mr. LELAND M. FORD. I do.

Mr. THOMAS F. FORD. I know what is in the RECORD.

Mr. MARTIN of Massachusetts. Mr. Speaker, I think the gentleman has sufficiently explained it.

Mr. THOMAS F. FORD. As it stands there is a violation of the rules of the House.

Mr. SCHAFER of Wisconsin demanded the regular order.

The SPEAKER. The gentleman from California [Mr. THOMAS F. FORD] has the floor under a reservation of objection.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demand the regular order under the rules of the House.

Mr. THOMAS F. FORD. I have the floor on a reservation.

Mr. SCHAFER of Wisconsin. I am demanding the regular order, and I can take the gentleman off the floor.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

Mr. THOMAS F. FORD. Mr. Speaker, I object to the request. I want to make this clear.

Mr. TABER. Mr. Speaker, I demand the regular order.

The SPEAKER. The Chair will take care of the situation.

Mr. THOMAS F. FORD. Mr. Speaker, I think the Chair should make a comment on this situation.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

Mr. THOMAS F. FORD. Mr. Speaker, I reserved the right to object.

The SPEAKER. The regular order was demanded.

Mr. THOMAS F. FORD. I did not object.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

Mr. GEYER of California. Mr. Speaker, reserving the right to object, and I shall not object—

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demand the regular order, and I ask that the rules of the House be enforced.

The SPEAKER. The Chair must enforce the rules of the House. The regular order has been demanded.

Is there objection to the request of the gentleman from California [Mr. LELAND M. FORD]?

There was no objection.

EXTENSION OF REMARKS

Mr. MONKIEWICZ. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address made by my colleague the Honorable ALBERT E. AUSTIN on Thursday last over the radio.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut [Mr. MONKIEWICZ]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to call attention to three Supreme Court decisions rendered today, and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the Supreme Court today handed down three decisions, a clear understanding of which will do much to promote industrial peace.

The first two of these decisions should answer all doubts which may still exist on the part of the Secretary of Labor as to the legality or the illegality of the sit-down strikes. They hold in no unmistakable terms that the sit-down strike is illegal.

It is regrettable that Attorney General Murphy did not act upon this theory during the time he was Governor of Michigan, and especially during the period from the 1st day of January 1937 until the fall of that year.

In the case of National Labor Relations Board against Fansteel Metallurgical Co., the Supreme Court held that the N. L. R. B. was in error in holding that men who took part in a sit-down strike could not be discharged by their employer; that they must be reinstated with back pay; and that prior unfair labor practices on the part of the employer deprived it of all right to discharge an employee who had violated the law.

The decision of the Supreme Court rendered today in the case of National Labor Relations Board against the Sands Manufacturing Co. is a repudiation of the contention of the National Labor Relations Board that an employer must continue to bargain indefinitely with employees.

The decision holds that, where the employer has sincerely and in good faith made an effort to reach an agreement with the employees and they have been unable to do so, it may then employ new men in the place of those with whom it could not agree upon terms.

The case also holds that, where the union and the employees violate their contract prior to the date when the employer refuses to meet them for collective-bargaining purposes and has replaced the old employees with new ones, he cannot be held guilty of an unfair labor practice.

Both of these cases reaffirm the doctrine announced in the Jones-Laughlin case, which laid down the doctrine that the act does not deprive the employer of his right to select his own employees, so long as he does not make their union activity an excuse for their discharge.

In the case of National Labor Relations Board against Columbian Enameling & Stamping Co., Inc., the Court laid down the doctrine that conciliators from the Labor Department making a demand upon the employer for the reopening of negotiations for collective bargaining are not necessarily

representatives of the union involved in the dispute and that a refusal on the part of the employer to reopen negotiations on such a demand is not an unfair labor practice—the reason for the holding being, as given by the Court, that such negotiations would be futile unless there was evidence that the conciliators had authority from the union to enter into an agreement.

The Court further holds that, where negotiations have been broken off, the employer is not required to seek out the employees or their representatives and request further negotiations before employing new men.

Had we amended the Wagner law, as for 2 years we have known we should do, the costly litigation in these three and in many other cases might have been avoided and peace between industry and labor, as well as in the labor unions, been long ago established.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GEYER of California. Mr. Speaker, I merely wish to state that I am the one who objected in the Committee of the Whole to the request of the gentleman from California [Mr. LELAND M. FORD] to revise and extend his remarks. At this time I wish the RECORD to be clear that I am no longer objecting to what the gentleman from California wishes to do.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, this is simply a matter of a misunderstanding of the reporter in connection with his transcription of the record. I never at any time said I had a letter I wished to insert in the RECORD. I simply asked to insert a speech that was reported in the Inglewood Daily News, which I did. There is no use of taking exception to that because I know what I said. The evidence is there that I never submitted any letter, but I did submit the statement. This is just taking technical exception to that, and I do not see any particular reason it should be done. The RECORD should be perfectly clear in respect of it.

EXTENSION OF REMARKS

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution from the Legislature of the State of Oregon.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under a previous special order the gentleman from Oklahoma [Mr. NICHOLS] is entitled to be recognized for 20 minutes. The Chair does not see the gentleman from Oklahoma on the floor.

Mr. RAYBURN. Mr. Speaker, I am informed by the gentleman from Indiana that the gentleman from Oklahoma spoke under general debate this afternoon and may not desire to speak at this time.

The SPEAKER. The Chair assumes that the gentleman has waived his rights under the order by not being present.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4011. An act to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes; and

H. J. Res. 185. Joint resolution making additional funds available for salaries and expenses, Federal Housing Administration.

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the

President, for his approval, a bill and joint resolution of the House of the following titles:

H. R. 4011. An act to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes; and

H. J. Res. 185. Joint resolution making additional funds available for salaries and expenses, Federal Housing Administration.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 36 minutes p. m.) the House adjourned until tomorrow, Tuesday, February 28, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Tuesday morning, February 28, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 o'clock a. m. Tuesday, February 28, 1939. Business to be considered: Railroad rate differentials.

There will be a meeting of the wool subcommittee of the Committee on Interstate and Foreign Commerce at 2 o'clock p. m. Wednesday, March 1, 1939. Business to be considered: Opposition to wool-labeling bill, H. R. 944.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

The Committee on Coinage, Weights, and Measures will meet on Tuesday, February 28, 1939, at 10:30 o'clock a. m., in room 115, House Office Building.

COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads in the committee hearing room in the House Office Building Tuesday, February 28, 1939, at 10 a. m., for the public consideration of H. R. 3812.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, February 28, 1939, at 10:30 a. m., to begin hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

The Committee on Rivers and Harbors will meet Friday, March 3, 1939, at 10:30 a. m., to hold hearings on H. R. 295, H. R. 922, H. R. 2890, H. R. 4170, and H. R. 4314, all bills for the control of water pollution.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, March 1, 1939, at 10:30 a. m., for the consideration of H. R. 1829, H. R. 2971, H. R. 3703, H. R. 4117, and H. R. 4180.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(Wednesday, March 1, 1939)

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, March 1, 1939, on bills H. R. 159, H. R. 160, and H. R. 4167, certain private bills.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m., Wednesday, March 1, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all

common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

464. A communication from the President of the United States transmitting an appropriation estimate for the War Department in the amount of \$6,000,000 for flood control, Mississippi River and tributaries (H. Doc. No. 181); to the Committee on Appropriations and ordered to be printed.

465. A letter from the Chairman, Reconstruction Finance Corporation, transmitting a report of the activities of the Reconstruction Finance Corporation for the month of January 1939 (H. Doc. No. 180); to the Committee on Banking and Currency and ordered to be printed.

466. A letter from the Postmaster General, transmitting the draft of a proposed bill to extend the provisions of the 40-hour law to pneumatic-tube system employees in the Postal Service; to the Committee on the Post Office and Post Roads.

467. A letter from the Acting Secretary of the Navy, transmitting the draft of a proposed bill to provide pensions at wartime rates for disability or death incurred in line of duty as a direct result of the conflict in the Far East; to the Committee on Invalid Pensions.

468. A letter from the Librarian, Library of Congress, transmitting the Annual Report of the Librarian, Library of Congress, for the fiscal year 1938; to the Committee on the Library.

469. A letter from the Secretary of Agriculture, transmitting suggested amendments to the Agricultural Adjustment Act; to the Committee on Agriculture.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COCHRAN: Committee on Coinage, Weights, and Measures. H. R. 2750. A bill to prohibit the issuance and coinage of certain commemorative coins, and for other purposes; with amendment (Rept. No. 101). Referred to the Committee of the Whole House on the state of the Union.

Mr. GARRETT: Committee on the Post Office and Post Roads. H. R. 3230. A bill to amend the statutes providing punishment for transmitting threatening communications; without amendment (Rept. No. 102). Referred to the House Calendar.

Mr. BYRNS of Tennessee: Committee on the Post Office and Post Roads. H. R. 3231. A bill to authorize the mailing of pistols, revolvers, and other firearms capable of being

concealed on the person, to officers of the Coast Guard; without amendment (Rept. No. 103). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4396) granting a pension to Charles Farris; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4387) granting a pension to Constance Eager; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of Illinois:

H. R. 4527. A bill to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Rock Island, Ill., to a place at or near the city of Davenport, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. BALL:

H. R. 4528. A bill to provide for the acquisition of additional land at New London, Conn.; to the Committee on Military Affairs.

By Mr. BROWN of Georgia:

H. R. 4529. A bill providing for the establishment of growers' cooperative commodity markets; to the Committee on Agriculture.

By Mr. BUCKLEY of New York:

H. R. 4530. A bill providing that on and after the date of the enactment of this act, for pension purposes, any female trained nurse who served in Red Cross Auxiliary, No. 3, in the Philippine Islands between March 10, 1899, and June 1, 1900, shall be considered to have been in the active military service of the United States for the period of such service between these dates; to the Committee on Pensions.

By Mr. DIMOND:

H. R. 4531. A bill to exempt employees in the placer-mining industry of Alaska from the provisions of section 7 of the Fair Labor Standards Act of 1938; to the Committee on Labor.

By Mr. IGLESIAS:

H. R. 4532. A bill to make effective in the District Court of the United States for Puerto Rico rules promulgated by the Supreme Court of the United States governing pleading, practice, and procedure in the district courts of the United States; to the Committee on the Judiciary.

By Mr. McGEHEE:

H. R. 4533. A bill to amend the District of Columbia Unemployment Compensation Act to provide for unemployment compensation, and to amend the Social Security Act providing for the complete separation of the District Unemployment Compensation Board from the Social Security Board, and for other purposes; to the Committee on the District of Columbia.

By Mr. MERRITT:

H. R. 4534. A bill to authorize the Secretary of War to grant a right-of-way for a vehicular tunnel under Governors Island, N. Y., and for other purposes; to the Committee on Military Affairs.

By Mr. O'CONNOR:

H. R. 4535. A bill to add certain public-domain land in Montana to the Rocky Boy Indian Reservation; to the Committee on Indian Affairs.

By Mr. PETERSON of Florida:

H. R. 4536. A bill to amend the Tariff Act of 1930, and to limit the authority delegated by chapter 474 of Forty-eighth Statutes at Large, being an act approved June 12, 1934, entitled "An act to amend the Tariff Act of 1930," and known as title 19 of the United States Code, sections 1351,

1352, 1353, and 1354, and to amend said act; to the Committee on Ways and Means.

By Mr. O'NEAL:

H. R. 4537. A bill to terminate the power of the Interstate Commerce Commission to determine the need for Federal regulation of the size and weight of motor vehicles; to the Committee on Interstate and Foreign Commerce.

By Mr. PIERCE of Oregon:

H. R. 4538. A bill prohibiting deficiency judgments in real-estate foreclosures by the Farm Credit Administration, the Federal Land Bank Commissioner, and the Federal land banks, and prohibiting an increased rate of interest after maturity; to the Committee on Agriculture.

H. R. 4539. A bill to extend the time during which orders and marketing agreements under the Agricultural Adjustment Act, as amended, may be applicable to hops; to the Committee on Agriculture.

H. R. 4540. A bill authorizing the restoration to tribal ownership of certain lands upon the Umatilla Indian Reservation, Oreg., and for other purposes; to the Committee on Indian Affairs.

By Mr. WHITE of Idaho:

H. R. 4541. A bill to provide for the completion of a part of the Lewis and Clark Highway between Kooskia, Idaho, and a point near Lolo, Mont.; to the Committee on Roads.

By Mr. CANNON of Florida:

H. R. 4542. A bill providing for an examination and survey with view to channel improvement and maintenance of the channel leading from the intracoastal waterway across Indian River to the Lighthouse Service depot at Taylor Creek, Fla., adjacent to the Fort Pierce Harbor; to the Committee on Rivers and Harbors.

By Mr. FLANNERY:

H. R. 4543. A bill to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to anthracite coal; to the Committee on Mines and Mining.

By Mr. LEWIS of Ohio:

H. R. 4544. A bill to provide for State-wide uniformity in compensation for similar work under the Works Progress Administration; to the Committee on Appropriations.

By Mr. RANDOLPH:

H. R. 4545. A bill to further increase the efficiency and safety of air-mail transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHANDLER:

H. R. 4546. A bill to regulate the practice of shorthand reporting, and for other purposes; to the Committee on the Judiciary.

By Mr. DIES:

H. R. 4547. A bill to make permanently effective the act entitled "An act to regulate interstate and foreign commerce in petroleum and its products by prohibiting the shipment in such commerce of petroleum and its products produced in violation of State law, and for other purposes," approved February 23, 1935, as amended, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LESINSKI:

H. R. 4548 (by request). A bill to provide pensions at war-time rates for disability or death incurred in line of duty as a direct result of the conflict in the Far East; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado:

H. J. Res. 185. Joint resolution making additional funds available for salaries and expenses, Federal Housing Administration; to the Committee on Appropriations.

By Mr. HENDRICKS:

H. J. Res. 186. Joint resolution proposing an amendment to the Constitution of the United States relating to old-age assistance; to the Committee on the Judiciary.

By Mr. SHANLEY:

H. J. Res. 187. Joint resolution requesting the President to appoint a committee to prepare suitable ceremonies and celebration for the four hundred and fiftieth anniversary on October 12, 1942, of the discovery of America by Christopher Columbus; to the Committee on Rules.

By Mr. CARTWRIGHT:

H. Con. Res. 10. Concurrent resolution providing for the establishment of a joint committee to convey to the members of the American Association of State Highway Officials the appreciation of Congress of their accomplishments in the field of highway development; to the Committee on Rules.

By Mr. FISH:

H. Res. 107. Resolution requesting the President of the United States to transmit to the House of Representatives all data in regard to the seizure of certain American property in Mexico; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Delaware, memorializing the President and the Congress of the United States to consider their senate concurrent resolution with reference to Federal tax on motor fuels and lubricating oils; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Nebraska, memorializing the President and the Congress of the United States to consider their resolution adopted in their fifty-third session with reference to the General Welfare Act; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 4 with reference to the Social Security Act; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Kansas, memorializing the President and the Congress of the United States to consider their Senate Concurrent Resolution No. 6 with reference to Pittman-Robertson Act for Federal aid to the States in wildlife restoration; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred, as follows:

By Mr. ANDERSON of California:

H. R. 4549. A bill for the relief of William H. Radcliffe; to the Committee on Claims.

By Mr. ANDREWS:

H. R. 4550. A bill for the relief of William R. Siebert; to the Committee on Military Affairs.

By Mr. BOLTON:

H. R. 4551. A bill granting an increase of pension to Emma A. Coe; to the Committee on Invalid Pensions.

By Mr. BUCKLEY of New York:

H. R. 4552. A bill for the relief of Irving Goldberg, a minor; to the Committee on Claims.

By Mr. BYRNS of Tennessee:

H. R. 4553. A bill for the relief of E. A. Bergstrom; to the Committee on Claims.

By Mr. CLASON:

H. R. 4554. A bill for the relief of Francis A. Leete; to the Committee on Claims.

H. R. 4555. A bill for the relief of Sarah Leete; to the Committee on Claims.

By Mr. EATON of New Jersey:

H. R. 4556. A bill for the relief of Dario Fernandez, Pura Fernandez, and Virginia Fernandez; to the Committee on Immigration and Naturalization.

By Mr. HARNES:

H. R. 4557. A bill granting a pension to Margaret E. Stephens; to the Committee on Invalid Pensions.

By Mr. KRAMER:

H. R. 4558. A bill for the relief of Irving Levine; to the Committee on Military Affairs.

By Mr. LARRABEE:

H. R. 4559. A bill for the relief of Fred Dobson; to the Committee on Naval Affairs.

By Mr. McGEHEE:

H. R. 4560. A bill for the relief of J. J. Case; to the Committee on Claims.

H. R. 4561. A bill for the relief of Mrs. George C. Hamilton; to the Committee on Claims.

By Mr. McGRANERY:

H. R. 4562. A bill granting a pension to Clara de Valinger; to the Committee on Pensions.

By Mr. JOHN L. McMILLAN:

H. R. 4563. A bill granting an increase of pension to William E. McIntosh; to the Committee on Pensions.

By Mr. MOTT:

H. R. 4564. A bill to correct the military record of William T. Dickson; to the Committee on Military Affairs.

By Mr. NORRELL:

H. R. 4565. A bill for the relief of R. C. McCoy, J. L. Garner, C. G. Kauffman, W. G. Smiley, R. A. Burks, C. W. Brazzelton, R. F. Brazzelton, Dave Cash, Mrs. A. W. Dykes, Jim Theredkeld, R. R. Crain, J. B. Tolson, J. C. Rogers, S. K. Broach, Albert Easterling, J. L. Rivers, F. C. Wilson, E. C. Finley, W. W. Mitchell, J. G. Carey, Carl Graves, Jerome Dupree, J. R. Mitchell, J. L. Mitchell, and J. C. Russell; to the Committee on Claims.

H. R. 4566. A bill granting an increase of pension to Dora Probst; to the Committee on Pensions.

H. R. 4567. A bill for the relief of Robert M. Pennock; to the Committee on Military Affairs.

By Mr. O'NEAL:

H. R. 4568. A bill for the relief of Barney M. Harwood; to the Committee on the Civil Service.

By Mr. SHANLEY:

H. R. 4569. A bill to provide for the issuance of a license to practice naturopathy in the District of Columbia to Dr. Edward F. Grillo; to the Committee on the District of Columbia.

By Mr. SHANNON:

H. R. 4570. A bill for the relief of Charles W. Porter; to the Committee on Military Affairs.

By Mr. SPARKMAN:

H. R. 4571. A bill for the relief of LaVera Hampton; to the Committee on Claims.

By Miss SUMNER of Illinois:

H. R. 4572. A bill granting a pension to Harriet E. Myers; to the Committee on Invalid Pensions.

By Mr. WHEAT:

H. R. 4573. A bill granting a pension to Grace A. Good; to the Committee on Invalid Pensions.

By Mr. WOODRUFF of Michigan:

H. R. 4574. A bill granting an increase of pension to Adelaide Westover; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1359. By Mr. ASHBROOK: Petition of Prof. Robert M. Short and 28 others, protesting against the shipment of war materials by the United States to Japan and expressing sympathy for the Chinese; to the Committee on Foreign Affairs.

1360. By Mr. BARTON: Petition of Mrs. Bernard S. Deutsch and 278 other residents of the Seventeenth Congressional District, New York, urging action to lift the embargo against republican Spain so that world peace and democracy may be preserved; to the Committee on Foreign Affairs.

1361. By Mr. CHIPERFIELD: Petition of Townsend Club, No. 1, Williamsfield, Ill., urging that House bill 2 be reported out by the committee; to the Committee on Ways and Means.

1362. Also, petition of the Fowler Central Telephone Co., Fowler, Ill., urging amendment to wage-hour law to exempt small telephone companies; to the Committee on Labor.

1363. Also, petition of Townsend Club, No. 1, Maquon, Ill., urging that House bill 2 be reported out by the committee; to the Committee on Ways and Means.

1364. Also, petition of Townsend Club of Woodhull, Ill., urging that House bill 2 be reported out by the committee; to the Committee on Ways and Means.

1365. Also, petition of Townsend Club, No. 1, of Cambridge, Ill., urging that House bill 2 be reported out by the committee; to the Committee on Ways and Means.

1366. Also, petition of Townsend Club of Gilson, Ill., urging that House bill 2 be reported out by the Committee; to the Committee on Ways and Means.

1367. By Mr. COFFEE of Washington: Resolution of the Young Democratic Clubs of King County, Wash., pointing out that the world community of democracies is today threatened by aggressions of dictatorial powers; asserting that President Roosevelt in his January message to Congress outlined a peace policy of aiding democracies; and insisting that the President's policy is the only adequate and sound foreign policy at the present time; and therefore urging that the Congress shall wholeheartedly and unreservedly support the President's foreign policy to the end that democracies do everything within reason to defend themselves against the onward march of fascism; to the Committee on Foreign Affairs.

1368. By Mr. CURLEY: Petition of the Marine Engineers' Beneficial Association of New York, protesting against the nonenforcement of section 2 of Public Law, 808, which provides an 8-hour day for licensed officers and seamen; to the Committee on Labor.

1369. Also, petition of the New York Board of Trade, opposing Senate bill 158, governing interterritorial freight rates; to the Committee on Interstate and Foreign Commerce.

1370. By Mr. CURTIS: Petition of the Legislature of Nebraska, pertaining to House bill 2; to the Committee on Ways and Means.

1371. By Mr. DEROUEN: Petition of inland vessel operators on inland waters tributary to the Gulf of Mexico, Lake Charles, La., protesting against enactment of House bill 1809; to the Committee on Merchant Marine and Fisheries.

1372. By Mr. HARTER of New York: Petition of the Sloan Taxpayers' Association, Inc., Sloan, N. Y.; to the Committee on Ways and Means.

1373. By Mr. HESS: Memorial of the Senate of the Ohio Legislature, asking that Congress assume the assessments and the entire cost of improvements in conservancy districts, especially with reference to the Miami conservancy district; to the Committee on Flood Control.

1374. By Mr. HOUSTON: Resolution adopted by the Lillian Mitchner Women's Christian Temperance Union, of Wichita, Kans., requesting that advertising of alcoholic beverages by press and radio be prohibited; to the Committee on Interstate and Foreign Commerce.

1375. Also, petition of certain citizens of McPherson, Kans., requesting that traffic in materials from the United States which is compelling us to be a partner in the destruction of the Chinese people be brought to an end; to the Committee on Foreign Affairs.

1376. By Mr. MARTIN J. KENNEDY: Letter from the Marine Engineers' Beneficial Association, No. 33, of New York City, on behalf of some 2,000 marine engineers, members of the association, protesting against the nonenforcement of section 2 of Public Law No. 808, which provides an 8-hour day for licensed officers and seamen; to the Committee on Labor.

1377. Also, resolution by the Allied Patriotic Societies, Inc., of New York City, opposing the appointment by the President of Thomas R. Amlie as a member of the Interstate Commerce Commission; to the Committee on the Judiciary.

1378. By Mr. KEOGH: Petition of the Merchants Association of New York, concerning the Fair Labor Standards Act; to the Committee on Labor.

1379. Also, petition of the New York Board of Trade, Inc., concerning Senate bill 158, relating to interterritorial freight rates; to the Committee on Interstate and Foreign Commerce.

1380. Also, petition of the Shippers Conference of Greater New York, concerning Senate bills 126 and 158, and House bill 188, relating to preferential freight rates to the Southern States; to the Committee on Interstate and Foreign Commerce.

1381. Also, petition of the National Federation of Post Office Clerks, Local 251, Brooklyn, N. Y., concerning Senate bill 1000, amending the Wagner Labor Relations Act; to the Committee on Labor.

1382. Also, petition of the New York State Federation of Federal Employees' Union, favoring the passage of the Ramspeck bill (H. R. 960); to the Committee on the Civil Service.

1383. Also, petition of the Arkell Safety Bag Co., of New York City, concerning Senate bill 69; to the Committee on Ways and Means.

1384. Also, petition of the American Fisheries Association cooperative, concerning an excise tax of one-half cent per pound on fish meal and fish scrap; to the Committee on Ways and Means.

1385. Also, petition of the school district of Philadelphia, the board of education, concerning House bill 2319; to the Committee on Education.

1386. By Mr. KRAMER: Resolution of the city of Maywood, Calif., relative to flood control, etc.; to the Committee on Flood Control.

1387. By Mr. LEAVY: Petition of the Moran Prairie Grange, No. 161, urging adoption of Senate bill 570, which would provide for the cost of production, plus a fair return to the grower on agricultural products produced and consumed within the United States, because this measure is sound in principle and would stimulate business and increase employment through reestablishment of the farmers' buying power on a par with labor and industry; to the Committee on Agriculture.

1388. By Mr. LEWIS of Colorado: House Joint Memorial No. 7 of the Thirty-second General Assembly of Colorado, requesting that the Honorable Sam G. Bratton be appointed to the Supreme Court of the United States; to the Committee on the Judiciary.

1389. Also, Senate Joint Memorial No. 7 of the Thirty-second General Assembly of the State of Colorado, endorsing the foreign policy of the United States as stated by President Franklin D. Roosevelt; to the Committee on Foreign Affairs.

1390. By Mr. MERRITT: Resolution of the Rochester Division, No. 149, of the Order of Benefit Association of Railway Employees, endorsing the program submitted by the President's committee, and that Congress support that program and the interest of railroad employees generally, in the subject and the present need of legislation to remove present injustices which affect their jobs and wages adversely; to the Committee on Interstate and Foreign Commerce.

1391. Also, resolution of the Rochester Division, No. 149, of the Order of Benefit Association of Railway Employees, requesting its Representatives in Congress to join it in active and persistent support of the program submitted by the President's committee, especially as to changes in rate-making regulations, including modification of the long-and-short-haul clause, etc.; to the Committee on Interstate and Foreign Commerce.

1392. Also, resolution of the Queens citizens committee on Americanism of Long Island City, N. Y., requesting that Congress oppose any and all legislation which would permit the uplifting of the embargo on Spain; the entering into any secret agreements with foreign powers; the increasing of the immigration quotas which would provide a haven for foreign refugees without regard to their communistic ideals; to the Committee on Foreign Affairs.

1393. Also, resolution of the Queens citizens committee on Americanism of Long Island City, N. Y., urging support and advocating legislation tending toward speedy deportation of all un-American alien agitators; to the Committee on Immigration and Naturalization.

1394. By Mr. PFEIFER: Petition of the Merchants Association of New York, favoring an amendment to the Fair Labor Standards Act of 1938; to the Committee on Labor.

1395. Also, petition of the Arkell Safety Bag Co., New York City, urging the passage of the Ellender bill (S. 69); to the Committee on Ways and Means.

1396. Also, petition of the Conference of Mayors and Other Municipal Officials of the State of New York, Albany, opposing the Byrnes bill (S. 1265); to the Committee on Appropriations.

1397. Also, petition of the National Federation of Post Office Clerks, Local 251, Brooklyn, N. Y., opposing Senate bill 1000, to amend the Wagner Labor Relations Act; to the Committee on Labor.

1398. Also, petition of the New York Board of Trade, Inc., New York City, concerning the Hill bill (S. 158); to the Committee on Interstate and Foreign Commerce.

1399. Also, petition of the Shippers' Conference of Greater New York, concerning Senate bills 126, 137, and 158, and House bills 188 and 3369, also Senate Joint Resolution 27; to the Committee on Interstate and Foreign Commerce.

1400. By Mr. POLK: Petition of the Immanuel Baptist Church, of New Boston, Ohio, signed by its pastor, Rev. W. W. Barndollar, and by the church clerk, Mr. Orville T. York, opposing the recommendation of the advisory council to place employees of religious organizations under the Social Security Board, and urging we stick to the time-tested American principle of complete separation of church and State; to the Committee on Ways and Means.

1401. By Mr. SCHIFFLER: Petition of C. A. Sherwood, of Fairmont, W. Va., representing the Townsend clubs in Marion County, W. Va., urging early action on the Townsend bill (H. R. 2); to the Committee on Ways and Means.

1402. By Mr. REES of Kansas: Concurrent resolution of the Senate and House of Representatives of the State of Kansas; to the Special Committee on Wildlife Conservation.

1403. By Mr. SCHIFFLER: Petition of John S. Hall, clerk of the house of delegates, of Charleston, W. Va., protesting against the passage of House bill 188 and Senate bills 126, 138, and 158; to the Committee on Labor.

1404. Also, petition of Hugh R. McPhail, secretary, Taylor County Board of Trade, Grafton, W. Va., protesting against the passage of Senate bills 126, 138, 158, and House bill 188; to the Committee on Interstate and Foreign Commerce.

1405. By Mr. STEFAN: Resolution of the Legislature of the State of Nebraska, memorializing the Committee on Ways and Means, House of Representatives, to carefully consider House bill 2, the General Welfare Act of 1939; to the Committee on Ways and Means.

1406. By Mr. THOMAS of New Jersey: Letter from the Daughters of the American Revolution, Colonel Lowrey Chapter, of Flemington, N. J., registering their protest against the establishment and continued maintenance of camps at Andover, N. J., and Glen Gardner, N. J., by a group known as the German-American Bund; said organization has established a camp at each of the above locations, within the territorial sovereignty of the State of New Jersey, at each of which they are teaching and disseminating propaganda which is that of a foreign ideology and is subversive of, and inimical to, the principles and doctrines of American democracy and at which the swastika emblems and flags of a foreign nation are displayed and saluted; also letter from the Women of the Flemington Presbyterian Church, Flemington, N. J., appealing to the Congress of the United States to take the necessary and proper steps to end the German-American Bund camps at Andover and Glen Gardner, N. J.; to the Special Committee to Investigate Un-American Activities in the United States.

1407. Also, letter from the Pacific Beach Post, No. 552, American Legion, Pacific Beach, Calif., advising that the members of that post highly approve and wish to commend Congressman THOMAS of New Jersey on the stand he took concerning Secretary Perkins, and a letter from the American Legion, Tujunga Post, No. 250, Ltd., Tujunga, Calif., congratulating Congressman THOMAS of New Jersey upon the recent action taken by him in connection with the impeachment proceedings against Madame Perkins, Secretary of Labor, and also a letter from Hollywood Post, No. 43, American Legion, Hollywood, Calif., expressing commendation and appreciation of Congressman THOMAS' efforts to bring about the impeachment of Mme. Secretary Perkins for the high-

handed and un-American manner in which she has conducted the affairs of her Department, with particular reference to the Bridges case, which has caused indignation and deep distrust among all patriotic citizens; to the Committee on the Judiciary.

1408. By Mr. THOMASON: Petition of seven members of Lodge 261, B. L. F. & E., El Paso, Tex., and one member of Lodge 264, B. L. E., asking that legislation be enacted to reduce mileage for men engaged in the railroad service; to the Committee on Interstate and Foreign Commerce.

1409. By the SPEAKER: Petition of Warren Rodgers, of Oakland, Calif., and others, petitioning consideration of their resolution with reference to the Townsend plan; to the Committee on Ways and Means.

1410. Also, petition of the Rhode Island Society of the Sons of the American Revolution, Providence, R. I., petitioning consideration of their resolution with reference to foreign affairs; to the Committee on Foreign Affairs.

SENATE

TUESDAY, FEBRUARY 28, 1939

(Legislative day of Monday, February 27, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O God of our fathers and Lord of mercy, who hast made all things with Thy word and hast ordained man through Thy wisdom that he should have dominion over the creatures which Thou hast made, and order the world according to equity and righteousness, and execute judgment with an upright heart: Give us wisdom that sitteth by Thy throne that is the brightness of the everlasting light, the unspotted mirror of the power of God, and the image of His goodness, for, though a man be never so perfect among the children of men, yet if Thy wisdom be not with him he shall be nothing regarded. O Christ of God, incarnate wisdom and all love divine, send us forth this day as messengers of Thine to homeless hearts, to loveless lives, to the crowds without a compass, and make each one of us a radiance on the way, a bearer of the light divine. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, February 27, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, it is evident that engagements before committees have prevented a quorum at present. I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Colo.	Radcliffe
Andrews	Davis	King	Reed
Ashurst	Donahey	La Follette	Reynolds
Austin	Downey	Lee	Russell
Bailey	Ellender	Lewis	Schwartz
Bankhead	Frazier	Lodge	Schweilenbach
Barbour	George	Logan	Sheppard
Barkley	Gerry	Lucas	Shipstead
Bilbo	Gibson	Lundeen	Smathers
Bone	Gillette	McKellar	Stewart
Borah	Glass	McNary	Taft
Bridges	Green	Maloney	Thomas, Okla.
Brown	Guffey	Mead	Thomas, Utah
Bulow	Gurney	Miller	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Truman
Byrnes	Hayden	Neely	Tydings
Capper	Herring	Norris	Vandenberg
Caraway	Hill	Nye	Van Nuys
Chavez	Holman	O'Mahoney	Wagner
Clark, Idaho	Holt	Overton	Walsh
Clark, Mo.	Hughes	Pepper	White
Connally	Johnson, Calif.	Pittman	Wiley

Mr. LEWIS. I announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate by reason of illness.

The Senator from Nevada [Mr. McCARRAN] and the Senator from South Carolina [Mr. SMITH] are detained on important public business.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT also laid before the Senate the following memorial of the Legislature of the State of Maine, which was referred to the Committee on Finance:

We, your memorialists, the Senate and House of Representatives of the State of Maine, in the eighty-ninth legislative session assembled, most respectfully present and petition your honorable body as follows:

Whereas for over 100 years Maine fishermen have earned a precarious and bare living; and

Whereas the competition from foreign countries, aided by Federal treaties, is such that the Maine fishermen can no longer make their bare living; and

Whereas the Maine fishermen have been a group that has always been self-reliant, and expressive of the real spirit of American democracy: Now, therefore, be it

Resolved, That we, your memorialists, do hereby respectfully petition and urge that the various types of fishing in the State of Maine be protected by proper subsidies to equalize the effects of the present and future tariff rates or that such changes and modifications of the present tariff rates shall be made that our Maine fishermen may compete upon a just and equal basis with fishermen in foreign countries; and be it further

Resolved, That a copy of this memorial, duly authenticated by the secretary of state, be immediately transmitted by the secretary of state to the proper officers and committees of the United States Senate and House of Representatives, the President of the United States, and to each of the Representatives and Senators representing the State of Maine in the United States Congress.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Wyoming, which was referred to the Committee on the Judiciary:

Enrolled Joint Memorial 4

Joint memorial memorializing the Congress of the United States of America to amend the Constitution of the United States relative to taxes on incomes, gifts, and inheritances; and providing limitations on taxes so levied; and repealing the sixteenth amendment to the Constitution of the United States

Whereas there is now pending or will be pending in the current session of the Congress of the United States of America proposed legislation to repeal the sixteenth amendment to the Constitution of the United States and to amend the Constitution of the United States relative to taxes on incomes, gifts, and inheritances; providing for a limitation of taxes thereon; that the people of the State of Wyoming are greatly interested in the passage of this said amendment: Now, therefore, be it

Resolved by the House of Representatives of the State of Wyoming (the senate concurring), That the Congress of the United States be memorialized as follows: That application be and it hereby is made to the Congress of the United States of America to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

"ARTICLE —

"SECTION 1. The sixteenth amendment to the Constitution of the United States is hereby repealed.

"Sec. 2. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration, provided that in no case shall the maximum rate of tax exceed 25 percent.

"Sec. 3. The maximum rate of any tax, duty, or excise which Congress may lay and collect with respect to the devolution or transfer of property, or any interest therein, upon or in contemplation of death, or by way of gift, shall in no case exceed 25 percent.

"Sec. 4. Sections 1 and 2 shall take effect at midnight on the 31st day of December, following the ratification of this article."

Be it further resolved, That the Congress of the United States be, and it hereby is, requested to provide as the mode of ratification that said amendment shall be valid to all intents and purposes, as part of the Constitution of the United States, when ratified by the legislatures of three-fourths of the several States; be it finally

Resolved, That the secretary of state be, and he hereby is, directed to send a duly certified copy of this resolution to the Senate of the United States and one to the House of Representatives in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate a joint memorial of the Legislature of the State of Wyoming, favoring protection for the livestock industry threatened by impor-

tations of meats and meat products, which was referred to the Committee on Agriculture and Forestry.

(See joint memorial printed in full when presented by Mr. SCHWARTZ on the 27th instant, p. 1897, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate a resolution of Local Union, No. 78, United Packinghouse Workers of America, of Albany, Ga., protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate petitions, numerous signed, of sundry citizens of the United States, praying for the enactment of House bill 11, a general-welfare bill granting old-age assistance, which were referred to the Committee on Finance.

He also laid before the Senate a letter in the nature of a memorial from the Scotchtown Presbyterian Church of Middletown, N. Y., signed by the pastor and moderator, and clerk of session, remonstrating against inclusion of religious bodies and their employees under the operation of the social-security system, which was referred to the Committee on Finance.

Mr. TOWNSEND presented a concurrent resolution of the General Assembly of the State of Delaware, in reference to Federal taxes on motor fuels and lubricating oils, which was referred to the Committee on Finance.

(See resolution printed in full when laid before the Senate by the Vice President on the 27th instant, pp. 1894-1895, CONGRESSIONAL RECORD.)

Mr. NEELY presented a resolution of the House of Delegates of the State of West Virginia, protesting against the enactment of certain pending legislation relative to freight rates, which was referred to the Committee on Interstate Commerce.

(See resolution printed in full when presented by Mr. HOLZ on the 27th instant, p. 1896, CONGRESSIONAL RECORD.)

Mr. WALSH presented a resolution of the Federation of Women's Associations of Protestant Churches, Waltham, Mass., favoring the preservation of democracy and peace, which was referred to the Committee on Foreign Relations.

Mr. MEAD presented a resolution of Buffalo Lodge, No. 1, International Ship Masters' Association, of Buffalo, N. Y., protesting against the ratification of the Great Lakes-St. Lawrence Seaway Treaty, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented a petition of sundry citizens of McPherson, Kans., praying for the adoption of a policy of nonparticipation in aggression, and also discontinuance of the shipment of war supplies from the United States to Japan, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Athol, Kans., praying for the enactment of legislation to exempt small independent telephone companies from the provisions of the Labor Standards Act of 1938, which was referred to the Committee on Education and Labor.

Mr. BONE presented petitions of sundry citizens of the State of Washington, praying that the traffic in war materials to Japan for use in operations in China be stopped, which were referred to the Committee on Foreign Relations.

He also presented petitions, numerous signed, of sundry citizens of the State of Washington, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

He also presented the following resolution of the Senate of the State of Washington, which was referred to the Committee on Military Affairs:

Whereas the State of Washington and the North Pacific coast of the United States is now the part of our country most vulnerable to attack;

Whereas it is to the interest of the rest of the Nation that this area be well protected so as to prevent any possible foothold being obtained on these shores by any foreign power; and

Whereas national defense week is being celebrated from February 12 to February 22, this year, in the State of Washington: Now, therefore, be it

Resolved, That the Senate of the State of Washington, in legislative session now assembled, requests the Federal Government to

do all in its power to increase the defenses of the State of Washington and Pacific Northwest to the point where invasion, either by land, sea, or air shall be prevented, and that copies of this resolution be immediately transmitted to the members of our congressional delegation in Washington, D. C., to the Secretaries of War and Navy, and to the President of the United States.

Mr. GERRY presented the following concurrent resolution of the Legislature of the State of Rhode Island, which was referred to the Committee on Finance:

Concurrent resolution memorializing Congress of the United States of America to eliminate the taxation of gasoline and lubricating oil by the Federal Government

Whereas the Congress of the United States of America has imposed a tax upon all sales of gasoline and lubricating oil; and

Whereas the Federal tax on such sales is untimely and prohibitive and places a burden upon the users of gasoline and lubricating oil beyond that which they should carry and beyond that which the traffic can legitimately bear: And, therefore, be it

Resolved by the Senate of the State of Rhode Island (the house of representatives concurring therein), That the Congress of the United States be, and it is hereby, respectfully memorialized to enact with all convenient speed such legislation as may be necessary to abolish the Federal gasoline sales tax and the Federal lubricating oil sales tax; and be it further

Resolved, That a copy of this resolution be transmitted to the President of the United States, the Clerk of the House of Representatives, the Secretary of the Treasury of the United States, and to each Member of Congress elected from the State of Rhode Island, and that the latter be urged to use their best offices to procure the enactment of such legislation as will accomplish the purposes of this resolution.

(Mr. GREEN presented an identical copy of the foregoing concurrent resolution of the Legislature of the State of Rhode Island, which was referred to the Committee on Finance.)

Mr. RUSSELL presented the following resolutions of the Legislature of the State of Georgia, which were referred to the Committee on Agriculture and Forestry:

Whereas the State of Georgia is dependent upon farming and the prosperity of our farmers reflects itself in every other vocation, profession, and occupation; and

Whereas for the past 6 years we have tried experimentation and new and untried laws affecting farming generally; and

Whereas after the expenditure of billions of dollars on this experimentation and untried legislation the farmers now find themselves in equally as bad condition as in 1912: Now, therefore, be it

Resolved, That the Georgia delegation in Congress be requested to enact and pursue some method of legislation to restore the prosperity of the farmers, and that a copy of this resolution be sent to Georgia's 2 Senators and 10 Members of the House of Congress.

Resolution urging an increased Federal appropriation for forest-fire control

Whereas additional Federal funds are urgently needed in Georgia for forest-fire protection; and

Whereas there has been introduced into Congress a bill (S. 228) providing for an increase in the Federal appropriation for national forest-fire control from \$2,500,000 to \$9,000,000; and

Whereas Georgia's portion of Federal funds for forest-fire control would be materially increased if the new bill is passed by Congress: Therefore be it

Resolved by the Senate of the State of Georgia (the house of representatives concurring), That the members of the Georgia delegation in Congress be requested to give their full support to this bill; be it further

Resolved, That copies of this resolution be transmitted to each members of the Georgia delegation in our National Congress.

REMOVAL OF SPANISH EMBARGO—PETITION

Mr. DAVIS. Mr. President, I ask unanimous consent to have the letter of Charles Rabbits, secretary of the lawyers' committee on American relations with Spain, together with an enclosed petition printed in the RECORD and referred to the Committee on Foreign Relations, as he has requested.

There being no objection, the letter and petition were referred to the Committee on Foreign Relations and the body of the petition was ordered to be printed in the RECORD, as follows:

LAWYERS COMMITTEE ON AMERICAN RELATIONS WITH SPAIN,
NEW YORK, N. Y., February 21, 1939.

Senator JAMES JOHN DAVIS,
Senate Office Building, Washington, D. C.

DEAR SENATOR DAVIS: The signatories of the petition sent you herewith have asked our committee to forward the same to you

with the request that you introduce it into the CONGRESSIONAL RECORD.

We would appreciate early word from you regarding this matter.
Respectfully yours,

CHARLES RABBINS, Secretary.

The President and Congress of the United States, Washington, D. C.:

We, the undersigned, citizens of the United States, respectfully urge that the embargo imposed on the established and recognized Government of Spain on May 1, 1937, be immediately revoked by whatever procedure is best adapted to the accomplishment of that purpose.

We firmly believe that such action is in the enlightened self-interest of our Nation; that the continuance of this embargo encourages and assists those international forces which are systematically undermining democracy in the Western Hemisphere; that if these forces succeed in subduing the Spanish people, the antidemocratic forces in this hemisphere will be immeasurably strengthened, to the detriment and danger of the Government and people of the United States.

Respectfully submitted.

ST. LAWRENCE DEEP WATERWAY

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Foreign Relations a letter received from Mr. Frank Mantz, executive secretary, Hazleton Chamber of Commerce, February 13, 1939, protesting the St. Lawrence waterway and calling attention to the constantly diminishing pay rolls of the anthracite industry in the Hazleton area.

There being no objection, the letter was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

HAZLETON CHAMBER OF COMMERCE,
Hazleton, Pa., February 13, 1939.

Senator JAMES J. DAVIS,

The United States Senate, Washington, D. C.

DEAR SIR: The St. Lawrence waterway project, in the judgment of the directors of the Hazleton Chamber of Commerce, who met on Tuesday, February 7, would adversely affect the anthracite region of Pennsylvania.

Nearly one and one-half million people reside in this great region, and our businessmen, through the chamber of commerce, desire to go on record against this project. Opposition springs from the fact that labor in the mines will be materially affected, and this, of course, will result in unemployment in the service institutions, lower property values, and generally cause a recession in our social life.

For your information, the Hazleton area has shown a steady decrease from 1930 to 1938. Eighty percent of the mine pay roll in the Hazleton area for a period of years follows:

1930	\$11,041,688.75
1932	6,062,826.40
1934	9,160,718.24
1936	7,641,305.28
1938	6,730,923.04

Our region needs every bit of tonnage that it is possible to secure at the present time in order to take care of our idle miners.

Sincerely yours,

FRANK MANTZ, Executive Secretary.

THE STABILIZATION FUND—REFERENCE OF CORRESPONDENCE

Mr. VANDENBERG. Mr. President, under date of February 14 I submitted certain questions to the Secretary of the Treasury, Mr. Morgenthau, regarding the stabilization fund. Under date of February 23 he replied that the questions could be properly answered in the Committee on Banking and Currency. Not being a member of that committee, I am therefore foreclosed from that particular opportunity to get the information myself. I wrote the Secretary of the Treasury again and asked him if he would be willing to answer the questions in the forum of the committee. Under date of February 27 he replies that he will. The questions are as follows:

1. Is the Government of the United States under agreement with the Governments of Great Britain and France to sustain the value of the French franc and the British pound in relation to the value of the American dollar?
2. What is the nature and extent of this agreement, if any; and, if any, is it summarily revocable in the event that any of these nations become involved in war?
3. Are there any agreements of this same general nature with any other foreign governments?
4. Does the Treasury construe its authority under the Stabilization Fund Act to include the power to deal with wartime problems of international exchange precisely as with peacetime exchange without further instructions from the Congress?

In view of the Secretary's willingness that these questions should be answered in the Committee on Banking and Currency, I ask that this entire correspondence be referred to that committee, and I request that the questions be posed to the Secretary when he appears as a witness.

The VICE PRESIDENT. Without objection, it is so ordered.

REPORTS OF COMMITTEES

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (S. 810) for the relief of Joe Pizl, Sr., reported it without amendment and submitted a report (No. 118) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 572) to provide for the common defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and for other purposes, reported it with amendments and submitted a report (No. 119) thereon.

PRINTING OF TREATISE ON RECLAMATION AND IRRIGATION

Mr. HAYDEN. Mr. President, by direction of the Committee on Printing I report back favorably, without amendment, Senate Resolution 90, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 90) submitted by Mr. HAYDEN on the 27th instant, was read, considered, and agreed to as follows:

Resolved, That certain correspondence and papers exchanged between the Bureau of Reclamation and Senator CARL HAYDEN consisting of a treatise on "What Federal Reclamation Means to the United States and a Discussion on the National Irrigation Policy, Its Development and Its Significance" be printed as a Senate document, with illustrations.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GUFFEY:

S. 1619. A bill to prohibit certain political practices; to the Committee on Privileges and Elections.

(Mr. WAGNER introduced Senate bill 1620, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

(Mr. GEORGE introduced Senate bill 1621, which was referred to the Committee on the District of Columbia, and appears under a separate heading.)

By Mr. RUSSELL:

S. 1622. A bill to reimburse the National Guard of the State of Georgia for the loss of certain land formerly used as a rifle range and camp, and for other purposes; to the Committee on Military Affairs.

By Mr. THOMAS of Oklahoma:

S. 1623. A bill authorizing an appropriation for payment to the Sac and Fox Tribe of Indians in the State of Oklahoma;

S. 1624. A bill to reimburse the Eastern and Western Cherokees for funds erroneously charged against them, and for other purposes; and

S. 1625. A bill authorizing the District Court of the United States for the Eastern District of Oklahoma to hear and determine certain claims of the Seminole Nation or Tribe of Indians; to the Committee on Indian Affairs.

By Mr. McNARY:

S. 1626. A bill for the relief of Paul H. Sitton; to the Committee on Finance.

By Mr. CAPPER:

S. 1627. A bill for the relief of Murray T. Copple; to the Committee on Claims.

S. 1628. A bill to exempt from taxation certain property of the American Friends Service Committee, a nonprofit corporation organized under the laws of Pennsylvania for religious, educational, and social-service purposes; to the Committee on Finance.

By Mr. McKELLAR:

S. 1629. A bill for the relief of the Canvas Decoy Co.; to the Committee on Claims.

By Mr. NEELY:

S. 1630. A bill granting a pension to James B. West;

S. 1631. A bill granting a pension to Maude Zickefoose; and

S. 1632. A bill granting an increase of pension to Mary M. Gibbs; to the Committee on Pensions.

By Mr. MEAD:

S. 1633. A bill to abolish personal and deficiency judgments that have been taken by the Home Owners' Loan Corporation in foreclosures and to forbid the taking of said judgments in the future; to the Committee on Banking and Currency.

S. 1634. A bill to amend section 4438 of the Revised Statutes of the United States in order to maintain discipline aboard ships; to the Committee on Commerce.

S. 1635. A bill for the relief of the Acme Die-Casting Corporation;

S. 1636. A bill for the relief of Fairbanks, Morse & Co.;

S. 1637. A bill for the relief of the R. S. Howard Co.; and

S. 1638. A bill for the relief of Thermal Syndicate, Ltd.; to the Committee on Claims.

By Mr. WALSH:

S. 1639. A bill to require contractors on public-building projects to name their subcontractors, material men, and supply men, and for other purposes; to the Committee on Education and Labor.

S. 1640. A bill to incorporate the United States Power Squadrons, and for other purposes; to the Committee on the Judiciary.

S. 1641. A bill granting compensation to Philip R. Roby;

S. 1642. A bill to protect American and Philippine labor and to preserve an essential industry, and for other purposes; to the Committee on Finance.

S. 1643. A bill to provide pensions at wartime rates for disability or death incurred in line of duty as a direct result of the conflict in the Far East; and

S. 1644. A bill to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of \$50,000 annually to aid in the maintenance and support of marine schools; to the Committee on Naval Affairs.

By Mr. PEPPER:

S. 1645. A bill to amend the Emergency Relief Appropriation Act of 1938, as amended; to the Special Committee to Investigate Unemployment and Relief.

By Mr. BONE:

S. 1646. A bill to correct the military record of Carl Lorenson; and

S. 1647. A bill to provide for the burial and funeral expenses of deceased veterans of any war, campaign, or expedition, and of deceased veterans who were suffering with service-connected disabilities, and for other purposes; to the Committee on Military Affairs.

By Mr. LUNDEEN:

S. 1648. A bill to provide for the carrying out of the award of the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.; to the Committee on Claims.

By Mr. PEPPER:

S. 1649. A bill for the relief of Alan C. Winter, Jr., and Elizabeth Winter; to the Committee on Claims.

By Mr. LEE:

S. 1650. A bill to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government; to the Committee on Military Affairs.

By Mr. PEPPER:

S. 1651. A bill to amend section 13 of the act of March 4, 1915, as amended on June 25, 1936, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion, and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea"; to maintain discipline on shipboard; and for other purposes; to the Committee on Commerce.

S. 1652. A bill for the relief of Joseph Noel Roberts; to the Committee on Finance.

S. 1653. A bill for the relief of Antonio Orrantia; and

S. 1654. A bill for the relief of Mrs. Pacios Pijnan; to the Committee on Immigration.

S. 1655. A bill granting a pension to Herbert B. Holloway; to the Committee on Pensions.

By Mr. REED:

S. J. Res. 81. Joint resolution providing for the discontinuance of the transportation services, liquidation of the assets, and winding up of the affairs of the Inland Waterways Corporation and the Warrior River Terminal Co.; to the Committee on Interstate Commerce.

By Mr. TOWNSEND:

S. J. Res. 82. Joint resolution providing for the appointment of a special joint committee to investigate the United States gold policy; to the Committee on Banking and Currency.

By Mr. WALSH:

S. J. Res. 83. Joint resolution relative to the establishment of a naval petroleum reserve in the submerged lands along and adjacent to the coast of the State of California; to the Committee on Public Lands and Surveys.

By Mr. LA FOLLETTE (for himself, Mr. BONE, Mr. CAPPER, Mr. CLARK of Idaho, Mr. CLARK of Missouri, Mr. DONAHEY, Mr. FRAZIER, Mr. LUNDEEN, Mr. MURRAY, Mr. NYE, Mr. SHIPSTEAD, and Mr. WHEELER):

S. J. Res. 84. Joint resolution proposing an amendment to the Constitution of the United States for a referendum on war; to the Committee on the Judiciary.

PROTECTION AND CARE OF PUBLIC HEALTH

Mr. WAGNER. I ask unanimous consent to introduce a bill of widespread interest, the so-called national health bill. I ask that the bill, together with an explanatory statement, be printed in the RECORD.

The VICE PRESIDENT. Without objection, the bill introduced by the Senator from New York will be received, referred to the Committee on Education and Labor, and, together with the explanatory statement, printed in the RECORD.

The bill (S. 1620) to provide for the general welfare by enabling the several States to make more adequate provision for public health, prevention and control of disease, maternal and child health services, construction and maintenance of needed hospitals and health centers, care of the sick, disability insurance, and training of personnel; to amend the Social Security Act; and for other purposes, was read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

A bill to provide for the general welfare by enabling the several States to make more adequate provision for public health, prevention and control of disease, maternal and child health services, construction and maintenance of needed hospitals and health centers, care of the sick, disability insurance, and training of personnel; to amend the Social Security Act; and for other purposes

Be it enacted, etc., That this act may be cited as the "National Health Act of 1939."

Sec. 2. Title V, parts 1, 2, and 5 of the Social Security Act are amended to read as follows:

"TITLE V—GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

"PART 1—MATERNAL AND CHILD HEALTH SERVICES

"APPROPRIATION

"SEC. 501. For the purpose of enabling each State, as far as practicable under the conditions in such State, especially in rural areas and in areas suffering from severe economic distress, to extend and improve services, supplies and facilities for promoting the health of mothers and children and medical care during maternity and infancy including medical, surgical, and other related services and

care in the home or in institutions, and facilities for diagnosis, hospitalization, and after care; and to develop more effective measures for carrying out the purposes of this part of this title, including the training of personnel, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$3,000,000; for the fiscal year ending June 30, 1941, the sum of \$20,000,000; for the fiscal year ending June 30, 1942, the sum of \$35,000,000; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this part of this title. The sums authorized under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for extending and improving such services.

"ALLOTMENTS TO STATES

"SEC. 502. (a) The Chief of the Children's Bureau shall allot to the States prior to the beginning of each fiscal year, and at such time or times thereafter as may be necessary, the sums appropriated pursuant to section 501 for such year, and the sums available for allotment under subsection (b) of this section. The amounts of the allotments to the States shall be determined in accordance with rules and regulations prescribed by the Chief of the Children's Bureau with the approval of the Secretary of Labor. In determining the allotments under this section the following factors for the respective States shall be taken into consideration: (1) The total number of births in the latest calendar year for which the Bureau of the Census has available statistics; (2) the number of mothers and children in need of the services; (3) the special problems of maternal and child health; and (4) the financial resources.

"(b) The amount of an allotment to any State under subsection (a) of this section for any fiscal year remaining unobligated and unpaid at the end of such fiscal year shall be available for allotment to States under subsection (a) for the succeeding fiscal year, in addition to the amount appropriated for such year.

"APPROVAL OF STATE PLANS

"SEC. 503. (a) A State plan to effectuate the purpose of this part of this title shall—

"(1) provide for financial participation by the State;

"(2) provide for a State-wide program or for extension of the program each year so that it shall be in effect in all political subdivisions of the State in need of the services not later than the beginning of the fiscal year ending June 30, 1945;

"(3) provide for the administration of the plan by the State health agency or for the supervision by the State health agency of any part of the plan administered by another State agency or by a political subdivision of the State;

"(4) provide such methods of administration as are found by the Chief of the Children's Bureau to be necessary for the efficient operation of the plan, including: Methods relating to the establishment and maintenance of personnel standards on a merit basis; and methods of establishing and maintaining standards of medical and institutional care and of remuneration for such care, such methods to be prescribed by the State agency after consultation with such professional advisory committees as the State agency may establish;

"(5) provide for an advisory council or councils, composed of members of the professions and agencies, public and private, that furnish services under the State plan, and other persons informed on the need for, or provision of, maternal and child health services;

"(6) provide that the State health agency will make such reports, in such form and containing such information, as the Chief of the Children's Bureau may from time to time require and comply with such provisions as the Chief of the Children's Bureau may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provide for cooperation and, when necessary, for working agreements between the State health agency and any public agency or agencies administering services related to the services furnished under the State plan, including public agencies concerned with welfare, assistance, social insurance, education, or medical care; and

"(8) provide that the State health agency (or other State agency administering services under this plan) shall have authority to make and publish such rules and regulations as are necessary for efficient operation of the services, having special regard for the quality and economy of service.

"(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a).

"PAYMENTS TO STATES

"SEC. 504. (a) From the sums appropriated therefor under section 501, and the allotments made in accordance with section 502, payments shall be made to each State which has a plan approved under section 503 for each year or part thereof covered by such plan beginning with the fiscal year ending June 30, 1940, in amounts which shall be used exclusively for carrying out the purposes of section 501. These payments shall be in such proportion to the total amount of public funds expended under the State plan, during each year or part thereof covered by such plan as is determined in accordance with subsection 1101 (e) upon the basis of the financial resources of the State, not counting so much of such total expenditures as are included in any other State plan submitted for grants to the State under any other part of this title or any other title of this act or any other act of Congress. In no event shall the total sum paid to the State for any fiscal year or part thereof covered by its plan be in excess

of the total sum expended or obligated for amounts planned for expenditures from Federal funds.

"(b) The Chief of the Children's Bureau shall, from time to time, but not less often than semiannually, determine the amounts to be paid to each State necessary for carrying out its plan, upon the basis of estimates submitted by the State, and, after taking into consideration overpayments or underpayments to the State in prior periods, shall certify the amounts so determined to the Secretary of the Treasury. Upon receipt of each such certification for payment, the Secretary of the Treasury, through the Division of Disbursements of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall pay to each State the amount so certified.

"OPERATION OF STATE PLANS

"Sec. 505. Whenever the Chief of the Children's Bureau finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a plan approved under part 1 of this title, that in the administration of such plan there is failure to comply substantially with any requirement of subsection 503 (a), he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

"FEDERAL ADVISORY COUNCILS

"Sec. 506. The Chief of the Children's Bureau is authorized to establish an advisory council or councils, composed of members of the professions and agencies concerned with promotion of maternal and child health, maternity care and care of infants, and other persons informed on the need for, or provision of, such care, to advise the Chief of the Children's Bureau with respect to carrying out the purposes of this part of this title.

"RULES AND REGULATIONS

"Sec. 507. The Chief of the Children's Bureau, with the approval of the Secretary of Labor, shall make and publish such rules and regulations not inconsistent with this part of this title as may be necessary to the efficient administration of this part of this title.

"PART 2. MEDICAL SERVICES FOR CHILDREN AND SERVICES FOR CRIPPLED AND OTHER PHYSICALLY HANDICAPPED CHILDREN

"APPROPRIATION

"Sec. 511. For the purpose of enabling each State, as far as practicable under the conditions in such State, especially in rural areas and in areas suffering from severe economic distress, to extend and improve services, supplies, and facilities for the medical care of children, and services to crippled children and other physically handicapped children in need of special care, such services and facilities to include medical, surgical, corrective, and other related services and care in the child's home or in institutions, and facilities for diagnosis, hospitalization, or other institutional care, and after care, and to develop more effective measures for carrying out the purposes of this part of this title, including the training of personnel, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$13,000,000; for the fiscal year ending June 30, 1941, the sum of \$25,000,000; for the fiscal year ending June 30, 1942, the sum of \$35,000,000; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this part of this title. The sums authorized under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for extending and improving such services.

"ALLOTMENTS TO STATES

"Sec. 512. (a) The Chief of the Children's Bureau shall allot to the States prior to the beginning of each fiscal year, and at such time or times thereafter as may be necessary, the sums appropriated pursuant to section 511 for such year, and the sums available for allotment under subsection (b) of this section. Out of the sums appropriated pursuant to section 511 the Chief of the Children's Bureau shall allot to the States for the fiscal year ending June 30, 1940, the sum of \$9,000,000 for medical care of children and the sum of \$4,000,000 for services to crippled children and other physically handicapped children in need of special care; for the fiscal year ending June 30, 1941, the sum of \$20,000,000 for medical care of children and the sum of \$5,000,000 for services to crippled children and other physically handicapped children in need of special care; and from the sum appropriated for each year thereafter such amounts as the Chief of the Children's Bureau deems necessary to carry out the purposes of this part of this title. The amounts of the allotments to the States shall be determined in accordance with rules and regulations prescribed by the Chief of the Children's Bureau with the approval of the Secretary of Labor. In determining the allotments under this section the following factors for the respective States shall be taken into consideration: (1) The child population; (2) the number of children in each State in need of the services; (3) the special problems of medical care of children; and (4) the financial resources.

"(b) The amount of an allotment to any State under subsection (a) of this section for any fiscal year remaining unobligated and unpaid at the end of such fiscal year shall be available for allotment to States under subsection (a) for the succeeding fiscal year, in addition to the amount appropriated for such year.

"APPROVAL OF STATE PLANS

"Sec. 513. (a) State plans to effectuate the purposes of this part of this title shall—

"(1) provide for financial participation by the State;

"(2) provide for State-wide programs or for extension of the programs each year so that they shall be in effect in all political subdivisions of the State in need of the services not later than the beginning of the fiscal year ending June 30, 1945;

"(3) provide for the administration of the plans by the State health agency or for the supervision by the State health agency of any part of a plan administered by another State agency or by a political subdivision of the State: *Provided*, That in States where some other State agency (or agencies) is already charged by State law with administrative or supervisory responsibility for a State medical-care program, including medical care of children or for a program of services for crippled children, as provided in section 511, and is now carrying out a substantial program of medical care of children or services for crippled children, the State health agency may, through agreement with such agency or agencies, develop and submit a plan under which the State agency or agencies designated by State law shall have the authority to administer services under the State plan for medical care of children or under the plan for services for crippled children: *Provided further*, That all plans for medical care of children or services for crippled children for the fiscal year ending June 30, 1945, and for succeeding years, shall provide for administration by the State health agency;

"(4) provide such methods of administration as are found by the Chief of the Children's Bureau to be necessary for the efficient operation of the plan, including: Methods relating to the establishment and maintenance of personnel standards on a merit basis; and methods of establishing and maintaining standards of medical and institutional care and of remuneration for such care, such methods to be prescribed by the State agency after consultation with such professional advisory committees as the State agency may establish;

"(5) provide for an advisory council or councils, composed of members of the professions and agencies, public and private, that furnish services under the State plans, and other persons informed on the need for, or provision of, medical services for children or services for crippled children;

"(6) provide that the State health agency or other State agencies administering the services under the plans will make such reports, in such form and containing such information, as the Chief of the Children's Bureau may from time to time require, and comply with such provisions as the Chief of the Children's Bureau may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provide for cooperation and, when necessary, for working agreements between the State health agency and any public agency or agencies administering services related to the services furnished under the State plan, including public agencies concerned with welfare, assistance, vocational rehabilitation, social insurance, education, or medical care; and

"(8) provide that the State agency (or agencies) administering the plans or other State agency administering services under the plans shall have authority to make and publish such rules and regulations as are necessary for efficient operation of the services, having special regard for the quality and economy of service.

"(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a).

"PAYMENTS TO STATES

"Sec. 514. (a) From the sums appropriated therefor under section 511, and the allotments made in accordance with section 512, payments shall be made to each State which has a plan approved under section 513 for each year or part thereof covered by such plan beginning with the fiscal year ending June 30, 1940, in amounts which shall be used exclusively for carrying out the purposes of section 511. These payments shall be in such proportion to the total amount of public funds expended under the State plan, during each year or part thereof covered by such plan, as is determined in accordance with subsection 1101 (e) upon the basis of the financial resources of the State, not counting so much of such total expenditures by the State and its political subdivisions as are: (1) Expended for the care, in hospitals, institutions and other organized facilities, of cases of mental disease, mental defectiveness, epilepsy and tuberculosis as are not in excess of the average annual expenditures for these purposes in the 3 years prior to the effective date of this part of this title; or (2) included in any other State plan submitted for grants to the State under any other part of this title or any other title of this act or any other act of Congress. In no event shall the total sum paid to the State for any fiscal year or part thereof covered by its plan be in excess of the total sum expended or obligated for amounts planned for expenditure from Federal funds.

"(b) The Chief of the Children's Bureau shall, from time to time but not less often than semiannually, determine the amounts to be paid to each State necessary for carrying out its plan, upon the basis of estimates submitted by the State and, after taking into consideration overpayments or underpayments to the State in prior periods, shall certify the amounts so determined to the Secretary of the Treasury. Upon receipt of each such certification for payment the Secretary of the Treasury, through the Division of Disbursements of the Treasury Department and prior to audit or settlement by the General Accounting Office, shall pay to each State the amount so certified.

"OPERATION OF STATE PLANS

"Sec. 515. Whenever the Chief of the Children's Bureau finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a plan approved under part 2 of this title, that in the administration of such plan there is failure to comply substantially with any requirement of subsection 513 (a), he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

"FEDERAL ADVISORY COUNCILS

"Sec. 516. The Chief of the Children's Bureau is authorized to establish an advisory council or councils, composed of members of the professions and agencies concerned with medical care for children and services for crippled children or otherwise physically handicapped children in need of special care, and other persons informed on the need for, or provision of, such services for children, to advise the Chief of the Children's Bureau with respect to carrying out the purposes of this part of this title.

"RULES AND REGULATIONS

"Sec. 517. The Chief of the Children's Bureau, with the approval of the Secretary of Labor, shall make and publish such rules and regulations not inconsistent with this part of this title as may be necessary to the efficient administration of this part of this title.

"PART 5—ADMINISTRATION

"Sec. 541. (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$2,500,000 for all necessary expenses of the Children's Bureau in administering the provisions of this title (except sec. 531), and in making such studies, investigations, and demonstrations and such provision for the training of personnel as will improve the quality of the services and promote the efficient administration of this title, except section 531; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient for such purposes.

"(b) The Secretary of Labor shall include in his annual report to the Congress a full account of the administration of this title, except section 531."

SEC. 3. Title VI of the Social Security Act is amended to read as follows:

"TITLE VI. PUBLIC HEALTH WORK AND INVESTIGATIONS**"PART 1—PUBLIC HEALTH WORK****"APPROPRIATION**

"Sec. 601. For the purpose of enabling each State, as far as practicable under the conditions in such State, especially in rural areas and in areas suffering from severe economic distress, to extend and improve public health work, including services, supplies, and facilities for the control of tuberculosis and malaria, for the prevention of mortality from pneumonia and cancer, for mental health, and industrial hygiene activities, and to develop more effective measures for carrying out the purposes of this part of this title, including the training of personnel, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$15,000,000; for the fiscal year ending June 30, 1941, the sum of \$25,000,000; for the fiscal year ending June 30, 1942, the sum of \$60,000,000; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this part of this title.

"The sums authorized under this section shall be used for making payments to States which have submitted, and had approved by the Surgeon General of the Public Health Service, State plans for extending and improving such services.

"ALLOTMENTS TO STATES

"Sec. 602. (a) The Surgeon General of the Public Health Service shall allot to the States prior to the beginning of each fiscal year, and at such time or times thereafter as may be necessary, the sums appropriated pursuant to section 601 for such year, and the sums available for allotment under subsection (b) of this section. The amounts of the allotments to the States shall be determined in accordance with rules and regulations prescribed by the Surgeon General of the Public Health Service with the approval of the Secretary of the Treasury. In determining the allotments under this section, the following factors for the respective States shall be taken into consideration: (1) the population; (2) the number of individuals in need of the services; (3) the special health problems; and (4) the financial resources.

"(b) The amount of an allotment to any State under subsection (a) of this section for any fiscal year remaining unobligated and unpaid at the end of such fiscal year shall be available for allotment to States under subsection (a) for the succeeding fiscal year, in addition to the amount appropriated for such year.

"APPROVAL OF STATE PLANS

"Sec. 603. (a) A State plan to effectuate the purposes of this title shall—

"(1) provide for financial participation by the State;

"(2) provide for a State-wide program or for extension of the program each year so that it shall be in effect in all political subdivisions of the State in need of the services not later than the beginning of the fiscal year ending June 30, 1945;

"(3) provide for the administration of the plan by the State health agency or for the supervision by the State health agency

of any part of the plan administered by another State agency or by a political subdivision of the State;

"(4) provide such methods of administration as are found by the Surgeon General of the Public Health Service to be necessary for the efficient operation of the plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis, and methods of establishing and maintaining standards of medical and institutional care and of remuneration for such care, such methods to be prescribed by the State agency after consultation with such professional advisory committees as the State agency may establish;

"(5) provide for an advisory council or councils, composed of members of the professions and agencies, public and private, that furnish services under the State plan, and other persons informed on the need for, or provision of, public health work;

"(6) provide that the State health agency will make such reports, in such form and containing such information, as the Surgeon General of the Public Health Service may from time to time require, and comply with such provisions as the Surgeon General of the Public Health Service may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provide for cooperation and, when necessary, for working agreements between the State health agency and any public agency or agencies administering services related to the services furnished under the State plan, including public agencies concerned with welfare, assistance, social insurance, workmen's compensation, labor, industrial hygiene, education, or medical care; and

"(8) provide that the State health agency (or other State agency administering services under this plan) shall have authority to make and publish such rules and regulations as are necessary for the efficient operation of the services, having special regard for the quality and economy of service.

"(b) The Surgeon General of the Public Health Service shall approve any plan which fulfills the conditions specified in subsection (a).

"PAYMENTS TO STATES

"Sec. 604. (a) From the sums appropriated therefor under section 601, and the allotments made in accordance with section 602, payments shall be made to each State which has a plan approved under section 603 for each year or part thereof covered by such plan beginning with the fiscal year ending June 30, 1940, in amounts which shall be used exclusively for carrying out the purposes of section 601. These payments shall be in such proportion to the total amount of public funds expended under the State plan, during each year or part thereof covered by such plan, as is determined in accordance with subsection 1101 (e) upon the basis of the financial resources of the State, not counting so much of such total expenditures by the State and its political subdivisions as are: (1) Expended for the care, in hospitals, institutions, and other organized facilities, of cases of mental disease, mental defectiveness, epilepsy and tuberculosis as are not in excess of the average annual expenditures for these purposes in the 3 years prior to the effective date of this part of this title; or (2) included in any other State plan submitted for grants to the State under any other title of this act or any other act of Congress. In no event shall the total sum paid to the State for any fiscal year or part thereof covered by its plan be in excess of the total sum expended or obligated for amounts planned for expenditure from Federal funds.

"(b) The Surgeon General of the Public Health Service shall, from time to time but not less often than semiannually, determine the amounts to be paid to each State necessary for carrying out its plan, upon the basis of estimates submitted by the State and, after taking into consideration overpayments or underpayments to the State in prior periods, shall certify the amounts so determined to the Secretary of the Treasury. Upon receipt of each such certification for payment the Secretary of the Treasury, through the Division of Disbursements of the Treasury Department and prior to audit or settlement by the General Accounting Office, shall pay to each State the amount so certified.

"OPERATION OF STATE PLANS

"Sec. 605. Whenever the Surgeon General of the Public Health Service finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a plan approved under part 1 of this title, that in the administration of such plan there is failure to comply substantially with any requirement of subsection 603 (a), he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

"FEDERAL ADVISORY COUNCILS

"Sec. 606. The Surgeon General of the Public Health Service is authorized to establish an advisory council or councils, composed of members of the professions and agencies concerned with public health work, and other persons informed on the need for, or provision of, public health work, to advise the Surgeon General of the Public Health Service with respect to carrying out the purposes of this part of this title.

"RULES AND REGULATIONS

"Sec. 607. The Surgeon General of the Public Health Service, with the approval of the Secretary of the Treasury, shall make and publish such rules and regulations not inconsistent with this part of this title as may be necessary to the efficient administration of this part of this title.

"ADMINISTRATION"

"Sec. 608. (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$1,500,000 for all necessary expenses of the Public Health Service in administering the provisions of part 1 of this title, including the printing of forms and reports; in making such studies and demonstrations and such provision for the training of personnel as will improve the quality of the services and promote the efficient administration of this part of this title; and for the pay, allowances, and travel expenses of commissioned officers (Regular and Reserve) and other personnel of the Public Health Service assigned to duty in carrying out the purposes of this part of this title in the District of Columbia and elsewhere; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient for such purposes.

"(b) Appointment is hereby authorized of commissioned officers under the provisions of section VII of the act of April 9, 1930, without regard to the limitation as to number and research qualifications as therein provided, including not to exceed four assistants to the Surgeon General of the Public Health Service who shall have the same pay and allowances as are now or hereafter may be provided for the assistants to the Surgeon General of the Army.

"(c) The President, upon the recommendation of the Secretary of the Treasury, is authorized to change the names and reallocate the functions of the existing administrative divisions of the Public Health Service and is authorized to create such additional administrative divisions as he may deem necessary to carry out the purposes of this act and other work of the Public Health Service. Each such division shall be under the charge of a commissioned officer of the Public Health Service detailed by the Surgeon General to be Director, with the same compensation as is now received by heads of administrative divisions.

"PART 2—INVESTIGATIONS"

"Sec. 611. (a) For the purpose of enabling the Public Health Service, through the National Institute of Health, to make investigations of health, disease, sanitation, and matters pertaining thereto (including the printing and binding of the findings of such investigations), for the purpose of carrying out the provisions of the acts of August 14, 1912, ch. 288, 37 Stat. L. 309; May 26, 1930, 46 Stat. 379, and for the pay, allowances, and travel expenses of commissioned officers (Regular and Reserve) and other personnel of the Public Health Service engaged on such investigations in the District of Columbia and elsewhere, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$3,000,000; for the fiscal year ending June 30, 1941, the sum of \$3,500,000; for the fiscal year ending June 30, 1942, the sum of \$4,000,000; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient for such purposes.

"(b) Nothing in this act shall be construed to supersede or limit any other act of Congress prescribing the functions of the Public Health Service or authorizing the expenditure of funds therefor."

Sec. 4. The Social Security Act is amended by adding new titles XII, XIII, and XIV, as follows:

"TITLE XII. GRANTS TO STATES FOR HOSPITALS AND HEALTH CENTERS"

"APPROPRIATION"

"Sec. 1201. For the purpose of enabling each State, as far as practicable under the conditions in such State, especially in rural areas and in areas suffering from severe economic distress, to construct and improve needed hospitals, to assist the States for a period of 3 years in defraying the operating cost of added facilities, and to develop more effective measures for carrying out the purposes of this title, there is hereby authorized to be appropriated:

(1) In respect to general hospitals, for the fiscal year ending June 30, 1940, the sum of \$8,000,000; for the fiscal year ending June 30, 1941, the sum of \$50,000,000; for the fiscal year ending June 30, 1942, the sum of \$100,000,000; and (2) in respect to mental and tuberculosis hospitals, for the fiscal year ending June 30, 1940, a sum sufficient to carry out, in respect to such hospitals, the purposes of this title; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums authorized under this section shall be used for making payments to States which have submitted, and had approved by the Surgeon General of the Public Health Service, State plans for constructing and improving needed hospitals.

"ALLOTMENTS TO STATES"

"Sec. 1202. (a) The Surgeon General of the Public Health Service shall allot to the States prior to the beginning of each fiscal year, and at such time or times thereafter as may be necessary, the sums appropriated pursuant to section 1201 for such year and the sums available for allotment under subsection (b) of this section. The amounts of the allotments to the States shall be determined in accordance with rules and regulations prescribed by the Surgeon General of the Public Health Service with the approval of the Secretary of the Treasury. In determining the allotments under this section, the following factors for the respective States shall be taken into consideration: (1) The needed additional hospitals; and (2) the financial resources.

"(b) The amount of an allotment to any State under subsection (a) of this section for any fiscal year remaining unobligated and unpaid at the end of such fiscal year shall be available for allotment to States under subsection (a) for the succeeding fiscal year in addition to the amount appropriated for such year.

"APPROVAL OF STATE PLANS"

"Sec. 1203. (a) A State plan to effectuate the purposes of this title, submitted in respect to either clause (1) or clause (2) of section 1201, or both, shall—

"(1) provide for financial participation by the State;

"(2) provide for the administration of the plan by the State health agency or for the supervision by the State health agency of any part of the plan administered by another State agency or by a political subdivision of the State;

"(3) provide such methods of administration as are found by the Surgeon General of the Public Health Service to be necessary for the efficient operation of the plan, including: Methods relating to the establishment and maintenance of personnel standards on a merit basis; and methods of establishing and maintaining standards for institutional management and remuneration for such management, such methods to be prescribed by the State agency after consultation with such professional advisory committees as the State agency may establish;

"(4) provide that ownership of real estate, improvements, and equipment be vested in the State or its political subdivisions;

"(5) provide such safeguards as may be necessary to assure satisfactory title, location, design, construction, and equipment;

"(6) provide a system of financial support which will give reasonable assurance of continuing maintenance of added hospitals and of their potential availability to all groups of the population in the designated area subject only to the suitability of the hospitals for particular diseases and conditions and to the financial arrangement for payment for service;

"(7) provide for an advisory council or councils, composed of members of the professions and agencies, public and private, that furnish services under the State plan, and other persons informed on the need for, or provision of, hospitals;

"(8) provide that the State agency will make such reports, in such form and containing such information as the Surgeon General of the Public Health Service may from time to time require, and comply with such provisions as the Surgeon General of the Public Health Service may from time to time find necessary to assure the correctness and verification of such reports;

"(9) provide for cooperation and, when necessary, for working agreements between the State health agency and any public agency or agencies administering services related to the services furnished under the State plan, including public agencies concerned with welfare, assistance, social insurance, workmen's compensation, labor, industrial hygiene, education, or medical care;

"(10) provide that the State agency administering the plan, or other State agencies administering part of the plan, shall have authority to make and publish such rules and regulations as are necessary for efficient administration of the plan; and

"(11) provide that the wages paid or to be paid laborers and mechanics employed in the construction of added hospitals are not less than the wages prevailing in the locality for work of a similar nature, as determined or adopted (subsequent to a determination under applicable State or local law) by the Commissioner of Labor Statistics:

"Provided, That a State plan submitted in respect to clause (2) of section 1201 during the fiscal years ending June 30, 1940, and June 30, 1941, shall provide for administration by a State agency or agencies and shall meet the requirements of clauses (1), (3), (4), (5), (6), (8), (10), and (11) of this subsection.

"(b) The Surgeon General of the Public Health Service shall approve any plan which fulfills the conditions specified in subsection (a).

"(c) The Surgeon General of the Public Health Service shall have authority to utilize the Federal Emergency Administration of Public Works, or, upon the termination thereof, another appropriate agency of the United States designated by the President, for the purpose of reviewing title, location, plans and specifications for the construction, alteration and repair of buildings and equipment, and of supervising the awarding and performance of contracts pursuant to plans approved under this title.

"PAYMENTS TO STATES"

"Sec. 1204. (a) From the sums appropriated therefor under section 1201, and the allotments made in accordance with section 1202, payments shall be made to each State which has a plan approved under section 1203 for each year or part thereof covered by such plan beginning with the fiscal year ending June 30, 1940, in amounts which shall be used exclusively for carrying out the purposes of section 1201. These payments shall be in such proportion to the total amount of public funds expended under the State plan, during each year or part thereof covered by such plan, as is determined in accordance with subsection 1101 (e) upon the basis of the financial resources of the State, not counting so much of such total expenditures by the State and its political subdivisions as are included in any other State plan submitted for grants to the State under any other title of this act or any other act of Congress: *Provided*, That the funds made available for defraying the operating cost of added facilities will be paid at a rate of \$300 per added bed for general and for tuberculosis hospitals and \$150 per added bed for mental hospitals during the first year of operation, two-thirds of these amounts, respectively, for the second year of operation, and one-third of these amounts, respectively, for the third year of operation. In no event shall the total sum paid to the State for any fiscal year or part thereof covered by its plan be in excess of the total sum expended or obligated for amounts planned for expenditure from Federal funds.

"(b) The Surgeon General of the Public Health Service shall, from time to time but not less often than semiannually, determine the amounts to be paid to each State necessary for carrying out its plan, and, after taking into consideration overpayments or underpayments to the State in prior periods, shall certify the amounts so determined to the Secretary of the Treasury. Upon receipt of each such certification for payment the Secretary of the Treasury, through the Division of Disbursements of the Treasury Department and prior to audit or settlement by the General Accounting Office, shall pay to each State the amount so certified.

"OPERATION OF STATE PLANS

"Sec. 1205. Whenever the Surgeon General of the Public Health Service finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of any State plan approved under this title, that in the effectuation or administration of such plan there is failure to comply substantially with any requirement of subsection 1203 (a), he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State.

"FEDERAL ADVISORY COUNCILS

"Sec. 1206. The Surgeon General of the Public Health Service is authorized to establish an advisory council or councils, composed of members of the professions and agencies concerned with the construction and operation of hospitals, and other persons informed on the need for, or provision of, such facilities, to advise the Surgeon General of the Public Health Service with respect to carrying out the purposes of this title.

"RULES AND REGULATIONS

"Sec. 1207. The Surgeon General of the Public Health Service (with the approval of the Secretary of the Treasury) and the Federal Emergency Administrator of Public Works, respectively, shall make and publish such rules and regulations not inconsistent with this title as may be necessary to the efficient administration of the respective functions vested in them under this title.

"ADMINISTRATION

"Sec. 1208. (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$1,000,000 for all necessary expenses of the Public Health Service in administering the provisions of this title, including the printing of forms and reports; in making such studies and demonstrations as will extend and improve the quality of hospital facilities and promote the efficient administration of this title; and for the pay, allowances, and travel expenses of commissioned officers (regular and reserve) and other personnel of the Public Health Service assigned to duty in carrying out the purposes of this title in the District of Columbia and elsewhere; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient for such purposes.

"(b) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, and for each fiscal year thereafter, a sum sufficient to carry out such functions as are vested pursuant to section 1203 (c), in the Federal Emergency Administration of Public Works, or, upon termination thereof, in any other agency designated by the President for that purpose.

"DEFINITION

"Sec. 1209. The term 'hospital,' when used in this title, includes health, diagnostic, and treatment centers, institutions, and related facilities.

"TITLE XIII—GRANTS TO STATES FOR MEDICAL CARE

"APPROPRIATION

"Sec. 1301. For the purpose of enabling each State, as far as practicable under the conditions in such State, especially in rural areas and among individuals suffering from severe economic distress, to extend and improve medical care (including all services and supplies necessary for the prevention, diagnosis, and treatment of illness and disability), and to develop more effective measures for carrying out the purposes of this title, including the training of personnel, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$35,000,000; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums authorized under this section shall be used for making payments to States which have submitted, and had approved by the Social Security Board (hereinafter called the 'Board'), State plans for extending and improving medical care.

"ALLOTMENTS TO STATES

"Sec. 1302. If the Board shall find that the sum appropriated for the fiscal year ending June 30, 1940, pursuant to section 1301 would be insufficient to meet payments for that year in accordance with section 1304, it shall allot to the States prior to the beginning of that year, and at such time or times thereafter as may be necessary, the sum appropriated for that year pursuant to section 1301. The allotments to the States shall be determined in accordance with rules and regulations prescribed by the Board. In determining the allotments under this section, the following factors for the respective States shall be taken into consideration: (1) The population; (2) the number of individuals in need of the services; (3) the special health problems; and (4) the financial resources.

"APPROVAL OF STATE PLANS

"Sec. 1303. (a) A State plan to effectuate the purposes of this title shall—

"(1) provide for financial participation by the State;

"(2) provide for a State-wide program or for extension of the program each year so that it shall be in effect in all political subdivisions of the State in need of the services not later than the beginning of the fiscal year ending June 30, 1945;

"(3) provide for administration of the plan by the State health agency (or by another State agency) and for supervision by such agency of any part of the plan administered by another State agency or by a political subdivision of the State, and, where a State agency other than the State health agency is charged with administration of the plan, for cooperation and, when necessary, for working agreements between such agency and the State health agency;

"(4) provide such methods of administration as are found by the Board to be necessary for the efficient operation of the plan, including: Methods relating to the establishment and maintenance of personnel standards on a merit basis; and methods of establishing and maintaining standards of medical and institutional care and of remuneration for such care, such methods to be prescribed by the State agency administering the plan after consultation with such professional advisory committees as the State agency may establish;

"(5) provide for an advisory council or councils composed of members of the professions and agencies, public and private, that furnish services under the State plan, and other persons informed on the need for or provision of medical care;

"(6) provide that the State agency administering the plan will make such reports, in such form and containing such information as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provide for cooperation and, when necessary, for working agreements between the State agency administering the plan and any public agency or agencies administering services related to the services furnished under the State plan, including public agencies concerned with welfare, assistance, vocational rehabilitation, social insurance, workmen's compensation, labor, industrial hygiene, education, health, or medical care; and

"(8) provide that the State agency administering the plan (or other State agency administering services under this plan) shall have authority to make and publish such rules and regulations as are necessary for the efficient operation of the services, having special regard for the quality and economy of service.

"(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a).

"PAYMENTS TO STATES

"Sec. 1304. (a) From the sums appropriated therefor under section 1301, and (with respect to the fiscal year ending June 30, 1940) the allotments made in accordance with section 1302, payments shall be made to each State which has a plan approved under section 1303 for each year or part thereof covered by such plan beginning with the fiscal year ending June 30, 1940, in amounts which shall be used exclusively for carrying out the purposes of section 1301. These payments shall be in such proportion to the total amount of public funds expended under the State plan during each year or part thereof covered by such plan as is determined in accordance with subsection 1101 (e) upon the basis of the financial resources of the State, not counting so much of such total expenditures by the State and its political subdivisions as are: (1) in excess of \$20 annually per individual eligible for medical care under such plan; (2) expended for the care, in hospitals, institutions, and other organized facilities, of cases of mental disease, mental defectiveness, epilepsy, and tuberculosis; or (3) included in any other State plan submitted for grants to the State under any other title of this act or any other act of Congress. In no event shall the total sum paid to the State for any fiscal year or part thereof covered by its plan be in excess of the total sum expended or obligated for amounts planned for expenditure from Federal funds.

"(b) The Board shall from time to time, but not less often than semiannually, determine the amounts to be paid to each State necessary for carrying out its plan, upon the basis of estimates submitted by the State and, after taking into consideration overpayments or underpayments to the State in prior periods, shall certify the amounts so determined to the Secretary of the Treasury. Upon receipt of each such certification for payment the Secretary of the Treasury, through the Division of Disbursements of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall pay to each State the amount so certified.

"OPERATION OF STATE PLANS

"Sec. 1305. Whenever the Board finds, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a plan approved under this title, that in the administration of such plan there is failure to comply substantially with any requirement of subsection 1303 (a), it shall notify such State agency that further payments will not be made to the State until it is satisfied that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State.

"FEDERAL ADVISORY COUNCILS

"Sec. 1306. The Board is authorized to establish an advisory council or councils, composed of members of the professions and agencies concerned with the furnishing of medical care, and other persons

informed on the need for, or provision of, such care, to advise the Board with respect to carrying out the purposes of this title.

"RULES AND REGULATIONS"

"SEC. 1307. The Board shall make and publish such rules and regulations not inconsistent with this title as may be necessary to the efficient administration of this title.

"ADMINISTRATION"

"SEC. 1308. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$1,000,000 for all necessary expenses of the Board in administering the provisions of this title; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient for such purposes.

"TITLE XIV—GRANTS TO STATES FOR TEMPORARY DISABILITY COMPENSATION"

"APPROPRIATION"

"SEC. 1401. For the purpose of assisting the States in the development, maintenance, and administration of plans for temporary disability compensation, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$10,000,000; and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of this title. The sums authorized under this section shall be used for making payments to States which have submitted, and had approved by the Board, State plans for temporary disability compensation.

"STATE TEMPORARY DISABILITY COMPENSATION PLANS"

"SEC. 1402. (a) A State law to effectuate the purposes of this title shall—

"(1) provide for administration and payment of disability compensation through a single State agency, or through more than one State agency if the Board finds provisions therefor to be consistent with efficient administration of the State plan; and

"(2) provide such methods of administration as are found by the Board to be necessary for the efficient operation of the plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis; and

"(3) provide for opportunity for a fair hearing before an impartial tribunal for all individuals whose claims for disability compensation are denied; and

"(4) provide for the making of such reports, in such form and containing such information, as the Board may from time to time require, and compliance with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and

"(5) provide authorization for cooperation and working agreements between the State agency or agencies administering temporary disability compensation and the State agencies administering any law relating to unemployment compensation, workmen's compensation, industrial hygiene, or the prevention of disease or the treatment, care, compensation, or vocational rehabilitation of sick or disabled persons; and

"(6) provide that all the rights, privileges, or immunities conferred by the State temporary disability compensation law or acts done pursuant thereto shall exist subject to the power of the legislature to amend or repeal such law at any time.

"(b) The Board shall approve any plan based upon a law which fulfills the conditions specified in subsection (a), except that it shall not approve the plan of any State which does not have a plan or plans approved under this act under which the Board finds that reasonably adequate medical services, including preventive services, are available to minimize disability among those covered under the State plan for temporary disability compensation.

"(c) Whenever the Board, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that in the administration of the plan there is—

"(1) a denial in a substantial number of cases of disability compensation to individuals entitled thereto under such law; or

"(2) a failure to establish working agreements, necessary for the efficient administration of the plan, between the State agency or agencies administering the plan and the State agencies administering any law relating to unemployment compensation, workmen's compensation, industrial hygiene, or the prevention of disease or the treatment, care, compensation, or vocational rehabilitation of sick or disabled persons; or

"(3) a failure to comply substantially with any provision specified in subsections (a) and (b), the Board shall notify such State agency that no further payments will be made to the State with respect to any future period beginning on a date fixed by the Board in its findings (which date shall in no case be less than 5 days nor more than 30 days after the date of such notification) and continuing until the Board is satisfied that there is no longer any denial or failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State, and it shall at no time make any certification with respect to such period.

"PAYMENTS TO STATES"

"SEC. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for temporary disability compensation, beginning with the fiscal year ending June 30, 1940, (1) an amount, which shall be used exclusively as temporary disability compensation, equal to one-third of the total of the sums expended as temporary disability compensation under the State plan, during the period with respect to which the Board's certification is made pursuant to subsection

(b) of this section, and (2) an amount, which shall be used exclusively for paying the costs of administering the State plan, equal to one-third of such costs of administration as are found by the Board to be necessary for the proper and efficient administration of such plan during such period.

"(b) The method of computing and paying such amounts shall be as follows: The Board shall, from time to time, but not less often than semiannually, and prior to the period with respect to which certification is made, estimate the amounts to be paid to the State for such period under the provisions of subsection (a) of this section, such estimates to be based on (A) a report filed by the State containing its estimates of the sums to be expended in such period in accordance with the provisions of such subsection, and stating the amounts appropriated or made available by the State for such expenditures in such period, and if the total of such amounts is less than two-thirds of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such other investigation as the Board may find necessary. The Board shall then certify to the Secretary of the Treasury the amounts so estimated by the Board, reduced or increased, as the case may be, by any sum by which it finds that any estimate for any prior period was greater or less than the amount which should have been paid to the State under clause 1 or 2 of subsection (a) for such period, and reduced further by the total of the sums, if any, paid to such State with respect to the period designated in subsection (c) of section 1402, except to the extent that such sums have been applied to make the amount certified for any prior period greater or less than the amount estimated by the Board for such prior period. The Secretary of the Treasury shall thereupon, through the Division of Disbursements of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Board, the amounts so certified.

"ADMINISTRATION"

"SEC. 1404. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$250,000 for all necessary expenses of the Social Security Board in administering the provisions of this title, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient for such purposes.

"DEFINITIONS"

"SEC. 1405. When used in this title—

"(a) The term 'temporary disability compensation' means cash benefits payable to individuals for not more than 52 weeks and with respect to their disability not arising out of or in the course of employment.

"(b) The term 'disability' means inability to work or unfitness for work by reason of injury or illness.

"(c) The term 'employment' means any services, of whatever nature, performed by an employee for his employer, except agricultural labor, domestic service in a private home, and casual labor not in the course of the employer's trade or business. The term 'employee' includes all city and traveling salesmen. The term 'employer' includes any person for whom any individual performs services as a city or traveling salesman."

Sec. 5. (a) Section 1101 (a), subdivisions (1) and (2) of the Social Security Act are amended to read as follows:

"SEC. 1101. (a) When used in this act—

"(1) The term 'State' (except when used in titles V, VI, XII, XIII, and XIV) includes Alaska, Hawaii, and the District of Columbia. When used in titles V, VI, XII, XIII, and XIV (except when used in sec. 531), it includes Alaska, Hawaii, Puerto Rico, and the District of Columbia. When used in section 531 it includes Hawaii.

"(2) The term 'United States,' when used in a geographical sense (except when used in titles V, VI, XII, XIII, and XIV), means the several States, Alaska, Hawaii, and the District of Columbia. When used in titles V, VI, XII, XIII, and XIV it means the several States, Alaska, Hawaii, Puerto Rico, and the District of Columbia."

(b) Section 1101 of the Social Security Act is amended by adding a new subsection (e), as follows:

"(e) The 'financial resources' of the several States shall be measured by per capita income accruing to the inhabitants thereof, as determined jointly by the Secretary of the Treasury, the Secretary of Labor, and the Chairman of the Social Security Board, between January 1 and July 1 of each year on the basis of data for the most recent 3-year period for which satisfactory data are available, and shall be expressed in series of matching proportions which shall fix, in a manner appropriate for effectuating the purposes of this act, the proportion by which funds available as grants-in-aid to each State under titles V (pts. 1 and 2), VI, XII, and XIII of this act shall be related to the total amount of public funds expended under the State plan in respect to the provisions of these titles; for titles V (pts. 1 and 2), VI, and XII, the highest proportion (being applicable to the State with the lowest financial resources) to be 66½ percent and the lowest proportion (being applicable to the State with the highest financial resources) 33½ percent, with intermediate ratios; and, for title XIII, the highest proportion to be 50 percent and the lowest proportion 16½ percent, with intermediate ratios."

The explanatory statement presented by Mr. WAGNER is as follows:

STATEMENT UPON INTRODUCTION OF NATIONAL HEALTH BILL

The national health bill which I have just introduced in the Senate is the culmination of 5 years of intensive Federal study and investigation concerning the health problems of the Nation.

HISTORY OF FEDERAL ACTION

Studies looking toward a national health program were first made by the Committee on Economic Security appointed by President Roosevelt in June 1934. As an essential beginning the committee recommended, and Congress adopted, in titles V and VI of the Social Security Act, a Nation-wide preventive health program, including general public-health work, child and maternity care, and personnel training and investigations. In August 1935, promptly after the passage of the act, the President appointed by Executive order an Interdepartmental Committee to Coordinate Health and Welfare Activities, composed of representatives of the departments of the Federal Government concerned with health and welfare problems. In addition to its work in coordinating and adjusting the health functions of the Government under existing law, the committee, beginning in 1937, had available to it the accumulating results of health studies by the Social Security Board and the Children's Bureau, as well as the data compiled in the comprehensive National Health Survey conducted by the Public Health Service.

The results of these studies, together with a suggested program of action, were embodied in the report of the Technical Committee on Medical Care, a subcommittee of the Interdepartmental Committee, and submitted to the National Health Conference called by the President in July of 1938. At this conference, participated in by individuals and organizations representing a cross section of American opinion, lay and professional, overwhelming sentiment was disclosed for the broad-gaged plan laid down by the Technical Committee. In January of this year, the President transmitted a special message to the Congress, submitting for its study and consideration a national-health program recommended by the Interdepartmental Committee, based on the results of the conference and subsequent conferences and deliberations.

PROVISIONS OF THE BILL

The national health bill puts in the form of concrete legislation the recommendations for action which have developed out of this 5-year period of careful and expert inquiry. The bill utilizes the sound procedure of grants-in-aid developed in various titles of the Social Security Act, which gives the greatest latitude to the States in the development of their own plans consistent with the needs of their own people. Grants are made available for the purpose of establishing, expanding, and improving State programs for (1) child and maternal health; (2) general public-health services and investigations; (3) construction of needed hospitals and health centers; (4) general programs of medical care; and (5) insurance against loss of wages during periods of temporary disability. Federal administration is vested in existing agencies—the Children's Bureau, the Public Health Service, and the Social Security Board.

The fullest development of this program would bring the benefits of modern medical science, both preventive and curative, within the reach of all groups of the population, especially in rural areas and areas suffering from economic distress.

Under no circumstances will the Federal Government undertake to furnish medical care. Administration in all cases will be through the States, which will develop their plans only after careful surveys of local needs and conditions, and with a view to supplementing, not displacing, the existing efforts of the professions, the hospitals, the localities, and charitable organizations.

It should be clearly understood that the bill does not establish a system of health insurance or require the States to do so. Specifically, under title XIII of the bill, dealing with general programs of medical care, the States will be free to develop plans of their own choosing, subject to necessary basic standards. Such plans may be limited to those on relief or include others more fortunately situated in the economic scale. The plans may be supported by insurance contributions, by general revenue, or both. The method and scope of medical services are likewise for the States to determine, and may include services rendered through existing private agencies or institutions. Here, as under other titles of the bill, State plans would be projected only after careful surveys of State needs by the duly constituted State agency.

PROFESSIONAL GUIDANCE AND STANDARDS

The bill does not interfere with the States in the licensing of medical or other practitioners. It seeks to maintain and improve the high professional standards of medical and institutional care already achieved in the United States. All State plans under the respective titles must provide methods of administration to this end. At every stage of State and Federal administration, including the formulation as well as the effectuation of State plans, provision is made for consultation with professional advisory councils, composed of members of the professions and agencies, public and private, that furnish the particular services and other persons informed on the need for or provision of such services. In addition, Federal grants are available in the respective titles of the bill for the proper training of administrative and technical personnel, and the States are required to establish and maintain personnel standards on a merit basis. Finally, to develop effective coordination of all phases of the program, State plans must provide for necessary working agreements between the State administrative agency and other agencies administering related services, including such functions as social insurance, public assistance, workmen's compensation, vocational rehabilitation, industrial hygiene, and education.

By these and other methods carefully elaborated in the bill the legislation would insure the highest administrative and technical efficiency ever projected in a program of this kind.

APPROPRIATIONS

The new appropriations authorized in the first year for all phases of the program, including administrative costs, aggregate approximately \$80,000,000, exclusive of amounts which may be appropriated in the discretion of Congress for aiding the States in the construction of needed tuberculosis and mental hospitals. This sum will be gradually increased over a 10-year period and will be available to match sums appropriated by the States toward the cost of their respective programs. No new Federal pay-roll taxes are authorized.

In order to make the available funds serve the interest of those localities and States which are in greatest need of the services, the bill authorizes grants on a variable matching basis, depending on the relative financial resources of the several States, as determined by the per capita income of their inhabitants. For the various programs of public-health services and hospital construction the authorized Federal grants will vary from 33½ percent to 66½ percent of the total sums expended by the States; for general programs of medical care the matching ratio varies from 16½ percent to 50 percent of total State expenditures. In this way the bill will raise the general level of health protection throughout the country, while reducing the existing wide variations among the States, and especially as between rural and urban areas.

DISABILITY INSURANCE

In addition to various preventive and curative health services, the bill authorizes grants-in-aid to States in establishing insurance plans, providing cash benefits during periods of temporary disability. These insurance systems would protect the American wage earner against an annual wage loss through disabling illness amounting to over \$1,000,000,000 a year. Systematic insurance payments will maintain the worker's income at precisely the times when he needs that income most.

Federal grants for this purpose are authorized on a fixed matching ratio—33½ percent of the total expenditures by the States under approved disability insurance plans. The bill provides, however, that such grants shall not be made unless the State has in operation approved plans affording reasonably adequate medical services to minimize disability among those covered by the cash benefit disability plan.

CONCLUSION

No social legislation projected in our time is more closely related to the general welfare than a national program of health protection. No legislation makes as wide an appeal to the public conscience and to the dictates of sound economy. No legislation was launched with more widespread approval among persons in every walk of life. We must take action now to conquer this last remaining frontier of social security in America.

EDUCATIONAL LEAVES OF ABSENCE IN DISTRICT SCHOOLS

Mr. GEORGE. I ask unanimous consent to introduce a bill, which I request be appropriately referred, and, together with a short explanatory statement be printed in the RECORD.

The VICE PRESIDENT. Without objection, the bill of the Senator from Georgia will be received and appropriately referred, and the bill and statement will be printed in the RECORD.

The bill (S. 1621) to provide educational employees of the public schools of the District of Columbia with leave of absence, with part pay, for purposes of educational improvement, and for other purposes, was read twice by its title, referred to the Committee on the District of Columbia, and ordered to be printed in the RECORD, as follows:

A bill to provide educational employees of the public schools of the District of Columbia with leave of absence, with part pay, for purposes of educational improvement, and for other purposes

Be it enacted, etc., That the Board of Education, on recommendation of the Superintendent of Schools, may grant leave of absence with part pay to any employee of said Board of Education whose salary is fixed in the Salary Act approved June 4, 1924, who has served in the public schools of the District of Columbia not less than 6 years continuously prior to filing application for leave, for purposes of educational improvement for a period not exceeding 1 year at a time, under conditions not herein otherwise specified as the Board of Education may determine, and the place of said person to be filled by the appointment of a qualified temporary teacher for the period of said leave: *Provided*, That not more than 2 percent of the total number of the above-mentioned employees may be on leave with part pay at the same time.

SEC. 2. Any employee to whom such leave of absence may be granted shall report in writing to the Superintendent, in such form as the Board of Education may determine, the manner in which said leave of absence is being employed, and for failure to comply with any requirement of the rules of the Board of Education or to pursue in a satisfactory manner the purpose for which said leave of absence was granted, the Board of Education, on recommendation of the Superintendent, may terminate such leave of absence at any time.

SEC. 3. Any teacher whose salary is fixed in article I of the act approved June 4, 1924, who is granted leave of absence for educational purposes under the provisions of this act, shall receive com-

pensation during the period of said leave, paid in the same manner as though on active duty, equal to the difference between the salary which the teacher would have received during the year he is on said leave of absence and the basic annual salary of group A or group C of his salary class, less the amount of his contribution to the retirement fund, in accordance with the provisions of the Retirement Act, as amended and approved June 11, 1926.

Sec. 4. Any administrative or supervisory officer mentioned in section 1 of this act whose salary is fixed in article II of the act approved June 4, 1924, who is granted leave of absence for educational purposes under the provisions of this act, shall receive compensation during the period of said leave, paid in the manner as though on active duty, equal to the largest amount to which any teacher in the group B or group D salary class under his supervision would be entitled if given such education leave, less the amount of his contribution to the retirement fund in accordance with the provisions of the Retirement Act, as amended and approved June 11, 1926: *Provided*, That during the period of the leave of said officer the board of education on the recommendation of the Superintendent of Schools may authorize the temporary assignment to his position of any teacher or officer who serves under said officer on leave: *And provided further*, That the position of the teacher or officer so assigned may be filled during the period of such absence by a temporary qualified teacher.

Sec. 5. The teacher or officer who takes leave of absence with part pay for educational purposes under the provisions of this act shall be construed as in active service, and periods of service for salary increment purposes and for retirement purposes, and the pay which the teacher or officer would have received had leave not been taken shall be used in computing retirement annuities.

Sec. 6. Wherever the masculine pronoun occurs in this act it shall be construed to mean both male and female employees.

Sec. 7. This act shall take effect on and after July 1, 1938.

The statement presented by Mr. GEORGE is as follows:

TEACHERS' SABBATICAL LEAVE BILL

Senator WALTER F. GEORGE, of Georgia, today introduced a bill asking that the teachers of the District of Columbia be given leave of absence with part pay, for professional growth, and submitted the following statement:

"The purpose of this bill is to encourage and assist teachers and officers to take time off periodically, for professional growth. It is my belief that the form of such professional growth cannot be formally fixed. Some will wish to attend universities at home or abroad; others will wish to travel; others will wish to grow richer by living in a community entirely different from their usual ones. College courses afford one form of growth and development, but by no means the only form. Travel; time to go to concerts, to art galleries, to read; opportunity to get the viewpoint of persons in no way connected with formal education are ways in which a teacher may grow professionally. More and more our teachers must know the world in which and of which they teach. They must be given time and opportunity to learn of this.

"While I am aware that many cities in the United States are giving sabbatical leave of absence with relatively large salary payments, I feel, that at this time it is perhaps wiser to initiate the program in Washington on a plan which will cost the District of Columbia nothing.

"The bill in the form in which I have introduced it recognizes a vital principle of educational betterment, but at the same time it would cost the community nothing.

"This bill provides that the teacher on leave shall receive his longevity, that is, all his salary above the basic salary, and that the absent teacher's place shall be filled by a temporary teacher who shall receive the basic salary of the teacher on leave.

"This bill, furthermore, safeguards the tenure of the absent teacher, and definitely provides for his return to his former position at the end of his leave of absence.

"I am introducing the bill at the request of the Washington Teachers' Union, to carry out principles of professional growth which are well recognized to be to the best interests of the community."

CHANGE OF REFERENCE—AMENDMENT OF SOCIAL SECURITY ACT—OLD-AGE ASSISTANCE

Mr. RUSSELL. Mr. President, on January 23 I introduced Senate bill 895, to amend the Social Security Act to standardize the amount to be contributed by the United States for old-age assistance. This bill was referred to the Committee on Finance. In view of the fact that the Special Committee to Investigate Unemployment and Relief is now considering legislation dealing with this subject, I ask unanimous consent that the Committee on Finance be discharged from the further consideration of Senate bill 895 and that the bill be referred to the Special Committee to Investigate Unemployment and Relief.

The VICE PRESIDENT. Without objection, the change of reference will be made.

THE NATIONAL DEFENSE—AMENDMENT

Mr. RUSSELL submitted an amendment intended to be proposed by him to the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, which was ordered to lie on the table and to be printed.

SARAH E. THOMPSON—WITHDRAWAL OF PAPERS

On motion by Mr. BONE, it was

Ordered, That the papers filed with the bill (S. 3037) for the relief of Sarah E. Thompson, Seventy-fifth Congress, second session, be withdrawn from the files of the Senate, no adverse report having been made thereon.

THE UNEMPLOYMENT PROBLEM—ADDRESS BY SENATOR BYRNES

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a radio address on the subject of the unemployment problem, delivered by Senator BYRNES on February 27, 1939, which appears in the Appendix.]

PEACE AND PLENTY—ADDRESS BY SENATOR DAVIS

[Mr. LODGE asked and obtained leave to have printed in the RECORD a radio address on the subject of the unemployment problem, delivered by Senator DAVIS on the subject Peace and Plenty, which appears in the Appendix.]

THE A. A. A. PROGRAM—STATEMENT BY HANS LEUTZ

[Mr. FRAZIER asked and obtained leave to have printed in the RECORD a statement by Hans Leutz, of Hebron, N. Dak., entitled "The A. A. A. Program; How Much and Still How Little It Has Done for America," which appears in the Appendix.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 494. A bill to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King," John Philip Sousa, composer of the Stars and Stripes Forever; and

S. 1294. A bill to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted.

The message also announced that the House had passed the bill (S. 316) to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia, with amendments, in which it requested the concurrence of the Senate.

THE NATIONAL DEFENSE

The Senate resumed consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

The VICE PRESIDENT. When the Senate took a recess yesterday evening the question pending before the Senate was the first committee amendment, the Senate already having agreed to consider committee amendments first. The Chair thinks it advisable for the RECORD that the clerk state the pending amendment.

The CHIEF CLERK. The pending amendment is on page 1, line 8, after the word "exceed", to strike out "5,500" and insert "6,000", so as to read:

Sec. 8. The Secretary of War is hereby authorized to equip and maintain the Air Corps with not to exceed 6,000 serviceable airplanes, and such number of airships and free and captive balloons as he may determine to be necessary for training purposes, together with spare parts, equipment, supplies, hangars, and installation necessary for the operation and maintenance thereof. In order to maintain the number specified above, the Secretary of War is hereby authorized to replace obsolete or unserviceable aircraft from time to time.

Mr. CLARK of Idaho. Mr. President, it is with very considerable diffidence that I rise today to make a few remarks

upon the legislation which is now pending and being considered by the Senate of the United States.

I had expected to let this session of the Senate slip quietly by without inflicting my voice or my ideas upon its membership. I was prepared to vote in the routine course for the regular military and naval supply bills, aggregating, I believe, \$1,300,000,000. But when this \$530,000,000 proposal was made, more or less suddenly, I think more or less hysterically, I felt somewhat justified in making a few observations upon it.

Mr. President, I am opposed to the pending bill. During my 4 years' service in the House of Representatives I voted for every military and naval defense measure that was proposed before that body, and as I have said, I am prepared now to go along with any reasoned, calculated defense measure based first upon a determination of what our future foreign policy shall be.

I do not see how I or anyone else can intelligently pass upon the merits of an emergency measure of this kind without first knowing what these airplanes and other military and naval equipment are to be used for; and that brings directly into question the whole problem of the foreign policy of the United States. I have some very definite views as to that policy; and until those ideas are either rejected or approved by the Congress, the President, and the people of the United States, I cannot consistently support so extensive a measure—and hence I shall vote no.

Mr. President, it has not been long—a few months only—since we had our ears glued to our radios as Europe trembled on the brink of war; and we can all remember the sighs of relief which arose when apparently a peace was achieved. I say "apparently" deliberately, because, in my judgment, that peace is at the most but a temporary truce. The "peace of Munich" can last no longer than did the peace of Versailles; and, in my humble opinion, it is only a matter of months, or at the most a year, when Europe will be plunged into the bloodiest conflict that the world has ever known. During that period every known form of propaganda, every device of diplomacy and trickery that the cunning mind of man can formulate, will be used in the United States to get us into the conflict when it comes; and it is up to us, the Congress of the United States, to do what we can during the few months that remain, to stem that propaganda, and to vitiate it as much as possible.

Mr. President, it has been only twenty-odd years since the World War ended. After 4 years of carnage and slaughter, after 4 years of the roar of cannon and the rattle of the machine gun, after 4 years of a civilization gone mad, the World War ended; and then a weary and haggard human race began to take stock of its losses and of its gains. What did Europe find? She found herself bankrupt and bleeding, with 30,000,000 of her young lives snuffed out. What did the American soldiers returning from Europe find? They left behind them 50,000 of their comrades buried in the blood-drenched soil of France; and they brought with them hundreds of thousands of other comrades crippled and maimed, doomed thenceforth to live only half a life; doomed, if you please, to a living death. When these returning soldiers came to America they found here tens of thousands of young mothers who would never again look into the eyes of the boys they had married, and they found tens of thousands of little children who would never know a father.

How awful, how utterly terrible, was this price. Yet, deluded and gullible fools that we were, we thought at that time that it was worth the cost, because we were told that we had fought "a war to end wars"; "a war," if you please, "to save the world for democracy."

What a travesty, what a hollow mockery are those phrases today—"a war to end wars"; "a war to make the world safe for democracy." Europe is again half at war, and the other half may not be long delayed. Asia is becoming a shambles as the Japanese juggernaut pushes on into a defenseless China; and democracy, far from being safe, is scarcely more today than an empty term.

War is a racket—a cruel, hard, cunning, ruthless racket—devised by racketeers; sometimes, Mr. President, by politi-

cians masquerading as statesmen; sometimes by industrialists and international bankers who would coin their dollars out of human blood; and it has taken these racketeers just 20 years to drum up another war.

But it may be said, "War cannot come to America, because Americans do not want it." I ask whether in November 1916, when they went to the ballot boxes and cast their votes for a President and a Congress on the slogan, "They kept us out of war," Americans wanted war? Yet scarcely had the torches of election night burned out than the war racketeers became busy; and within 5 short months the same President and the same Congress, elected on the platform "They kept us out of war," plunged us into war.

So do not tell me it cannot happen today, when it happened with such devastating rapidity then; and with the new instruments of propaganda that were unknown then, it can happen overnight. I refer to the radio. Only a few months ago a young radio broadcaster had tens of thousands of his audience in hysterics, believing that an army from Mars was invading the United States. With these new instruments of propaganda war can happen in the twinkling of an eye.

War can come to America. A little propaganda, a few songs about the glories of war, a little martial music, and once more the war drums will begin to beat their savage tattoo; once more a brutal hysteria will well up in the hearts of men; and soon a group of peaceful, home-loving American citizens will be transformed into a horde of brutal killers.

What can we do, first with regard to foreign policy, second with regard to defense policy, to prevent that thing happening again? The propaganda vehicles are already in operation, subtly and slowly, and it will not be long until they gather such speed and momentum that they will be hard to overcome.

I have three suggestions, none of them entirely new, which I wish to propose to the Senate, the adoption of which I think will go far in preventing this propaganda influencing America and in saving our country from an imminent war. When I have the answer to those three suggestions, then, and only then, will I be prepared to vote for an emergency defense measure pulled out of thin air and thrust upon us overnight.

First, let me suggest in a very trite phrase, but a very expressive one, that we mind our own business. That phrase has been used frequently in this Chamber and there is very little I can add by way of its elucidation. It means, I think, more than the avoidance of entangling alliances. Such alliances presuppose and imply deliberation, treaties, negotiations. The phrase "mind our own business" implies all that and more; it implies, as the distinguished Senator from North Carolina [Mr. REYNOLDS] has so frequently said, that we keep our nose out of other people's business; that we do not undertake to take sides in the internal affairs of any other nation in the world or distinguish between the various factions or governments or forces within a nation.

Many years ago some very sincere, fine, and idealistic people sought to involve this country in the League of Nations. Personally I do not care to enter upon any controversy or discussion of that question today; but I am firmly convinced that had the United States become a member of the League of Nations at that time we would have been in war today. I am firmly convinced that the League of Nations was nothing but a device by Europe so to enmesh Uncle Sam in its false diplomacy and trickery that when war came we, too, would be enmeshed in it.

I cannot let this opportunity pass without taking time to pay a brief tribute to a great living statesman, whose brilliant ability and whose matchless oratory on the floor of this Chamber many years ago were largely instrumental in preventing our country becoming a member of the League of Nations and probably finding itself in war today. That man is my distinguished colleague the senior Senator from Idaho, WILLIAM E. BORAH. I am glad that we did not become embroiled then. I sincerely hope that we will not now.

Mr. President, today foreign chestnuts are in the fire again precisely as they were in 1917. Europe will make the United States its cat's-paw to pull them out if she can. Americans should let them burn. They are mostly wormy, anyway.

I think I may say, although they are harsh words, that there is no international honor left among the nations of Europe today. We have heard much about the honor of the so-called democracies, France and England, but I have failed to find that honor where their debts to us have been concerned, and I failed to find it only last year, when England recognized Italy's bloody conquest of Ethiopia after just before that having denounced it an international outrage. So far as the honor of the totalitarian states is concerned, I think they know not the meaning of the word "honor." So we could not depend upon them any more than little Czechoslovakia could depend upon them not many months ago, when she saw her country dismembered in the face of a written, solemn, supposed-to-be binding treaty signed by the democracies at the request of the democracies.

I think, therefore, that when we mind our own business, as point No. 1, we will go far toward avoiding another bloody world catastrophe.

Mr. President, my second suggestion and observation is that the President of the United States should proclaim it once and for all as our fixed, firm, determined foreign policy that never again will the life of one American boy be risked to protect an American dollar abroad. For some mysterious and unknown reason, which I will discuss briefly in a few moments, there has grown up in this country, like Topsy, a foreign policy which has inculcated into the American mind the idea that the American Army and Navy and the resources of our country are to be used all over the world to protect foreign investments.

Mr. President, I have the highest regard and respect for Secretary of State Hull. I think he is one of the truly great Secretaries of State the United States has had, and I believe that, by and large, he has handled the incidents with which he has been confronted during the past few years with matchless tact, honor, and integrity, and I do not mean the slightest criticism of him or his policies in anything I now say. But I was distinctly alarmed last summer when I read that Secretary Hull had sent a sharply worded note to Mexico demanding, if you please, on behalf of the people of the United States and its Government, that the Government of Mexico compensate the Standard Oil Co. for several hundred million dollars' worth of property which Mexico had expropriated.

I think neither myself nor any other Member of the Senate will defend any law which allows expropriation of private property. Thank God, we still live under a Constitution and a Bill of Rights which prevent and make abhorrent to us any such doctrine here. But Mexico's laws do permit it, and when the Standard Oil Co. took several hundred million of its American dollars into Mexico, it did so for just one purpose, and that was to make a profit. Having taken their American dollars—dollars which they made in the United States—from under the protection of our Army and our flag, and having removed them to the protection of another army and another flag and another form of government, I say when they did that to make a profit and something went wrong, the Standard Oil Co. should have taken the risk, and it should not have been placed on the shoulders of American boys, who would have to fight a war if one should come.

Mr. President, we almost had war with Japan about a year ago, when we awoke one morning and found the headlines of our papers screaming at us, "Japanese airplanes sink American gunboat *Panay*." Our blood boiled, and rightly so, that foreign aviators should kill our men and sink our ships. It would not have taken much to have brought on a war; a little propaganda, a little radio agitation, and it would not have been long until once again the ships would have been sailing, sailing, sailing, and the troops marching, marching, marching, and another million stripling American lads would have been sent across the sea to die on foreign soil. But through matchless handling by the Secretary of State the incident was closed. When, however, the official investigation of the Navy Department was concluded and the findings of the court of inquiry were made public, it was disclosed that the *Panay*, an American gunboat, at the time it was sunk was conveying and protecting on the Yangtze

River, in a war zone, three Standard Oil tankers loaded with oil for China.

No one justifies the brutal bombing of that ship, of course. Perhaps it may be explained on any technicality one desires to employ regarding treaty rights, but it is impossible to convince the farmers in the Middle West and the West, who are barely making a living on their farms and paying their taxes; it is impossible to convince the workingman, who is barely hanging on to his job, and the unemployed, who cannot get a job; it is impossible to convince the little-business man, who is paying the taxes, that it is right and proper for their Navy to be five or six thousand miles away from home, in a war zone, protecting ships loaded with material which at least can be used for war, ships owned by a gigantic American corporation risking war by the sinking of that gunboat.

Mr. President, I say that once and for all we must put big business on notice that, while we want them to make profits, and if they desire to make profits abroad, never again will our Navy or our Army or our boys be used to safeguard their profits for them.

We cannot blame President Roosevelt, we cannot blame Secretary Hull for the condition to which I refer. The idea of thus protecting investments abroad has been infiltrated into our whole foreign policy through Republican and Democratic administrations alike for many years.

Over a period of 100 years big business has so directed, guided, and controlled the foreign policy of the United States that even in the textbooks of our schools, by all forms of subsidized press agency, by every other form of propaganda known, in Republican and Democratic administrations alike, they have established the theory that the American Army and the American Navy should be sent abroad to protect the profits that big business hopes to make abroad.

I respectfully suggest that the time has come to change that foreign policy, and to put the shippers of munitions, the shippers of oil, the shippers of all such commodities, on notice that whenever again they take their money abroad they do so at their own risk. Then I think we shall have gone a long way toward eliminating incidents such as that of the *Panay*, which might well plunge us into a conflict at once. So much for the second suggestion.

Mr. President, the third suggestion may seem a little peculiar. Behind the President pro tempore rests our national emblem, our flag. That flag means more to the emotional make-up of American citizens than the flag of any other country on earth means to its citizens. England has built her emotional tradition around her King. The other nations of the world have built theirs around various factors. But we are the only nation who have built our tradition and our emotions around that banner. No other nation in the world has its national anthem in honor of its flag. In that flag is woven all the blood that has ever been spilled by American patriots since the days of the Revolution. In that flag are woven all the heartaches and sacrifices the pioneers experienced to make this country free and to give us what we now possess.

That flag belongs to no individual. It belongs to and is a part of the fiber of the American people. Insult that flag and you make the blood of every American boil. You plunge us into war.

If I were to put on the uniform of a soldier and go into the streets of Washington, I should likely be arrested. I am not a soldier, and the law prohibits the wearing of a soldier's uniform by those who do not belong to the Army. The uniform is recognized as belonging to the Government; but not so our flag.

Some time ago at a theater I saw a newsreel. In that newsreel was shown a private merchant ship leaving the glorious Golden Gate, in California, loaded with bombs for Japan; bombs with which to kill people; bombs to be dropped on the heads of helpless babies, women, and children. They were sent to Japan by some big munitions maker of the East in order that he might reap an enormous profit. On the hull of that ship was painted a huge American flag; on the deck of that ship in a dozen places was painted your

flag and my flag; and strung from the mastheads were numberless American flags. Picture that. A private merchant vessel, loaded with instruments of destruction, being sent to a warring nation 6,000 miles away, the ship being literally covered with America's sacred emblem so as to afford protection, but thereby incurring the risk of an incident which might be considered as an insult to that emblem and hence risking war.

Do Senators all remember the incidents which led up to America's entry into the World War? If so, they will recall that munition ships engaged in their nefarious traffic and plied their courses back and forth loaded with all sorts of war material. Then, when a German submarine, in self-defense, sank one of those ships, what did the propagandists in this country do? I remember a yellow poster which was put out at the time. The propagandists did not picture a munitions ship bearing death, sunk in self-defense. No; the picture portrayed the munitions ship beneath the waves, and all of it that was showing was that little flag, your flag and my flag, flying on the stern of the vessel. Then the poster showed a leering submarine commander making insulting motions at our flag. Of course, our blood boiled, and, of course, we went to war. With one incident after another similar to that, naturally we went to war, and it was because of the emotional background which the American people had built up for that great emblem of ours. I think that when that flag is carried all over the world in order to protect private merchant ships, there is danger of inciting war in every place it goes.

I propose to introduce a bill—I think the American people will be behind it, and I hope it will have the consideration of the Congress—prohibiting the use of our flag, that sacred emblem, on any merchant ship leaving the waters of the United States.

Mr. President and Senators, do you realize that France and this country are the only two nations of any consequence on earth which allow their sacred emblem to be used on their merchant ships?

Do you realize that England, many years ago, prohibited the use of the Union Jack upon any of its merchant shipping? Yet England had more at stake in the protection of its merchant marine than ever the United States has had. The British have a merchant ensign; Germany has a merchant ensign; Italy has a merchant ensign, as have Mexico and Japan; but none of those countries will permit the use of their national ensign by private merchant shipping, and they prohibit it for the very reason that we ought to prohibit it, so as to make almost impossible the desecration of the flag when it is where it should not be—a desecration which might bring about a war. I think that if the United States could create a merchant ensign and prohibit the use of Old Glory, with all its traditions and implications, on its merchant ships, it would go a long way toward the prevention of war.

Therefore, Mr. President, I have suggested three policies.

First, that we mind our own business. That should be easy.

Second, that we announce it as the firm, fixed, foreign policy, once and for all, that never again will an American life be endangered to protect an American dollar abroad.

Third, the prohibition of the use of our national emblem on our merchant ships whenever they leave our waters.

If those three policies were adopted, I think we would be in a position to determine whether the present emergency defense bill is based on pure caprice or is a reasoned military measure.

Returning, then, Mr. President, to the bill before us, I merely wish to reiterate that I shall oppose it. If the airplanes to be provided by the pending bill are to be used under a foreign policy which may make us declare war on Mexico if she will not pay the Standard Oil Co. what she owes it, then we will need them. If they are to be used to go to Japan to protect merchant ships which are carrying oil and contraband of war, then, Mr. President, we will need 10 times the number proposed to be acquired.

But if we are to mind our own business, if we are to refuse to protect the American dollar once it leaves American

shores, and if we can take steps to prevent our flag's being taken all over the world and incurring the risk of getting us into trouble, then we may not need any of these airplanes. If the President will promulgate a foreign policy somewhat along the lines I have suggested, and then, if in the light of such a policy, the Army and the Navy experts will come in and testify that we need 20,000 airplanes, I shall be the first to vote for them.

Mr. LEE. Mr. President, I concur in the three points made by the eloquent Senator from Idaho [Mr. CLARK], but I see no connection whatever between them and the bill before us. I would go farther than the Senator in carrying out a policy to prevent war. I feel that the Senator's objections to the bill have not been expressed; that the Senator has offered no objection to the passage of the bill. I see no reason why the Senator should not believe in the three points he outlined and yet support the bill.

Did Ethiopia violate any of the three points the Senator has advocated? Was it China's trade policy that caused the invasion of China? Was it desecration of the flag of Czechoslovakia that brought about the dismemberment of that little nation? Did any of these three countries which I have cited as examples violate any one of the three points the Senator has just advocated? I think not.

Has America violated any of the points suggested by the Senator? I think not, in spirit at least. If there have been violations of those points under this administration, they have been the exception rather than the rule.

I ask the Senator for one example of any violation of the three points he has mentioned which has led this country into war. I would go further than the Senator has expressed himself as going in removing every possible human incentive to war. General Pershing attested the record that not one American-made airplane ever reached the front. Our program called for 25,000 American-made planes. Twenty thousand were to be at the front by January 1918, yet General Pershing attested the record that not one American-made plane ever reached the front.

What was the result? We had to beg, borrow, and buy from the Allies such planes as we could obtain. The result was that we received the out-of-date, less efficient planes. The casualties among the American flyers were three times greater than the casualties among the other flyers because of those flaming coffins, as Colonel Mitchell called them. They were out of date. Our planes were not available because our factories were not able to supply them on short notice. It was not because our boys were not good flyers. When one of our boys took off, death rode in the cockpit. The casualties were three times greater because of the flaming coffins they had to fly.

The bill before us today is a proposal, not to match plane for plane with any of the other nations, but simply to bring us up, as George Washington said in his Farewell Address, to the point of maintaining "a respectful posture of defense."

I go with the able Senator in his eloquent opposition to war. I will match my efforts for peace in my lifetime with those of any Member of this body. I agree with the Senator that when a man invests his money in a foreign country with the idea of profit he is engaged in a commercial venture, and the flag should not follow it.

This administration has a clear-cut record in that regard. When Mr. Roosevelt came into office there were troops in Haiti. He called them home. They were the last American troops stationed anywhere abroad except those stationed in three places in China, as a result of the agreement following the Boxer uprising, to protect American officials there.

Then war broke out in Cuba, red revolution. The sugar industry, which for years has made millions out of the sugar business in Cuba, began a clamor for military protection for its investments in Cuba. The air was full of it—"Send the marines to Cuba!" "Go down to the revolution in Cuba!" "Send a battleship to Cuba!" But this administration, following the straight course it had laid out of nonintervention in foreign countries, announced by its action that there would be no intervention in Cuba. There was no intervention in

Cuba. Cuba settled her own affairs without our staining our hands with the blood of our fellow men.

Then came the Ethiopian trouble. The same Standard Oil Co. which the Senator feels was the cause of some of our other troubles at previous times had a contract with Ethiopia for trade concessions. This administration felt that that contract might be the cause of sucking this administration into that controversy. The Standard Oil Co. was asked to cancel the contract. The Standard Oil Co., feeling that great profits were at stake, was reluctant to cancel the contract. President Roosevelt, through the State Department, said, "You cancel the contract," and the contract was canceled. President Roosevelt then announced that from March 1933 dollar diplomacy was no longer the policy of the American Government.

I cite these examples to the Senator to show that this administration is not violating any of the three points outlined by the Senator. I would go further than the Senator expressed in removing profits from war—not further, I am persuaded, than he would go, but further than he expressed himself in the time he occupied.

I would follow the recommendation of the Senate Munitions Committee as a result of the able work it did in flinging open the closet door of the Bluebeard of war and exposing the unconscionable profits of war. Supported by this body, that exposition was made possible by this administration, which is committed to a policy of peace. The committee exhausted its funds in the work it was doing for peace. Although I was a Member of the House at the time, I came on the floor of the Senate and heard the able chairman of the committee, the senior Senator from North Dakota [Mr. Nye], when he came before this body and asked for more funds to continue exposing the profits of war. I heard the Senator from Missouri [Mr. Clark] also ask for more funds to continue the hearings; and this body did not grant that request. However, President Roosevelt made funds available from other departments of government in order that a full and complete investigation of the profits of war might be the result of the committee's work. That action was taken by an administration which is determined to make war so ugly that the world will never again embrace it.

Many things that we did not like happened in the World War. What is our policy? It has been stated time and again. The record is clear on it. I remember something about the World War and the things that led us into it. So far as the ideals are concerned, I still think they are great ideals. I remember when the voices came from across the waters.

Come on, America!—

The allied voices called—

For by your aid no longer stayed
The world may stand or fall.

Then we answered:

The Yanks are coming;
The Yanks are coming;
The drums are drumming everywhere.
Send a word; send a prayer;
The Yanks are coming.

Then we heard the clatter of hobnails on the cobblestones of Paris. They did not stop there. They went on out to Chateau-Thierry, to St. Mihiel, to Cantigny, to Belleau Wood. The little nation of France, which has stopped the Hun at the Marne every time, according to the pages of history, had the enemy at bay. The enemy had on, not his campaign helmet, but his dress helmet. The enemy was marching to Christmas dinner in Paris, he said. But the French, who were good allies, stopped him at the Marne. The taxicab drivers, the old men and women, stopped him. There arose a slogan that day, "Ils ne passeront pas"—"They shall not pass." It was written on the face of the dead, "Ils ne passeront pas." It rattled in the throats of the dying, "Ils ne passeront pas."

They did not pass. The Americans came; and then every cannon from Ostend to Epinal opened its red and angry mouth in the greatest cannonade the world has ever known,

a cannonade that shook every monarch in Europe off his throne.

Following that cannonade there arose a long thin line of olive drab, and there arose the Yankee yell that sent terror to the heart of every German soldier. With heads down and bayonets fixed, they charged across no man's land. They did not stop there. They crossed the first-line trench. They did not stop there. They crossed the second-line trench. They did not stop there. They crossed the third-line trench, and they hung that old banner of the stars on the highest castle on the Rhine.

Then came the meeting in the Hall of Mirrors. The five great powers of the earth were represented around the council table. The small nations were not allowed admittance. They waited on the doorstep like beggar children, asking for crumbs that might fall from the council table.

The representative of Japan asked for Shantung. He asked for concessions in the Far East. He had no program for preserving the peace and autonomy of the little democracies of the world. He sat down; and then Clemenceau, the Tiger of France, rose. He had no program for protecting the boundary lines of the little nations. He sat down after asking for Alsace-Lorraine and a guaranty of border protection and concessions. Then Orlando, the representative of Italy, asked for concessions in the Balkan States, and indemnities.

Then rose Lloyd George. He likewise forgot the small nations, the beggar nations that waited at the door asking for the crumbs that might fall from the council table.

He asked for concessions; he asked for indemnities, and he sat down. But America's representative was there representing the spirit that was in the heart and mind of every soldier who went across the sea to make that high ideal a reality. Listen as he speaks what I believe was the greatest program ever announced since the Man of Galilee preached the Sermon on the Mount: "America wants not one dollar of indemnity or one foot of soil; America wants aggression for none and justice for all." That is our policy today, our wishes and our desires; and the present administration has charted a straight course of peace and honor, maintaining, as Washington said, a respectable posture of defense, respectable in the eyes of other nations.

I am going to vote for this appropriation for airplanes. The only defense against air attacks is other planes. Anti-aircraft guns are too feeble a defense. We know that the only language that dictators can understand is written in this bill. No matter what else we say, they can understand that.

President Roosevelt has never swerved from a direct course of peace from the day he was inaugurated when he announced the "good neighbor" policy. Every action and utterance of President Roosevelt have marked a straight course in support of that "good neighbor" policy during the 6 years of his administration. I do not see how anyone could be in the dark as to the policy of the administration unless he be as "those who having eyes see not."

The able Senator from Texas well illustrated yesterday with his cornstalk story the impossibility of one nation getting too far out in front on a disarmament program. When the Boston police struck, were the thugs of that city so honorable that they refused to plunder? No; they plundered all the more when they found people were unarmed. Gangsters get their name because they "gang up" on helpless victims. Gangster nations are no exception to that rule.

What nations have fallen victims of the dictators of today? Are they nations with armaments? Are they nations with national defense? I ask again the able Senator who has just spoken so eloquently for peace, did Czechoslovakia violate any peace treaty? Did Czechoslovakia have a trade policy that was obnoxious to any other country, or was it not that Czechoslovakia was unable to stop the war juggernaut; and Hitler and the other nations knew it. Did Ethiopia meddle in the affairs of any other country? Was China putting her nose into the business of any other country? Is that why she is paying the penalty today for being a defenseless nation?

We can only follow a program of disarmament when that program becomes universal. Today America will meet the nations of the world in a program of disarmament; we will disarm to the bone; but we will not commit the folly of getting too far in front of a disarmament program. Weakness invites attack. There are three glaring examples today of poor nations that were unable to defend themselves. Weakness invites attack; America would not be an exception. I make no predictions, but I know and you know, Mr. President, where the thing would begin. I do not believe that it would begin with an air raid on Washington or New York. It would begin just as it began in the other countries with that sinister snaky policy of "peaceful penetration" that would bring about a gradual taking over, an inching-in policy, a policy of creeping paralysis that gains control and announces it afterward. That would begin in Latin America.

The Roosevelt administration has had charge of the national affairs at a time when the world has been on fire, when every nation has been tense with the expectation of war. Yet this Nation has not been involved in any war.

There happened a rapid succession of events after allowing Hitler to rearm the Reich. Then there came a violation of the Peace Treaty of Versailles, quickly followed by the massacre of Ethiopia by the war eagles of Mussolini. Then came the invasion of the peaceful and harmless nation of China by the Japanese juggernaut. Then Hitler followed with his cruel expulsion of the Jews, his inhuman treatment of a people because of their race and their religion. Then there came his ultimatum and the Czechoslovakian crisis. He announced on a certain hour he would start the great German military machine toward Czechoslovakia, an ultimatum with a deadline limit. The Roosevelt administration began doing everything possible to prevent the execution of that threat. President Roosevelt sent a message to the four countries concerned urging them to use peaceful methods of settling their disputes. Then, at 3 o'clock on the next day, September 27, President Roosevelt, through the State Department, sent a message to American representatives in various countries throughout the world asking each to get in touch with the minister of foreign affairs of the country to which he was assigned and to bring all the pressure possible upon the German Chancellor. That was done. Then, on the morning of September 28, President Roosevelt and Secretary Hull, who had been up most of the night, sent a final message to the Chancellor of the German Reich urging him not to carry out his threat, placing upon him full responsibility for war if it should occur. The nations of the earth held their breath; business was at a standstill; all the roads leading out of Paris and London were jammed with people going out into the country; every ear in America was at the radio; lights burned all night long in homes; fear was upon every face in Europe. In that dark hour but one man stood between the world and war, and that man was Franklin D. Roosevelt, the President of the United States. Gradually, as the full meaning of his message broke upon the Chancellor of the German Reich, Hitler slowly but surely backed away from his ultimatum and the world breathed again. How can any man point to the President of the United States and to the present administration, and by indirection or in any other way indicate that the administration has not plowed a straight course toward world peace?

Now, we come asking for the barest possible increase in our aviation, one that would not put us on a parity with other nations. We are taking full recognition of the natural protection the two seas give us; we are making full allowance for the natural protection that America has by virtue of our location between two oceans; and we are asking for the very leanest possible increase in our military establishment that would mean a reasonable degree of protection for our land for a sufficient length of time to enable us not to prosecute a war but sufficiently long to enable us to whip an army into shape.

I refrain from describing the pitiable condition of our country today in military matters as compared with that of other nations. The War Department has recommended the smallest possible number of planes necessary for our defense. They will be ample only with one provision, and that

is that our factories shall be allowed to sell enough planes to foreign countries so that the factories may be placed on a mass-production basis, so that the mistake of 1918 will not be repeated. Obviously, we shall need fewer planes actually in the air if we can get more when we need them, and get them in a hurry. Therefore, when we sell planes to nations that are not at war, we are increasing our own factories' ability to turn them out in a hurry for us.

If we are to believe anything we learn from those who are supposed to know, Germany today is turning out a thousand planes a month. I doubt if we could turn out a thousand planes in a year. Therefore, the program asked for in this bill is sufficient only provided we can put our factories on a mass-production basis that can supply us planes when we need them.

The President wanted to discuss that question with the Military Affairs Committee, and that is when he extended to us an invitation to come to the White House, in order that he might take us into his confidence, in order that we might talk freely and fully on a question of importance to the Nation as a whole. A committee such as the Military Affairs Committee is made up of men from all sections of the United States. They are men elected by the people. They are representatives of the people. They represent the people's interests in the committee. Executive sessions are held by every committee we have, not because we are trying to keep any information from the people, but because we are trying to keep certain information for the people. I cannot see that anyone had reason to suggest or hint that the executive meeting between the President and the full Military Affairs Committee was intended as a means of keeping something from the people. Rather, it showed the President's full intention of dealing openly and fairly with the people and with their duly elected representatives.

No President within my memory has taken the people into his confidence more than has President Roosevelt; and I resent the indirect, insidious suggestions and hints that the President and members of that committee were trying to keep from the people something that they had a right to know.

The people were represented in the committee. The people had full representation. Why, on the committee are some of the most outstanding, outspoken champions of world peace in the United States. Most of them are on the committee by request, because they feel that on that committee they can do more for world peace than anywhere else. The committee had, I believe, a full attendance that day, as we had full attendance at a joint meeting when the ambassadors from France and Great Britain came to give us the benefit of their knowledge.

I do not subscribe to the statement which was made on this floor that "that was an outrageous attempt to stampede the people into war," simply because we had the privilege of the benefiting by ambassadors' knowledge. Why do we have executive meetings? There are many reasons. There is certain business that cannot be transacted in the open. Certain things and statements are inflammatory. We did not want to arouse the feelings of the people any more than was necessary. There are many reasons why we hold executive meetings; and we held an executive meeting on that day in order to discuss this very subject of placing American manufacturers on a mass-production basis, so that if we needed more planes we could get them.

Mr. President, I am supporting this bill. From what I learned on the Military Affairs Committee from experts, I feel that it provides the bare minimum of aircraft with which the United States could, with any degree of expert knowledge, consider itself adequately defended. "Adequate" means in the light of the armaments of other nations. It has been asserted that every time we allow a factory in the United States to sell a plane abroad, we must build an additional one for ourselves.

I submit that that is not true. The more planes we furnish France and Great Britain the less planes we ourselves need actually in the air because we could secure additional ones if our factories were on a mass production.

To sell or not to sell to any nation not at war is a trade policy; but it is not a violation of neutrality by any stretch of the imagination. If we want to sell to certain nations any product that we have in this country, and those nations are not at war, that is a trade policy and is in no sense a violation of our policy of neutrality.

Mr. President, I said I might go further than the Senator from Idaho [Mr. CLARK] has gone. I ask unanimous consent out of order at this time to introduce a bill, and have it referred to the Military Affairs Committee.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

(The bill (S. 1650) to promote peace and the national defense through a more equal distribution of the burdens of war by drafting the use of money according to ability to lend to the Government, appears on p. 1975 in today's RECORD under its appropriate heading.)

Mr. LEE. Mr. President, the primary purpose of this bill is to provide a means of financing war. It has several purposes. One is to prevent profiteering. One is to supply the necessary sinews of war. Every nation that depends upon the voluntary system of financing a war, if the war lasts long, finds itself confronted with the necessity of issuing paper fiat money, and breaks down its own financial system. Great Britain came nearer financing a war on the pay-as-you-go basis than any other nation has yet done, and Great Britain was able to pay only 36 percent; and by the time the war ended, Great Britain was paying 5-percent interest on her bonds on the voluntary basis. The longer a war goes, the darker the future looks, the more difficult it is to coax enough money out of hiding to finance the war. Therefore, there should be a law that will compel the financial support of a war which is just as strict and just as rigid as the law that compels the manpower of a country to support the war.

That is what is provided by the bill I have introduced. It provides for a draft of capital. There are only two ways in which the Government can get money from the people. One is to borrow it from them, and the other is to take it away from them. If we take it away from them, that is taxes, in which event we do not intend to give it back. There are two kinds of loans. One is voluntary, and the other is mandatory. This bill provides for a mandatory loan in proportion to each individual's ability to pay; and it limits the interest rate to 1 percent, instead of letting it rise with each successive issue of bonds, with the result that the longer the war goes, the higher the interest rate becomes. The bill prevents profiteering in the field of financing war.

We have already paid \$12,000,000,000 of interest alone on the bonds of the last war, and we cannot touch any of that money by taxation, because it is tax-exempt. We cannot reach the profits of financing war when it is financed with tax-exempt, voluntary bonds. This bill provides a method of financing war on a basis as mandatory as the law which calls men to the colors.

We cannot pay as we go in case of war. France tried it. France was able to pay only 17 percent, and she broke her economic fabric and ruined her franc. Germany ruined her mark, and broke down inside before she broke down on the Hindenburg line. Therefore, while we are considering methods of national defense that cost money, this is a method of national defense that would not cost us a dime, and I hope it can be brought before this body this year and passed. It would strengthen us. It would have a tremendous psychological effect upon a foreign foe, when they look upon America as a potential victim, to see on the books a statute, a sleeping giant that would rise to strength upon the declaration of war, that would give the Government power to finance a war to the full extent of America's ability to pay. Then it would have a tremendous effect in causing any nation which is too ambitious to pause before declaring war upon the United States. It would mean that the United States could get money without delay or embarrassment. It would mean that there would be no unconscionable profits after the war. It would mean that every soldier who served would feel that the money that paid for his clothes and his

ammunition and his food was not a subject for profiteering. It would strengthen America in the eyes of the people, who were so disgusted with the unconscionable profits that resulted from the last war that they swore down in their hearts that they would look twice before they supported any future war if it meant filling the pockets of certain interests as the last war did.

It would strengthen us, in my opinion, more than these airplanes would strengthen us to pass a bill that would say to the financier, "If we have war it is going to cost you. If we have war, it may break you." It would simply put them on notice that if there is war, there will be no profits.

At the time of the last war we borrowed 50-cent dollars and paid back 100-cent dollars, or 136-cent dollars, as my colleague the senior Senator from Oklahoma [Mr. THOMAS] has pointed out. When we borrowed those dollars, due to inflation, a dollar would buy only 50 cents worth of goods. We borrowed 50-cent dollars. We paid back, after things became more normal, 136-cent dollars, with the result that there came the tremendous profits in the financing of the war, which we cannot touch, under any voluntary system of raising money from tax-exempt bonds.

Why have a voluntary system for raising money any more than have a voluntary system for raising an army of men? The War Department, over the signature of Assistant Secretary of War Louis Johnson, says that a war, in order to be successful, must have the support of the people, therefore they do not favor my proposal, because if we have the support of the people, we can get the money. Why would not the same argument apply to the raising of an army, if it applies to the raising of money?

Ex-service men, who know war better than anyone else, have, since the close of the last war, asked for a bill to draft capital. Every ex-service organization has gone on record time and again for a bill which would draft capital in case of war.

The argument is advanced by certain people who do not want such a bill that we do not need it, that we can raise the money. We can raise it, and then we can pay the tremendous profits.

While we were in France serving for a dollar a day and a chance to die, 22,000 millionaires were made in this country, according to the statement of the chairman of the Senate Munitions Committee [Mr. NYE]. That is what is in the minds and craws of the people of this country regarding war. It is not that any red-blooded Americans—and they are all red-blooded—would object to a defense sufficient to protect us from aggression. It is merely that we were so sickened by the story of the profits made during the last war that we are gun-shy when it comes to appropriations of money for war materials or to defend our country against an aggressor.

Mr. President and Senators, I say that if we pass legislation such as the bill I have just introduced, which will prevent profits from war, it will do more to gain the support of the people of the United States behind a program of national defense than any other thing we can do.

We ought to go a step further and pass one of the bills recommended after the Senate Munitions Committee hearings. Several Senators have such bills. The Senator from Texas [Mr. CONNALLY] has such a bill, and one was introduced by the Senator from North Dakota [Mr. NYE], the Senator from Missouri [Mr. CLARK], the Senator from Washington [Mr. BONE], and the Senator from Michigan [Mr. VANDENBERG]. I have joined several Senators in introducing such a bill, a bill which calls for a tax which will recover the profits which result from war. We can reach all the profits in war in that way, except profits which result from financing the war, and we cannot reach them because the bonds representing them are tax exempt and the interest from them is tax exempt. That is why I am arguing today for a measure which will increase our national defense without a dime of cost. Such a bill would tend to equalize the burdens of war.

In the last war we drafted men but we begged for money. We called men to the colors by law: We fed them by grace.

We raised an army of men by force: We supported them by supplication—an outrage to the majesty of the flag itself.

The Constitution provides that "Congress shall have power to declare war," and, skipping some provisions, "to make all laws which shall be necessary and proper for carrying into execution the foregoing powers." And what was provided among the "foregoing powers"? They provided that Congress shall have the power "to raise and support an army," and the supporting of an army is just as much a part of the Constitution as is the raising of an army. There is the constitutional mandate for raising the finances of war by as much force as that employed in raising the manpower. When we do that, people will no longer worry about the unconscionable profits which result from war. Such profits were made in the last war, as they were made in the Civil War, and as will happen in the next war unless we do something now to prevent it.

I thank the Senate.

The PRESIDING OFFICER (Mr. HATCH in the chair). The question is on agreeing to the amendment of the committee.

Mr. MINTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	Johnson, Colo.	Radcliffe
Andrews	Davis	King	Reed
Ashurst	Donahey	La Follette	Reynolds
Austin	Downey	Lee	Russell
Bailey	Ellender	Lewis	Schwartz
Bankhead	Frazier	Lodge	Schwellenbach
Barbour	George	Logan	Sheppard
Barkley	Gerry	Lucas	Shipstead
Bilbo	Gibson	Lundeen	Smathers
Bone	Gillette	McKellar	Stewart
Borah	Glass	McNary	Taft
Bridges	Green	Maloney	Thomas, Okla.
Brown	Guffey	Mead	Thomas, Utah
Bulow	Gurney	Miller	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Truman
Byrnes	Hayden	Neely	Tydings
Capper	Herring	Norris	Vandenberg
Caraway	Hill	Nye	Van Nuys
Chavez	Holman	O'Mahoney	Wagner
Clark, Idaho	Holt	Overton	Walsh
Clark, Mo.	Hughes	Pepper	White
Connally	Johnson, Calif.	Pittman	Wiley

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. NYE. Mr. President, I rather hesitate to offer any contribution to this debate after listening to the very eloquent presentation this morning by the junior Senator from Idaho [Mr. CLARK] who has so adequately portrayed the utter lack of the kind of a foreign policy on which we might build in this hour a national defense. Yet there are some things which I wish to add to the general discussion.

I have before me a lone paragraph appearing in an article written by Maj. George Fielding Elliott on the subject, What Cost National Defense. He says in that paragraph:

The futility of hoping that American intervention ever permanently can settle the quarrels of the Old World should have become apparent since the Great War. But until the voter is able to articulate his preference for a policy of continental defense as against the haphazard policy of racing against scares, our blundering can only end, like all planlessness, in disaster.

I repeat, "Our blundering, like all planlessness, can only end in disaster." It seems to me that Major Elliott has gone very directly to the immediate challenge confronting the Congress and the people of the United States at this time. There is indeed a tremendous uncertainty as to what it is that calls for the madness that is upon us in this country for an exceedingly large increase of our present national-defense provisions.

I have no doubt in my own mind that it is true that we are engaging today in a race against scares, a race which has us responding more particularly to the scare of the moment than to the real defense of the United States. I desire very much to make my own position very clear. Already we have reached an hour when it seems to me one cannot take a position against an issue such as that pending

before us at the present time without subjecting himself to the charge of entertaining some "pro" attitude, of entertaining a sympathy for one cause or another prevailing in Europe at the present time. As for myself, I am holding no brief for any of the causes that are represented there. None of those "isms" is preferable to another, so far as I am concerned. It is my candid opinion that if the United States would really serve her purpose to avoid being involved in another European struggle she would cease concerning herself about one "ism" as against another in Europe, and go a step further, and put a stop to the development or the growth of any of those "isms" right here in our own country.

Within the week there has been a demonstration in the city of New York which ought to alarm any sober-minded serious American citizen. There, within the week, we have had a demonstration that in our midst are thousands who are entertaining, in preference to a sympathy for Americanism, a sympathy for some "isms" that are wholly foreign to the United States, yet "isms" that many here in the United States feel to be such as to call for an aggressiveness on the part of the United States.

I also wish to make myself clear of my desire that my country occupy a commanding influential position in this world, which will promote the cause of world peace, which will promote the cause of better understanding the world over. But, however deeply we may want to see peace brought to other sections of the world, I think experience plainly dictates that it is beyond the realm of any possibility for the United States to police the world or to inflict what it desires in the way of government and theories of practice upon other nations.

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. NYE. I yield.

Mr. CONNALLY. Who is proposing that we police the world? The Senator says we cannot police the world. Who in this Government, either in this Chamber or the other Chamber, or the executive department, is asking that we police the world?

Mr. NYE. If the Senator will be patient, he will hear me declare myself.

Mr. CONNALLY. The Senator from Texas has been very patient in listening to the Senator from North Dakota for some years now, but he has never heard him answer that question, and he does not expect to hear him answer it satisfactorily to anybody. For one, I am tired of seeing the Senator rise here and talk about policing the world. No one in this Government that I know of proposes to police the world. The Senator from North Dakota is always worried, and putting up scarecrows, and bringing in niggers-in-the-wood-pile, and ghosts-behind-the-bushes in order to make a great speech on neutrality and all that sort of thing, but I defy him now to point out anyone in this Government who is proposing that we police the world.

Mr. NYE. Mr. President, before I shall have finished this afternoon I shall have recorded what I believe are substantial reasons to believe that the United States is pursuing a course which, in my opinion, to some extent embodies the notion of policing the world, and I can only plead with the Senator to be patient with me a little longer, and then he shall have his chance to counter any contention that may be mine.

Mr. LEE. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. LEE. The Senator said that he believed the Government should take steps to prevent certain "isms" in this country. I do not find myself in disagreement with the Senator in that respect, but does the Senator have in mind, or will he explain how he recommends that the Government prevent them?

Mr. NYE. Referring to the experience we have encountered within the past week, I should like very much to see enacted into law the bill which I introduced on the opening day of the session, which, were it the law, would forbid parading in foreign uniforms and would forbid the use of

foreign flags in such demonstrations as occurred in New York City. That, it seems to me, would be a first step we ought to take.

Mr. LEE. I will say to the Senator that I myself am in hearty accord with that principle.

Mr. NYE. I am glad to hear the Senator respond in that manner. I was sure that would be his attitude.

Mr. President, however much we may desire to inflict our wishes and theories upon other nations, I repeat that we cannot hope to control to so great a degree the resources which would permit us to provide adequately for any such course. More than that, it should not be the American desire, and it certainly is not an American right, to inflict our theories or our wishes respecting government upon other nations.

On one more score would I like to be understood clearly. Like everyone else who raises his voice here in this Chamber, I want my country to be provided with an adequate national defense; I want that defense to be sufficient to repulse any foe or group of foes that might engage in attack upon the United States. Not only that, I want it sufficient so that if and when made, we may be able to repulse attack by forces from foreign lands upon any republic on this hemisphere. But we go a step further, it seems to me, when we talk of providing for free trade for ourselves and for others upon the high seas. Freedom of the seas, it seems, is once again a thing inviting the challenge of the United States. If, in light of past experience, we are going to be foolish enough to believe that we or any other neutral nation, or any nation in the event of another world war, is going to have any rights upon certain parts of the seas, we are going to find ourselves pursuing again a most hopeless course. There is no such thing in time of war as freedom of the seas. We declared that among the purposes which took us into the last war was that of winning the freedom of the seas; and yet we know today that the challenge is the same today as it was then. To the east of us and to the west of us freedom of the seas presents the same challenge that it did when we last went to its support.

I am ready to agree most heartily that an adequate national defense today is calling upon the United States for larger appropriations for air forces. I am not only ready but am eager to provide for that larger appropriation.

As to how great an appropriation is needed in addition to what we already have is another question. I am not inclined to agree that we need what is provided for in the pending bill, or that we need anything resembling as much as is provided for therein. But it may be that enactment of this bill, calling for a total of 6,000 planes in the possession of the Army, would lend a degree of security to some people who seem to feel now that we are in greater jeopardy of attack from abroad.

While I am not in disagreement respecting the needs for a larger defense in the air, I do most heartily object to the methods which have been adopted to accomplish enactment of the kind of program pending before us at this time. Yesterday the senior Senator from Idaho [Mr. BORAH] remarked that there were some parts of some lands that he might want to see saved, but that he was not ready to have this country undertake to save great possessions of those same lands scattered all over the earth, which constitute a never-ending bone of contention. In this connection let me remark that, though the time may come when conditions abroad will challenge the United States to such a degree that we will feel obliged to have a hand again in other people's wars, I hope, with all my heart, that never will we accept that sort of a challenge until at least two things have been brought to pass.

First, before we shall ever do that again, we ought to have just a little reason to believe that another time, in addition to helping to win a war, we shall have a voice in determining the peace that is to follow the war.

Second, we ought never again to permit ourselves to be dragged into war abroad until we can be sure that our going into that war is not for the purpose, exclusive or otherwise, of maintaining the injustices which were left upon the world

by reason of the treaty written following the last war. If we should enter into another foreign war simply for the purpose of holding the status which that treaty provided, we should not be deserving of a place of any rank among the civilizations of the world.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield.

Mr. MINTON. Is anyone advocating that we go to war anywhere, with anybody, in defense of the status established by the Versailles Treaty?

Mr. NYE. I am wondering what all the present seeming effort to work us into a sweat about the danger confronting so-called democracy elsewhere in the world may have in mind in that respect.

Mr. MINTON. Has the Senator heard Mr. Hitler say that he is opposed to democracy, and that he thinks it has been a failure, and that he intends to do something about it?

Mr. NYE. That Mr. Hitler thinks it is a failure?

Mr. MINTON. Yes.

Mr. NYE. Yes; I have read statements by Mr. Hitler declaring the utter fallacy and failure of democracy.

Mr. MINTON. And practicing what he preaches as he goes along in Europe?

Mr. NYE. Mr. President, it seems to me that one of the daily commentators in the press of the country has put his finger precisely upon the danger confronting America today. Gen. Hugh S. Johnson said:

To the precise extent that we stick out our necks to support France and England is there less chance for some peaceful and reasonable settlement of the European mess. France would undoubtedly continue to resist any appeasement, and continue to hold on to all her World War plunder if it took the last dollar in the United States Treasury and she could get it. Surely we want to protect democracy, but it would be a swell idea to know precisely what the threat to democracy is, and just what measures short of war are necessary to protect it. If there are ranking injustices growing out of Versailles that could be righted, if there are legitimate, or at least understandable, national hopes and needs that could be taken care of, it would be a lot better to consider them peacefully than to get into another war over them.

I most heartily concur in the conclusion reached by General Johnson.

This debate, Mr. President, attaches much importance to the sale of airplanes to foreign countries, particularly the sale of planes to France, which has been given such wide publicity during recent weeks. The question arises, Do we object or do we not object to this foreign sale of planes? Directing myself to that question, I must answer "yes," and at the same time "no." There can be no objection to the sale of planes to France in the absence of any law or any declared policy forbidding such sale. That is, there can be no objection to such a sale provided we sell airplanes alike to all countries that are in the market for planes and wanting them; provided further that we sell no plane the sole possession of which is an advantage to the United States and its national defense; provided further that there is no implied alliance accompanying such sale; provided further that the sale of planes abroad does not hinder our own defense and the production of our own requirements of aircraft; and provided further that there is no violation of the Johnson Act in conjunction with the sale of planes abroad.

With the exception of the last proviso I have uttered, I feel that in the sale of planes to France there has been a violation of every proviso I have mentioned.

We are not dealing alike with all nations in the matter of the sale of planes abroad. In the case of sales to France, we are selling a possession which our military authorities considered a distinct, definite advantage to our own national defense. Certainly, as I shall point out a little later, there is an implied alliance growing out of the sale of planes to France.

I am sure there has been adequate testimony that the sale of these planes to France does hinder our own defense and does slow up and threaten our own production of our own requirements in the name of national defense.

So, Mr. President, if I am asked, "Do you object to the sale of planes to France?" on these grounds, and for these reasons I say "yes"; I do object.

I object for the further reason that the manner of sale of these planes involves an issue of secrecy and involves a question of procedure in the United States which certainly invites interest, if not suspicion, on the part of the American people.

Yesterday the Senator from Kentucky [Mr. LOGAN] in answering the splendid address made by the Senator from Michigan [Mr. VANDENBERG], undertook to declare that no element of secrecy was involved in connection with the sale of planes to France. I am amazed that the Senator from Kentucky should so contend; for, according to the testimony taken before the Military Affairs Committee, even Secretary Morgenthau at one time objected to the secrecy involved.

Mr. President, secrecy of the highest degree was involved in connection with the visit to the United States of the French mission to buy aircraft. I doubt that we should have known today of what was going on except for what somebody described as a "message from heaven" in the form of an airplane crash, revealing the existence of the French mission. Even following the crash, an effort was made to keep the entire procedure secret. A member of the French mission involved in the crash was pulled out of the plane and hurried to the hospital and was there given another name than that which was honestly his. Every effort was made to prevent publication of knowledge of the existence of the military mission to the United States from France.

There were other elements of secrecy. There have been many elements of secrecy all through this winter, which one cannot now construe as having been for any purpose other than that of throwing a great veil of secrecy over what was really the call upon us for a mad plunge into large expenditures in the name of national defense.

Two of our own Ambassadors came before a joint meeting of the House and Senate Military Affairs Committees. I cannot understand to this day why such secrecy was maintained around the meeting and what was said there.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield.

Mr. MINTON. If there had been no secrecy, as the Senator alleges, would he have objected to the sale of planes to France?

Mr. NYE. I think I should not, provided the conditions I have mentioned had been fulfilled.

Mr. MINTON. Who in the American Government participated in any secrecy surrounding the French mission?

Mr. NYE. Who in the American Government?

Mr. MINTON. Yes.

Mr. NYE. The Secretary of the Treasury did so up to a certain point.

Mr. MINTON. I think I heard all the testimony, as did the Senator. I did not gain the impression that anyone in the American Government was being at all secretive about the French mission. Of course, it was not heralded to the world with any sounding of trumpets. No band met the mission at the station when it arrived. Nothing was said about it. There was no advertising about it. On the other hand, no attempt was made to conceal it.

Mr. NYE. Just as vigorously would I insist that the evidence does reveal that there was a large element of secrecy surrounding the visit of the French mission to the United States.

Speaking of the place of the Treasury in the picture involving the visit of the French mission to the United States, I cannot now refrain from asking the question which I previously asked: What in the world was the Treasury Department doing in this particular transaction? Never before, according to the Treasury's own admission, had it been invited to participate in anything of the kind. Here was a French mission operating secretly, bent upon purchasing planes in the United States, coming to the United States, being ushered directly to the office of the Secretary of the Treasury, our Ambassador to France doing his utmost to ease the way for the mission seeking purchase of planes here in the United States. Why should the Treasury be in that picture? The explanation is offered that the Procurement Division of the United States Treasury was most closely asso-

ciated with producers; but then comes evidence that the Procurement Division of the Treasury Department never has interested itself, as a division of the Treasury, in the purchase of aircraft for the agencies of the United States Government.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield to the Senator from Indiana.

Mr. MINTON. Was it not testified by Admiral Peoples that the only position of the Treasury Department and the Procurement Division was to act as a clearing house between the War Department and the Navy Department and the French Government commission?

Mr. NYE. That is correct, and it leads directly to the point I desire to make, namely, that the Treasury came into the picture only when and after the Army and Navy had shown a very definite inclination to oppose the sale of the plane which the French wanted to have. Then the Treasury did come into the picture.

Mr. MINTON. The Senator has the whole thing turned around.

Mr. NYE. I do not think I have.

Mr. MINTON. The Treasury came in first, and then they brought in the Army and the Navy, because they knew that they could not accomplish, even through the State Department, the sale of an airplane to France unless the Army and the Navy agreed to it.

Mr. NYE. Exactly.

Mr. MINTON. So the Treasury was in it first, and then came in the Army and the Navy at the solicitation of the Treasury.

Mr. NYE. No; I deny that the Treasury was in it first. I deny that the Treasury came into it before an ambassador had injected himself into the proceedings and had perhaps pointed out that this would be the smooth way to handle it and get all the factors together. Let it be made very clear that the Army and the Navy were emphatically and definitely opposed to the sale of the Douglas bomber to the French mission. The mission was up against a stone wall to start with; they could not obtain entree to the plant to see the plane except as the Treasury was finally successful in bringing about an order that the Army and Navy permit such entree.

Mr. BORAH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. NYE. I yield to the Senator from Idaho.

Mr. BORAH. The Senator has just said that it ought to be definitely understood that the Army and Navy were both opposed to the sale of the airplane in question to France.

Mr. NYE. I have so stated.

Mr. BORAH. I think that is exceedingly important.

Mr. MINTON. Mr. President, will the Senator from North Dakota yield?

Mr. NYE. If the Senator wishes to counter the contention just made I am glad to yield.

Mr. MINTON. I think the Senator is mistaken when he says to the Senator from Idaho that the Navy Department lodged any complaint. The French were not buying any Navy planes at all; the Navy never lodged any complaint, and the War Department never lodged any serious complaint. They made it only as a matter pro forma for the record in order to protect themselves as to a policy which they always pursue.

Mr. NYE. I stand corrected so far as respects the Navy, which made it clear at the beginning that it had no interest involved in the particular plane. The objection was lodged by the War Department, and that objection was a strenuous one, though the committee never was able to learn in just what language and in just what form the objection was lodged. The objection reached such a point that during the first hearings of the Senate Committee on Military Affairs the military voices of this land were enraged over the course they insisted had been pursued to accomplish the sale of a plane over their objection. I do not think anyone is going to deny that statement.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. NYE. I yield if the Senator wishes to direct himself to the question the Senator from Idaho raised.

Mr. MINTON. I do not wish to interrupt the Senator at the moment.

Mr. BORAH. Mr. President, what I should like to know is where is the evidence, where are the facts which show unmistakably that the Army was opposed to this sale? I am not on the committee, and hence I am asking these questions which may seem unnecessary to those who are on the committee, but an answer ought to be recorded here in this RECORD.

Mr. NYE. I am not ready to take the record that has been produced to the committee and point to the information the Senator desires. I have not had a chance to go over it all, but I should be very much surprised if any member of the Military Affairs Committee were able to point to anything in the record that reveals satisfaction on the part of the War Department with the transaction that did take place. I should be surprised if any member of the committee insisted that the War Department was not enraged at what had taken place over their protest.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. MINTON. Getting back to the order of things as to when the French mission came into the picture with reference to the Treasury Department, I refer the Senator to the record on page 222 of the hearings before the Military Affairs Committee. Admiral Peoples, who was testifying, said:

Senator MINTON. The first thing that happened was that the mission contacted the Secretary of the Treasury?

Admiral PEOPLES. Yes.

Senator MINTON. The State Department cleared or accredited them?

Admiral PEOPLES. Yes.

Senator MINTON. And then the matter was referred to the Procurement Division?

Admiral PEOPLES. Yes.

Senator MINTON. And you brought in the Army and Navy?

Admiral PEOPLES. Exactly. That was the next logical step.

Mr. NYE. I shall hope before I finish, Mr. President, to have access to the direct testimony, particularly that of General Arnold, respecting the Army's attitude toward this whole transaction.

Mr. MINTON. Mr. President, since the Senator has been interrupted at this point, will he yield further?

The PRESIDING OFFICER. Does the Senator from North Dakota yield further to the Senator from Indiana?

Mr. NYE. I yield.

Mr. MINTON. Of course, the matter to which I shall now invite the Senator's attention is not in the record, but the Senator will recall that the Assistant Secretary of War, Mr. Johnson, testified, off the record, about a matter that cleared up the whole atmosphere as to this particular plane and the objection of the War Department, did he not?

Mr. NYE. No; most emphatically, he did not; and I have definitely in mind the particular testimony to which the Senator is referring. He did not clear up my mind on the question by any manner or means.

Mr. MINTON. I am sorry it is a matter we cannot talk about and is not in the record, as it is something that the War Department considers to be a military secret, and we are not at liberty to discuss upon the floor what the War Department considers vitally important to the Department and believes should not be discussed in public, but the thing that the War Department told us that controlled them in the sale of this plane is in my opinion an entirely different story from what the Senator from North Dakota has now outlined.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Idaho?

Mr. NYE. I yield.

Mr. BORAH. Does not the Senator realize what confusion there must be in the minds of those who are not on the committee and did not have an opportunity to hear these matters discussed, and also in the minds of the people of the country by reason of these supposed secret affairs which ought not to be revealed?

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Mr. MINTON. I would not hesitate to tell the Senator from Idaho privately, though I would not want to tell him in this open Chamber publicly what the War Department told us they considered a secret of the War Department; but it was the thing, in my judgment, that controlled the whole action of the War Department, the President of the United States, and everyone else in dealing with the French mission in the sale of this airplane.

Mr. BORAH. There is nothing I would prefer to know right now about public affairs from the Senator or someone else, and I should like to have the public know it, though perhaps I would change my mind about the public knowing it if I should hear it. I myself would like to know what it was that came into this consideration and upset the whole situation. It must have been a terrific affair.

Mr. NYE. It must have been, as the Senator from Idaho says, a terrific affair that would cause an effort to build a tent over this particular operation.

I should like to point out, for the information of the Senator from Idaho, the existence of a release policy for aircraft and aircraft equipment promulgated on the 10th day of last August by the War and Navy Departments over the signatures of Acting Secretary of War Johnson and Acting Secretary of the Navy William D. Leahy. There is nothing secret about this release policy which undertakes to lay down the rules that are to be pursued in releasing any aircraft development for foreign or even for the domestic trade. This policy is explicit, it is emphatic, and it is my information that it was 2 or 3 years in the making. There was difficulty in drafting language which would surely encompass the purpose which the War Department and the Navy Department wanted to serve; namely, that of protecting American secrets as they were being developed from day to day in the aircraft industry.

Among other paragraphs found in this release policy is this one:

42. Pilot and passenger flights by foreign representatives for demonstration purposes in aircraft coming within the scope of paragraph 3 above shall not be permitted whether or not such aircraft have been released for foreign sale.

The War and Navy Departments undertook to lay down a release policy that would afford them ample protection against the loss of any advantage which was being developed by the aircraft industry. With respect to the plane which the French wanted and which they ultimately bought, our Army and Navy felt that in that plane they had something that was really advantageous. They were waiting for it to be brought down to the line of competition this spring. They were anticipating from it great advantages. There is not much doubt that had that plane been brought down to the line of competition it would at once have had a market. The Army would have wanted that particular bomber plane. They have said so. They have said that it contained and afforded very definite advantages from the standpoint of America's national defense. They wanted to protect it. They objected to its examination by any foreign mission, particularly—since it was the only approach—the French mission. They protested against it. They wanted to guard that thing for America's own use and advantage. Yet over their head, ultimately, over the head of this written, published release policy, went action one day that made this particular bomber available to the French mission; and the French mission ultimately bought that plane.

It does not mean a thing to me that anyone shall now come and say that the same plant had a better bomber plane in the making. It does not mean a thing to me for men now to say that there was no advantage in this one because there was something better on the way. The truth of the matter is the War Department wanted this bomber plane. They were looking to it as an instrument that would give the American Military Establishment an advantage. I do not think just what happened to make that bomber available to the French mission is a matter of secrecy. The President of the United States, knowing of the War Department's protest, heeding the Secretary of the Treasury, and possibly others, ordered

the War Department to make the plane and a demonstration of it, if required, available to the French.

What happened, what was the terrific cause behind it all, as the Senator from Idaho suggests, I am unprepared to say. I only know that the War Department jealously was guarding against making this particular bomber plane available to anyone else; and yet over its protest came the ultimate order to make it available and make its sale possible.

Mr. MINTON. Mr. President, will the Senator yield so that I may read into the Record at this time the general policy followed by the War Department in reference to the sale of airplanes?

Mr. NYE. I yield.

Mr. MINTON. I am reading from page 31 of the hearings, the testimony of General Craig:

Airplane manufacturers cannot export military airplanes without the authority of the State Department, which does not grant such permission unless approved by the War Department. The War Department does not approve such action except in the case of planes which have been superseded by later and more effective models.

Mr. BORAH. Mr. President, as I understand, this particular plane was one which the War Department at that time wanted to preserve for itself. I understand from the able Senator from North Dakota that since that time it is claimed that another plane has been invented or manufactured which is better, more desirable.

Mr. MINTON. All I can say to the Senator from Idaho is that at the time the War Department O. K'd the sale of these planes—and it did O. K. them; 100 of them have been ordered by France—the Department did so under the policy I have just read, as outlined by General Craig when he testified before the committee, that the Department never O. K.'s the sale of planes until they have been superseded by later and more effective models.

Mr. BORAH. It seems to me this thing is making a mountain out of a mole hill. Why was it necessary to have secrecy as to this particular plane? After all, what has been developed to show that this plane ought to have been protected, or that it was necessary to protect it? Is the War Department still of the opinion that it ought not to have been made public?

Mr. MINTON. If the Senator is asking me, I will say that there was only one thing on this plane, as I understand, that the War Department wanted to protect, and that was the bomb sight; and the French never saw the bomb sight.

Mr. NYE. Mr. President, I should have to object to that conclusion.

Mr. MINTON. That is the testimony of General Arnold.

Mr. NYE. There was more than the bomb sight that the War Department wanted to protect. They wanted to protect for themselves the advantage that they knew could be theirs by reason of possession of that particular bomber plane.

Mr. MINTON. If the Senator will yield further, the War Department, under the policy I have just read, as declared by General Craig, did O. K. the sale of these planes to France.

Mr. NYE. After the order had come from the President of the United States to permit it to be done.

Mr. MINTON. No such order as that was issued to the War Department from the President of the United States.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. NYE. I yield.

Mr. BARKLEY. Nobody contends that this bomb sight, or whatever it is called, was on this particular plane at the time it was being demonstrated to the French representative.

Mr. NYE. The bomb sight was never involved in the demonstration.

Mr. BARKLEY. And, as I have read the testimony of General Arnold, General Craig, Captain Kraus, and others, there was nothing on this plane that the War Department regarded as a military secret at the time the plane was being used for inspection purposes. The testimony, as I recall it, shows—with some variations, I imagine—that after an air-

plane is taken out of the factory and rolled out on a runway there is not much more about it that is secret. Any photographer may take a photograph of it, although I suppose a photograph would not necessarily reveal the inside operations of the engine. But the testimony of General Craig himself, I think, shows that after an airplane is once out in the open all the photographers in the Nation may take photographs of it, and no part of it is much longer a secret, although I suppose there are certain minute devices on a bomber plane which would be peculiar to that sort of plane and which would not be public, and there may be others which such a picture or even a casual inspection would not reveal.

It is true, however, as I understand from the Army officers, that after a plane is once out in use, with one or two exceptions, there is not much about it that is any longer secret.

Mr. NYE. But it is also true that after a plane has been brought out and is available for photographing, still the Army has insisted upon retention of its exclusive right to the plane for long periods of time thereafter, because the advantage is not to be had in a photograph. For many months the advantage is to be had only in the possession of that particular plane, in having access to it for use as a model.

Mr. BARKLEY. Mr. President, will the Senator further yield?

Mr. NYE. I yield.

Mr. BARKLEY. From my rather hasty reading of the hearings, which have been available in printed form for only a day or so, the objection which the War Department originally made to the inspection of this plane was because it violated a general policy which the War Department, in cooperation with the Navy Department, had promulgated before that time. It was not so much an objection to others seeing this particular plane as it was, as they regarded it, a violation of a general policy which had been adopted among the departments, which was a revision of a previous policy which they had.

Mr. NYE. At that time, of course, that objection was very much involved; but it was not by any manner of means the only objection.

Mr. CLARK of Missouri. Mr. President—

Mr. NYE. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. The Senator from North Dakota, of course, will recall the testimony of General Arnold before the Military Affairs Committee that the plane in which this crash occurred was the very latest and best development in the whole airplane field, being prepared at that time for entry into the War Department's competition.

Mr. NYE. I have made that point.

Mr. CLARK of Missouri. And that, so far as the policy of the War Department was concerned, not deviated from until this time, it had been the rule that no plane was to be sold to a foreign government until 1 year after the second plane under an order had been delivered. The testimony was, as I recall—and I am sure the Senator from North Dakota also will recall it—that it had been the experience of the War Department and the practice of the War Department that when an order was placed the second plane would not be delivered for 6 or 8 months after the first plane had been delivered and accepted by the government; in other words, that that period of 6 or 8 months would be used for the perfection of the plane, for testing the plane in every respect, for working out of any defects which there might be in the plane. After the second plane had been delivered 1 year was still required as the period in which the United States Army would have the opportunity of getting all the planes of that particular model it needed. After that the War Department had no objection to selling the planes to anybody who wanted to buy them, provided the State Department did not object.

Mr. NYE. I thank the Senator for his contribution.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER (Mr. CLARK of Idaho in the chair). Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. NYE. I yield.

Mr. SHIPSTEAD. As I understand the Senator's contention, it is that the Army objected to the proceedings, and yielded only after pressure from a higher source.

Mr. NYE. That is correct.

Mr. SHIPSTEAD. The Senator is sure of that?

Mr. NYE. The War Department would issue a release which would make the demonstration possible to this French mission only after it had received its orders from higher up.

Mr. SHIPSTEAD. Then, they had to obey?

Mr. NYE. There was nothing else for them to do but to obey.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. BARKLEY. I have here what I intend a little later, if occasion warrants, inserting in the RECORD, a record of the sales of not only airplanes, but engines, and parts, and all other forms of war materials to all the nations of the world during the last 4 or 5 years, including Germany, Japan, China, England, France, Czechoslovakia, and Brazil. The same policy, I suppose, existed at the time of these sales that was involved in this particular sale to the French mission. What was the procedure in those cases, if the Senator knows?

Mr. NYE. I am afraid I cannot tell the Senator.

Mr. BARKLEY. For instance, we sold to Germany, beginning back in 1934, over 600 airplane engines, and the Pratt & Whitney branch of the United Aircraft Corporation issued a license to the Bavarian Motor Works in Germany authorizing them to use certain patents which belonged to the Pratt & Whitney factory in Connecticut. What happened with respect to that? What sort of procedure was there, and was there anything different pertaining to those sales from the course that was pursued in particular reference to the French sale?

Mr. NYE. I only know that at that time there was no such thing in existence as the release policy as I understand it now.

Mr. BARKLEY. That release policy was not an act of Congress; it was a memorandum agreement between the Navy and War Departments, as I understand.

Mr. NYE. That is correct.

Mr. BARKLEY. Of course, they felt obliged, and properly so, to observe a policy which they had themselves inaugurated. But I am wondering whether there is any mystery about the sale of these planes to France which did not exist in regard to the sale of all other planes to all other nations. I do not recall that when these sales were in progress the nations which were buying the planes were engaged in any publicity as to what they were doing in the United States toward the purchase of war materials. Very naturally they would want to keep such transactions secret from other nations which might, within the range of possibility be their future competitors. No nation deliberately reveals to a possible enemy what it is doing in the way of preparedness, although I think there is much more knowledge current than many of us suppose. When Japan and China and Germany and other nations were coming here and buying airplanes, and engines, and parts, and all sorts of things, were they not at the same time undertaking to keep those transactions secret, just as the French were? They did not have any unfortunate circumstance such as the crash of an airplane.

Mr. NYE. Nor was there any unfortunate circumstance involving the presence of the Treasury Department in the transactions with the other nations.

Mr. BARKLEY. Just how the circumstance was eliminated I do not know. It may be that it was the result of another policy, that in the sale of planes on which the War and Navy Departments had some prior claim, the services of the Procurement Division, which was familiar with costs and procedure, probably was thought advisable. I do not know that there is any law which would require the intervention of the Procurement Division. I am wondering whether, after all, there has been any more effort to keep this particular transaction secret than there was successfully

made to keep secret transactions with other nations involving the purchase of war materials.

Mr. NYE. I do not know of any other case where there was the same degree of secrecy involved as there was in this case.

Mr. CLARK of Missouri. Mr. President—

Mr. NYE. I yield to the Senator from Missouri, who may be able to contribute an answer to the Senator's question.

Mr. BARKLEY. Before the Senator from Missouri answers, does any Senator present know of any publicity having been given, from 1934 until 1937, to the purchases which were made by other nations of the same sort of materials, and all other sorts of materials that were intended to prepare them for a possible conflict?

Mr. NYE. I seem to remember very distinctly reading accounts of visits of purchasers from other lands, and of activities by American salesmen in other lands. There was nothing secret about that.

I now yield to the Senator from Missouri.

Mr. CLARK of Missouri. Mr. President, I can recall to the memory of the Senator from North Dakota, the Senator from Washington, and the Senator from Michigan, whom I see before me, all of whom were members of the Munitions Committee, one instance when there would have been a great deal of publicity given to the purchase of planes and airplane parts except for the active intervention of the Secretary of Commerce and the State Department. That was the instance, which came to the attention of the Munitions Committee and occurred during the time when the Treaty of Versailles was still supposed to be in effect, of the United States selling airplane parts and airplane engines which undoubtedly contributed very materially to the rearmament of Germany and to the repudiation of the limitations of the Versailles Treaty. When it was the intention of the Munitions Committee to make that information public and make an issue of it, the State Department protested very vigorously, and the Secretary of Commerce came personally before the Munitions Committee protesting against the information being made public. When we represented to the Secretary of Commerce that this involved a most important international matter, having to do with the possible rearmament of Germany and the prospect of another war, it was still insisted upon by the State Department and the Department of Commerce that we had received the information in the strictest confidence, and that it would be a violation of that confidence, and a violation of the public policy of the United States, for us to disclose the information to the world.

Mr. President, there was this difference, however, between the situation which existed in regard to the sale of airplane engines and airplane parts to Germany and the situation which exists today, namely that that was not a situation in which either the Army or the Navy had or asserted a prior claim, as happened in the case of the sale of the airplanes to the French. It was a situation in which there were involved ordinary engines and ordinary parts which were not needed by the Army or the Navy of the United States.

So far as the matter of secrecy is concerned, I agree with the Senator from Kentucky that to a great extent the sale of armaments and sale of munitions has been conducted in secrecy, and I regard secrecy in any sale of munitions as being greatly to the detriment of the interests of the United States.

Mr. BORAH. Mr. President, may I ask the Senator from Missouri a question?

Mr. CLARK of Missouri. If the Senator from North Dakota will yield, I shall be very glad to answer if I can.

Mr. NYE. I yield.

Mr. BORAH. When did we cease selling war materials to Germany?

Mr. CLARK of Missouri. I do not think we ever ceased selling war materials to Germany.

Mr. BARKLEY. If the Senator will yield, we did not cease, but the sales were very materially reduced when Germany became more or less self-sufficient by the establishment of her own factories and by producing her own war materials.

Mr. BORAH. Mr. President, in my opinion, from the little knowledge I have of the subject, I think investigation will show that we ceased selling war materials to Germany when the colony question arose between France and England.

Mr. BARKLEY. There may have been a coincidence, but I do not think the German Government was denied the right to purchase because of any law or any policy. Germany continued to purchase right along, but in smaller quantities, and largely because she does not now have to depend on the outside; she is making her own munitions.

If the Senator will yield further—

Mr. NYE. I yield.

Mr. BARKLEY. In connection with what the Senator from Missouri said about the munitions investigation, as I recall, and as I gather from the Senator, the controversy over publicity to which he refers related to a past act which the committee were about to investigate.

Mr. CLARK of Missouri. No; it related to past sales, but sales which were also being currently made. I think sufficient time has elapsed so that there is no seal of secrecy on the matter at this time.

It was represented to us by the Secretary of Commerce that certain reports which had come in a confidential way to the Department of Commerce from the commercial agents of the Department of Commerce in Germany must necessarily be held in the strictest confidence, that the disclosure of the facts would certainly complicate our commercial relations with Germany, and might even involve the lives of some of the people who had made the reports to the Department of Commerce. Under those circumstances the Munitions Committee, being bound, as they were, by the manner in which we received the information, held it confidential.

Mr. BARKLEY. The question I raised had no relation to an investigation carried on by the committee in which the circumstances might be different. The point I made was that in the ordinary course of these sales there was just about as much secrecy with regard to purchases by one government as by another.

Mr. CLARK of Missouri. I think there has been altogether too much secrecy in connection with all the sales of munitions by American manufacturers. I think it would be a fine thing if every such sale could be blazoned from the housetops every morning, so that the American people could know the extent to which we were in the process of being led into war by the transactions of these merchants of death.

Mr. NYE. Mr. President, I should like to inquire of the Senator from Missouri, while he is on his feet, in my time, if he has any recollection of any of these transactions involving the purchase of military equipment in the United States having been negotiated through or engineered by the Treasury Department of the United States?

Mr. CLARK of Missouri. Certainly not; and it was asserted on the witness stand by the Secretary of the Treasury and the Director of the Procurement Division before the Committee on Military Affairs that no such transaction had ever before taken place. While it was testified that the Procurement Division had to do with the purchase of 153,000 separate items, it was freely admitted that among the 153,000 items which the Procurement Division of the Treasury Department had to purchase, military and naval airplanes were not numbered.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. AUSTIN. I wish to call attention to what the Assistant Secretary of War, sitting just across the table from the Secretary of War, testified to, with the clear approval of the Secretary by nodding of the head, respecting the important point in this particular inquiry, namely, what our policy is with respect to sale and exportation of planes to foreign countries. I read from page 227 of that part of the record which I suppose is made public. In fact, I do not know whether there is any part of this record which is now secret.

Senator NYE. So that the rule still stands that pilot or passenger flights by foreign representatives for demonstration purposes of

aircraft coming within the scope of paragraph 3 above shall not be permitted whether or not such aircraft has been released for foreign sale?

Assistant Secretary JOHNSON. The entire regulations you have before you, including that paragraph, are still in effect.

Senator NYE. Suppose another foreign purchaser wanted the particular bomber that was involved, and came to America for that purpose, would there be permission given to fly in that plane without going through what was gone through to accomplish that in the matter under discussion?

Assistant Secretary JOHNSON. The practice, whether you call it an exception or not, as to that plane would apply to any other government.

Mr. NYE. Mr. President, I thank the Senator from Vermont for calling that language to my attention. I was seeking it and could not lay my finger on it at the moment.

There was an element of unusual secrecy involved in this particular transaction, and the fact that the United States Treasury was in this picture naturally could only increase the desire of men to know what it was all about. Naturally, when the Treasury Department was found in the picture, the question was asked, "Does this mean that the United States Government, through the Treasury, was in any way involved in financing this French purchase in the United States"—perhaps in contravention of the Johnson Act itself?

In all fairness it should be said here and now that the record of testimony fails to reveal that the stabilization fund or any other agency of the Treasury Department was involved in expediting this sale of planes to France. Yet the question continues to live, "What was the Treasury doing in that picture?" I may say, and I shall offer evidence concerning it a little later on, that in the French Chamber of Deputies the same question has arisen with respect to their purchase of planes in the United States. They are wondering if there was any financial involvement, any financial emergency which required the placing by France of orders for planes in the United States.

Mr. President, I believe that providing an adequate national defense is primarily the task of the War Department and Navy Department. I believe that when the War Department and Navy Department undertake to protect the United States against having to share with other lands any advantage it may enjoy in a military way, that effort ought not only to be acknowledged but ought to be appreciated; in other words, I am trying to say that this release policy which the Army and Navy have laid down is good policy from the standpoint of national defense. It was good policy when it was promulgated. It is good policy today; but we find that, however good or however desirable it may be in its present form, it is of virtually no advantage to the United States whatsoever. An order from somewhere higher up can destroy the whole purpose of that release policy. For that reason I introduce Senate bill 1486, under date of February 20, which is only after a fashion an incorporation of this release policy, and which would have the Congress lay down the law which would make the War Department and the Navy Department the determining factors in questions of making available to foreign lands any aircraft or any aircraft appliance. I hope most earnestly that the Congress will be inclined to support that kind of measure, so as to back up those who are building and those who are jealously guarding our national defense, and keep for America those things which might be of great value to our country in another day.

I have said that I have no objection to the sale of planes to France, providing we make our sales available to all countries alike, and providing we pursue certain other rules. But if I could have my way about it, Mr. President, the United States would abandon for all time the sale of any military supplies to any other country upon the face of the earth.

I wonder how long we are going to tolerate a process which finds us, solely for the purpose of getting a little profit, arming the entire world against itself, perchance arming the entire world against us. I wonder how long we are going to continue that sort of policy. A bill is pending in Congress which would forbid the sale of military supplies to other nations of the world. I expect to see the day when

that is going to be the law of the land. I wish that day would soon arrive.

Mr. LEE. Mr. President—

The PRESIDING OFFICER (Mr. HERRING in the chair). Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. NYE. I yield.

Mr. LEE. Of course, I join with the Senator fully in opposing war profits, but I wish to ask the Senator a question. He just stated that he was opposed to allowing our factories to sell any war material or machinery to other nations. That presents us with a dilemma. How and where would we get our defense material if we needed it? We must, in that case, then, support a Government-owned and Government-operated factory or factories of sufficient size to supply us with the defense necessary, but then we are confronted with a cost which is prohibitive. Therefore the other alternative is to let our factories supply nations with their peacetime needs. Who can say when we are going to have to use them? I cannot; neither can the Senator. But if we are going to allow factories to supply other nations their peacetime needs, then our factories would be operated on a sufficiently large-scale basis so that in the event of war they could supply our needs. If they are not permitted to supply other nations with their peacetime needs, we must have Government-owned and Government-operated factories large enough to fall back upon when we need them.

Mr. NYE. Mr. President, before we got into the last war the United States supplied all parts of the world with varying instruments of warfare, instruments which later our own sons and fathers were made to face. But I wish to apply the Senator's argument to the matter of sale of planes abroad.

No one has denied that a primary purpose behind this effort to make planes available to France was a desire for the profit that was available to American industry from that kind of foreign trade. The President himself made clear that this would be good business. A large order, perhaps amounting to \$65,000,000, would be fine business for American plane manufacturers, fine business for American laborers seeking employment, and fine business, too, from the standpoint of getting our capacity under way to produce our requirements ultimately.

Does it not come down to this: We establish the policy of selling planes abroad. We will supply what France wants; we will supply what England wants; but if anyone today were to contend for the sale of planes in like numbers to Germany and Japan, for example, there would be a tremendous, most indignant protest on the part of the American people. However, we are proposing to supply England and France. It is good business. It affords employment. It provides a return for American industry. Then we propose to supply, in American plants, our own requirements. Having supplied England, France, and the United States with their immediate requirements, what then? What then of this industry which is speeded up and geared up, affording large employment? How shall we keep it geared up, so that it may continue producing what we need? How shall we continue it in such operation as will afford employment for those who there find employment?

Mr. President, I can see the day coming, and so can the Senator from Oklahoma, when, in order to continue this industry operating full blast, we shall be not only willing but eager to supply Germany and Japan with all they may desire to buy, to the end that we may continue this trade. Remember all the while that every time we sell one plane to England, every time we sell one plane to France, every time we sell one plane to Germany or Japan, the requirement is upon the United States to build one more for itself. What is the end of a mad operation of that kind? I can only repeat that I wish my country would get out of the business of arming all the world.

Mr. LEE. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. LEE. First, I disagree with the Senator when he says that every time we sell a plane to France we must

build one for ourselves. Obviously, if France and England had had an air strength even closely approximating that of Germany, there would have been no Munich pact. There would have been no dismemberment of Czechoslovakia if the democracies had been anywhere near the equal of the dictators in planes.

I do not agree with the Senator. Every time we sell a plane to France, standing between the dictators and us, so to speak, we need one less ourselves.

I asked the Senator a question—

Mr. NYE. Just one question at that point. Does not the Senator rather heartily approve the theory that our national defense is one which ought to be shaped without knowledge that we shall ever have allies in another war, a policy which ought to find us counting only on the possibility of the United States as the ally of the United States?

Mr. LEE. And for that reason does not the Senator believe that our factories ought to be able to supply the United States?

Mr. NYE. I do.

Mr. LEE. I asked the Senator a question, and he told me that a dog's hind leg is crooked. That is true; but the Senator does not answer my question. Where would we obtain our material?

Mr. NYE. Where would we obtain our material if we confined ourselves to supplying our own needs?

Mr. LEE. Where would we obtain our material in case of war? A while ago I asked the Senator that question. We could obtain it either from privately operated factories or from Government-operated factories. Obviously, if we do not allow our privately operated factories to have enough outside business to maintain themselves on a sufficiently large basis they could not supply us. Then there would fall on the Government the duty of supporting Government-operated factories large enough to supply us in case of emergency.

Mr. NYE. If that were wholly true, Mr. President, I still believe the United States would be far, far ahead of the game.

Mr. LEE. Does the Senator think China and Ethiopia are ahead? Does not the Senator know that weakness is an invitation to attack?

Mr. NYE. I am not asking for a moment that the United States entertain the same degree of weakness that was entertained by China and Ethiopia, to which he refers. We never shall. What I am insisting is that we can have adequate production to meet our own requirements without continuing the policy of selling our national-defense production to all the world.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. CLARK of Missouri. Does either the Senator from North Dakota or the Senator from Oklahoma believe that we are contributing to the safety of the United States, or to the defense of the United States, or to the preparedness of the United States, by continually giving to every other nation in the world every product of American inventive genius, and every development of American industrial science, so that everybody else will be on the same footing that we are?

Mr. NYE. In that connection, the junior Senator from Idaho [Mr. CLARK], earlier in the day, made reference to the attack made upon the *Panay* about a year ago. He alluded to the existence of Standard Oil tankers engaged in the transportation, at a profit, of oil to China. He did not say that the same tankers were also engaged in the business of carrying oil to Japan. That is the truth of the matter. The attack which was made that day upon the *Panay* and the Standard Oil tankers in the Yangtze River was an attack by Japanese bombing planes, more than 90 percent of which were powered by motors manufactured in the United States and sold to Japan, to the profit of some Americans. The gasoline that those motors had to have to operate in the

attack was delivered to the Japanese by American corporations, which made a fine profit out of the business. The bombs which were dropped, and which did the damage to the ships and to human life, were bombs loaded with shrapnel which only a few months before was plain, ordinary scrap iron, gathered up in the United States and unloaded in Japan, to the great profit of Americans.

Mr. LEE. I may add that the cotton used was cotton produced in the United States.

Mr. NYE. The thing which sent the shrapnel on its way was an explosion of powder manufactured under a formula sold to Japan in 1932 for \$900,000 by an American corporation which could not resist the temptation to obtain some profit out of the business of arming. The thing which our own Military Establishment was rather jealously guarding as an advantage was sold to Japan.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. A moment ago the Senator from North Dakota asked a very pertinent question as to what would happen as a result of the tremendous gearing up of airplane production and the production of other munitions in this country after France, Great Britain, and the United States had received their full necessities. It seems to me that the question, What is to happen to that mass production? is a very pertinent one. I think I can answer the question, if the Senator will permit me to trespass upon his time.

Mr. NYE. I hope the Senator will do so.

Mr. CLARK of Missouri. The situation is illustrated by the story of a boy who on Christmas Day was presented with both a diary and a rifle. The account in his diary ran as follows:

December 25. Received this diary and a rifle today for Christmas. Storming outside. Unable to go out. Decided I would keep the diary. Oiled and cleaned my rifle.

December 26. Still storming outside. Unable to hunt. Cleaned and oiled my rifle.

December 27. Storm still raging. Cleaned and oiled my rifle.

December 28. Shot grandma today.

[Laughter.]

Mr. President, the answer to the question of the Senator from North Dakota [Mr. Nye] is that when we shall have geared up to such tremendous production of munitions we shall be in the position of a man who is overbalanced and who must keep running to avoid falling on his face. We shall have a war.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield to the Senator from Kentucky.

Mr. LOGAN. I can go along with the argument of the Senator from North Dakota that we ought to prohibit the shipment of war material of any kind to foreign nations, except to this extent: I think we should ship munitions of war to any nation when it promotes our own national defense, and for no other reason. Therefore, I favor the sale of airplanes to France and Great Britain, because I think it is the most effective way of providing for our national defense. I think every plane we send to France and Great Britain at this critical period will aid our national defense. Regardless of what anybody may say about it, France and Great Britain are our first line of defense in the attack which is being made and is to be made on democracy; and if we, by shipping munitions to them at this time, can enable them to defeat the dictators, then we shall have protected our own Nation. It is for that reason, and that reason alone, that I favor the sale of airplanes to France and Great Britain.

Mr. NYE. Of course, it must follow the Senator's argument that by reason of the sales to France and Great Britain we are now giving ourselves a taste of the profit which is available from the large preparations for war on the part of France and Great Britain. We have reason to believe that our appetite will be further satisfied; in other words, that this foreign trade will grow.

Let us assume that war comes. What, then, shall we do? Shall we abruptly cut off that business and be done with it?

Of course, we shall not. If history repeats itself, and if our appetite is satisfied as consistently in the future as it has been in the past, we shall surrender anything and everything in preference to losing our advantage in the increased foreign trade in war supplies.

Mr. LOGAN. I believe the Senator has given more thought to this particular subject than has any other Senator. If the Senator can devise some plan to take all the private profit out of the sale of munitions of war except when it is for our own national defense, I will follow him to the end and help to enact such legislation if it can be devised.

Mr. NYE. I think such legislation is pending and has been for the last two sessions in the form of a proposed tax bill that was recommended by the Senate Munitions Committee, I think, without a dissent within the membership of the committee itself.

Mr. LOGAN. As I recall, the chairman of the Committee on Military Affairs reported the bill favorably to the Senate and then I think it went to the Finance Committee, where it still is.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Wyoming?

Mr. NYE. I yield.

Mr. SCHWARTZ. I merely desire to give the views of General Craig as to the general proposition of selling airplanes abroad, not with reference to any particular transaction.

Mr. NYE. Will the Senator give the page from which he is about to quote?

Mr. SCHWARTZ. From page 127 of the record:

General CRAIG. In reply to the Senator's inquiry—

I think he was referring to the Senator from Vermont [Mr. AUSTIN]—

General CRAIG. In reply to the Senator's inquiry regarding the advantage we would derive from selling planes abroad, I think, and have thought before, that it is the soundest kind of a proposition for the United States to seek the placing of its airplane products in foreign markets. It would settle the question that has been brought up about maintaining work on a permanent basis in our factories. It settles the question, which is a terrible bugaboo, of obsolescence of planes. Germany's program of action is based on getting rid of obsolescent and surplus planes. Against that you have to balance the fact that the German workman will work 16 hours a day for a mark a day, day in and day out, while ours is a pretty highly paid man, and he works only a certain number of days a week and a certain number of hours a day, so that the plane which formerly cost about \$50,000 has run up to over \$200,000; and because this applies to everything concerned with that plane. That is why Germany can sell—I mean foreign nations in general can sell—their obsolete or obsolescent planes at prices with which we cannot compete. This presents a problem that we have not yet solved, but the idea Senator AUSTIN expressed is absolutely sound. That is a part of the President's policy—what he is driving at.

If I may impose on the Senator from North Dakota for a moment more, since Senators are interested in understanding the attitude of the Army with reference to the Douglas bomber plane, we find on page 172 questions and answers between the Senator from North Dakota [Mr. Nye] and General Arnold; and, among other things, General Arnold says in reference to this and similar planes:

Some have since withdrawn, and some never proceeded further than the blueprint stage—

That is, those that might enter into the competition—

We know that the Glenn Martin Co. is building one; that the Stearman branch of the Boeing Co. has built one; that the North American Co. is building one; and that another company, the Douglas Co., had built one.

We find from what he says that what they call the Army specifications constitute a very general statement of what is required, including altitude, speed, and performance.

I should like to quote just a little more, if I may take the time:

Senator NYE. General, during the progress of the building of that particular bomber, did agents of the War Department have access to the construction, so as to make suggestions to be further built into that plane?

General ARNOLD. No. That was supposed to be the outgrowth of the ideas of the manufacturer. The War Department keeps its

ideas out, pending the completion of the plane, so the manufacturer cannot say he received more or less help than another.

With two lines more I will stop. I read from page 130:

Senator AUSTIN. There had been no application for a license, therefore the Secretary of State has not been asked to move.

General CRAIG. The Government has no interest whatever in this plane, Senator. It might never have been supplied. The Government did not have one cent in it.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield.

Mr. CLARK of Missouri. I should like to add to what the Senator from Wyoming has read certain testimony appearing on page 64, at which point I was interrogating General Arnold as to the newspaper account of the plane crash, and then I said:

That, General, was a Douglas plane, was it not?

General ARNOLD. Yes, sir; that was a Douglas attack bomber.

Senator CLARK. Which was the very latest word in American airplane construction, being prepared for the spring competition on the line?

General ARNOLD. Yes, sir.

Mr. SCHWARTZ. Mr. President, the fact remains that it had never been put in competition. The time for competition had not arrived, and five or six different companies were all bidding on the planes and seeking to meet the general performance specifications. That is what General Craig stated.

Mr. NYE. There is one thing which I wish could be put in the RECORD of the Senate, and that is a picture of the faces of the military leaders at one stage of this proceeding, which so clearly portrayed their great displeasure at what had been done with respect to this Douglas bomber plane to which they were looking in such a large way, as indicated by the testimony which the Senator from Missouri has just read.

Mr. LUCAS. Mr. President, will the Senator yield to me?

Mr. NYE. I gladly yield to the Senator from Illinois.

Mr. LUCAS. I should like to ask the Senator the simple question whether or not there is anything in the policy of the Government which prohibits the selling of the same type of plane to either Germany or Italy?

Mr. NYE. No; there is nothing that would prohibit the sale of this type of plane, except that the sale of all planes is finally dependent upon the will of the State Department to release and license sales abroad.

Mr. LUCAS. In other words, if the State Department—

Mr. NYE. And the War Department and the Navy Department.

Mr. LUCAS. If they issued the proper release or orders, any nation in the world could buy the same type of plane we are now discussing?

Mr. NYE. That is correct; but the truth of the matter is that with respect to some purchases, including, I understand, the purchase of all kind of aircraft, our State Department has rather thoroughly discouraged any sales to Japan.

Mr. LUCAS. Mr. President, will the Senator yield further?

Mr. NYE. Certainly.

Mr. LUCAS. That brings to my mind a part of the discussion which has been going on lately with respect to the time when this country ceased permitting planes or other war material to be sold to certain countries throughout the world. Can the Senator give me any information as to when, for instance, if this country did do such a thing, it ceased permitting the sale of planes or other war materials to Germany?

Mr. NYE. I cannot advise the Senator with any right of authority as to when, if ever, there was a cessation of the sale of planes to Germany.

Mr. LUCAS. Am I to understand, then, that there has been no prohibitive measure upon the part of the Department of State which prevents any nation of the world from buying war materials at the present time from this country?

Mr. NYE. Except, perchance, Japan.

Mr. BARKLEY. Mr. President, if the Senator will yield, let me say that there is no law with reference to any sales to Japan.

Mr. NYE. No. We have just been discussing the question of cooperative arrangements between the State Department and the aircraft industry itself.

Mr. BONE. Mr. President—

Mr. NYE. I yield to the Senator from Washington.

Mr. BONE. In every discussion that I have listened to and heard anywhere in the country, and in every article that has ever appeared of which I am aware, the element of speed in an airplane has been stressed as an element of superior importance, of vital importance. I take it, the Senator agrees with that conclusion?

Mr. NYE. It is a very important element.

Mr. BONE. Therefore, if the United States has developed an airplane that is speedier than any other airplane in the world that is as much a valuable military secret as a bombing device, a sighting device, or any other so-called military secret.

Mr. NYE. That is quite true.

Mr. BONE. Does the Senator regard it as of equal importance to retain within the boundaries of this country a thing so vital as the element of speed as any other so-called and alleged military secret?

Mr. NYE. I think we should jealously guard against the loss of any such advantage as that would be.

Mr. BONE. Then why make fish of one and fowl of another? When the object is to develop the best possible plane for use in wartime, why stress bombing and sighting devices and other arrangements when of equal or greater importance is the element of speed? That is what I am getting at. I think it ought to be clear in our minds when we are discussing airplanes that the element of speed is as vital or possibly more vital than the ability to shoot straight with a machine gun from an airplane.

Mr. LEE. Mr. President, will the Senator yield?

Mr. NYE. Gladly.

Mr. LEE. I wish to pursue further the Senator's attitude with respect to the sale of materials to other nations. I take it the Senator would have no objection to selling cotton, for instance, to Japan, and yet cotton is used in war for making wadding; it is used for making the uniforms of soldiers. I cannot believe that the Senator would object at this time to our selling oil and gasoline to Japan, and yet they are used in war. I do not know whether the Senator would object to selling iron and steel in the rough or in the raw form; but, I take it, the Senator would not; and yet that is very important in the making of war materials. The Senator, then, comes to the question whether or not labor abroad will be employed to make those raw materials into the finished articles, or whether, when both nations, ours and the one to which we are selling are at peace we could employ that labor at home. I should like to have the Senator enlarge on that somewhat, and then in addition to that, the Senator might touch on the question whether, if we refuse to sell these commodities to other countries, does the Senator have the least idea that Japan, for instance, would not get them somewhere else and build up their base factories? I should like to have the Senator discuss further the question of the sale of raw materials to which he referred a while ago.

Mr. NYE. Mr. President, I am glad to respond in a brief way to the Senator's question.

There are some few supplies which, were the United States to deny their availability to Japan, Japan would have exceeding difficulty in possessing. One such is scrap iron. The United States is pretty nearly the sole source of supply for both Germany and Japan today.

The Senator, however, is asking whether I object to these sales today. I do object to them today.

Mr. LEE. Sales of cotton?

Mr. NYE. Yes; sales of cotton on any such basis as these countries are now buying it.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NYE. The existence of the conquest which Japan is making in China today constitutes a state of war. If the policy of neutrality had been invoked, we should not be supplying to Japan the materials of war. The items that

do not come within the description or the category of munitions of war Japan would have to come and get, pay cash for and carry away, and take her chance in accomplishing delivery of them. Japan would be somewhat handicapped. It is difficult, however, to know where to draw the line in peacetime in supplying munitions of war.

It is true that cotton enters largely into the manufacture of munitions. I do not know why wheat should not be considered a very essential munition, strictly speaking, in time of war.

Mr. McKELLAR. Mr. President—

Mr. NYE. It is hard to know where to draw the line. Today we rather have to confine ourselves to the line which was drawn in international law, determining what are and what are not, strictly speaking, munitions of war or implements of war.

Mr. McKELLAR. Mr. President—

Mr. NYE. I yield to the Senator from Tennessee.

Mr. McKELLAR. As I understand, wheat and meat are the principal war munitions, or certainly are equal in importance to any other war munitions, because without bread and meat no nation can make war. The question I wanted to add to the questions of the Senator from Oklahoma, for the consideration of the Senator from North Dakota, is this: If we want to stop war, is it not equally important to stop exporting wheat and meat to these other nations, because without wheat and meat no nation can get very far in making war?

If we are going to stop selling various articles of American produce to other nations because they may be used for war purposes, I wonder where we are going to draw the line. Certainly I should not want to draw it at wheat, corn, meat, cotton, or other agricultural products; yet, if we follow the line of reasoning which the Senator has just laid down, in order to stop war more effectually, we must necessarily stop selling meat and corn and wheat.

Mr. NYE. I do not know what the Senator understood me as saying, but I have not professed friendliness to any program which would put a stop to supplies of food to nations at war. I should, however, while they are at war, place upon them the requirement to come and get the supplies.

Mr. McKELLAR. That may be so, but if we furnish food, both meat and corn and wheat, to nations which are at war, we are virtually taking part in the war right then and there.

Mr. NYE. There is very definitely, however, this difference, if we are to hew to the line on which we started out. At least, if we sell food to those who engage in war, it is not going to be used to destroy the lives of our sons and the sons of others who may have to go forth some day to engage in war against those lands, as is true in the case in which we are selling them guns and powder and airplanes and what have you, all of which may some day be looking for an American target.

Mr. LEE. Mr. President, will the Senator be kind enough to yield again?

Mr. NYE. I yield.

Mr. LEE. Is the Senator's objection to selling cotton, for instance, to Japan, based on the fact that Japan is now at war with China?

Mr. NYE. No; I have said, or tried to say, that it is very difficult to know where to draw the line as between munitions and raw materials that might enter into more than the manufacture of munitions.

Mr. LEE. Would the Senator sell cotton to France today?

Mr. NYE. Yes; there could be no objection to it in the absence of any law forbidding it, or any policy against it.

Mr. LEE. Why does the Senator object to selling airplanes to France?

Mr. NYE. For the reasons that I have taken pains to enumerate here this afternoon; for the reason that we are not making airplanes available to other nations alike.

Mr. LEE. Is not that a trade policy rather than a war policy?

Mr. NYE. Not at all.

Mr. LEE. We withhold or we sell. We have favorite nations. We sell what we want to, where we want to; do we not? Have we refused to sell airplanes to any other nation?

Mr. NYE. Yes; we have.

Mr. LEE. What nation?

Mr. NYE. Not strictly speaking, but we are denying and discouraging sales of airplanes to other nations.

Mr. LEE. I should like the Senator to give chapter and verse on that subject.

Mr. NYE. We are most definitely discouraging sales of airplanes to Japan today. The State Department has sought and has won the cooperation of practically all the aircraft producers in this country in that kind of a program.

Mr. LEE. But that nation is at war actually, if not technically.

Mr. NYE. No; it has not been acknowledged.

Mr. LEE. I understand that; but the nation is at war. Can the Senator name some nation not at war to which we have refused to sell airplanes?

Mr. NYE. No; I think our restriction upon plane manufacture is exclusively confined to Japan right now.

Mr. LEE. Then I fail to understand the Senator's objection to selling planes to France.

Mr. NYE. Mr. President, to be specific, and to go over the same ground very briefly again, I object to the sale of planes to France if we are not selling to all alike, making planes available to all alike. There can be no objection to the sale of planes to France if we are selling no plane the sole possession of which is an advantage to the United States. I cannot object to the sale of planes to France if there is no evidence of alliance going beyond that sale. There can be no objection to the sale of planes to France if the sale does not hinder our own ability to produce our American requirements.

Those points I have made; and, in addition, I have made the further point that these sales abroad of planes are only building for us a monster that we are going to have to support through the years to come, an institution that will be crying for more and ever more of outlet for its supplies; and the more outlet we find for it abroad, the more we shall have to provide for ourselves.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. NYE. I yield to the Senator.

Mr. LUCAS. In view of the Senator's last statement, I should like to ask him whether or not there is in the hearing any evidence which discloses any alliance of America with France or any other country in connection with the sale of these planes?

Mr. NYE. No. A little later on I am going to give expression to my own belief that there is something of an unwritten understanding; at least, there is an alliance to the extent that finds certain foreign powers counting very strongly on our continuing cooperation, come what will in Europe.

Mr. LUCAS. Then, if I correctly understand the Senator, whatever his belief may be upon the question of alliance, it is based purely upon his own opinion and speculation?

Mr. NYE. There is no evidence, there is no testimony which can be pointed to, revealing that there is an alliance between this country and any other involving the possibility of cooperation in time of war.

Mr. President, the question now naturally arises, What is an adequate national defense? What do we need to feel secure in our provision of national defense? At least one voice has been raised in the Senate which would have us believe that on both the east and the west shores we are wide open to attack—a fear which I consider to be most preposterous.

Our worst fears in America seem to assume, first, a dictator victory in Europe, and also a Japanese victory in Asia; and, following that kind of victory, we base our fears upon the possibility of a joint operation against us by those forces to the east and those forces to the west. A terrible

nightmare is created for some persons. I have heard some carrying on to such a point that we would be given to believe that tomorrow morning, or the next morning, we might expect a united operation by Japan, Italy, and Germany, against us, one from the west, the other two from the east. It is merely a terrible nightmare, I repeat, which some persons are suffering.

Mr. President, the truth of the matter is that, even though Japan, Germany, and Italy might be successful in what some persons insist they are undertaking to accomplish, it would be a matter of years and years and years before any one of them, or all of them combined, would dare leave their own front yards long enough to so much as threaten any part of America, to say nothing of threatening an attack upon the United States.

What is the danger of attack today? I have before me two articles appearing only this week in the New Republic. The first is an editorial entitled "War This Spring?" The editorial pursues the course which finds it revealing how dangerous is the situation confronting Hitler and Mussolini today, how very shaky is the position in which Japan finds herself today, there being a large question as to whether she will be able to continue her present operations.

The second article, written by Bruce Allen, appearing in the New Republic of March 1, is entitled "Inside Japan." I should like very much to have these two articles appear in the RECORD following my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibits 1 and 2.)

Mr. NYE. Mr. President, the point is very well made that we in the United States little need to fear an attack from the east or from the west. The problems with which those who are called potential foes are faced at this moment are problems which are going to hold them for years and years to come, if they themselves last through those years. All of them are engaging now in an economy, properly termed an "armament economy," and there must be, there certainly is, an end to the kind of course they are pursuing in their particular sections of the world.

Is there any likelihood of attack upon the United States? Is there any occasion, any need, for the fear that we are inadequately prepared for emergencies which might arise tomorrow, next month, next year, involving an attack upon the United States?

Mr. President, it takes approximately a million tons of shipping to transport an expeditionary force of 200,000 men with full equipment and adequate supplies. Which of all the nations upon this earth is prepared today to move upon us with any such strength as that? Is there danger of attack? There is not a bombing plane in the world today which can proceed, loaded with bombs, beyond 800 miles from its base, reach what it aims to reach, find its target, drop its bombs, and return to its starting point or base. There is no need for stampeding in this hour. There is ample opportunity for the United States to apprise itself of the actual dangers when they really develop and threaten our national defense.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. McKELLAR. I am very much inclined to agree with the statement the Senator has just made. I do not think we are in any danger of a war with a foreign country. I think the danger is very remote, certainly at this time it is very remote, and there is no use of our becoming upset about the statements which we read in various publications concerning the danger. However, I differ with the Senator about one matter. It seems to me that at this time our people ought to be permitted to sell all of their products which foreign people want to buy and are willing and able to pay for, probably with the exception of deleterious drugs, and that in like manner it would be to the best interests of the United States to buy such foreign products as we want and are able to pay for.

I believe that trade with foreign countries booming as much as possible all the time means more to our prosperity and happiness than anything else. It means prosperity

and happiness to our people, and, instead of trying to cut down the number of articles which we sell abroad, I should like to have increased the quantity of American products which we can sell to our neighbors abroad. As the Senator has argued, I believe that the danger of war at this time is exceedingly remote, and that really it is not necessary for us to pay as much attention to the apprehension as we are paying.

Mr. LEE. Mr. President, will the Senator be kind enough to yield? He has been very patient.

Mr. NYE. I yield.

Mr. LEE. I should like to say in connection with the observations made by the Senator from Tennessee—and I take it I am stating his attitude—that what he advocates in no wise means a contribution on the part of the United States to belligerent nations.

Mr. McKELLAR. Absolutely not.

Mr. LEE. I thank the Senator. I call to his mind, for example, the attitude and the record of this Government in that regard. When there was war in South America, the Chaco war between two South American countries, President Roosevelt, by Presidential proclamation, announced an embargo on the shipment of war materials to the two warring nations. Factories here were sending munitions to both sides, and the President announced an embargo. Led by this country, 18 nations declared similar embargoes in that case, and that war did not last long.

Mr. NYE. Mr. President, I am delighted that the Senator from Tennessee concurs in the belief that there is no occasion for fearing an attack upon us from abroad. The truth is, nevertheless, that a degree of fear has been caused to grip this country and its people. There is a feeling abroad on the part of some that we are not prepared for the emergency which is about to arise. Just what it is, just where it is coming from, we do not always seem to know, but there is a reign of fear upon us.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. LOGAN. After giving this whole subject the best consideration I could, my idea is that there is no prospect of our becoming involved in any war at this time. We may never become involved in any war. There is no chance for the nations ruled by dictators to attack us until France and England are destroyed, and there is a doubt whether the dictator countries could win a war with France and England. Even after such a war had been won, if it should be won, then it would be necessary for the totalitarian states, before they could attack us, to have naval bases and air bases somewhere on this continent; and it would take several years to establish such bases. In the meantime we prepare our national defense purely as a guaranty against something which may happen in the next 3 or 4 or 5 or 6 years. I share the Senator's belief that there is no nation on earth which can attack us at this time, or at any time in the near future.

Mr. NYE. Mr. President, I am most happy that the Senator concurs in that view and opinion. I think very definitely we in the United States are now parting with the fear which did reign supreme to a degree for some weeks. I think it is a healthy sign. We are thinking our way through this thing. We will be providing ultimately an adequate defense against a possible emergency such as that to which the Senator is referring.

In the light of what the Senator has said of the possibility, certainly not the probability but the possibility, of the dictators' success over France and England, if that danger continues to exist, how are we to appraise the weight of the danger today by comparison with the weight of the danger say 3 or 4 or 5 months ago, at the time of the Munich agreement? At that time there was a fear that Germany and Italy were prepared almost completely to wipe out with one swoop the two great cities, Paris and London, and that fear had a tendency to drive the bargain which was written at Munich at that time.

Mr. LOGAN. I think that is true.

Mr. NYE. Why in the world, if Hitler had all that advantage then, is he giving England and France all this time to catch up?

Mr. LOGAN. Let me answer that.

Mr. NYE. I should like to have the Senator answer it.

Mr. LOGAN. I express only my opinion, of course. A few months ago the United States appeared to be pretty thoroughly committed to neutrality by law, which I am against. It was believed, I think, by Hitler, and perhaps by Mussolini, that the United States was not going to prepare for war, and that if the United States did not begin to prepare, England and France would have no place to go to obtain the necessary munitions with which to carry on a war.

As soon as it was known that the United States was going to prepare, I think Hitler and Mussolini began to believe that our policy of neutrality was not as definite as they had been led to believe it was. For that reason there is a lessening of the tension in Europe today. There is not the same high degree of tension that existed even 2 weeks ago. I am very hopeful that the tension may completely pass. It may. I do not think we are in danger of any immediate attack. I am not at all certain now that Germany and Italy are going to attack France and England. It may be that the latter countries will make some more appeasement. Italy is demanding Corsica and some other places. I think France may yield before she will go into war over those questions. A nation can suffer much before it goes to war. In my judgment, a demand for property, or even the loss of a few lives, does not justify a nation to plunge its people into a great war.

Mr. NYE. I should have to disagree with the Senator in his conclusions, for I attribute the present seeming quieting down of things in Europe to quite another cause than our evident preparation in this country.

Mr. LOGAN. It may be due to internal dissensions. I cannot say.

Mr. NYE. I do not think the dictators themselves could for 1 minute afford to have a war today.

Mr. LOGAN. It looked as if there would be one before Munich, and I think there would have been one if England had not yielded.

Mr. NYE. I do not think the dictators themselves would have tolerated war for a minute if they could have found any other way around the situation.

Mr. LOGAN. Is it not true that in the history of the world no dictator has ever been able to continue his position as dictator without ultimately leading his people into war?

Mr. NYE. That has been true of dictators only.

Mr. LOGAN. It has not been true of other rulers.

Mr. NYE. No.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. WILEY. As I understand the situation, the Senator from North Dakota is speaking of national defense. Was the Senator present in the Chamber yesterday when it was agreed on both sides of the Chamber that in the national-defense picture, or, rather, in our own picture, was the Monroe Doctrine; that it was still the law of the land and the law of America?

Mr. NYE. I was here then.

Mr. WILEY. Does the Senator concur with that agreement?

Mr. NYE. Yes, quite; and I have given voice today to a determination to provide that degree of national defense here in the United States which will place us in a position really to take care of whatever may be our defensive need in this hemisphere.

Mr. WILEY. Mr. President, the question I wanted to ask was in relation to South America. The Senator knows the situation there. Does he think there is any danger in that direction from the dictator-ruled nations of Europe?

Mr. NYE. I think absolutely none, except as we Americans may, as we have so often done in the past, conduct a blind commercial policy there. We have got to begin to demonstrate to South America the real advantages which rest and

lie with our form of government as against any other form they may be caused to look upon these days.

Mr. President, until the recent departure from that spirit of fear which gripped the country for so long, coolness and common sense have had anything but a right-of-way in our considerations. We have been fearing that we were unprepared for emergencies which might arise, and now, in light of all the preparing we have done, especially of more recent years, one is wont to ask when in the world we are ever going to be adequately prepared? Senators will remember that during these winter months representatives of the Government were talking, not of 5,500 and 6,000 planes, but of 10,000 planes or 15,000 planes, of 20,000 planes. Were we to have that number of planes today there would still be an element of the people who would be counting our national defense wholly inadequate.

A year or 2 years before we entered the World War, the war that was going to be the last war, it was costing us in the neighborhood of \$300,000,000 a year to maintain a national defense. This year the cost will be close to \$2,000,000,000; and yet as large a proportion of our people are dissatisfied, fearful about the adequacy of our national defense, as were dissatisfied back in 1913, 1914, and 1915.

I have greater respect today for the American Military Establishment than I have ever entertained before. Except for the manner in which our military leaders stood up last winter against odds and fought against some rather uncertain proposals, only Heaven knows what the Congress would be confronted with at this time. The Army can be said very definitely to have stopped a stampede that was on its way to a very definite goal.

As I have said, there has not been coolness and common sense entertained of late months. There has come through the winter the urge to repeal the neutrality law, or to amend it so as to give more power to someone to determine what the neutrality law ought to be made to operate against, or what it ought to be made to operate for—all of it all the while in the name of neutrality.

Mr. President, before men give themselves to the cause of repeal of the neutrality law, at least there ought to be willingness to afford the law a chance to demonstrate how much of a success it may be, or how much of a failure it may be. The truth of the matter is that it has not been given such a chance. There have been opportunities, there have been chances to invoke the neutrality law where it might have demonstrated itself, but that has not been done. In connection with consideration of any proposal to repeal or amend the neutrality law, I wish that Americans might remember what was the first purpose of that law. Its first purpose was to serve the interests of the United States at peace, and the interests of no foreign nation or nations at war.

Then, too, Mr. President, to demonstrate our uncertainty, the absence of any coolness, or the exercise of common sense, this winter has seen secret session after secret session, secret concealed operations after secret concealed operations, until the United States has been put in a state of jitters over what must be involved.

Calling the Military Affairs Committees of the two Houses together to hear the Ambassadors from London and Paris could not have had any other effect. I do not know what was its purpose, but it could not have had any other effect than to cause an uncertainty of mind, to open up the American mind, and make it ready to receive a terrific program of armament.

We have talked now of militarizing the Civilian Conservation Corps. We spend most madly for a peacetime preparation, when we cannot even hope to pay for such preparation out of the revenues of the Government being raised at this stage. We call every proponent of less hysteria "pro-Nazi." We make it difficult for critics to criticize any direction which might be pursued by our Government. Some people call the critics boobs and liars. When all the activities of this last winter are taken together one is inclined to look around and wonder where George Creel may be concealed somewhere. It is time now to be hearing about some intercepted secret documents passing between dictators and

other republics of this hemisphere. It is about time to be hearing that the dictators are cutting the fingers off of children, and mutilating the bodies of mothers, women, and children in other parts of the world. That has been the stage which has been in the making this winter, it seems to me, and I for one am glad to see the American people catching up with it, and to see a breaking away, as we are witnessing a departure from the fear which has been gripping the country for a number of months past.

Mr. President, what is it we are aiming at by this proposal to build 5,500 or 6,000 planes? Why must we have that number of planes? What is it we are preparing for that requires any such national defense as that? One can only conclude that it must be the alleged preparation on the part of the dictatorships to conduct a war from the air. There is vast difference of opinion as to what is, for example, Germany's ability today.

Major Elliott, an authority, declares that it is his belief that Germany's maximum of air strength today is about 3,500 planes. Concurring with him in that opinion is a leading British air authority by the name of C. G. Gray, who also estimates Germany's air force at approximately 3,500 planes.

Recently I read an account of a debate in the French Chamber of Deputies, revealing the belief there that Germany possesses somewhere between 3,000 and 5,000 planes. In the United States we have had an education all this winter to the effect that Germany has at least 9,000 or 10,000 planes. Is that what we are aiming at? Mr. President, if Germany has 10,000 active combat planes, it does not follow that we, from the standpoint of providing an adequate national defense, must needs have 10,000 combat planes. If our home, instead of being the United States, were France or England, I could hardly be as content as I now am with a lesser air force. Yet were I a resident of England or of France, I should not feel that my country had to have 10,000 airplanes to defend itself against a potential enemy that had 10,000 airplanes. That point is conceded by French authorities, who, it seems, have abandoned the thought of trying to match, plane for plane, what Germany, her neighbor, has. The French are bent upon substituting quality for quantity and are quite content in their belief that they will be able successfully to repulse any attack which may come from a neighbor land.

Mr. President, the issue of national defense must of necessity involve primarily the question of foreign policy. It is difficult, if not impossible, for a Congress to provide a national defense if it does not know what the foreign policy is. I insist that this Congress does not know what is the foreign policy of the United States. I insist that from the standpoint of a strict national defense, protecting ourselves against attack, we are not in need of what some authorities are insisting we shall have in the name of national defense, unless those authorities have attached something more than a requirement of national defense to our foreign policy. We say there are no entangling alliances. As I said earlier today, I can point to none that my country has made with a foreign land. Yet I am wondering if there is any difference between entangling ourselves in foreign alliances and leading causes in which we seek to entangle other governments.

We are greatly disturbed about what certain dictatorships are making ready to do. Abroad, on the part of countries for which we are showing a large solicitation, there is comparative calmness; certainly not the same degree of fear that is being expressed in the United States. A few weeks ago the British Prime Minister stood calmly and deliberately before an audience and coolly said, in effect, that it was not Great Britain's ox that was being gored in Europe, but Uncle Sam's. He said that it was not John Bull who had the stakes in the ring, but that it was Uncle Sam whose stakes were involved.

The British Prime Minister said, in effect, that perhaps the time has come for Britain to stand with the United States in the cause of defending democracy the world over. It has one wondering, if there is to be another war, whose

war it is to be, whether it is to be Britain's or whether it is to be ours. One would guess, if he listened to leadership abroad, that if there is to be another war for democracy, the war must be led by the United States, with the privilege in the United States, of course, of meeting the entire cost of operation.

I am more and more convinced that there will be no war in Europe this spring, this year, or next year, unless the United States encourages, urges, and eggs Europe on to it. There will be no war in Europe unless the United States shows a definite will to help out when war comes, and an inclination to finance it. There will surely be a war in Europe when the United States gives the word "go" and gives Europe reason to anticipate that the United States will be standing by and ready to go on when the hour comes.

Mr. President, certainly there can be, and certainly there have been, decent motives in criticizing our foreign policy. There has been no good excuse to resort to name calling by those who have been displeased by what critics have seen fit to say of our foreign policy. There has been room, and large room, for criticism. How well ought we to remember another day when the air was filled with assurances that we would not go to war; that war would be our last resort. How well should we be able to remember, as the junior Senator from Idaho [Mr. CLARK] pointed out today, that it was only a matter of days after a people had rallied to those who had kept us out of war before those who had kept us out of war led us into war. The American people have the right, and the American Congress has the duty, to ascertain and determine what our foreign policy shall be.

I have previously spoken of our well-known appetite for the profit which might be available from other people's wars and their preparation for them. I shall not cover that ground again, except to remark that the exchange of official correspondence between officials of the United States Government in the years and the months preceding our entry into the war did not consist of communications gravely concerned with questions of democracy, or ending war, or winning freedom of the seas. Those communications were primarily devoted to the subject of how America could maintain the tremendous prosperity which was hers by reason of the war in progress in Europe. Step by step we let our appetite drag us into that war with which we were swearing we would have nothing to do—a "war to save democracy."

All this winter we have been importuned to become excited again about the thing that confronts democracy the world over. I could not help but be amused and rather pleased by a bit of correspondence which I found in a North Dakota newspaper, in the form of a letter written by one who had a rather keen sense of humor, a veteran of the last war. This correspondent expresses very well what is largely in the public mind on the subject of our not being afraid to fight for worth-while causes, such as democracy. Observing a newspaper dispatch which represented a United States Senator as saying that the American people hated war, but were not afraid to die for Christianity, morality, justice, and liberty, this writer took his pen in hand and wrote as follows:

Bully for you, Senator. I just want to let you know that I and every other red-blooded American is 100 percent behind you when you tell those dictator bullies we aren't afraid to fight.

I can close my eyes now, Senator, and see you and me side by side in the front-line trenches blowing the guts out of those damned Germans and Italians who don't appreciate the blessings of democracy. We'll teach 'em to love liberty if we have to shove it down their throats on the point of a bayonet.

Don't mind if we get our faces shot away, Senator, because you and I will have the happy consolation of knowing we struck a telling blow for international justice and morality. The armless and legless veterans who made the world safe for democracy in 1917 and 1918 will know whereof I speak.

By the way, what are we going to do with Germany after we win the war? She must never again be a menace to us liberty-loving people. We had the right idea at Versailles, but we just didn't carry it far enough. So this time we'll just carve Germany in two. You take half and I'll take half, and democracy will be safe as hell. And think how rich we'll be.

THOUSAND PERCENT AMERICAN.

Mr. President, that is the kind of straight thinking that is running through many American minds these days.

We failed completely 20 some years ago to accomplish those things which we are now saying need salvaging. We failed completely and miserably, and took upon our backs in this land a burden that the present generation is not going to be able to shed. Yet, with all this burden, with all this misery that we are enduring, with all the domestic problems that are awaiting solution, here we are talking ourselves into the belief that the time is fast approaching when we must do all over again the job which we failed so miserably to accomplish in our last effort.

Mr. President, until we can have clear knowledge of what sides are to be drawn in the next war, until we can know what the issue and the causes may be, the people have a right to expect a foreign policy so conducted as to be divorced from anything resembling the easing of the United States into another foreign war.

Some are asking, Why do people doubt our policy? To me the answer is easy to find. If the President's policy is misunderstood or misrepresented perhaps the reason is to be found in its obscurity, in its contradictions, and in a need for clarification. The people have large stakes tied up in whatever may be our foreign policy. We may call our Congress an all-powerful institution when it comes to determining when the United States shall engage in another foreign war, but there can be such conduct of foreign relations as to leave no alternative to the Congress other than that of declaring war. The people of this country have a right to be concerned, and they are concerned today, about the conduct of our foreign policy. They have a right to doubt the wisdom of a policy which causes a foreign nation to feel that we are promoting a world cause and are inviting other nations to join in the fight. We talk of the need of rallying to the side of England and France in defense of democracy; but we are startled to find Premier Chamberlain, in a cool and deliberate manner, telling the House of Commons that England might give consideration to joining the Roosevelt program to defend democracy.

The people naturally wonder about a foreign policy that lets our country be a party with England and France, to a process in Spain, that can only enlarge the power of the dictatorships that we pretend so much to fear and insist must be stopped. What dictatorships is it we do not like? What democracies are there that we do not like? What is it all about?

The most recent public pronouncement of foreign policy produces among others these words:

We are in favor of the maintenance of world trade for everybody, all nations, including ourselves.

Can this mean anything other than that, in the event of war abroad, we are going once again to insist upon that which does not exist in time of war, namely, freedom of the seas? I insist that any such policy is an immediate invitation to war, and there is a right to question any such foreign policy.

Let me read another line from the pronouncement of the President at his press conference some weeks ago, when he declared it to be our policy peacefully to "maintain political, economic, and social independence of all nations in the world." This can mean anything or nothing. Certainly it can mean that we are electing ourselves the world's policeman.

Our foreign policy for some months has been calling upon our Government and some of its agents to "make faces" and call names across the Atlantic. Why wonder that people should concern themselves about what is our foreign policy?

What of the policy adopted by those who ask us now to start fortifying Guam, almost immediately after the very same people have enthusiastically sponsored our separation from the Philippines, where we already have an \$80,000,000 fortification and preparation? If our foreign policy is one requiring this action, how many more islands thousands of miles away must we ultimately fortify in order to protect Guam, which is to be fortified for the purpose of protecting the Philippines? People wonder.

A very interesting article on the subject of the fortification of Guam has been prepared, Mr. President, by Admiral Rivers,

which I should like to have printed in the *RECORD* at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the article may printed in the *RECORD*.

(See exhibit 3.)

Mr. NYE. People are naturally asking why should we, the world power that least needs to fear attack, more happily armed with natural defenses against attacks than any other power upon this earth—why should we be asked to be in the front line of the present armament race, unless, Mr. President, perchance, it is for the purpose of being ready to respond to the need of pulling the chestnuts of other nations out of the fire as those chestnuts may become involved the world over?

Why should not people be anxious, Mr. President, about our foreign policy when they discover that knowledge concerning angles of that policy is dependent upon the crash of a bomber plane from the sky, revealing secret undertakings, secret methods of making what might otherwise appear to be ordinary commercial sales of aircraft to other lands?

Why should not people ask what is our foreign policy when overnight they hear expression of foreign policy so completely changed, as it was something more than a year ago, when one day found the maker of American foreign policy lauding the course of neutrality to the skies and the next evening found him giving utterance to his challenging quarantine speech, which was a complete departure from the purpose and the cause of neutrality? Why should not people wonder about our foreign policy when they discover the seeking after profits and gains now available because of other peoples' wars? Why should not people wonder about our foreign policy when they see backs turned now upon domestic problems and eyes guided only in the direction of what they are caused, or what some want to be caused, to believe is the direct and first challenge from foreign fields?

Why should they not be concerned when there is so much to be dealt with here at home? Why should not the people be concerned about what is our foreign policy when they find a form of economic sanction applied to one party, at least one party, in a general war? Certainly any action such as that is sure to lead ultimately to participation by the United States.

David Darrah, a European correspondent of the *Chicago Tribune*, sends to his newspaper, under date of February 20, from London a very interesting dispatch revealing what England thinks might be our foreign policy. Mr. Darrah, in his communication, says:

Europe still was mystified about President Roosevelt's announcement that disturbing world news might force him to curtail his cruise with the American fleet. Many explanations were offered. The most favored explanation seemed to connect the announcement with the trans-Atlantic telephone talk Mr. Roosevelt may have had with Ambassador Kennedy after the latter saw Chamberlain on Friday.

Diplomatic observers said they suspected Mr. Roosevelt's thunderings against the dictators were being used by Britain and France in their dealings with Franco. The Anglo-French envoys are believed to have invoked Mr. Roosevelt's threats in an effort to induce Franco to grant mild terms to the republicans [Loyalists].

KENNEDY PRIVILEGED VISITOR

One reads and hears in Europe these days that the British cabinet pays as much attention to America as it does to British public opinion. An afternoon newspaper commented that Kennedy is a privileged character at Chamberlain's official residence at No. 10 Downing Street. It is said he can go there whenever he likes while no other ambassador would seek an interview with the prime minister without a very special reason—that is other ambassadors would call at the foreign office.

Naturally there is some diplomatic speculation as to how much Washington, D. C., is being used as a cat's-paw in all this. The ambassador's son, Joseph, Jr., was reported by a London newspaper to be visiting in Madrid looking for "crises." He went as far as Valencia in a British warship.

Mr. President, I wonder what would have been our reaction if the Ambassador's son in that foreign war vessel had been destroyed in some military encounter on the way to Valencia.

The dispatch goes on:

The opinion is swelling here that not only the resources of the Dominions but of the United States will be behind this country in any war.

I submit that the American people have a right to wonder what is our foreign policy when they get reports like that from abroad.

Mr. MINTON. Mr. President, will the Senator tell from what he is reading?

Mr. NYE. I am reading from a dispatch to the Chicago Tribune from London by David Darrah.

Mr. MINTON. I am not a mindreader, but I could tell from sitting over here that that quotation was from the Chicago Tribune. Surely nobody would be much disturbed about the opinions of the Chicago Tribune regarding the foreign policy of this country or anything else.

Mr. NYE. I am not disturbed about the opinions of the Chicago Tribune. I am disturbed about the opinions of those who are abroad and are sending dispatches to the Chicago Tribune or to any other newspaper.

Mr. MINTON. One would not be much disturbed when he knows what the policy of the Chicago Tribune is. One would not worry much about our foreign policy when he views it in the light of the policy of the Chicago Tribune.

Mr. NYE. Mr. President, the people have a right to take definite alarm about our foreign policy when they observe the matter in which the plane sale to France was negotiated under a veil of secrecy.

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. NYE. I yield.

Mr. CONNALLY. The Senator again made reference to the plane sale to France. I understood the Senator earlier in the discussion to say that the sale of planes to France was all right; that he had no objection to it.

Mr. NYE. Mr. President, I am not going back over that ground again. If the Senator has been here this afternoon, he knows that I said I had no objection to the sale of planes to France if this were true, and that were true, and this were pursued, and that policy were followed, none of which were.

Mr. CONNALLY. I know what the Senator said, and that is why I am asking the question. If the sale of planes to France was not wrong, as the Senator earlier in his speech said it was not wrong, what difference does it make?

Mr. NYE. I do insist that the sale of this particular plane to France was wrong, was in violation of the best spirit of America's military authorities and their desire to safeguard the interests of America.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. NYE. I yield to the Senator.

Mr. LUCAS. A few moments ago the Senator made the statement that war would not come in Europe, either this year or next year—

Mr. NYE. That is my opinion.

Mr. LUCAS. Unless the United States of America in some way, through some one, said the word "go." Sitting here, listening to that statement, I consider it a very serious one; and I think the Senate as well as the country at large would be glad to have the Senator from North Dakota develop that statement.

I hope I did not misunderstand the Senator. If I did, I apologize to him.

Mr. NYE. No; I said it was my opinion that there would be no war in Europe this spring or this year or next year unless Europe had reason to believe that the United States would be ready to assist in the prosecution of a war if it came.

Mr. LUCAS. I do not want to disagree with the Senator's statement; but, as I recall, the able Senator from North Dakota distinctly said that there would be no war in Europe, either this year or next year, unless the United States of America said the word "go." To me that was a rather serious statement; and if the Senator has any information from anyone or from any source as to just how the United States of America or the present administration is going to give the word "go," I, for one, should like to know about it.

Mr. NYE. No, Mr. President; I am not prepared to say that anyone in America has intimated to Europe that the word "go" will be spoken; but I repeat my firm conviction that

Europe is not going to have war this year or next year unless and until one side involved in Europe can have assurance that the United States is going to stand ready to assist them in that war.

Mr. BARKLEY. Mr. President—

Mr. NYE. They are not able to finance a war. They are not able to carry it on. I do not believe the dictatorships want war any more than the democracies do; and yet the democracies, having suffered these humiliations of recent months, would be quite apt, if they could have the least bit of encouragement over here, to accept the next challenge and go to war.

Mr. LUCAS and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. NYE. I yield first to the Senator from Illinois.

Mr. LUCAS. I think the Senator will agree with me that under no circumstances does the United States of America want to engage in a foreign war with any European power. If that be true, the United States is not going to give the word "go," nor is it going to do anything to encourage Europe in embarking on a war which will involve all the nations of that continent.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Kentucky?

Mr. NYE. I yield to the Senator.

Mr. BARKLEY. I am interested, as is the Senator from Illinois, in the statement of the Senator from North Dakota that he believes there will be no European war unless encouragement is given by us to one side or the other; and, of course, we all know that if one side or another should receive any encouragement from us in the stimulation of its intestinal fortitude or its backbone in resisting aggression, it would not be the dictators.

I am not advocating any encouragement from us, and I certainly am not advocating that we give the word "go" to anybody in Europe to wage war; but does the Senator mean that in the absence of any sort of encouragement or sympathy from us, or any act, legal though it may be, in making our industrial facilities available to one side in Europe, the so-called democracies, Great Britain and France, would be compelled to continue to retreat at the demand of the aggressors demanding certain things, so that without any war the aggressors would get what they wanted?

Mr. NYE. No; I do not think so.

Mr. BARKLEY. How does the Senator mean, then, that if we offer no encouragement to one side, the other side will not continue to press for advantages?

Mr. NYE. In the first place, I believe that all the gains which have been made by the dictatorships in Europe have been made by pure and simple bluff; that had the democracies stood their ground locally, there would not have been any such humiliation as they have had to face and deal with since that time.

Mr. BARKLEY. That may be true, but the ability of one side to bluff the other grew out of a lack of readiness to meet the bluff, so that if it were called, and the other side really went to war, they would be ready. They were compelled to permit the bluff on one side because they were not able to read the mind of the bluffer to the extent of knowing whether, if they called the bluff, they would actually call it, and there would be no conflict, and they would stand up.

In a similar situation, or one that was even analogous to that situation, if that policy should continue anywhere in the world—and our minds are particularly on Europe and Asia; more so on Europe, I think, because it is closer to us—if that policy should continue indefinitely because of a lack of readiness to meet the bluff, so that those who are out after what they have not got, and what others have, should succeed in getting it, I myself am wondering, and I think it is a legitimate wonder, how long it would be before we should be confronted with the same situation, in which we should have either to stand up and fight or to yield and retreat.

Mr. NYE. If that situation were to come about, it would be a long, long time before it reached us; but I think the democracies in Europe have ceased their moment of fear and readiness and willingness to respond to the demands of the dictatorships, and are ready to stand their ground; that we have heard the last of the matter unless we are ready now to give encouragement to another rush into war in Europe.

Quite naturally, Mr. President, remains the question of the alliances, if any; how much understanding exists between our Government and that of France.

The answer comes at once from every hand, "None, none"; but the French Air Minister, who has been negotiating airplane purchases here, seems to have won a rather definite understanding of American purpose at least. There is conflict in the reports of what he said in the Chamber of Deputies in France the other day.

An early edition of the New York Times of February 1, carrying a dispatch from Paris under the heading "French Chamber Cheers President," quoted the Air Minister of France, speaking before the Chamber, as follows:

I cannot permit this deal in America to be attacked. Our contracts in America are meeting our entire satisfaction. And I take this opportunity of thanking the great American democracy and its leader, President Roosevelt, for the way they have shown that they are thinking of only one thing in this matter—how best to serve France.

Within a space of 2 hours there was a change in that quotation. In a subsequent edition of the New York Times of the same day that paragraph read as follows:

I cannot permit this deal in America to be attacked. Our contracts in America are meeting our entire satisfaction. And I take this opportunity of thanking the great American democracy and its leader, President Roosevelt, who has realized that in serving France he is serving peace.

Mr. President, the existence of that discrepancy, or that change, prompted me to make inquiry of the editor of the New York Times concerning the cause, and under date of February 14 I had a letter from the managing editor, Edwin L. James, clearly depicting what had occurred. I am going to ask that the letter be printed in the RECORD, but, in a word, it developed that the reporter who was reporting the proceedings in the French Chamber had wrongly quoted the Air Minister, and sent this corrective dispatch shortly after having sent his first news concerning the exchange.

I ask that this letter of explanation by the managing editor of the New York Times be printed in the RECORD at this point.

The PRESIDING OFFICER (Mr. McKellar in the chair). Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE NEW YORK TIMES,
Times Square, February 14, 1939.

The Honorable GERALD P. NYE,

United States Senate, Washington, D. C.

DEAR SENATOR NYE: I must ask you to pardon me for not having answered sooner your letter of February 8, in which you ask why, in a story from Paris printed February 1, we changed between editions a quotation credited to the French Air Minister, M. La Chambre. The reason for the delay was that the copy reader who handled that story and who made the change was not immediately available.

The reason for the change is quite simple:

The first dispatch we received, which reached us at 9:17 p. m. January 31, quoted M. La Chambre in the manner recorded in our first-edition story; namely, "And I take this opportunity of thanking the great American democracy and its leader, President Roosevelt, for the way they have shown that they are thinking of only one thing in this matter—how best to serve France." At 10:43 p. m. on the evening of January 31, we received a correction from our Paris office reading as follows: "Make La Chambre quotation 'great American democracy and its leader, President Roosevelt, who has realized that in serving France he is serving peace.'"

The change was made accordingly.

From long experience in Paris, I am presuming that what happened is that a reporter in the press gallery, which is very badly situated from the point of view of acoustics, understood the speaker as he was quoted in the first dispatch, and that then, when our Paris bureau obtained the stenographic report, it made the correction.

Should it serve your purpose, I am quite ready to send you photostats of these two cables referred to. But they will not add anything to the information herein contained.

Very truly yours,

EDWIN L. JAMES, Managing Editor.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. WILEY. Is it the Senator's idea that if we pass a reasonable defense bill it will lend aid and assistance to any of the peoples of Europe?

Mr. NYE. Mr. President, that depends altogether upon whether there shall be cause anywhere in Europe to believe that our preparation here is for something more than a strictly national defense.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. BARKLEY. The Senator referred to a discrepancy in this dispatch from a reporter in Paris in an early edition of the Times and a later edition.

Mr. NYE. And I intend to discuss that further.

Mr. BARKLEY. The Senator was prompted to inquire about it, I suppose, as a result of his curiosity as to whether the correction had been made on suggestion of someone in Washington?

Mr. NYE. Someone in the United States.

Mr. BARKLEY. Someone in the United States; and the reply the Senator got was that the correction was initiated in Paris by the man who made the mistake?

Mr. NYE. By the correspondent of the newspaper himself. My interest in this matter went beyond that and I asked the Library of Congress to send me, when it received the report of the proceedings of the Chamber of Deputies for that particular day, a translation of that portion of the record devoted to this particular quotation, for my information. The Library went further than that, and translated what appears to be the entire proceedings of that day in the French Chamber of Deputies.

I received this translation only yesterday morning. It proves, to say the least, most interesting to me, for I discover that whereas we here in Congress have been wondering and asking day by day, What was the Treasury of the United States doing in this plane transaction? and asking again and again, Was there any issue of financing; was there any issue of credits involved in this transaction?—while we have been asking those questions, in the French Chamber of Deputies they have been asking, Why this order? There has been involved in France, too, a degree of secrecy. If we read the proceedings we plainly see that they are not permitted to talk freely upon some things.

Armand Pillot, a member of the Chamber, rising on the day referred to—February 1, I believe it was—in the presence of the Minister of the Air Service, said in part as follows:

I am not quite sure that this new request will be carried out before putting into operation a plan of manufacturing them in France.

Meaning the planes for which the Air Minister was calling for appropriations.

This leads me to make two remarks on the matter: First of all, it is evident that in purchasing abroad it is necessary to export currency. The Finance Minister, who has planned to defend the franc, will realize that the franc is not defended by exporting currency. On the other hand, our country has quite a few unemployed. In purchasing material which is manufactured abroad and not allowing the work to be done by our workmen, one condemns them to unemployment.

An order has gone forth to Holland for 70 Kolower.

Which, I take it, is the name of the plane manufactured in Holland.

I wish that these apparatuses had the qualities that one might expect in material construction in France, and that they would do the same service and satisfy the same safety regulations.

That, however, is not the case. The 30 Kolower carried out disastrous tests at Cazaux and they were so bad that the Army pilots refused them.

As regards the American Curtiss planes, Colonel Wesser has criticized certain points.

It is necessary to pursue a stricter policy; which means that our aeronautic industries must not be disorganized.

The whole point of this argument was a criticism of the purchase of planes from abroad because it denied the chance to further develop their own capacity in France to supply their needs, and for the further reason that buying abroad would mean that the French would have a plane without the possibility of ready repairs, such as would be available if the plane were manufactured in France.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. BARKLEY. All of which proves that human nature is the same the world over.

Mr. NYE. Quite.

Mr. BARKLEY. The French deputy was making a speech, probably for home consumption, criticizing the purchase of anything abroad, just as we hear speeches on the floor of the Senate criticizing the purchase of anything abroad for the consumption of the American people. I do not suppose the Senator would be able to tell us whether the particular French deputy was a critic of the Government somewhat in the manner the Senator himself is a critic of this administration, whether he was in sympathy with or approved it, or whether he spoke on his own individual responsibility as a member of the Chamber of Deputies. Can the Senator enlighten us about that?

Mr. NYE. I have not had a chance to study the translation sufficiently to enable me to know what the man's relationship to the Government was. I only know that it appears evident, from the proceedings, that he got a response from not only one side of the Chamber but from several sides of the Chamber.

Mr. BARKLEY. But the trend of his remarks is a criticism of his own government for purchasing planes here?

Mr. NYE. That is correct, and we will see a little later on for what reason.

Seventeen billion francs have been assigned to the air budget. Now, we have told the Aeronautics Commission that France could not expect that its industries for aeronautical constructions turn out material worth seventeen billion francs.

Then this remark appears to be directly to the French Ministry of Air:

Has not this demand been made for the purpose that the Finance Minister could carry out a certain financial policy, and is it for this purpose that orders were placed in Holland for airplanes which give no satisfaction to those who are supposed to use them? Was it done for the purpose of making possible the conversion of a loan? I know nothing of it, I merely ask the question.

Is it that the purchases of planes in America constitute merely some sort of exchange money?

I wish that they would give us some explanation on that point.

The Air Minister finally responded to these criticisms from the floor of the Chamber. His answer was anything but explicit, it seems, not satisfying to those who had raised the question of the purchase of planes abroad, those who had asked just what issue was involved, what credit or what financial question might be a part of the consideration.

Then, finishing his explanation, Pierre Beranger, another member of the chamber, rose and said:

Mr. Minister, I regret that you could ever believe that I wanted an exhaustive debate on national defense. You know that this is not possible, for since last year this right is denied us. I only want to ask a question in regard to a technical problem which concerns foreign orders for airplanes. You have answered my remarks in a way which I regret, for we have not fought these foreign orders. You have stated the problem in committee in the following terms: "I must stop a gap at this time. I am compelled to order 100 airplanes abroad."

He stated then that if you could not find any other way we would not oppose this plan of yours. But is it possible right now you are bound by engagement in connection with the equipment which you left in America and that you are obliged to amortize by means of new orders in that country?

Mr. President, I read these excerpts to the end only that there may be knowledge here in the Senate that in the French Chamber of Deputies there is question as to what was behind this placement of orders for air supplies in the United States.

I regret that the interruptions of the afternoon have occasioned my taking as much of the time of the Senate as I have taken. In conclusion I once again wish to voice my desire to see the United States of America afforded an adequate

national defense sufficient to repulse any attack by any foreign foe or group of foes, to repulse any attack upon the North American Continent or the South American Continent; but I insist there is no threat inviting the degree of madness which is involved or has been involved this winter in our consideration of the question of providing an adequate national defense.

I am not disposed to believe that America needs 5,000 or 6,000 planes. Where is the threat that is calling for such an outlay, for such a number of planes within the next 2 years? I fail to see it. I wish and I hope that somehow opportunity will be afforded to win rather material amendments to the pending bill that will reduce the number of planes to be built under the present plan for national defense to such a point that we can have consistent output within the next year at least, and then be sure that we are not tying our hands in such a way that a year from now we will find ourselves with a lot of obsolete planes on our hands, when new devices are ready for development which would give us the greatest advantage if only we could possess ourselves of them then.

EXHIBIT 1

[From the New Republic of March 1, 1939]

WAR THIS SPRING?

Alarmist reports from Europe have recently trickled into the news. Sir Willmot Lewis, Washington correspondent of the London Times, said in a radio broadcast that he had heard from usually well-informed sources in London that Germany is beginning a new mobilization, which will be completed early in March. Mr. William Philip Simms, foreign editor of the Scripps-Howard papers, stated in a featured article that German businessmen in this country and Latin America had been warned by their connections in the Reich to be prepared for an international show-down this spring. Italy would press her Mediterranean claims against France, Germany her desired hegemony over Rumania and Hungary in preparation for an advance on the Ukraine, and Japan her demand for the Maritime Provinces of Siberia. While Mr. Simms did not vouch for the rumor, he reported that if this occurred, it would be accompanied by threats of force and another war scare.

President Roosevelt, off for his vacation to watch the Caribbean naval maneuvers, said he might be compelled to return early by the critical international situation. Correspondents from Asia write that Japan is rushing troops to the Manchukuo frontier, and the war party is pressing for immediate action against Russia, while the Japanese Diet adopts a belligerent attitude.

Some light on the prospects may be thrown by our knowledge of the internal situation in the three aggressor nations. The article in this issue of the New Republic, Inside Japan, indicates the discontent resulting from the economic hardships of the people. Japan is having more and more difficulty in mustering the purchasing power abroad necessary to obtain imports of raw materials. Italy is known to be in serious economic straits, and the strain of her war economy is at last beginning to tell on the patience of her people, disappointed in the results of the Ethiopian conquest. For the moment they are being cajoled by the glory of the victory in Spain, but no real alleviation of their burdens is likely to flow from this adventure. But it is in Germany, the leading member of the alliance, that the most significant facts appear. Without Germany's help Italy certainly would not attack France, and Japan would hesitate to attack the Soviet Union.

A letter to the London Economist (January 28, 1939) from Mr. Thomas Balogh, a well-informed authority, provides an illuminating summary of the status of the German economy. Ever since Hitler came to power, Germany has been spurring her output to build a war machine, calling upon reserves of unemployed men and capital to do so. By the middle of 1938 the reserves of labor and equipment came to an end. Schacht's financial miracles could do no more, because the physical plant had reached its peak. Any further increase in armaments must be paid for by more drastic reduction in the standard of living.

Instead of using its additional resources of gold, foreign currency, and materials obtained by the Anschluss with Austria and by the victory of Munich to relieve the strain on the population, Germany has employed them in military purchases—the accumulation of excess stocks of raw materials and foodstuffs from abroad, the expansion of the army and air force, the two mobilizations, and the new fortifications. The conquered reserves are approaching exhaustion, and therefore Germany will have to pay for her imports solely by exports. But her exports have dropped severely in recent months. Greater Germany now has a sizable foreign-trade deficit.

From other sources we learn that, in spite of long hours, labor productivity in Germany has sharply declined. The workers are going stale. After Munich, the population awoke to their narrow escape from a general war, and shuddered. Discontent is prevalent. It does not, of course, have any effective means of expression under the dictatorship, but further hardships, without new psychological compensation, can only spread and deepen it.

Opposite inferences as to future policy may be drawn from these facts. One is that the totalitarian powers, knowing their internal weakness, would not invite a general war in which, if it were long,

defeat would be certain. The other is that since their preparation is at its high point and their strength as compared with that of their probable enemies will now begin to decline, they will choose this time to strike.

Mr. Balogh inclines to the pessimistic view. The policy of increasing Germany's military striking power "to the utmost degree in the shortest possible time" even at the risk of serious social tension at home and some loss to the popularity of the regime" is, he says, "sinister, since it suggests a desire to solve external political problems before any attempt is made to solve the domestic economic problems." The government could if it wished, he points out, increase the standard of living considerably by curtailing its armament. The Economist editorially supports this view. "All the evidence," it writes, "suggests that every industrial, financial, and technical reserve is being depleted for one gigantic effort. Germany's striking power is being deliberately raised to a peak which could not be excelled, and could hardly be maintained in time of war itself. For what purpose?"

Prediction is dangerous, but we have a guess to offer. It has never been Hitler's intention to risk everything in a general war, at least not unless and until he was strong enough to be sure of winning it. He may just possibly believe that a general war could be won in a few weeks or months. But in any case he prefers to pick off his objectives one by one, and to deal with one enemy at a time. For this purpose it is useful to make his opponents believe that there is danger of war, and that he will not shrink from it if balked in his purposes. As long as Britain is in the appeasement mood, he will continue to press his advantage by the same methods which have already proved so miraculously successful in foreign policy. Another war scare would serve his purposes well. But it would be employed to gain political concessions rather than in a last and desperate effort to conquer by force of arms while there is still time.

Hitler, shrewd as he is, is no economist. The dismissal of Schacht indicates that quite possibly he believes Germany can go on with arms expansion and raise the standard of living at the same time. In a disordered mind like his, the main purposes are unalterably fixed; the economic and human material with which he has to deal is subordinate and must serve them. It is likely that he will not believe that Germany has reached a peak of internal strength and must hereafter decline. He will instead believe that another political victory will provide the resources necessary for still further advance. Therefore his calculations may not fix Der Tag in the near future. The chances favor, we suspect, another widely advertised war crisis and another surrender by the western democracies rather than a surprise attack. If the democracies unexpectedly stand firm, Hitler may strike. But he would be as likely to bide his time.

If, however, Japan should decide to fight now or never for Siberia, that would be another story. For Stalin is no Chamberlain.

EXHIBIT 2

[From the New Republic of March 1, 1939]

INSIDE JAPAN

To the disappointment of the Japanese Army, the capture of Hankow and Canton, after 16 months of war, failed to jack up the nation's flagging war spirit. Despite the efforts of hundreds of newsmen, photographers, special broadcasters, novelists, poets, and painters dispatched to the fronts to record the triumphal entry of the Mikado's forces into the two cities, there was no genuine public jubilation over the "victories." The Japanese people are sick of the war.

Japan badly needs peace. But there is no reason to think that she will get it for some time. China, determined and able to fight on for years, took the fall of Hankow and Canton as the signal for the second phase of the war—a campaign of attrition—which will prove more exhausting to Japan than her last 20 months of conquest. The Japanese Army must continue to fight. From now on there will be few chances for Japanese "victories" which the press can play up at home. Chinese military leaders have officially abandoned positional warfare in favor of nation-wide guerrilla, hit-and-run attacks, the kind of fighting the Japanese soldiers fear most. The war, which the army "sold" to the Japanese people on the assurance that it would be nothing more than a comparatively easy, 3-month romp through China's northern provinces, is now well into its second year and the end is nowhere in sight. Time is on China's side.

Faced with the demand that they make more and more sacrifices, the Japanese people are cautiously attempting to make their real feelings known. The great sufferers are the peasant and fisher folk of the backward northern district of Japan, who get none of the war-boom wages and must pay exorbitant prices for their manufactured articles, many of which are now made of substitute materials. The extreme poverty of these regions has forced thousands of peasants to sell their daughters to the Yoshiwara quarters of the large cities, where an attractive girl-child of 13 or 14 brings 200 to 300 yen (\$54 to \$81), often enough to keep the whole family supplied with rice for a year. Last year three times the usual number of little girls were sold. Many of them have been organized into "hostess corps" and sent to China where they serve the Japanese troops in areas where Chinese women are not too plentiful.

The underfed, overworked Japanese peasant has always been an easy mark for tuberculosis, but this year, because the largest and best part of the nation's food supply has gone to the army,

epidemics of trachoma, cholera, Well's disease (akin to typhoid), and tuberculosis are running through the rural population.

The only workers to get immediate benefit from the war are the munitions workers. Public resentment against the way these workers were spending their money on the geishas and the juju girls recently moved Asahi, Japan's largest newspaper, to conduct a survey of armament workers. Their high wages, Asahi found, were not going to the geishas, but were being invested in government bonds—where they went right out to help pay for the \$4,000,000-a-day war. Nevertheless, Japan's Minister of Finance gloomily admitted a few weeks ago that the registered geisha girls, who are paid by the hour, had been employed twice as much in 1938 as in 1937. These amusements and all others the government wants to curtail, for the whole nation must save to make the "spiritual mobilization" campaign effective.

The chief target of most Japanese complaints is the national mobilization law, most sections of which are now in effect, allowing the Government to regiment the production and consumption of the nation to its own desires. Under this law the import of raw materials necessary for commercial production—leather, wool, iron, rubber, etc.—is prohibited in order to save foreign exchange for the purchase of war materials. As a result, the industries engaged in making peacetime products have had to shut down or curtail operations. One of the largest was the Fukusuke Hosiery Manufacturing Co., which had to throw its 5,000 employees out of work. It is estimated that when all the reserve stocks of raw materials for peacetime goods are used up, 1,300,000 workers will be out of jobs. About half of these can be assimilated into munitions and wartime industry, but seven or eight hundred thousand will still be unemployed. With their families, there will be two or three millions without income.

By the end of 1938 over 15,000 people had been arrested for violating the mobilization law. These included not only small shopkeepers and dissatisfied consumers but directors of large industrial concerns and some Government officials, who were convicted of taking bribes from businessmen anxious to avoid the restrictions. The citizens of Tokyo recently determined to buy up all the genuine materials in the stores before the flood of substitute goods was put on the counters, and crowded the stores far into the evening. A section of the act was imposed which required shopkeepers to close for the day at 10 p. m. For a few nights they obeyed. Then, forced by public pressure to continue selling, they devised a means to beat the law. They closed for the day exactly at 10 p. m., but reopened for the next day at 1 minute after midnight. The Government soon clamped on an airtight regulation and Tokyo's late shopping came to an end.

Ever since the arrests of over 1,300 liberal professors, writers, and labor leaders in December 1937 and February 1938, for having spread "antiwar" thoughts, the Japanese people have been careful to keep their "dangerous thoughts" to themselves. But political dissension and antiwar sentiment, driven underground, is increasing in intensity.

Letters from Japan, found on the bodies of Japanese dead and prisoners in China, rail against rising hours and prices, lower wages, and the growing lack of necessities at home. Soldiers' diaries discovered hidden in their blood-stained uniforms reveal the same disgust. The antiwar feeling among the Japanese soldiery has led to frequent desertions. Officers of the One Hundred and First and One Hundred and Third Divisions at Shanghai were court-martialed for their outspoken antiwar sentiments. A wholesale desertion took place not long ago above Nanking. Soldiers of the One Hundred and Eleventh Division revolted and refused to go to the front. Recently, in Suiyuan Province, several groups of Japanese troops made their way to Chinese lines, but one unlucky detachment, headed for Shensi Province to surrender to the Chinese Eighth Route Army (formerly the Red Army), bumped into Mongol cavalry from Mongokuo, another of Japan's puppet states. The deserters were arrested and sent back to the Japanese headquarters for "correction." The most recent desertion took place near Taokow, the rail terminal in north Honan Province, where a unit of Japan's Manchukuan troops (Manchurian conscripts with Japanese officers) mutinied, killed 100 Japanese and set off to join the Chinese guerrillas.

A revealing incident has recently come to light. A lone Chinese, one of a "doomed battalion" who stayed behind when the Japanese swarmed into Tsiyuan in northern Honan, was surrounded by Japanese troops. He spurned a Japanese request to surrender and managed to kill eight of his opponents before he was wounded and captured. Impressed by his bravery, the Japanese offered to make him a prisoner—an unusual boon for Japanese troops to grant. The Chinese soldier refused and requested that he be killed. He was. The Japanese dug a grave for this nameless hero, erected a wooden cross, and wrote on it: "Here lies a Chinese unknown hero. Erected by the Japanese Kanishi Regiment."

Inside Japan the antiwar activities of the laboring groups have taken a more militant form. A widespread series of strikes and protests by the mine workers of the Japanese territory of Formosa was quickly smashed by the police. Word recently sent from Japan is that during the first half of 1938 alone more than 35,000 workers took part in 593 strikes, 120 of which the workers won by gaining concessions regarding working conditions, but most of which were suppressed. All these strikes are directly concerned with wage increases, shorter hours, and better conditions of work, but indirectly they are a criticism of the army campaign in China. The most spectacular and bloodiest outburst against the war took place a year ago on the wharves of Kobe, where dockers and laborers, backed by hundreds of Kobe citizens, took

to the streets with placards demanding, "Stop the war with China." Scores of heads were cracked before the police got the situation in hand.

The police have been unable to stamp out increasing sabotage by Japanese factory workers. Militant pacifists have burned scores of valuable gasoline dumps belonging to the Army. Hundreds of liberal-minded Japanese have wormed their way into youth, trade, and labor organizations where they are now secretly preaching opposition to the war. The Government has been forced to ban more than 200 trade-unions during the past year. Kagawa, the Christian labor organizer, is still working in his own quiet way, so far free from overt police interference.

A strict press censorship is maintained, but the papers sometimes get out of hand and slip in items unfavorable to the Government. In the past year 19 papers in Tokyo alone have been suppressed at one time or another. Strict watch is kept on all incoming vessels to prevent antiwar publications from entering Japan. Police ferret out all short-wave radio sets and jail or fine the owners. It is evident that, despite the loud claims of Japan's special "thought" police, all Communist and Socialist activities have not been wiped out, that the whole nation is not marching firmly behind the Army.

The first high official to voice his apprehension on this score was the Minister of Justice. Recently, with only Japanese newsmen as his listeners, he warned: "The entire Japanese Nation, at the front and at home, must recognize its grave responsibilities and resolve to bear up under extreme difficulties. If this is not understood and appreciated properly, internal issues may ensue, bringing grumbling and internal general dissatisfaction. Serious efforts must be taken to guard against this."

BRUCE ALLEN.

EXHIBIT 3

[From the Centenary of February 15, 1939]

GUAM—DEFENSE OR THREAT?

(By William C. Rivers)

In considering fortification proposals put forward by the armed services it is always well to remember Lord Salisbury's message from London to Lord Cromer, who was the British agent in Egypt: "I would not be too much impressed by what the soldiers tell you about the strategic importance of these places. It is their way. If they were allowed full scope, they would insist on the importance of garrisoning the moon in order to protect us from Mars." I am so great an admirer of President Roosevelt's general policies that his policy as to national defense, especially in the Pacific, confuses me greatly. I refer to the plan for a naval base on the island of Guam.

One of the best definitions of our defense policy I have ever seen is to be found in the letter which President Roosevelt sent to the House Naval Committee on January 28, 1938. In that letter he said, "We must keep any potential enemy many hundred miles away from our continental limits." Conditions in the Pacific have not changed since that was written. Hawaii is still 2,300 miles from our continental limits. But now comes this new policy, based on the fortification of Guam, which is 6,000 miles from our west coast.

A THREAT TO JAPAN

Why is there to be such a marked change in our policy in the Pacific? Admiral Leahy, our chief authority on naval matters, said on January 31, 1938: "The defensive line of the American Navy at the present time reaches from the Aleutian Islands to the Hawaiian Islands to Samoa and to the Canal." A naval base at Guam, so near Japan and so far from the United States, would certainly be a provocation to Japan; it would constitute a strategic threat to that empire. We would certainly regard a similar naval base on our own strategic flank and as near our country as a threat to American safety, should some foreign power plan to establish it.

If you will compare Admiral Leahy's statement of January 31, 1938, with his statement of January 25, 1939, you will see at once the change of policy that is involved in the fortification of Guam. This year Admiral Leahy told the House Naval Committee: "A naval base on the island of Guam would be extremely valuable in augmenting the defensive power of the American fleet, because no foreign power would like to project an advance in force across the Pacific without first reducing such a base." A year ago the admiral told the Naval Committee that "the navy which America now has and the navy which it will have when it is increased by the authority contained in this bill (the billion-dollar naval expansion bill of 1938) will be seriously inadequate to the task of sending a naval force to the Philippines. I said it would require at least three times this amount of increase of our present Navy to warrant undertaking such an expedition. I do not say that we could accomplish it with that much increase, and I doubt if we could with three times the increase."

In other words, last year the admiral desired a billion dollars for the increase of the Navy and more than a billion was allowed by Congress for that purpose. Nevertheless, he estimated that it would require at least three times this amount if a naval force were to be sent to the Philippines. But if this is the primary purpose behind the proposed establishment of a base at Guam, it means that if we are to defend a base at Guam the Navy will require, on the basis of Admiral Leahy's own estimates, \$4,000,000,000, and the admiral admits his doubt whether even a Navy increased to such an extent could send a successful expedition to the Philippines.

WHAT POLICY ARE WE FOLLOWING?

Why do we appear to be preparing for a war with Japan? It would be a war in which all the advantage of position would be on the side of Japan. Is it for the protection of our vital interests in the Orient? Our most vital interest in the Orient, now that we have granted independence to the Filipinos, is our trade with Japan, which is much more than double our trade with China and the Philippines combined. The three things which would be most likely to happen if we construct a naval base at Guam are: First, the demand for a base at Guam will be followed by a demand for a similar base at Manila; second, the building of great naval bases in the very midst of the defensive territory of the Japanese Fleet will be followed by a war with Japan; third the Filipinos will be crushed between the two fighting powers.

Never has a war been fought over such a distance as that between San Francisco and Manila when both sides had a battle fleet. By way of Hawaii and Guam the distance from the American mainland to the Philippines is 7,000 miles. Never has a blockade been carried out at such a distance. Never have embargoes and blockades resorted to as a means of hampering or punishing a people resulted in anything but war—when a real attempt to make them effective has been made. Reprisals usually precede war in these cases. Japan can with great ease ruin the beautiful cities of Manila and Hong Kong by dropping air bombs on them.

ASIA FOR THE ASIANS

Are the people of the United States trying to change the natural laws which will govern the future of the Far East? It is inevitable that the people who live in eastern Asia will settle the affairs of eastern Asia. It is inevitable that the people who live in Europe will settle the affairs of Europe. We openly acclaim and frequently acknowledge this law as to the people who live in the two Americas settling the affairs of the two Americas.

Why do we need any defense in the Pacific so far to the west and so much greater than has been recommended heretofore? In his book, *The Ramparts We Watch*, Maj. George Fielding Elliot mentions the Philippines some 15 times. These are typical observations by this leading military critic: "The Philippines constitute our one indefensible outlying possession." "The Philippines make the most dangerous question in the field of American policy." "The Philippines question ought to be settled." "We should give up any idea of interfering in the present or any future struggle in the Far East. These things are not our concern, they do not involve our vital interests, they are Asian affairs in an Asian theater, too far for our military power to reach save at an effort beyond any possible compensatory reward of victory."

Fitted into the northwest corner of a great ocean, with a circling ring of her islands running from the Arctic to the Equator, Japan is practically impregnable to attacks from the sea side. Why not recognize this? Providence made the earth and the oceans as they are. We cannot change these strategic features—they are the face of nature.

AN EXPOSED SALIENT

We are told that a base is to be established at Guam. The word "base" in this connection is a misnomer. The military term for a fortification at Guam is "advanced salient." In this case, the salient is far away and indefensible. Major Elliot feels that in a war a fleet could make its way as far as Guam by a sort of creeping advance from island to island. But he thinks that this process of going from one island to the next, leaving stores and a garrison of American soldiers on each, would take "a year or two." He does not estimate the number of merchant vessels the fleet would require in this hazardous and long journey. I believe that the number of such merchant ships needed would exceed the total number in foreign trade under the American flag. This requirement for a supporting auxiliary fleet larger than we possess, when taken in conjunction with Major Elliot's estimate of a 2-year campaign to reach Guam, is equivalent to saying that we cannot occupy Guam in a war.

The strategy of the north Pacific ocean as it affects the United States and the Philippines is governed by the permanent locations of these two countries with respect to the location of the Japanese Empire. The extent and configuration of the Pacific Ocean and the relative positions of the surrounding and interior land areas fix the strategic domination of the Philippines region by the controlling naval power in the northwest Pacific. This dominant naval power in the northwest Pacific is at present the Empire of Japan. Equilibrium between the Soviet Union and Japan, and a delineation of their contiguous and dividing boundaries may be established within the next few years. It remains to be seen, therefore, which of these two nations will be the dominant power at such a time. But there is no reason to suppose that Japan will annex the Republic of the Philippines after 1946, when the United States is pledged to withdraw from those islands. Such action would interrupt Japanese trade in the Philippines and make necessary a division of the fleet of Japan opposite Russia. In any event, Japan's proximity gives her a great advantage in the trade with the Philippines.

A VICIOUS CIRCLE

The naval strategy of all countries seems at times to be a sort of circular art. Foreign policy may be similar. Thus, we took the Philippines to develop our trade with China; now we are told that we must fight Japan to protect China in order to protect our trade with the Philippines. Or we are told that naval strategy requires that we fortify our home ports to prevent invasion and also to give freedom of movement to the fleet. But then we learn that freedom

of movement for the fleet requires that we establish many bases at far-away spots. Each base far out in the Pacific requires a garrison ashore with great guns and soldiers. The nine new bases desired at present in the Pacific, under the terms of the Navy's Hepburn report, will require a considerable number of soldiers to guard the bases. But these numerous bases, we are assured, are needed because the seas happen to be full of sea lanes, and the fleet must control all these sea lanes. The fleet also protects the far-flung bases; the more bases you have the more numerous will be the sea lanes, and the greater will be the number of warships required to protect those bases and control those lanes.

What foreign power desires to project an advance toward the United States across the Pacific? Where is there a foreign power in the western Pacific at all capable of such an advance? I am now convinced that we annexed the Philippines from mixed motives of imperialistic idealism and commercialism. I am now also certain that as applied to the Philippines our enthusiasms were largely illusions. Loaned by the Army to the Philippine government, I worked 10 continuous years in all parts of the archipelago. I believe the act of Congress for Philippine independence in 1946 ought to be carried out. Also, that the defensive line outlined last year by Admiral Leahy is ample for the protection of the west coast of the United States and the Panama Canal.

UNWISE TO PUT NAVAL BASE AT GUAM

My long residence in the Orient and my continued study of the strategic conditions in the Pacific leave me with the conviction that it is unwise to provide for the establishment of a base at Guam. This unnecessary and provocative action would entail a colossal financial burden on the American taxpayers. Nine new bases in the Pacific are recommended by the Hepburn naval board. The provision of underground storage for fuel oils for war vessels and aircraft at such a number of bases would be very costly. Other minimum requirements would include forts with heavy guns for each base and additional personnel for the Navy and for the artillery of the Army. The cost for all of this would amount to at least \$4,000,000,000. This sum, together with another \$4,000,000,000 which would be needed to increase our fleet, would make a total of about \$8,000,000,000 of new expenditure in the Pacific alone. And it is no more required for adequate national defense now than it was when Admiral Leahy was testifying a year ago.

THE PRESIDING OFFICER. The question is on agreeing to the first committee amendment, on page 1, line 8, after the word "exceed", to strike out "five thousand and five hundred" and to insert in lieu thereof "six thousand."

GRAPEFRUIT AS A DEFENSE AGAINST GRIPPE AND INFLUENZA

MR. PEPPER. Mr. President, at a time when we are devoting so much of our attention to the question of defense of this Nation against the possibility of danger from abroad, I feel that we should not overlook a very real danger which appears to be arising in many localities within our borders. Nor should we overlook a remedy which is at hand.

At this very moment there are headlines in the newspapers of the Middle West telling of what they describe as epidemics of gripe and influenza. Schools have been forced to suspend classes in many localities. In Chicago, according to the newspapers, between 750 and 800 policemen were ill last week; surveys by the Associated Press and the United Press indicate that the outbreak has been most severe in Illinois, Wisconsin, Indiana, and Michigan; while Texas, South Carolina, and Virginia have reported an alarming increase in either severe colds or mild influenza. In Wisconsin, State institutions have been closed to visitors. Right here in Washington we know that our hospitals are virtually filled as a result of mild or severe cases of the common cold, gripe, or worse.

It is not my purpose, however, to point with alarm to conditions which our United States Public Health Service officials feel are not unduly abnormal for this time of year. Rather I would call attention to the contribution to the battle against this distressing spread of infectious disease which is being made—and which can be made to a much greater extent—by the State of Florida. I feel sure that this subject is of utmost importance, and I believe it appropriate to bring it before the Senate and the country at this time, for public-health surveys indicate that the season of colds is not over—that, in fact, it is approaching its peak.

In calling attention to the contribution of the State of Florida to the health of our Nation, I refer specifically to our grapefruit. From information now at the disposal of all medical men who are battling this threat to our Nation's health, it is an established fact that grapefruit juice is one of the most useful providers of those vitamins so necessary to the prevention and cure of influenza and colds.

MR. MINTON. Mr. President, will the Senator yield?

MR. PEPPER. I do not care to yield at this time because I do not want to break the sequence of my thought on this matter.

DR. W. A. MCPHAUL, the State health officer of the State of Florida, recently pointed out that Florida citrus fruits are fully as valuable an asset to health as Florida's famous sunshine, and these fruits are within the reach of everyone wherever medical men require and recommend them.

All citrus juices, Dr. McPhaul has discovered, contain quantities of vitamins B, C, and G. An average glass of grapefruit juice contains a great deal of vitamin C—in fact, citrus is recognized by medical science as being the best food source of the C vitamin.

Another physician, Dr. Emil C. Aurin, has reported recently that of the scores of remedies which were suggested for the prevention and cure of influenza during the epidemic of 1918, grapefruit is one of the few to stand the test of time. Dr. Aurin goes on to report that medical authorities are coming more and more to believe that vitamin C plays an important part in one's resistance to all infections.

In Columbia University, the University of Maryland, and in the National Bureau of Standards of the United States Department of Commerce, studies are now under way further to determine the qualities of health-giving citrus fruits.

The Florida Citrus Commission has sponsored a comprehensive program in this regard. It is to be the citrus industry's contribution to the work of medical science, which for many years has carried much of the burden of scientific research in this field.

The commission's program is under the supervision of such eminent scientists as Prof. H. C. Sherman, head of the department of chemistry of Columbia University; Prof. Arthur W. Thomas, head of the chemistry department of Columbia University's College of Pharmacy; Dr. L. H. James, head of the department of bacteriology at the University of Maryland; and Dr. Solomon Farley Acree, principal chemist and section chief of the National Bureau of Standards.

As a further contribution to the health of the Nation as a whole, the Florida Citrus Commission plans to publish widespread the results of the scientific study which it is sponsoring on so comprehensive a scale. Science, in particular medical science, proceeds slowly and with great care in arriving at its findings; unfortunately the benefits of that study cannot, therefore, be immediate.

In the meantime, however, there is much that individuals can do to safeguard their health; there is much that doctors can do in advising their patients; there is much that can be done to combat this current widespread attack upon the Nation's health; namely, call upon the State of Florida for the grapefruit which science now recognizes as one of the best defenders against this enemy within our gates.

EXECUTIVE SESSION

MR. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

MR. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Marine Corps.

MR. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

THE PRESIDING OFFICER (Mr. McKellar in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will proceed to read the nominations on the calendar.

THE JUDICIARY

The Chief Clerk read the nomination of Francis Biddle to be judge of the United States Circuit Court of Appeals for the Third Circuit.

THE PRESIDING OFFICER. Without objection, the nomination is confirmed.

MR. GUFFEY. Mr. President, I move that the President be notified of the confirmation of this nomination.

The **PRESIDING OFFICER**. Without objection, the President will be notified.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

The **PRESIDING OFFICER**. Without objection, at the request of the present occupant of the chair, the nominations of postmasters will be confirmed en bloc.

IN THE ARMY

The Chief Clerk proceeded to read sundry nominations in the Army.

Mr. **SHEPPARD**. I ask unanimous consent that the Army nominations be confirmed en bloc.

The **PRESIDING OFFICER**. Without objection, the nominations in the Army are confirmed en bloc.

That completes the calendar.

RECESS

Mr. **BARKLEY**. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 47 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, March 1, 1939, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 28 (legislative day of February 27), 1939

UNITED STATES CIRCUIT COURT OF APPEALS

Francis Biddle to be a judge of the United States Circuit Court of Appeals for the Third Circuit.

APPOINTMENTS IN THE NATIONAL GUARD OF THE UNITED STATES

Edgar Carl Erickson to be brigadier general, Adjutant General's Department, National Guard of the United States.

Benjamin Mitchell Smith to be brigadier general, Adjutant General's Department, National Guard of the United States.

APPOINTMENTS IN THE REGULAR ARMY

Claud Dale La Fors to be second lieutenant, Medical Administrative Corps.

Bernard Korn to be second lieutenant, Medical Administrative Corps.

Ennis Dallas Sandberg to be second lieutenant, Medical Administrative Corps.

James Thomas Richards to be second lieutenant, Medical Administrative Corps.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Maj. Owen Meredith Marshburn to Quartermaster Corps.
First Lt. Ferdinand Marion Humphries to Ordnance Department.

First Lt. Jermain Ferdinand Rodenhauer to Ordnance Department.

First Lt. James Donald Sams, to Ordnance Department.

PROMOTIONS IN THE REGULAR ARMY

Carlton Culley Starkes to be lieutenant colonel, Medical Corps.

Dean McLaughlin Walker to be major, Medical Corps.

William Congdon Harrison to be captain, Medical Corps.

Joseph Rich to be captain, Medical Corps.

Francis Fred Viglione to be captain, Medical Corps.

George Henry Timke, Jr., to be captain, Dental Corps.

Clyde Danforth Oatman, Jr., to be captain, Dental Corps.

John Kenneth Allen, to be captain, Veterinary Corps.

Alva Jennings Brasted to be chaplain with the rank of colonel.

Herbert Adron Rinard to be chaplain with the rank of lieutenant colonel.

POSTMASTERS

INDIANA

Blanche L. Anglin, Leesburg.

MISSOURI

Hugh M. Price, La Monte.

Jess H. Easley, Lebanon.

Lonnie A. B. Leslie, Russellville.

Vernon V. Goslee, Skidmore.

NEW MEXICO

Enrique V. Garcia, Mesa Rica.

Rosalie E. Branch, Mora.

OHIO

William A. Ellsworth, Hudson.

PENNSYLVANIA

John C. Amig, Lewistown.

HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 28, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, Thou art our refuge; hidden in the pavilion of the Most High, Thou wilt never leave or forsake us. Lest there be confusion and humiliating memories, we pray Thee to give depth to feelings, convert opinions into convictions, sentiments into principles, and let our failures be in the melting shadows of the past. In the bustle of commerce, in the conflict of affairs, and in the heated ways of public life, grant that our people may fear God and be saved from the blind allegiance to external things. Oh, make the weak strong and keep the strong from pride and domination; it is before Thee that the rights of the lowliest are most respected. We pray that Thy name may be honored and glorified in the marvelous strength of our country. Let Thy fatherly care and protection be with our President, our Speaker, and the Congress. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 10. An act for the relief of the Fred Harvey Transportation Department;

S. 11. An act for the relief of Hubert H. Clark and Dr. W. C. Copeland;

S. 18. An act authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry;

S. 539. An act for the relief of Charles E. Naghel, special disbursing agent, Department of the Interior, and Kam-meyer & Medack, contractors, from disallowance of charges for additional work under a construction contract;

S. 643. An act authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinalt Reservation, State of Washington;

S. 754. An act for the relief of J. G. Mayfield;

S. 794. An act relating to banking, banks, and trust companies in the District of Columbia, and for other purposes;

S. 875. An act for the relief of Andrew J. Crockett and Walter Crockett;

S. 876. An act to authorize the purchase of certain lands for the Apache Tribe of the Mescalero Reservation, N. Mex.;

S. 877. An act to add certain public-domain land in Montana to the Rocky Boy Indian Reservation;

S. 884. An act for the relief of disbursing officers and other officers and employees of the United States for disallowances and charges on account of airplane travel;

S. 911. An act for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse;

S. 917. An act authorizing the Library of Congress to acquire, by purchase or otherwise, the whole or any part of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating

to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City;

S. 961. An act for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.;

S. 1036. An act to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota;

S. 1093. An act for the relief of Mike Chetkovich;

S. 1104. An act to provide for conveying to the United States the land, buildings, and improvements comprising the Choctaw and Chickasaw Sanatorium and General Hospital;

S. 1174. An act for the relief of Alex St. Louis and Dr. J. P. Lake;

S. 1253. An act for the relief of John B. Dow;

S. 1476. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933;

S. 1477. An act to repeal section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended; and

S. 1523. An act to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government.

APPOINTMENT OF MEMBERS TO COMMITTEES

Mr. CULLEN. Mr. Speaker, I offer a privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 108

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committees of the House of Representatives, as follows:

World War Veterans' Legislation: Wilburn Cartwright, Oklahoma; J. Hardin Peterson, Florida.

Civil Service: John M. Coffee, Washington.

Claims: Lansdale G. Sasser, Maryland.

Public Buildings and Grounds, Lansdale G. Sasser, Maryland.

The resolution was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a statement of the duties of the surveyor of the port of New York and a copy of a letter written by Secretary Morgenthau to Mr. Foley.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I would like the Members of the House who voted on my amendment yesterday to read the letter written by the Secretary of the Treasury, Mr. Morgenthau, to Mr. Harry T. Foley, surveyor of the port of New York, congratulating him on the efficient way he handled that office, especially the Members on the Democratic side, who criticized the continuance of the office of the surveyor of the port of New York. I believe if they had had this letter before them yesterday they may have voted differently on my amendment.

The office of the surveyor of customs was established at the founding of the Federal Government.

The duties and functions of the surveyor, as prescribed by existing customs laws and regulations, are substantially those laid down by the Customs Organization Act of 1789. He is correctly designated the outdoor executive officer of the port, concerned principally with the administration and enforcement of the customs laws. His responsibilities have been greatly increased by the activities of the criminal element in

their endeavors to smuggle narcotics and other illegal importations into the country.

The authorized force of employees over whom he has jurisdiction consists of 1,585, which are divided into the following groups:

Station inspectors and inspectors.....	513
Staff officers.....	16
Guards' force.....	583
Laborers.....	364
Supervisory officers, clerks, etc.....	109

With this force under his supervision the surveyor boards and takes custody of all vessels and cargoes from foreign ports, with certification of manifests, crew lists, consular certificates, and so forth; the discharge and delivery of all cargo from foreign ports or received in bond, with complete accounting therefor; the discharge, examination, and delivery of all passengers' baggage from foreign ports or arriving in bond; the weighing, gaging, and measuring of imported merchandise and goods exported with benefit of drawback, and returns therefor which form the basis for final computation of duties; the transfer to general-order warehouse of unclaimed merchandise and to seizure room of goods illegally imported; the lading of goods shipped in bond or exported with benefit of drawback and certifications of same; the measuring of vessels for ascertainment of tonnage tax on foreign vessels and for registry, enrollment, or license of American vessels; the examination of steerage passengers' quarters under Passenger Act of 1882, as amended; the searching of vessels for contraband and the sealing of ships' stores; the guard of vessels, piers, and other places to prevent smuggling; aggressive campaigns to prevent and detect the illegal importation of merchandise and narcotics; the counting of passengers on local steamers during the excursion season.

It is therefore quite obvious that with this small army of men under his jurisdiction a great deal of personal supervision is required of the surveyor.

The supervision differs somewhat from that exercised by the comptroller and appraiser, whose forces and activities are mainly concentrated under one roof, while those under the surveyor are spread over the extensive territory of the port of New York.

The port of New York has a water frontage of 771 miles in length, of which 578 miles are in New York and 193 miles in New Jersey. It requires 2 full business days, steaming rapidly about the harbor, merely to view superficially the entire water front. It includes an area of 175 square miles.

Although 58 percent of the total steamship passenger—foreign—traffic of the United States is via the port of New York, this port accounts for approximately 94 percent of the more difficult and complicated transoceanic passenger traffic.

Officers serving under the supervision of the surveyor have made innumerable seizures of undeclared articles and illegal importations. These cases illustrate the difficulties met by officers in the examination of passengers' baggage, supervision of the unloading of vessels, and the search of such vessels. A school of instruction is maintained by the surveyor for the proper training of employees under his supervision and direction in the intricate duties of their position.

The activities of the surveyor are very essential and important for the protection of the revenue. Presidential appointees to this office are usually men of wide business experience. It is submitted that such is an eminently wise policy, as the civil-service employee usually lacks such qualifications because of the restricted nature of his training and career.

The morale of any large organization depends largely upon the quality of its leadership, and it is submitted that the increased efficiency of the surveyor's office at New York is in no small degree due to the time, effort, and example given by its head. In this connection the following congratulatory letter was forwarded to the present surveyor by the Secretary of the Treasury on September 14, 1936:

THE SECRETARY OF THE TREASURY,
Washington, September 14, 1936.

DEAR MR. FOLEY: I have had a report of the work done through your office on the piers over the week end of the Labor Day holiday

and I was most happy to know that the customs work went forward expeditiously and smoothly during these difficult days.

I want to congratulate you, and through you the men who worked under your office at that time, upon the efficient way in which all performed the work assigned to them.

Sincerely,

H. MORGENTHAU, Jr.

It is further submitted that the great volume of business at the port of New York, with its increasing problems of law enforcement, not only justify, but emphasize, the necessity of the subdivision of supervision of the large force by continuation of the office of surveyor.

EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein two short editorials, one from the New York Times and the other from the Washington Post of today.

Mr. RICH. Mr. Speaker, reserving the right to object, I am not so much interested in the editorials the gentleman is proposing to put in the RECORD, but I want to call the attention of the majority leader to the fact that newspaper editorials are going in the RECORD without objection of any kind on the part of the majority Members of this House or those in authority. They permit the RECORD to be filled up with things that do not transpire or happen in the House of Representatives. Is the RECORD to be a record of things that transpire all over this Nation or are you, Mr. Majority Leader, going to have it a record of the things that transpire here in Congress? I have tried to stop this in committee, but I am unable to do it. So, if the people of this country want the RECORD to contain all newspaper articles and newspaper records, of course, you have the votes over there and can control it.

Mr. RAYBURN. Reserving the right to object, Mr. Speaker, this is the same old speech that the gentleman from Pennsylvania has made a dozen times in order to get in the RECORD, I presume; but I call his attention to the fact that he is a member of the Committee on Printing; and why does he not function?

Mr. RICH. I have tried to function, Mr. Majority Leader, but I am helpless. With the majority of the members being Democrats, I cannot do a thing with them. I would, if I could. You could, but you do not. Why not?

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

STABILIZATION FUND

Mr. COCHRAN. Mr. Speaker, the Secretary of the Treasury made a very interesting statement before the Committee on Coinage, Weights, and Measures this morning, and at the same time he released the balance sheet of the exchange stabilization fund as of June 30, 1938, and December 31, 1938.

I ask unanimous consent to place the statement and the balance sheet in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The matter referred to follows:

STATEMENT OF SECRETARY MORGENTHAU BEFORE THE COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES OF THE HOUSE OF REPRESENTATIVES, TUESDAY, FEBRUARY 28, 1939

Mr. Chairman, members of the committee, on January 19, 1939, the President wrote to the President of the Senate and the Speaker of the House of Representatives recommending the extension of the powers conferred by section 10 of the Gold Reserve Act of 1934 dealing with the stabilization fund and certain powers specified in the act of May 12, 1933, relating to fixing the metallic content of the dollar, which would otherwise expire on June 30, 1939. H. R. 3325, which was introduced on January 26, 1939, by Chairman SOMERS, is in accord with the recommendations of the President, and I am appearing before you in support of this bill.

A discussion of the provisions of H. R. 3325 may be conveniently divided into the provisions dealing with the extension of the stabilization fund powers (sec. 1 of the bill) and the provisions dealing with the extension of certain powers specified in paragraph (b) (2) of section 43 of the act of May 12, 1933, which principally involve (a) the power to alter the weight of the gold dollar and (b) the unlimited coinage of silver. If it is agreeable to you and the other members of the committee, Mr. Chairman, I propose to take up the provisions of H. R. 3325 in that order.

I. CONTINUATION OF THE STABILIZATION FUND POWERS

The stabilization fund of \$2,000,000,000 was established by section 10 of the Gold Reserve Act of 1934, which was enacted on January 30, 1934. The \$2,000,000,000 placed in the fund was obtained from the increment accruing to the Treasury from the decrease in the weight of the gold dollar and consequent increase in the value of the gold held by the United States. As originally provided, the stabilization fund had a life of 2 years, and the President was authorized to extend the period for 1 additional year. This he did on January 10, 1936. In January 1937 Congress, in an act similar to the bill now being considered by the committee, extended the life of the stabilization fund until June 30, 1939. The purpose of the legislation now before your committee is to extend the fund until January 15, 1941.

During the 3 years immediately preceding the creation of the fund more than 30 nations had departed from the gold standard and had adopted either floating currencies or exchange controls. Confronted with these monetary developments, Congress, fully appreciating the need for a special fund, with ample reserves and adequate power to cope with this new trend in international monetary matters, created the stabilization fund.

Since the establishment of our stabilization fund other countries have abandoned the pre-1931 gold standard, until now every country except the United States and one other country important commercially has a currency which, in effect, is either a floating currency or is subject to exchange controls.

Whereas before 1931 currencies fixed in terms of gold and stable in terms of exchange rates characterized most of the world monetary systems there now prevail currencies with differing nominal, actual, and even bootleg rates, floating currencies, exchange controls, and exchange clearing agreements. Formerly rigid mint parities and unrestricted gold movements ruled international currency relationships; now dependence has to be placed chiefly upon the day-to-day decisions of governments adapted to the continually shifting economic, political, and monetary conditions.

The purpose of the fund is to stabilize the exchange value of the dollar. In carrying out this purpose the fund undertakes a variety of operations.

Sometimes it is called upon to prevent violent fluctuations in exchange rates induced by acute political developments which cause flights of capital from one country to another. Such, for example, was the situation created in the fall of last year, when as a consequence of the Czechoslovakian crisis a large volume of funds sought to leave Europe for the United States. The outflow of funds was so large that the amount of gold which it was necessary to ship from Europe to provide dollar balances was far greater than could be taken care of through normal commercial channels. If there had been no stabilization fund to cooperate with the other funds the dollar exchange would have fluctuated so violently as to disrupt our trade. International monetary chaos might have ensued.

The occasions which call for operations of the magnitude undertaken by our fund last fall are, however, sporadic. Normally the stabilization fund is concerned with hour-to-hour and day-to-day fluctuations in the dollar exchange rate. When the exchange markets are quiet and there are no unusual disturbances it is not necessary for the fund to take an active part in the market. At such times it operates in relatively small amounts and participates in a relatively small number of transactions each day and may even not enter the market at all.

When, however, for one reason or another the operations in the various exchange markets become speculative or panicky in character with abnormal fluctuations, then the stabilization fund steps into the market and becomes active in buying and selling gold and foreign exchange for the purpose of minimizing fluctuations.

During these operations it is frequently necessary for the stabilization fund to acquire foreign currencies. The fund attempts to carry out all such transactions with a minimum of risk. In the past we have been successful in avoiding risk of exchange loss through special reciprocal arrangements between cooperating treasuries under which foreign exchange is immediately convertible into gold at a price fixed each day. Incidentally, it should be pointed out that because we wish to avoid the possibility of an exchange loss we frequently forego the possibility of an exchange profit.

There are also occasions when the exchange rate between the dollar and the currency of a country with small gold holdings is subjected to pressure because of unfavorable political or economic developments. The fund can be employed, and has occasionally been employed, in such circumstances to help stabilize the dollar exchange.

For example, our arrangement with China was just such an operation. There was strong pressure against the dollar-yuan exchange, and China needed dollars in order to strengthen the dollar-yuan exchange rate, thus avoiding additional obstacles to our trade. To eliminate any risk of exchange loss China agreed to repurchase the yuan at the same rate at which the United States purchased them, and China's promise was backed by adequate gold and silver collateral, which was kept on deposit with Federal Reserve banks.

An arrangement of like character was made with Brazil in 1937, but owing to subsequent developments the arrangement was not utilized.

A similar arrangement was made with Mexico. We purchased Mexican pesos and in exchange made dollars available. Again, as in the case of China, the Mexican Government agreed to repurchase the pesos at the price we paid for them and deposited adequate collateral with the Federal Reserve banks.

There are times when the situation in the foreign exchange and gold markets calls for gold operations by the fund in the London market. If, as a consequence of certain international, economic, or trade developments, pressure should develop against the dollar-sterling rate, the fund might, in order to protect the dollar's position and American commercial and trade interests, engage in gold operations to relieve that pressure. It might, for example, place an order through its fiscal agent, the Federal Reserve Bank of New York, for the purchase in London of a specified amount of gold at a specified price. Upon execution of the order our fund acquires gold in London and supplies dollar exchange in payment. This gold is placed on deposit in London and may be disposed of in any of several ways depending upon market developments. Should, for example, pressure against the dollar then occur, the fund could release the gold in London for payment in sterling and then sell sterling for dollars. If, on the other hand, no such pressure develops, the gold can be brought to this country to be held in the stabilization fund or to be sold by it to the United States assay office.

There are numerous other technical ways in which the exchange and gold transactions are consummated, depending upon where the pressure falls, what the reasons for the pressure are, the condition of the various exchange and gold markets, and even the shipping facilities for gold available at the particular time.

From 1934 to the middle of 1936 the stabilization fund acted independently in the purchase of gold and foreign exchange. When in 1936 France was confronted with a monetary crisis, the United Kingdom, France, and the United States realized the necessity of taking steps to safeguard their economies against competitive exchange depreciation which in the long run would benefit none and injure all. Therefore, in pursuance of our policy of promoting stability of the exchange value of the dollar, on September 25, 1936, we joined the Governments of Great Britain and France in the tripartite declaration of policy with respect to international monetary affairs. Soon thereafter the Governments of Belgium, Switzerland, and the Netherlands announced their adherence to this declaration. The machinery for collaboration to attain the common objectives laid down in the tripartite declaration was provided chiefly by the stabilization funds of these countries.

The stabilization fund is, under present conditions, a potent instrument for the protection of our stake in world trade and of every American producer who competes in the American market with foreign producers. The only persons in the United States who can possibly be injured by the operations of the stabilization fund are speculators in foreign exchange. Whereas the businessman needs stability in exchange, the speculator thrives on exchange fluctuations. Any businessman who has had to deal in foreign currency knows that the dollar is the most stable and the soundest currency in the world today. The \$2,000,000,000 stabilization fund has been an important and, I believe, essential instrument in maintaining that stability.

The occasions when the stabilization fund has been employed for large-scale operations to avoid disruption of the international monetary market have been few, yet the fund operates regularly to minimize undesirable day-to-day fluctuations in rates. Its very existence constitutes a stabilizing factor in the exchange market. It is a major force in discouraging speculators from undertaking raids on our exchange rates. What is even more important, the presence of a \$2,000,000,000 fund set aside to be used for exchange purposes when necessary effectively discourages the initiation of currency depreciation wars which would, of course, be disruptive to world trade.

One of the responsibilities of the stabilization fund is to assume in times of stress in the foreign exchange market the functions normally performed by private operators, who, because of the risk involved, may not be willing to act at the very time when there is the greatest need for exchange facilities. There have, for instance, been several occasions in the last year when the fund was virtually the only source of dollar exchange.

There is still another important function which stabilization funds throughout the world perform—namely, the protection of the domestic money and credit market from the impact of large gold losses or gains. Because of the large amount of gold held by our stabilization fund it is in an excellent position to protect our credit base against heavy withdrawals of gold from this country.

It may be expected that, with the restoration of normal conditions abroad, gold may leave the United States in large volume. In such a situation the gold in the stabilization fund will cushion what might otherwise constitute a severe shock to our economy.

The emergency in the international economic and monetary field still exists and unfortunately there are no grounds for believing that such emergency will end on June 30, 1939. On the contrary, the recurrence of international crises is as probable now as when the stabilization fund was created in 1934.

Regardless of the trend of international developments, the stabilization fund may have even greater usefulness in the future than it has had in the past.

I turn now to another aspect of the fund. When Congress established the fund it provided that an annual audit should be made, and that the Secretary of the Treasury should make a report to the President once a year. There was no provision for any other

report. Congress evidently recognized that every precaution should be taken to prevent anyone from attempting, through knowledge of its detailed operation, to gain speculative advantage. It was then known that the British fund was operated with the utmost secrecy, and it was realized that a certain amount of secrecy was essential if our fund was to serve its purpose most effectively.

So far as there is secrecy in the operation of the stabilization fund of the United States, it relates only to the transactions and status of the \$200,000,000 portion of the fund. This account has never held more than a relatively unimportant portion of our monetary gold stock. It is with regard to this portion of the fund that the exchange speculators interested in following for their own gain the day-to-day operations of the fund would like to have more detailed information. These speculators cannot now tell whether the operating portion of the fund at any given time consists entirely of gold, or entirely of cash assets, or partly of each. They, or any citizen, of course, can tell from the daily Treasury statement that the stabilization fund contains at least \$1,800,000,000 of gold which has never been touched.

Speculators would be the chief beneficiaries from publication of a current record of the day-to-day operations of the fund. Failing to obtain current information, they would like the detailed data on past operations. The past record would enable them better to trace the current activities of the fund.

One of the important ways through which the stabilization fund helps maintain confidence and stability of exchanges is by its psychological effect. The less the speculator knows of the day-to-day operations of the fund, the smaller do those operations have to be.

II. ALTERATION IN THE WEIGHT OF THE DOLLAR

I now come to the second section of the legislation which the committee is considering: Extension of the authority to alter the gold content of the dollar. This power, when originally given to the President in the Thomas amendment passed in May 1933, was subject to no time limitation. However, it did provide that the gold content of the dollar could not be reduced more than 50 percent. In January 1934, when the President recommended the enactment of the Gold Reserve Act, he recommended that the authority to change the gold content of the dollar be limited to fixing the dollar at a gold content of between 50 and 60 percent of its former weight. You may recall that on January 31, 1934, the President exercised the power granted him in this act by fixing the gold content of the dollar at 15 $\frac{1}{2}$ grains of gold nine-tenths fine, which was approximately 59 percent of its former weight.

The Gold Reserve Act placed a time limitation on both the stabilization fund and on the dollar devaluation powers. On January 23, 1937, the dollar devaluation power was renewed by Congress at the same time the stabilization fund was extended.

It is my conviction that this power should be continued.

The dollar now has identically the same gold value it had 5 years ago when the President proclaimed on January 31, 1934, that the gold content of the dollar shall be 15 $\frac{1}{2}$ grains of gold nine-tenths fine. The fact that we have kept the gold value of the dollar stable through the international monetary disturbances and alarms of the past 5 years should be adequate assurance that there is neither desire nor intent on the part of this administration to alter the gold value of the dollar except under circumstances which clearly demand such action.

This power is a weapon in reserve which is needed for the protection of American interests. In the monetary field it is as important as a powerful navy in the field of defense against armed attack.

In the last 5 years, as you know, the currencies of over 50 countries have changed their gold value. Unfortunately, the future is uncertain; the trend of international economic relationships remains subject to constant modification. There is no guaranty that other countries in their search for what is in their best interests will not undertake monetary measures which may operate to the disadvantage of the United States. In this connection, remember that virtually no foreign country has fixed the actual gold value of its currency.

For the United States to surrender any of its instruments for dealing adequately and promptly with international economic and monetary problems as they arise would tie our hands when immediate action might be crucial. The existence of this power to devalue the dollar has been a warning to the world that we stand ready and able to defend the position of this country in world trade and to protect American goods from intensified competition in the American market. Thus stability rather than instability is given to international exchange rates by the existence of the power in the United States to deal promptly and effectively with currency depreciation abroad.

It is my opinion that at this time when the gold content of other leading currencies is permitted to float, and when the international picture is so uncertain, the United States should not permit the power of its Government to deal quickly and effectively with situations that require an alteration in the gold content of the dollar to lapse.

III. NEWLY MINED DOMESTIC SILVER

I wish to call attention to the fact that section 2 of H. R. 3325, in addition to extending the power of the President to alter the weight of the gold dollar, also extends the power of the President, conferred by the act of May 12, 1933, as amended, to provide for the unlimited coinage of silver. As you know, pursuant to such power the President on December 21, 1933, issued a proclamation pursuant to which newly mined domestic silver has been received by the mints for coinage and addition to the monetary stocks at

a return to the miner of an amount considerably above the world price of silver. Since December 21, 1933, a number of proclamations have been issued modifying the original proclamation with regard to the amount to be returned to the miner and extending the original proclamation. The Treasury is now receiving newly mined domestic silver under such authority at a return to the miner of approximately 64½ cents per ounce. The original proclamation, as modified, expires on June 30 of this year. Under the provisions of section 2 of H. R. 3325 the President would have authority to extend such proclamation until January 15, 1941.

BALANCE SHEET OF THE EXCHANGE STABILIZATION FUND AS OF JUNE 30, 1938

ASSETS	
Cash:	
Treasurer of the United States, gold.....	\$1,800,000,000.00
Treasurer of the United States checking account.....	1,643,849.25
Federal Reserve Bank of New York special account.....	100,765,630.03
Disbursing officers' balances and advance accounts.....	11,829.04
	\$1,902,421,308.32
Accounts receivable: Due from French Cable Co.....	5,007.84
Special accounts of Secretary of Treasury—Federal Reserve Bank of New York:	
Special account No. 1 (gold), 1,248,862.370 ounces (see schedule No. 1).....	43,701,226.28
Special accounts Nos. 3 and 4 (sterling and francs).....	100,331.51
Foreign exchange due from foreign banks—secured deposits: Central Bank of China, 165,000,000 yuan.....	48,487,500.00
Gold of foreign banks held with Federal Reserve Bank of New York as collateral on exchange deposits: Gold of Central Bank of China, 1,395,381.168 ounces.....	48,838,340.89
Investments—United States Treasury bonds (see schedule No. 2).....	15,107,637.53
Accrued interest receivable (see schedule No. 2).....	52,042.78
Commodity sales contracts.....	2,651.00
Total assets.....	2,058,716,045.65

LIABILITIES AND CAPITAL	
Capital account.....	2,000,000,000.00
Due to Central Bank of China.....	605.78
Commodity sales contracts.....	2,651.00
Liability for gold of foreign banks held as collateral: Gold of Central Bank of China.....	48,838,340.89
Earnings (see schedule No. 2).....	\$10,235,737.45
Deferred credits—add.....	310,250.56
	10,545,988.01
General expenses—deduct (see schedule No. 3).....	671,540.03
	9,874,447.98

Total liabilities and capital..... 2,058,716,045.65

SCHEDULE NO. 1—ATTACHMENT TO EXCHANGE STABILIZATION FUND
BALANCE SHEET OF JUNE 30, 1938

SPECIAL ACCOUNT NO. 1—GOLD

Schedule showing location of gold held by and for account of the exchange stabilization fund

Gold held by—	Ounces	Dollars
Bank of England, account A.....	33,941.816	1,354,006.95
Federal Reserve Bank, New York.....	47,460.817	1,661,128.59
U. S. Assay Office, New York (held in safekeeping).....	1,162,459.737	40,686,090.74
Total.....	1,243,862.370	43,701,226.28

SCHEDULE NO. 2

Schedule showing total earnings of the exchange stabilization fund from Jan. 31, 1934, to June 30, 1938

Source:	
Profits on French franc transactions.....	\$352,014.24
Profits on gold bullion.....	711,099.88
Profits on handling charges on gold.....	1,772,273.12
Profits on silver transactions.....	105,371.27
Profits on sale of silver bullion to Treasury (nationalized).....	3,473,362.29
Profits on investments.....	491,208.70
Interest on investments.....	2,866,888.37
Miscellaneous profits.....	410.44
Interest earned on foreign balances.....	56,740.83
Interest earned on Chinese yuan.....	406,368.31
	10,235,737.45
Deferred credits.....	310,250.56
Total.....	10,545,988.01

BALANCE SHEET OF THE EXCHANGE STABILIZATION FUND AS OF JUNE 30, 1938—Continued

INVESTMENTS

Schedule showing classes of U. S. Treasury bonds held by the exchange stabilization fund

Class	Face value	Principal cost	Accrued interest	Average rate at which bonds are held
2¼ percent U. S. Treasury bonds of 1955-60.....	\$5,000,000	\$5,026,562.50	\$41,796.88	100.5313
2¼ percent U. S. Treasury bonds of 1949-53.....	10,000,000	10,081,075.03	10,245.90	100.8108
Total.....	15,000,000	15,107,637.53	52,042.78	

SCHEDULE NO. 3

Administrative expenses of the exchange stabilization fund from Jan. 31, 1934, to June 30, 1938

Salaries.....	\$379,961.67
Travel.....	31,785.80
Subsistence.....	18,509.14
Telephone and telegraph.....	171,622.29
Stationery, etc.....	11,232.67
All other.....	58,428.46
Total.....	671,540.03

BALANCE SHEET OF THE EXCHANGE STABILIZATION FUND AS OF DEC. 31, 1938

ASSETS	
Cash:	
Treasurer of the United States, gold.....	\$1,800,000,000.00
Treasurer of the United States, checking account.....	1,620,526.45
Federal Reserve Bank of New York, special account.....	77,599,972.84
Disbursing officers' balances and advance accounts.....	16,663.96
	\$1,879,237,163.25
Accounts receivable:	
Due from French Cable Co.....	5,007.84
Due from Treasurer of United States.....	2,979.22
Special accounts of Secretary of Treasury—Federal Reserve Bank of New York: Special account No. 1 (gold) 2,303,965.650 ounces (see schedule No. 1).....	80,410,864.90
Foreign exchange due from foreign banks—secured deposits: Central Bank of China 165,577,037.24 yuan.....	48,657,070.27
Gold of foreign banks held with Federal Reserve Bank of New York as collateral on exchange deposits: Gold of Central Bank of China 1,395,381.168 ounces.....	48,838,340.89
Investments—United States Treasury bonds (see schedule No. 2).....	5,026,562.50
Accrued interest receivable (see schedule No. 2).....	42,489.64
Other accounts—deferred charges.....	9,302.02
Commodity sales contracts.....	2,651.00
Total assets.....	2,062,232,431.03

LIABILITIES AND CAPITAL

Capital account.....	2,000,000,000.00
Accounts payable:	
Vouchers payable.....	8,250.97
Balance due Bank of England—gold purchase.....	756,526.76
Deferred credit—net.....	184,014.55
Liability for gold of foreign banks held as collateral: Gold of Central Bank of China.....	\$48,838,340.89
Earnings (see schedule No. 2).....	\$13,229,951.08
General expenses—deduct (see schedule No. 3).....	784,653.22
	12,445,297.86
Total liabilities and capital.....	2,062,232,431.03

SCHEDULE NO. 1—ATTACHMENT TO EXCHANGE STABILIZATION FUND
BALANCE SHEET OF DEC. 31, 1938

SPECIAL ACCOUNT NO. 1—GOLD

Schedule showing location of gold held by and for account of the exchange stabilization fund

	Ounces	Dollars
Gold in transit.....	199,919.629	6,946,872.02
Gold held by:		
Bank of England—Account B.....	415,636.487	14,369,659.31
Federal Reserve Bank, N. Y.....	69,678.702	2,438,754.56
U. S. Assay Office, N. Y.: Held in safekeeping.....	1,595,264.088	55,834,243.16
Awaiting final report.....	23,466.744	821,335.85
Total.....	2,303,965.650	80,410,864.90

BALANCE SHEET OF THE EXCHANGE STABILIZATION FUND AS OF DEC. 31, 1938—Continued

SCHEDULE No. 2

Schedule showing total earnings of the exchange stabilization fund from inception to Dec. 31, 1938

Source:

Profits on French franc transactions.....	\$335,072.94
Profits on gold bullion.....	1,294,301.21
Profits on handling charges on gold.....	3,497,935.34
Profits on sale of sterling.....	90,141.13
Profits on silver transactions.....	105,371.27
Profits on sale of silver bullion to Treasury (nationalized).....	3,473,362.29
Profits on investments.....	619,826.17
Miscellaneous profits.....	430.44
Interest earned on foreign balances.....	82,032.99
Interest on investments.....	2,957,955.24
Interest earned on Chinese yuan.....	773,522.06
Total.....	13,229,951.08

INVESTMENTS

Schedule showing classes of United States Treasury bonds held by the exchange stabilization fund

Class	Face value	Principal cost	Accrued interest	Average rate at which bonds are held
2-7/8 percent U. S. Treasury bonds of 1955-60.....	\$5,000,000	\$5,026,562.50	\$42,489.64	100.5313

SCHEDULE No. 3

Administrative expenses of the exchange stabilization fund from Jan. 31, 1934, to Dec. 31, 1938

Salaries.....	\$457,561.06
Travel.....	35,296.17
Subsistence.....	21,766.17
Telephone and telegraph.....	195,214.88
Stationery.....	11,443.50
All other.....	63,371.44
Total.....	784,653.22

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOODRUM of Virginia submitted a conference report and statement on the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes.

PERMISSION TO ADDRESS THE HOUSE

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for one-half minute to ask the gentleman from Virginia a question.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I would like to ask the gentleman from Virginia when it is his intention, at the present time, to bring up this conference report.

Mr. WOODRUM of Virginia. I will state to the gentleman that I am told by the majority leader that we will have the right-of-way tomorrow, and it is my intention to ask for recognition the first thing tomorrow on the independent offices bill.

There will probably be one committee called on tomorrow, which is Calendar Wednesday.

Mr. TABER. This will precede the conference report on the deficiency bill tomorrow?

Mr. WOODRUM of Virginia. Yes; but we will dispose of both of them tomorrow.

GOVERNMENT PROPAGANDA

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, we have heard a great deal in the last few years relative to the dissemination of publicity and Government propaganda. In view of which I rise to read a letter I have just mailed to the Attorney General of the United States. I now quote the entire letter:

Hon. FRANK MURPHY,

Attorney General of the United States,

Washington, D. C.

MY DEAR MR. MURPHY: On October 22, 1913, the Congress of the United States enacted into law (38 Stat. Law 212) the provision that "No money appropriated * * * shall be used for the compensation of any publicity expert unless specifically appropriated for that purpose." Yet it is definitely apparent from the findings of the Select Committee of the Senate to Investigate Executive Agencies of the Government, appointed pursuant to Senate Resolution 212 (74th Cong.), from my own personal study, and from the investigation of others, that numerous agencies in our Federal Government have not obeyed such mandate of Congress.

And as Government agencies have no more right to disobey Federal statutes than have individuals or private corporations, it would seem to me that a study and investigation of this question by your office is warranted. Will you, therefore, consider such action your immediate responsibility?

I am confident that such an investigation by your office will not only show numerous flagrant violations by existing Government agencies of Statute 38, Law 212, but it will also demonstrate the extent to which Government agencies are annually expending millions of dollars of taxpayers' funds to perpetuate themselves in office on their present enormous scale. It would also show the degree to which certain agencies are resorting to the dissemination of propaganda to sell the public on the theory of Federal bureaucracy and collectivism.

To me the current wave of Government propaganda is an extravagant, unfair, and malicious civil practice. It is a waste of the taxpayers' money, and an impartial portrayal by the Attorney General of its usage should lead to its ultimate curtailment.

Trusting that you will give my suggestion your earnest attention, and assuring you of my hearty cooperation, I remain,

Sincerely,

J. PARNELL THOMAS.

ORDER OF BUSINESS

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to ask the gentleman from Virginia [Mr. WOODRUM] a question.

The SPEAKER. Is there objection?

There was no objection.

Mr. FADDIS. I rise to ask the gentleman from Virginia in what shape this independent offices appropriation bill is coming back.

Mr. WOODRUM of Virginia. Oh, I think it is in very good shape.

Mr. FADDIS. I would like to know, and I am sure the House would like to know, if it will be possible to get a vote on any part of this report, or will it have to be voted up or down as a whole?

Mr. WOODRUM of Virginia. It will come back under the general rules of the House. The conferees have agreed to certain Senate amendments, but if a majority of the House want to vote on some individual amendment, they can vote down the conference report, and then the matter is wide open.

Mr. RANKIN. In other words, it is in better shape than it was before, when we were denied a roll call. Now we will be able to get one.

TREASURY-POST OFFICE APPROPRIATION BILL, 1940

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4492) making appropriations for the Treasury and the Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Treasury-Post Office appropriation bill, with Mr. BOEHNE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Refunding internal-revenue collections: For refunding internal-revenue collections, as provided by law, including the payment of claims for the fiscal year 1940 and prior years and accounts arising under "Allowance or draw-back (Internal Revenue)", "Redemption of stamps (Internal Revenue)", "Refunding legacy taxes, act of

March 30, 1928", and "Repayment of taxes on distilled spirits destroyed by casualty", \$38,000,000: *Provided*, That a report shall be made to Congress by internal-revenue districts and alphabetically arranged of all disbursements hereunder in excess of \$500 as required by section 8 of the act of May 29, 1928 (26 U. S. C. 1676), including the names of all persons and corporations to whom such payments are made, together with the amount paid to each.

Mr. RICH. Mr. Chairman, I move to strike out the last word. I call attention to the fact that we are appropriating in this bill \$1,050,000,000 for interest on the national debt for the next year, an enormous sum of money; also, that the national debt February 23 was \$39,846,000,000. We have gone in the red since the 1st of July last to February 23 over \$2,166,000,000. You will note that the balance of cash that we carried on February 23 is \$3,399,847,220.37. When you think that the Secretary of the Treasury, Mr. Morgenthau, carries in the banks of this country \$3,399,000,000 and over, paying the banks interest on that money; suppose he pays on an average of only 2 percent for all money borrowed, considering all of the bonds that are outstanding against the Government. I think anyone will conclude that he should not carry as a daily balance more than half a billion dollars. No Treasurer of the United States ever carried more than that amount before Mr. Morgenthau came in. Why does he carry that amount? Only as a bait to the bankers. Three billion dollars at 2 percent means \$60,000,000 a year that we pay to the bankers of this country as a tribute. Sixty million dollars a year means \$5,000,000 a month, and that means \$166,000 a day. So that we are paying \$166,000 a day for interest on money that is in the banks of the country, when there is no more use of doing that than there is of getting out here and all of the Members going up in a toy balloon. It seems so unbusinesslike I cannot see why the Secretary of the Treasury does it; I cannot think of anything more ridiculous than that, when the country is going in the red so fast. Why do we have men in public office who are not working for the best interests of the country and the American taxpayer? I do not accuse Mr. Morgenthau of trying to do something illogical or dishonorable, but I say that as a business proposition, when he can borrow money in this country today and all of the money he wants, he should not permit a balance of \$3,399,000,000 of cash in the Treasury when it is of no more use than the fifth wheel in a wagon. Why does Mr. Morgenthau not do for the Government as he would do for himself, or as any good businessman would do?

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes.

Mr. KNUTSON. Will the gentleman state for the benefit of the House how much this bill carries for interest on the national debt?

Mr. RICH. One billion and fifty million dollars.

Mr. KNUTSON. Why, that is more than it cost to run the Government when I came down here.

Mr. RICH. I admit that the gentleman has been here a good many years. He is right. Our cost of government has increased by leaps and bounds. It should stop. The cost of government today so far exceeds our revenues that there is a wreck ahead unless you stop it. The chairman of the Committee on Appropriations and all the chairmen of the committees in the House of Representatives who are responsible for the operation of this Government should do everything in every way they can to cut down the governmental expenses. The chairman of the Committee on Appropriations ought to be here trying to do everything he can to cut down those expenses. Why does he not get up and say that we want to cut down these expenses, and that they should be cut down?

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman yield?

Mr. RICH. Yes. I do graciously yield to the chairman of the Appropriations Committee.

Mr. TAYLOR of Colorado. Is it not true that every one of our appropriation bills have come onto the floor of the House cut under the Budget estimates?

Mr. RICH. Well, we want to get a new Budget officer, or one who will only spend up to our income and not one cent more. Why does not the Budget officer consider that? We

want to get a Budget officer who will try to hold these expenses down to the income, not what the Members of Congress want, not what the people want when we know it is not good, sound business for them nor for the country. We ought to have brains enough, we ought to have ability enough, we ought to have intestinal fortitude enough to say to the people back home that we cannot run the Government and give everybody everything they want, because that is not the thing to do. It is not sound business. When will Congress cut down on this ruthless spending of money they do not have to spend?

Mr. Chairman, where are you going to get the money?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

The Clerk read as follows:

FEDERAL ALCOHOL ADMINISTRATION

Salaries and expenses: For the purpose of administering the provisions of the "Federal Alcohol Administration Act," approved August 29, 1935 (27 U. S. C. 201), as amended, including personal and other services; supplies and materials; equipment; communication service; stationery; travel and subsistence expenses as authorized by law; maintenance, repair, and operation of automobiles; law books, books of reference, magazines, periodicals, and newspapers; contract stenographic reporting service; the securing of evidence of violations of the act; and miscellaneous and contingent expenses, \$425,000.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I notice the subcommittee has reduced the amount recommended by the Bureau of the Budget in the sum of \$25,000 for the Federal Alcohol Administration. I agree with the position taken by the gentleman from California [Mr. Buck] on yesterday about an amendment not being offered at this stage, but if the amount is restored in the Senate I wish to make a few observations for whatever value they may have to the members of the subcommittee who will constitute the committee of conference as far as the House is concerned.

The Federal Alcohol Administration has done a very fine piece of work. It has a most difficult task. It has the duty of issuing permits in accordance with the law relating to labeling, advertising, and to see that there is proper distribution of the product made in accordance with the fair-trade provisions of existing law. It has a duty to see that the public is properly informed and protected in what they are buying. This particular Administration has issued 15,000 permits to distilleries, rectifiers, wholesalers and importers, and wineries. It plays a very important part in protecting not only legitimate business but in protecting the general public against a recurrence of the conditions which contributed in part to the passage of the vicious eighteenth amendment.

I consider that the Federal Alcohol Administration is performing a very important function and is being very ably conducted under the leadership of the present Administrator, Captain Alexander, and his deputy, Mr. Huntington, and the others who are associated with them in that Administration. The reduction of \$25,000 made by the subcommittee was for traveling expenses. I will agree that ordinarily per diem expenses—

Mr. LUDLOW. It is not altogether that.

Mr. McCORMACK. That is true. The chairman's observation is absolutely true, but in the main it affects them in connection with the per diem expenses. This particular department has only 27 inspectors to cover the entire country. The result is they have to send their inspectors on rather far-reaching trips, in consequence of which they have to resort to the per diem expense more than other departments which have sufficient personnel to meet the problems that confront them.

I also understand that the Federal Alcohol Administration recommended to the Bureau of the Budget an amount which would enable them to establish regional offices throughout various parts of the United States. Certainly I would like to see one in California, for instance, which would prevent businessmen coming all the way East. One should be at Chicago, one in the South, one in the Southwest, and one

in the Northeast, at least. The Internal Revenue Bureau has recently inaugurated a decentralization system, establishing regional offices so that businessmen and other taxpayers will not have to come to Washington in order to have final action upon tax questions before they can go before the Board of Tax Appeals with their cases. It is a very commendable policy, because it brings not only direct service but greater satisfaction to those living in sections of the country far removed from Washington. I think a similar plan with reference to the Federal Alcohol Administration should be devised in the near future, a plan which is dependent, however, upon the necessary appropriations being made.

My purpose in making these few remarks was to praise the Federal Alcohol Administration and the very fine work it is doing, and to call to the attention of the subcommittee the importance of this \$25,000 if the Senate should insert that amount in the bill. I trust the subcommittee constituting the House committee on conference will keep in mind the observations made by myself and by my distinguished friend from California [Mr. Buck], who made some observations on this question yesterday along the same lines.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

For every expenditure requisite for and incident to the authorized work of the Coast Guard, including the expense of maintenance, repair, and operations of vessels forfeited to the United States and delivered to the Treasury Department under the terms of the act approved March 3, 1925 (27 U. S. C. 41), maintenance, repair, exchange, and operation of motor-propelled passenger-carrying vehicles, to be used only for official purposes at headquarters and in the field, motion-picture equipment (not to exceed \$10,000), material for official purposes, and the rental of quarters in the District of Columbia, as follows:

Mr. LUDLOW. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUDLOW: On page 27, line 17, strike out the comma at the end of the line and insert in lieu thereof the word "and."

Mr. LUDLOW. This is just an amendment to correct the language.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection, and the amendment was agreed to.

The Clerk read as follows:

Total, Coast Guard, exclusive of Office of the Commandant, \$24,607,550: *Provided*, That not more than a total of \$2,200,000 out of the appropriations contained in this act under the caption "Coast Guard" except the appropriations "Salaries, Office of the Commandant" and "Additional airplanes" may be expended for aviation.

Mr. GEHRMANN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had intended to offer the following amendment to construct a Coast Guard station in my district, which is very badly needed and which has been authorized, and which the Coast Guard wants the worst way:

On page 29, after line 11, add a new paragraph to read as follows: "Building of new station: For building and equipping a new Coast Guard station to be located on Madeline Island, which is one of the islands located in Lake Superior, and which group is known as the Apostle Islands, and to be erected upon land recently acquired by the United States Government for such purposes, \$250,000."

The only reason I did not do it now is because some of the members of the committee have spoken to me about it, and they feel something will be done soon, and it will probably be better not to offer an amendment, but to call it to their attention so that it will be included in another year. The only reason it was not pressed this year is because of the fact that we were given assurance the money necessary would be taken out of relief funds appropriated in 1937 for the 1938 relief appropriation. This Coast Guard station is to be located on Madeline Island, and, of course, authorization for it was passed in 1935. Admiral Waesche has tried his best to have this included in the appropriation. As I said before, they

were assured they would be given this money, and they felt so sure about it that they purchased the necessary site for it last year. It is all ready to go, but, as the admiral writes me, it was finally not included in the amount that was allocated to him from relief funds.

I want to read a letter that I received from him on August 31, 1938.

He wrote me the following letter:

TREASURY DEPARTMENT,
UNITED STATES COAST GUARD,
Washington, August 31, 1938.

HON. B. J. GEHRMANN,
Member of Congress, Mellen, Wis.

MY DEAR MR. GEHRMANN: Reference is made to your letter of August 27, 1938, relative to the proposed construction work in connection with a Coast Guard station at the Apostle Islands, Wis., the establishment of which was authorized by Congress in 1935.

This work was included as an item in the projects submitted in the application of the Coast Guard for allotment of funds from the Public Works apportionment of the Works Relief and Public Works Appropriation Act of 1938. However, in making the allotment of funds to the Coast Guard consideration was given only to the present active Coast Guard stations, and no funds were made available for new establishments.

In the circumstances it appears that nothing further can be done in the matter at present.

The need for a station in this vicinity is realized, and every effort has been made to obtain the necessary funds for its construction without avail.

Very truly yours,

R. R. WAESCHE,
Rear Admiral, United States Coast Guard, Commandant.

In the report that was made to the gentleman from Virginia [Mr. BLAND], chairman of the Committee on Merchant Marine and Fisheries, it was stated:

There is no Coast Guard station on the south shore of Lake Superior between Duluth, Minn., and Portage, Mich., a distance of approximately 167 miles. The territory in this vicinity is generally rugged and very dangerous to navigation. The islands are close to the shipping lanes, and a station in this locality is essential for protection of life and marine property.

The Commander of the Eleventh Coast Guard District, in which district the station would come if it should be established and constructed, after making an examination into the matter, states that in his opinion it is very important that a Coast Guard station be established in the group of the Apostle Islands for the protection of mariners and fishermen in that vicinity. He also states that the amount of shipping into Ashland, Wis., is approximately 3,000,000 tons a year, and that approximately 80 boats are engaged in fishing in this locality. This is in addition to the enormous amount of east and west bound traffic which passes a short distance north of these islands clearing and entering Duluth, Minn., and Superior, Wis.

The Commander of the Chicago division concurs in the views expressed by the Commander of the eleventh district.

This joint harbor of Duluth, Minn., and Superior, Wis., is second only to New York in incoming and outgoing tonnage, and all those vessels have to pass that dangerous stretch known as the Apostle Islands. A great many lives have been lost in that area. Fishermen, for instance, are caught out on ice floes and then help has to be summoned from Duluth or some other station. Oftentimes the help arrives too late. In the last 2 years they have maintained a detail or part of a Coast Guard detachment from some other station, but the personnel of these stations is so small that they have been unable to maintain the number of men necessary. Furthermore, they do not have the necessary equipment of a modern Coast Guard station.

Certainly the amount of tonnage to be benefited warrants this additional Coast Guard station and I hope the committee will listen to Admiral Waesche, who feels that this is one of the most important stations to be built. In fact, there were only three stations on his list recommended last year and this was No. 1. Instead, however, of offering an amendment to the bill at this time I will leave it to the committee with the hope that they will insert this item in next year's bill.

[Here the gavel fell.]

Mr. GEHRMANN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include some letters from the Commandant that bear on this subject.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WADSWORTH. Mr. Chairman, I rise in opposition to the pro forma amendment for the purpose of asking the chairman of the committee a question relative to the proviso found at the bottom of page 28, reading as follows:

Provided, That no part of this appropriation shall be used for increased pay at a rate in excess of \$1,440 per annum to any nonflying commissioned officer or commissioned observer for making aerial flights; which rate shall be the legal maximum rate of such increased pay as to any such officer.

This would appear to be legislation, most definitely, but I will not raise that point. Perhaps I am not permitted to do so, debate having started on the whole Coast Guard title, but I wanted to ask the chairman if the insertion of this proviso will in any way result in destroying the uniformity of pay established under the act of 1922 as between the Army, the Navy, the Marine Corps, and the Coast Guard?

Mr. LUDLOW. I may say to the gentleman from New York that this is a proviso that has been carried for years. We inherited this provision, so to speak. I am under the impression that it does not have the effect which the gentleman has in mind; certainly there have been no repercussions from it because it is law, and I think he may rest assured that it would not result in the disparity he has in mind. We would certainly have heard something about it if it had.

Mr. WADSWORTH. I assume the committee would have heard of it did it create an inconsistent element in the general pay system of the military services.

Mr. LUDLOW. I may say to the gentleman from New York that no intimation has come to us indicating any such thing.

Mr. WADSWORTH. Does the chairman of the committee think it is necessary to include this proviso each year, "which rate shall be the legal maximum rate"? If we pass such language once, is it not permanent? Must it be repeated in every appropriation bill dealing with the subject?

Mr. LUDLOW. I understand it is not permanent because it does not say "hereafter it is to be effective." It is therefore repeated in the annual appropriation bills.

Mr. WADSWORTH. I think the gentleman will agree with me that if we are to change the pay we would better do it by amending substantive law rather than from year to year inserting a provision of this kind in appropriation bills.

Mr. LUDLOW. I agree with the gentleman in principle; yes.

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

Commissioned officers, pay, etc.: For pay, allowance, and commutation of quarters for not to exceed 445 regular active commissioned officers (including the Surgeon General and assistant surgeons general) and for pay of regular commissioned officers on waiting orders, \$1,959,800: *Provided*, That the above limitation on the number of regular active commissioned officers may be exceeded by the number (not in excess of 10) of regular active commissioned officers assigned to Federal penal and correctional institutions.

Mr. LUDLOW. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. LUDLOW: Page 35, line 19, strike out "ten" and insert in lieu thereof "twenty."

The committee amendment was agreed to.

The Clerk read as follows:

Division of Venereal Diseases: For the maintenance and expenses of the Division of Venereal Diseases, established by sections 3 and 4, chapter XV, of the act approved July 9, 1918 (42 U. S. C. 24, 25), and for the purpose of carrying out the provisions of the act of May 24, 1938 (52 Stat. 439-440), including rent and personnel and other services in the District of Columbia and elsewhere; items otherwise properly chargeable to the appropriations for printing and binding, stationery, and miscellaneous and contingent expenses for the Treasury Department; purchase of reports, documents, and other material for publication and of reprints from State, city, and private publications; purchase (not to exceed \$1,500), maintenance, repair, and operation of passenger-carrying automobiles for official use in field work; transportation; traveling expenses, including attendance at public meetings when directed by the Surgeon General; and the packing, crating, drayage, and transportation of personal effects of commissioned officers, scientific personnel, pharmacists, administrative assistants, aides, dietitians, and nurses of the Public Health Service upon permanent change of station, \$5,000,000.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: Page 41, line 2, after the comma, strike out "\$5,000,000" and insert in lieu thereof "\$3,000,000."

Mr. SMITH of Ohio. Mr. Chairman, the administration recommended \$3,000,000 for the expenses of the so-called Division of Venereal Diseases. The subcommittee raised the amount to \$5,000,000. Why was this figure raised, and is it justified?

I have practiced medicine for 30 years. I was one of the first physicians in this country to treat syphilis with 606 and its allied compounds. I have had a reasonably large experience in the treatment of both syphilis and gonorrhea. I was for 3 years chairman of our local board of health.

I do not like the kind of testimony some of the principal witnesses gave before your committee relating to the control and treatment of venereal diseases. I am sorry to say I feel most of it is strongly biased and far from complete. It is not the detached and disinterested testimony that should be had in the consideration of a subject of this kind. It is anything but that. Above all, the testimony given is very superficial.

Taking the testimony at its face value, one is led to believe all we need to do is appropriate huge sums of money and, "ipsi dixit," syphilis and gonorrhea disappear from our fair land.

Well, it just does not work that way. In the first place, we have found no cure yet for gonorrhea. It is altogether too early to tell anything definite about the newer remedies. You know when you get gonorrhea, and God knows when you get rid of it. Some of you know this as well as I do.

Syphilis is curable in a high percentage of cases. Deliberately or otherwise, some of the witnesses gave the committee the impression that this disease is greatly on the increase in this country and that the means for combating it in the several States are failing. There is no evidence whatever that it is on the increase. There is considerable evidence that it is on the decrease and has been since the discovery and use of the nontoxic arsenicals. Dr. Parran certainly must know this. He also certainly knows that the means for combating the disease in the States have been extended and improved enormously in the last 30 years.

No less than half of this appropriation will be wasted. Of course, some good will be accomplished with the remainder. And we grant you Sweden and other countries have accomplished more than we have in controlling venereal diseases. But one important comparison the witnesses forgot to make. Sweden pays cash for curing her venereal diseases. We charge the cost to our grandchildren. How will they fare if they have to pay for their sexual sins, as well as ours, too?

Here, also, again is a double invasion of State rights. Quoting from the hearings:

Mr. LUDLOW. The great State of Ohio is receiving \$100,000 from the Federal Government and is raising \$79,000 on its own hook.

On whose hook did the Federal Government raise the \$100,000 it gives to the great State of Ohio? In what waters did it fish to get the \$100,000? In Ohio waters, of course. The Federal Government fishes \$200,000 out of Ohio, and then gives back to the people of Ohio \$100,000, on condition that the Buckeye State itself fishes out of itself another \$100,000.

I am sorry there are so many suckers in my great State of Ohio.

We here in Congress have come to a remarkable pass.

When ten or fifteen million people are thrown out of work we pass a law, and everybody has a job.

When the farmer's income sinks to the ground, we pass a law, and instantan his income rises to the top.

If the purchasing power of the people drops, we pass a law and up comes the said purchasing power.

When people indulge too much in the worship at the feet of Venus, pass a Federal law, tax the people, mortgage our children, and forth comes the abstemious genus Americanus.

Just like that,

Aside entirely from any question of merits or worth of extending this program, we cannot afford it. The President asked for only \$3,000,000. I ask that my amendment pass and hold the amount to that sum. [Applause.]

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. SMITH].

Mr. Chairman, the gentleman from Ohio, whom I respect very highly, says we cannot afford to spend \$5,000,000 a year to combat this terrible scourge, syphilis. I contend that when we spend \$80,000,000 for a battleship without batting an eye we can afford to spend one-sixteenth part of the cost of a battleship to try to restore human values and to heal the sick and the distressed in this country. [Applause.]

The gentleman from Ohio made the statement that this is more than was requested by the Public Health Service, as I understood his statement, but I think he is mistaken. The Public Health Service is very agreeable to accepting this amount and would like to see it increased over and above \$5,000,000. The amount allowed in the pending bill is the amount of the authorization under the La Follette-Bulwinkle Act and is not at all an extravagant amount, in view of the magnitude of the evil to be combated and in view of the arrangements that have been set up by the States to utilize their part of the fund in cooperation with the United States.

Some of the States construed the law incorrectly, but, nevertheless, did construe this authorization as an appropriation; and it was brought out in the hearings that many of these States, most of them, as a matter of fact, have gone ahead with arrangements to operate on the basis of the full authorization. They have set up their programs and have expanded their programs with this purpose in contemplation. If we do not appropriate the full amount, we will have a program that will sag at the very time when it ought to reach its very maximum efficiency.

We had some rather interesting testimony in our hearings on this subject and I wish that everyone here would read the hearings. Representatives from the medical profession from all over the United States, as well as representatives of public welfare organizations appeared before our committee and told us something about this scourge of syphilis. There are 500,000 new cases of syphilis occurring every year in the United States, according to the testimony brought out before us and perhaps 2,000,000 cases of gonorrhea. General Pershing made a statement, which appears in the hearings, that there are 7,000,000 people in the United States affected at this time with syphilis.

Mr. Chairman, it seems to me that in these times when we spend money without limit for national defense and for implements of destruction we ought not begrudge a relatively meager appropriation to combat syphilis, and I may say that I believe in national defense and I have voted for expanding our national defense program.

At one time we had a terrible scourge of yellow fever. At that time there were those who said it could not be overcome, but science has overcome yellow fever and the testimony of the experts who appeared before our subcommittee was to the effect that in time, with the providing of ample funds, they will overcome or at least reduce to an irreducible minimum this awful scourge of syphilis. I believe it is a responsibility that rests upon the House of Representatives and upon the Congress to appropriate sufficient funds at this time to enable this program to continue with an efficiency with which it will no doubt continue and with the effectiveness with which it will continue if we just allow this relatively small amount of \$2,000,000 above the amount provided by the amendment offered by the gentleman from Ohio. [Applause.]

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I move to strike out the last word in order to ask the chairman of the subcommittee on appropriations a few questions.

Did the President through his Director of the Budget ask for only \$3,000,000?

Mr. LUDLOW. The Budget Bureau sent up an estimate for \$3,000,000, I may say to the gentleman.

Mr. SCHAFER of Wisconsin. Then the President indicates he wants to curb extravagant, reckless, New Deal expenditures. Why does not the gentleman go along with him? Are you going to spend and spend and spend until our money is about as valuable as the many billions of inflation German marks and Russian rubles which I hold in my hand?

Mr. LUDLOW. I believe in economy as much as the gentleman from Wisconsin or anybody else, but I do not believe in practicing economy at the expense of human misery.

Mr. SCHAFER of Wisconsin. But we cannot indefinitely continue to spend \$2 and take in one tax dollar.

The system of spending borrowed money is but temporary in its nature and must soon explode. It is a system not only ruinous while it lasts but one that must soon fail and leave us destitute. As an individual who undertakes to live by borrowing soon finds his original means devoured by interest, and next no one left to borrow from, so must it be with Government.

It has been well said by Chief Justice Marshall of the Supreme Court that "The power to tax involves the power to destroy; the power to destroy may defeat and render useless the power to create."

It is about time that the Congress and the people of America realize the danger to our institutions if we do not stop the wanton, reckless expenditures of public money while the New Deal Soviet Frankenstein, continues its mad hostility to private industry and dries up sources of taxation while trying to transform our democracy into a collective soviet state, destroy savings, penalize success, discourage thrift, hamper private business enterprise, destroy sacred rights and liberties, and smother vital energies of a free people while shackling them in bonds of political and economic slavery.

We must realize that every dollar spent by government must be raised by taxation, this year or next year, this generation or next generation, and must be created through the labor and toil of someone some time. In the final analysis all taxes are paid by the average man or woman who labors. With the Federal Government debt now more than \$40,000,000,000, and many billions more of Government guaranteed obligations, it will not be long before Uncle Sam is plunged into bankruptcy, inflation, and resulting chaos, misery, suffering, and distress such as this generation has not known.

The time is at hand to act as well as talk about reducing expenditures of public moneys.

Let us rise up and cry "Halt!" to the New Deal dreamers, crackpots, and spendthrifts, who use the taxpayers' pocket-books as guinea pigs in the experimental laboratory of communistic state socialism.

The President, through his Director of the Budget, asked for three million, as provided in the pending amendment. I shall stand by the President, even though the members of his own party want to spend millions more than the three million which he asked for. I pledge the President my support and vote when he tries to reduce the cost of Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SMITH].

The amendment was rejected.

The Clerk read as follows:

National Cancer Institute: For carrying into effect the provisions of section 7 (b) of the National Cancer Institute Act, approved August 5, 1937, \$440,000.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to insert in the RECORD at this point an amendment to the Cancer Institute bill I have introduced.

The CHAIRMAN. The Chair advises the gentlewoman that she must obtain that permission in the House.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I wish at this time to congratulate the Members of the House on voting for the Bulwinkle or Cancer Institute bill which passed the House 2 years ago. You all know the provisions of this act. You all know that Dr. Parran and his assistants, in conjunction with the National Advisory Committee for Cancer Con-

tol, the Women's Field Army, and very many other organizations, are performing very wonderful service. I understand the Cancer Institute is nearly completed and will be occupied July 1. I believe you all agree with me that Dr. Parran is performing a splendid service for the public health of the people of our country.

I wish to call attention to a book, *Civilization Against Cancer*, just published, written by Dr. Clarence Cook Little, which gives very valuable and up-to-date information concerning the fight that is being made against cancer. The book tells of the work being done to eradicate cancer by different Federal, State, educational, and other organizations that are co-operating. Dr. Little points out the progress made in the fight up to this time, the great need of additional work, and the need of coordination of the work. He stresses also the great importance of diagnosing the disease in time.

My amendment to the Cancer Institute bill—and I shall ask very shortly for a hearing on it before the Committee on Interstate and Foreign Commerce—provides that \$2,300,000 be appropriated in order to further activities to prevent and cure cancer. It is generally conceded by the cancer experts that nearly half the deaths that have taken place could have been avoided if the existence of the cancer in these cases had been discovered early and treatment given immediately. My amendment would give money to various cancer institutes, both public and private, all over the country, for the prevention of cancer and the treatment of cancer patients. The Federal grants would be matched by equal amounts from the States.

I suppose if you talked with the 435 Members of the House, you would find very few Members have not had some relative in their own families at some time who have had the dread disease of cancer or some related disease. Fortunately, today this disease in many instances is not a dread disease, not an incurable disease, and not a chronic disease. Taken in its early stages it can be cured.

Today the mortality rate of cancer is second of all the diseases of this country. We have done something in the past few years toward the eradication of cancer. We can do very much better, and I believe it is up to the Federal Government to do its part. We are not groping in the dark on this problem. Certain kinds of cancer, to be sure, have proved to be incurable, but by operation, by deep radio therapy, by radium treatments and X-ray, cures are secured. Education and knowledge are essential in the fight against cancer. With a view to the dissemination of information I secured the passage of the following document:

[Public Resolution—No. 82—75th Congress]

[Chapter 56—3d session]

[H. J. Res. 468]

Joint resolution to dedicate the month of April in each year to a voluntary national program for the control of cancer

Resolved, etc., That the President of the United States is hereby authorized and requested to issue annually a proclamation setting apart the month of April of each year as Cancer Control Month and to invite annually the Governors of the several States and Territories and possessions of the United States to issue proclamations for like purposes. It is requested that such proclamations invite the medical profession, the press, and all agencies and individuals interested in a national program for the control of the disease of cancer by education and other cooperative means to unite during the month in a public dedication to such a program and in a concerted effort to impress upon the people of the Nation the necessity of such a program.

Approved, March 28, 1938.

Senator GEORGE, of Georgia, secured its passage in the Senate. The amendment which I introduced today will further spread information and make further care and cures possible.

I sincerely hope the Members of the House will join me in trying to continue the tremendously fine work of the public health and others. We have done well, but we must march forward to achieve our goal. [Applause.]

Mr. Chairman, the bill I have introduced and to which I referred is as follows:

A bill to amend the act approved August 5, 1937, entitled "An act to provide for, foster, and aid in coordinating research relating to cancer; to establish the National Cancer Institute; and for other purposes"

Be it enacted, etc., That the act approved August 5, 1937, entitled "An act to provide for, foster, and aid in coordinating research

relating to cancer; to establish the National Cancer Institute; and for other purposes," be amended by adding, at the end of section 7 of said act, the following:

Sec. 8. (a) For the purpose of enabling the Public Health Service to assist States, counties, cities, or other political subdivisions of the States to extend and improve measures through public and private institutions and organizations for the diagnosis, treatment, and control of cancer, including the provision of hospital, diagnostic, clinic, and other facilities for the diagnosis and treatment of persons suffering from cancer or suspected of suffering from this disease, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1940, the sum of \$2,300,000; and for each fiscal year thereafter, such sum as may be deemed necessary to carry out the purposes of this section. The sums herein authorized to be appropriated shall be available for the pay, allowances, and traveling expenses of commissioned officers and other personnel assigned to duty in carrying out the purposes of this section, in the District of Columbia and elsewhere, including the training of personnel to carry out the provisions of this section; and for the printing of reports, documents, and other material relating thereto.

(b) Prior to the beginning of each fiscal year and at such time or times thereafter as may be necessary, the Surgeon General of the Public Health Service shall determine, out of appropriations made pursuant to section 8 (a), the sum to be granted to the several States, including the District of Columbia, Hawaii, and Alaska. He shall then grant such sums to the several States, including the District of Columbia, Hawaii, and Alaska, on the basis of (1) population, (2) the death rate from cancer, (3) existing facilities for the diagnosis and treatment of cancer, and (4) the financial needs of the respective States. Upon making such grants he shall certify the amounts thereof to the Secretary of the Treasury. The amount of such allotment to any State for any fiscal year remaining unpaid at the end of such fiscal year shall be available for grant to the States for the succeeding fiscal year in addition to the amount appropriated and available for such fiscal year.

(c) Prior to the beginning of each fiscal year, and at such time or times thereafter as may be necessary, plans for expenditure of the grants made in accordance with section 8 (b) shall be submitted to the Surgeon General by the health authority of the respective States, or, with the approval of the State health authority, by any other State cancer control agency. After such plans have received the approval of the Surgeon General and the National Advisory Cancer Council, the Surgeon General shall determine, prior to the beginning of each quarter of the fiscal year, the amount to be paid to each State, and shall certify the amount so determined to the Secretary of the Treasury. Upon receipt of such certification, the Secretary of the Treasury shall pay, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, in accordance with such certification.

The Surgeon General is hereby authorized to appoint, with the approval of the Secretary of the Treasury, two additional members of the National Advisory Cancer Council created by section 3 of this act.

(d) With the approval of the Secretary of the Treasury, and after consultation with a conference of State and Territorial health officers and the National Advisory Cancer Council, the Surgeon General is authorized to prescribe the rules and regulations necessary to carry out the purposes of this section.

(e) A State plan under the provisions of this section must (1) provide for State or local participation at least equal to the amount of Federal funds; (2) provide for the cooperation in the State plan of the appropriate professional groups; (3) provide for improving and extending the facilities necessary for diagnosis and treatment of cancer in which preference will be given to the treatment of needy persons; (4) provide that the State health agency will make such reports as the Surgeon General of the Public Health Service may from time to time require.

(f) That to the extent that facilities may be available, not to exceed 100 persons suspected of having or known to be suffering from cancer may be cared for in hospitals of the Public Health Service for purposes of diagnosis, treatment, and clinical study.

(g) Section 8 of the National Cancer Institute Act, approved August 5, 1937, shall hereafter be designated as section 9.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Salaries and expenses, mints and assay offices: For compensation of officers and employees of the mints at Philadelphia, Pa.; San Francisco, Calif.; Denver, Colo.; and New Orleans, La., the assay offices at New York, N. Y., and Seattle, Wash., and the bullion depositories at Fort Knox, Ky., and West Point, N. Y., including necessary personal services for carrying out the provisions of the Gold Reserve Act of 1934 and the Silver Purchase Act of 1934, and any Executive orders, proclamations, and regulations issued thereunder, and for incidental and contingent expenses, including traveling expenses, new machinery and repairs, arms and ammunition, uniforms and accessories for guards, protective devices and their maintenance, training of employees in use of firearms and protective devices, purchase (not exceeding \$1,500) of a motor bus, maintenance, repair, and operation of two motor busses for use at the Fort Knox Bullion Depository, cases and enameling for medals manufactured, net wastage in melting and refining and in coining

departments, loss on sale of sweeps arising from the treatment of bullion and the manufacture of coins, not to exceed \$500 for the expenses of the annual assay commission, not exceeding \$1,000, for the acquisition, at the dollar face amount or otherwise of specimen and rare coins, including United States and foreign gold coins and pieces of gold used as, or in lieu of, money, and ores, for addition to the Government's collection of such coins, pieces, and ores, \$2,016,000.

Mr. TABER. Mr. Chairman, I offer an amendment.
The Clerk read as follows:

Amendment offered by Mr. TABER: On page 45, line 5, after the comma, strike out "\$2,016,000" and insert "\$1,916,000" and the following: "Provided, That none of the funds appropriated in this bill shall be used for carrying out the purchase of any silver, except newly mined silver mined in the United States."

Mr. LUDLOW. Mr. Chairman, I reserve a point of order against the amendment.

Mr. TABER. Why not make the point of order?

Mr. LUDLOW. My attention was diverted from the reading of the amendment, and I should like to know more about the amendment before making the point of order.

Mr. TABER. Mr. Chairman, I have offered this limitation, and it is a pure limitation and clearly in order, to reduce the amount of the appropriation on page 45 by \$100,000. This is probably \$25,000 less than the amount that should be saved as a result of the operation of the amendment. I have offered the amendment for the purpose of preventing the purchase of any silver by the United States Government under any of the Silver Purchase Acts, with the exception of newly mined silver mined in the United States.

The amount of silver mined in the United States runs somewhere around 60,000,000 ounces. The purchase of old silver and foreign silver in the New York market all through this fiscal year has run approximately five times the volume in ounces and in dollars of the newly mined silver. What possible excuse there can be for the purchase of this foreign silver, frankly, no one can explain. I do not believe those who are really interested in the silver States can object to my amendment. It does not go as far as it should go, in my own personal opinion, but it does go far enough to prevent the purchase of old silver and foreign silver, which is the bulk of the purchases.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. Just how does shrinking the appropriation by \$100,000 prevent the purchase of the foreign silver?

Mr. TABER. It prevents the use of any of the funds appropriated in this act for the purpose of such purchase. Without the expenditures for the personnel involved in such purchase there can be no purchase. Without the expenditures for carting and handling the silver to the storage warehouse at West Point there can be no purchase of foreign silver.

Mr. MARTIN of Colorado. If the gentleman will yield further, the gentleman's amendment does not affect the power of the Secretary of the Treasury to make such purchases inasmuch as the Silver Purchase Act confers the power on him.

Mr. TABER. My amendment prohibits the expenditure of any of the funds for that purpose. Under this proviso, a limitation, it would be absolutely impossible for the Secretary of the Treasury to spend any of the funds appropriated in this act for the purpose of carrying out the purchase of any silver, with the exception of newly mined silver mined in the United States.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I agree with the gentleman from New York in his observation. I believe anyone who studies the testimony of the Director of the Mint must necessarily come to the same conclusion. Mrs. Ross testified fully with respect to the great responsibility now resting on the personnel and the enormous expense incurred in the transfer of this silver

from one point to another in order to get it in form to be minted.

Mr. TABER. This will divide the amount of silver that is purchased by approximately five.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield for just a suggestion?

Mr. TABER. Yes.

Mr. GIFFORD. Would the gentleman tell the Committee the method of paying for this silver by issuing silver certificates on the basis of \$1.29 for 44 cents and 64 cents silver and what this would eventually lead to?

Mr. TABER. Well, it simply leads, eventually, to inflation, of course, but what I want to do at this time is to bring the folks from the silver territory to a realization of the fact that if they are going to expect any consideration along the line of a subsidy for silver—and that is what this is—they have got to get rid of the burden of foreign-mined and foreign-stored silver. As a result of this operation of handling this foreign-mined and foreign-stored silver the United States will be paying for the operation of the Chinese-Japanese war, and before we get through we will be paying for the operation of the Spanish civil war that has been going on. There must be some limitation somewhere upon these expenditures.

Mr. CASE of South Dakota and Mr. WHITE of Idaho rose.

Mr. TABER. I yield to the gentleman from South Dakota for a question.

Mr. CASE of South Dakota. The gentleman has already said that this would prohibit the use of any of this money for foreign-produced silver, and now the gentleman states positively that there is nothing in his amendment that would interfere with the purchase of domestically produced silver under the Silver Purchase Act.

Mr. TABER. It will not interfere with newly mined domestically produced silver mined in the United States. It will interfere with the purchase of stored silver in the United States.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. And one should also keep in mind that we have the Thomas amendment and also the Silver Purchase Act and this amendment which the gentleman proposes would not, under the Thomas amendment of the Silver Purchase Act, interfere with the purchase of domestically mined silver.

Mr. TABER. It would not interfere with the purchase of currently and domestically mined and produced silver.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. WHITE of Idaho. Is it not a fact that we are exchanging our surplus commodities such as wheat and cotton for this foreign silver?

Mr. TABER. No; it is not.

Mr. WHITE of Idaho. And is it not a further fact that the Government makes a 200-percent profit on taking in this silver?

Mr. TABER. That is not the fact. The gentleman does not understand the operations of the Silver Act.

Mr. WHITE of Idaho. I will demonstrate that when I get the floor in my own time.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I withdraw my reservation of a point of order.

Mr. MURDOCK of Utah. Mr. Chairman, on the question of the point of order—

The CHAIRMAN. For what purpose does the gentleman from Utah rise?

Mr. MURDOCK of Utah. On the question of the point of order to the amendment of the gentleman from New York, and may I propound this parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. MURDOCK of Utah. As I understood the gentleman from Indiana [Mr. LUDLOW], he reserved all points of order against the amendment offered by the gentleman from New York.

The CHAIRMAN. The gentleman is correct.

Mr. MURDOCK of Utah. Then, as I understand the rules, the gentleman cannot deprive me, after making that reservation, in the event he does not want to make the point of order, of making a point of order myself against the amendment at this time.

The CHAIRMAN. The gentleman has the right to make the point of order.

Mr. MURDOCK of Utah. Then I make the point of order at this time, Mr. Chairman.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman reserve his point of order until I can be heard on the amendment?

Mr. MURDOCK of Utah. Mr. Chairman, I make the point of order that the amendment submitted by the gentleman from New York is in violation of the Holman rule and constitutes legislation on an appropriation bill.

The CHAIRMAN. The Chair is ready to rule.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I make the point of order that the point of order comes too late.

The CHAIRMAN. The gentleman from Utah has made the point of order and the Chair is ready to rule.

Mr. SCHAFER of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN (Mr. BOEHNE). The Chair is ready to rule.

Mr. SCHAFER of Wisconsin. The chairman of the subcommittee withdrew his reservation of a point of order.

The CHAIRMAN. And the gentleman from Utah [Mr. MURDOCK] immediately made a point of order, and the Chair is about to rule on that point of order.

The Chair simply desires to call the attention of the Committee to a ruling that has been made in the past on a question very similar to this one, and the Chair reads from a decision of the Honorable Nelson Dingley, of Maine, Chairman of the Committee of the Whole, on January 17, 1896, in which he ruled:

The House in Committee of the Whole has the right to refuse to appropriate for any object, either in whole or in part, even though that object may be authorized by law. That principle of limitation has been sustained so repeatedly that it may be regarded as a part of the parliamentary law of the Committee of the Whole.

Because of this decision the Chair overrules the point of order.

Mr. WHITE of Idaho. Mr. Chairman, I rise in opposition to the amendment. For the 6 years that I have been a Member of Congress and attending the sessions of the House the eminent Congressman from New York [Mr. TABER] has been preaching economy in season and out of season. He has at every opportunity insisted that we should lighten the tax load on business, and now at last his sincerity is being put to the test. His amendment would strike down the only monetary program of the Treasury on which the Government is making a profit.

He would stop issuing the only money redeemable in coin. He would stop issuing the only interest-free money put out by the Treasury that saves business and the American people almost a hundred million dollars a year in interest. Yes, interest that would be paid monthly, daily, and hourly as the price of keeping his kind of money in circulation.

I listened to the vicious attack on silver yesterday by the eminent gentleman from Illinois [Mr. DIRKSEN], which I propose to answer later, as only 5 minutes of time could be had by myself in yesterday's debate.

The eminent gentleman from New York should know the facts concerning silver in our monetary system, as every Congressman receives a copy of the Treasury statement every

morning. He should know that as fast as silver is purchased most of it is placed in circulation as money in the form of silver certificates, and that the Government and the American people are making a profit of 100 percent on the purchase of domestically mined silver and 200 percent on the purchase of foreign silver; but best and most important of all from the gentleman's professed solicitude for business, the American people are relieved from the interest charge as the cost of the issuance and circulation of this money.

If the eminent Republican from New York and his Republican colleague from Illinois are successful in their campaign to retire the interest-free silver certificates—legal-tender currency—and replace them with Federal Reserve notes in the amount now outstanding—\$1,614,143,513—he will force business to pay the banks an annual interest yield of \$48,424,305.39, calculated at 3 percent; but we all know that current rates of interest are more than 3 percent. If we calculate the interest at 6 percent, then the Federal Reserve notes that would replace the silver certificates now in circulation would yield the banks \$96,848,610.78.

Now, what are these eminent gentlemen fighting for? Is it not the interest income to the banks of this country to be laid on the backs of the people by retiring the interest-free silver certificates now in circulation and replacing this money with Federal Reserve interest-yielding notes—something for these Republican gentlemen to fight for—money to come right out of the pockets of everyone every time a purchase is made from a business firm that has a note—eligible paper—made to the local bank and rediscounted by the Federal Reserve bank, on which interest must be paid if their kind of money is to remain in circulation?

Speaking of economy and Government assistance to business, these gentlemen move in mysterious ways their miracles to perform. When business is already carrying an interest load of \$282,463,796.16, computing the interest at 6 percent on the \$4,707,729,936 in Federal Reserve notes, which is the bulk of our currency that is now in circulation, is not there any limit to the interest load that these eminent gentlemen would lay on the backs of the American people, when this country is already \$44,000,000,000 in debt as a result of this faulty and unworkable monetary system with which the Government and the business of this country is struggling? And let me remind the eminent gentlemen that are so solicitous of business that all the silver certificates in circulation would hardly pay the interest on the national debt for 1 year. If there ever was a time in the history of America when the people of the United States needed an interest-free currency and a lightening of the interest load, it is now; and I am glad that the sincerity of these gentlemen, these stalwarts of the Republican Party, has been put to the test, that the people of our country, and particularly those of our Western States, may know what the Republican Party would do to them if it was ever returned to power in this country.

Mr. Chairman, I say to the Members of this House that the best possible piece of money ever invented is American—the silver dollar—which I hold in my hand. [Applause.] I remind the Members of this House that as fast as silver is purchased, both foreign and domestic, it is immediately put into circulation, that is, flows out into the channels of trade and business, minus interest, and the main object, the main thing sought to be accomplished here by the amendment is the retirement of interest-free silver certificates, to be replaced by Federal Reserve notes on which business must pay an annual interest—interest to the bank. That is the issue before the American people; that is the issue that this gentleman is so sedulously putting forth here, in trying to retire these interest-free silver certificates.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. WHITE of Idaho. Yes.

Mr. HOFFMAN. The silver itself is up at West Point, is it not?

Mr. WHITE of Idaho. Where is the gold? Silver certificates are the only money redeemable in coin, and the only

use that we put gold to is to cover the lendings of the Federal Reserve bank, and the sooner that fact penetrates the mind of the gentleman from Michigan, the better it will be.

Mr. HOFFMAN. Why can we not buy wheat at twice its value and issue money on that?

Mr. WHITE of Idaho. That is on a par with what we are doing with the silver producers.

Mr. SCHAFER of Wisconsin. And why not buy pig iron, because you can get it cheaper and you can run the printing presses on that. You can just as well put pig iron in the vaults in Kentucky as silver or gold.

Mr. WHITE of Idaho. The gentleman misses the point.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 45 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, I move to strike out the last two words. I do not very often inject politics in my discussions. [Laughter.] And I want the reporter to note the fact that the laughter which just occurred was on the Republican side. There is no laughter for them about this statement, and that is that if silver is going to be killed, I want it to be killed by the Republican Party, because that issue has wiped out the Republican Party two or three times west of the Missouri River, and I think it is capable of wiping it out again. They are always talking about subsidizing this little handful of silver miners in the West, as though this thing was merely throwing a sop to a handful of silver miners, but I say to you that the great force in this country that has kept the silver issue alive for the last 70 years are the farmers of the United States. I believe the farmers of this country are almost unanimously in favor of the remonetization of silver. I know they are favorable to the largest possible use of silver, because that is the only money that they know anything about, and that is the only money that is in circulation in the United States. That is the kind of money that the people have in their pockets in the United States and in the House of Representatives at this moment. The money in circulation is silver certificates or silver dollars.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I have not the time. There is nothing new in the amendment of the gentleman from New York except the exemption of domestically mined silver. I congratulate the gentleman on the progress that he has made in the last 4 years. I have a suspicion that some gentlemen on his side have been working him over. I do not think that he is in favor of the change that he has put into his amendment this year exempting domestically mined silver, but some gentleman has advised him it might not be healthy for the Republican Party west of the Mississippi River to go on record in the House as in favor of destroying domestic silver.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I have not the time. We are familiar with the gentleman from New York and his astronomical figures as to what the Domestic Silver Purchase Act costs, when the fact of the matter is that it does not cost anything. The little subsidy that is paid to domestically mined silver is only a drop in the bucket compared to the benefits. It is true that we have acquired a vast lot of foreign silver, a lot of it in exchange for our exports, but even this foreign silver has not been a drain on the Treasury of the United States, and does not affect the Budget. Let me quote you what the Director of the Budget and the Secretary of the Treasury said to the Committee on Appropriations when this identical item was before the committee last year. The gentleman from New York [Mr. TABER] asked the Director of the Budget:

What funds do you use to buy silver?

Mr. BELL. We use regular Treasury Department funds to purchase silver in the first instance, but gradually those funds are

replaced by silver certificates which go to the Federal Reserve bank and the Government gets credit for them.

Mr. LUDLOW. Is the silver-purchase program affecting the budgetary estimates adversely?

Secretary MORGENTHAU. No.

So much for the purchase of foreign silver.

The world-wide considerations which lead to the adoption of the foreign silver-purchase policy cannot be gone into, cannot even be mentioned, in the few minutes debate which will be given the amendment of the gentleman from New York.

Let us turn now to domestic silver, for which the Treasury is now paying 64.64 cents an ounce, while the world market is about 43 cents. This means a subsidy of about 21 cents an ounce. Domestic production has been running about 60,000,000 ounces per year and this would amount to a subsidy of only twelve to thirteen million dollars per year, a trifling sum to preserve a basic and indispensable national industry.

The sugar tax of one-half cent per pound to preserve the domestic sugar industry comes to about \$60,000,000 a year. Agriculture for this fiscal year is being subsidized in the sum, in round numbers, of \$1,000,000,000. In one form or another we have subsidized the railroads, the banks, the insurance companies, the shipping industry, the farms and homes of the country, and God knows what else. Of them all, the mining subsidy is the smallest and brings in the greatest returns. It has brought free money to the extent of fifteen hundred million dollars, which, as compared with that amount of money based on Government bonds drawing 3-percent interest, amounts to \$45,000,000 per year. The cost of the silver against which these certificates are issued is paid for by silver certificates and is redeemable only in silver.

A gentleman has held up a dollar silver certificate here on the floor and has shouted that if he took it to the Treasury and got a silver dollar for it and melted it down and went back to the Treasury with the bullion, he would only get 50 cents for his silver. There is enough silver in the Treasury to give him a dollar in bullion for his silver certificate, but, laying aside that fact, his silver certificate is the only kind of paper currency which he could take to the Treasury and get any metal in redemption.

They get up here on the floor and shout inflation and debased currency in the face of the fact that the American dollar, no matter what it is made out of, is the soundest dollar in the world. When the gold content of the dollar was cut 40 percent in 1933, they said it would destroy the value of the dollar not only in this country but in the world. They said knocking the gold-payment clause out of the \$100,000,000 worth of debts, public and private, was an act of national dishonor which would destroy the credit of this country at home and abroad, yet the credit of this country, after 6 years of that policy, is better than any other nation of the world, not even excluding England, supposed to be the master of the world finance. There is even less foundation for any claim that the issuance of two or three billion dollars of currency backed by silver will destroy the money of the United States. They want to destroy this free money and tie up all the money to the chokestring of a mortgage bond in the hands of the banks. That is the Senegambian in the woodpile.

If the time has come to overhaul the foreign silver-purchase policy it ought to be done properly. If there is anything clear about this situation it is that this is not the type of legislation, an amendment to an appropriation bill, and this is not the way in which to overhaul the Silver Purchase Act and the monetary policy of the United States. That ought to be done by duly considered legislation, after hearings. The Secretary of the Treasury is now before the Committee on Coinage, Weights, and Measures of the House, going into this whole subject, and we should wait. We ought to know what we are doing. We do not know the effect of this amendment. Nobody knows it. It has not been submitted to the Treasury or the mint for an opinion.

It is a wholly improper and inadequate way to revise the whole monetary policy of the United States, to have some Member walk in here and spring an amendment to cut \$100,000 off of an appropriation for the mint. For the mint, mind you, not the Treasury Department, or directly affecting the powers of the Secretary of the Treasury under the Silver Purchase Act, but cutting it off of the mint; and then we sit here for 5 minutes and take his word as to what the effect of it will be on the monetary policy of the United States.

I want you Democrats to line up for silver. [Applause.] [Here the gavel fell.]

Mr. FISH. Mr. Chairman, I do not see why my colleague from New York [Mr. TABER] has been taken to task and his motives questioned, because he has about a 100-percent record for economy. He is certainly trying to economize by his amendment.

What is my colleague from New York trying to do? He is trying to stop having the Government of the United States finance other nations. He is trying to stop the Government of the United States giving twice the cost of production for silver mined in other nations. That is all the gentleman proposes to do by his amendment.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. FISH. No; the gentleman has had his say.

The gentleman from New York [Mr. TABER] is trying to stop us financing other nations to carry on wars, whether those wars be in China or in Europe or other places in the world. This amendment does not affect one iota the price of newly mined silver in the United States. That subsidy stands in this amendment, whether it is right or wrong. I am willing to support it, but, as a matter of fact, it goes to 25 mines producing silver, owned by some of the largest corporations in America, employing only three or four thousand men. That is where this silver subsidy of fifty or sixty million dollars a year goes.

Mr. WHITE of Idaho. Will the gentleman yield at that point.

Mr. FISH. No. I am willing to support the amendment as it is. I cannot see why those on the other side are opposing it, when it does not affect newly mined silver.

Now, what is our silver policy? Where did it come from? It came from those financial wand wavers, crystal gazers, and rabbit producers who thought by monkeying around with silver and the price of silver they would increase the prices of agricultural products at home and make the purchasing power higher in Mexico and China. In Mexico and China the purchasing power has collapsed and farm prices have collapsed in America. I do not question the motives of the New Deal magicians if by the Silver Purchase Act they tried to raise farm prices, but everyone must admit that they failed completely. I only question the wisdom of it, and the fact that farm prices collapsed is the answer. What the gentleman from New York is trying to do is to economize with the Government's money, to stop using our money to finance other nations by paying twice what it costs to produce silver in foreign nations.

I only rose because a lot of this silver goes into the ground at West Point, N. Y., which is my district, right opposite where I live. I am not opposed to a subsidy to encourage the production of silver in the United States. The gentleman from Idaho said we are not losing any money. We have already spent about one and one-half billion dollars to purchase silver very largely from abroad. The testimony shows that if we sold that silver now we would lose \$600,000,000. It is my belief we would lose over a billion dollars. I believe that if we tried to unload that silver it probably would not be worth more than 10 cents an ounce, and we would lose over a billion dollars. One reason that prompted me to speak was this: It was not so much the silver question, because this whole silver issue is not a flea bite or a half of a flea bite or a quarter of a flea bite compared with the gold program. Of all the follies, fallacies, and fantastic failures of the New Deal, the gold-purchasing program

is by far the worst. We have spent \$7,000,000,000—not one billion as for silver, but \$7,000,000,000 to get gold at twice the cost of production, 70 percent of which comes from the British Empire, to take it out of the ground in South Africa and bring it over to the United States, and bury it again in the ground in Kentucky, where it draws no interest, feeds nobody, clothes nobody, builds no homes, and puts nobody to work. [Applause.]

[Here the gavel fell.]

Mr. SCRUGHAM. Mr. Chairman, I rise in opposition to the amendment.

At the outset, I wish to call attention to the fact that, in my opinion, it is highly improper to attempt to profoundly change the entire fiscal policy of the Nation by means of a few lines of wording in an appropriation item for the Mint.

It is emphatically not the way to produce sound legislation for the benefit of the Nation. The arguments in favor of the amendment are somewhat as follows, quoting from the remarks of the gentleman from Illinois [Mr. DIRKSEN], and the proponent of the amendment, the distinguished ranking minority member of the Appropriations Committee, Mr. TABER.

It is alleged that the acquirement of silver constitutes a tremendous burden on the taxpayers and will reflect greatly increased interest costs. This statement is certainly not supported by the facts. The silver policy relieves the burden on the taxpayer, makes a profit for the Government, and stimulates foreign trade.

I quote from the statement just made by the gentleman from New York [Mr. TABER], "The purchase of foreign silver, in effect, is paying for the operations of the Chinese war." This would be delightful news to the Japanese Government, but apparently they do not have available the financial information just imparted by the gentleman from New York. They are foolishly taxing their people to the utmost limit and borrowing money from every conceivable source. It is ridiculous to claim that the Silver Purchase Act is financing the Japanese military operations in China, except as silver purchase is incidental to promotion of the general export trade of the United States.

The reason for the purchase of foreign silver is to establish foreign credit purchasing power, primarily for surplus agricultural products, and incidentally manufactured products of the United States. We have great excess production of cotton, wheat, and manufactured products for sale. A vote for this amendment is a vote to kill employment for the farmer and workingman.

Foreign silver purchase is a credit that promotes the sale of our surplus products. As proof of this I call your attention to a quotation from the hearings of the Special Senate Committee on the Investigation of Silver. The date of the hearing is February 7, 1939. The following question was asked the Secretary of the Treasury, who, I am sure, is competent to answer it:

Would not cessation of silver imports tend to reduce American exports of goods; and, if so, would not that tendency be very harmful to the country?

The answer of Secretary Morgenthau was:

Yes, unless there should be a net outflow of nearly \$5,000,000,000 in gold.

I hold in your face the testimony given in this hearing. The actual facts of the effect of silver purchases are clearly and simply stated.

My basic objection to this amendment is that it is not the proper way to initiate or enforce important legislation profoundly affecting the fiscal policies of the country. A vote for this amendment is a vote against foreign trade, against disposition of our surplus commodities, and is a vote to increase our unemployment. Vote the amendment down. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. Wolcott] for 4 minutes.

Mr. WOLCOTT. Mr. Chairman, I believe this amendment should be adopted. I think the fallacy of the Silver Purchase Act has been definitely proven. When we were considering the Silver Purchase Act, one of the outstanding authorities on silver, Rene Leon, told us it would create purchasing power in China and enable our farmers to sell into the Chinese market, and would enable our industrialists to sell into the Chinese market. Rene Leon has been completely repudiated by the facts.

The President himself said that the purpose of the Silver Purchase Act was to increase our exports. The President undoubtedly was following the advice of Rene Leon, and is not to be criticized too much for that, because many of us listened very attentively to his testimony before the House Committee on Banking and Currency in respect of the silver-purchase plan, and many went along with him.

What has happened to China and our trade with China because of the silver-purchase plan? We so demoralized the Chinese currency that banks closed, and factories closed in China resulting in a situation comparable to our depression of 1929-32.

The price of silver was bid up to the point where the bank holdings of silver in China were depleted, forcing China off the silver standard. As a consequence, they tied to the British pound sterling. China is a frontier country. It has a vast potential market for American produced goods. For the first time in its history China has a unique nationalism. Instead of being subservient to royal war lords, Chinese citizens today are responsible only to their central government. It has a nationalism comparable to that which we enjoy in America.

Mr. Chairman, with this nationalism comes a demand for occidental goods—radios, automobiles, electrical equipment, kitchen utensils, furniture, and machinery. All of the things which we manufacture in the United States could be sold in that market had we not forced them off the silver standard. As a consequence, that highly desirable market is placed in such a position that almost all of the trade between the United States and China must be transacted through the back door of London, England.

It is not so much a question whether we should subsidize our silver miners, because this amendment, as I understand it, definitely protects the domestic silver miners and continues to subsidize them. Whether that may be a desirable thing to do is not the question before us, because this particular amendment exempts domestically mined silver from the operation of the Silver Purchase Act. Our concern is with the question whether it is advisable to continue it because of the effect it might have on foreign exchange and on our foreign markets. We do not know, but we have every reason to believe that the Silver Purchase Act of the United States has made it possible for the Loyalist Government in Spain to continue operations there. We do know that all of the gold holdings of Spain were depleted over 1½ years ago. I hope that during the hearings before the Coinage, Weights, and Measures Committee on this matter it may be brought out whether the Silver Purchase Act of the United States has been used as the basis for loans to or purchases of armaments for Loyalist Spain.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. MURDOCK].

Mr. MURDOCK of Utah. Mr. Chairman, in speaking to the Committee this morning may I suggest it is not so much right now a question of the wisdom or unwisdom of the silver policy adopted in 1934. We have rules of the House under which we are supposed to proceed.

There is pending in the Senate today and before a House committee, legislation which has to do with the silver-purchase program in which committees it is being orderly considered as contemplated by our rules. Is it not the course of wisdom to await the action of those legislative committees instead of sniping at a program by striking out an appropriation item? Have we no respect for our rules? Have we no respect for our legislative committees on whom devolves the duty of reporting legislation on this question?

Mr. Chairman, do we want to make the Appropriations Committee of the House an appellate court on the actions of every legislative committee of the House? What difference does it make, so far as economy is concerned, to strike from this bill a little item of \$100,000 or so? Is not the principle involved a bigger one than the mere sum of \$100,000?

Our distinguished friend from New York is apprehensive about the price we may get for the silver that has accumulated in the Treasury. Mr. Chairman, can anything be as dangerous or as destructive, so far as the price of silver is concerned, as to haphazardly stymie the Treasury Department in carrying out a silver policy which has heretofore been legislated by the Congress?

There has been a lot of talk about the purchase of silver adding to the national debt. The way that silver is purchased under the Silver Purchase Act and under the proclamations of the President of the United States is as follows, and I challenge the gentlemen on the Republican side, who are so subtly trying to destroy the silver program, to deny the fact.

When an ounce of silver is offered to the Treasury, whether under the Silver Purchase Act or under a silver-purchasing proclamation of the President, this is what happens: If it is newly mined domestically produced silver, under the present proclamation of the President, the offerer of the silver is paid 64.64 cents an ounce, and immediately this silver is monetized at its monetary value as fixed by law, which is \$1.29 an ounce. We have, therefore, a transaction which has netted the United States Government, under present law, a profit of 100 percent. If the silver offered is foreign silver, the Treasury purchases it, let us say, at 49.8 cents an ounce, which has been the prevailing price during the entire year of 1933 and up to the present time. This silver is immediately monetized at the monetary value of silver, which is \$1.29 an ounce. Silver certificates are issued in payment of silver, whether it is domestic or foreign. There is no borrowing of money for the purchase of silver. There is no interest payable to bankers in the purchase of silver. In fact, silver certificates are the only money in circulation in the United States today which is not created out of debt. Silver certificates are the only money in the circulation in the United States today on which the people are not paying interest. Silver certificates are the only money in circulation redeemable in metal.

Referring again to the purchase of foreign silver at 49.8 cents an ounce, the price paid during the entire year of 1933 on every ounce purchased by the United States Treasury, the United States Government has made a profit of better than 110 percent. Now, under what stretch of the imagination can the United States Treasury take a loss under this program? Of course, if this Government is ever foolish enough to deliberately demonetize silver, if it is foolish enough to dump its entire silver holdings onto the world market for the deliberate purpose of destroying the silver market, we could take a loss. But, certainly, even the gentleman from New York [Mr. TABER] and his distinguished colleague on the Appropriations Committee, the gentleman from Illinois [Mr. DIRKSEN], in the event their party ever attains power over the Government of the United States again—God forbid—even they would not be foolish enough to take any such action as this. On the other hand, we find silver certificates circulating under the monetary program of the New Deal at parity with all other types and classes of United States currency. They circulate on the same basis as Federal Reserve notes created out of debt. Not even the Republican opponents of silver would exchange what they consider obnoxious silver certificates for their much-coveted Federal Reserve notes at any discount whatever. The gentleman from New York [Mr. TABER] asserted last Friday in his tirade against silver that silver certificates were crowding Federal Reserve notes out of circulation.

I doubt very much whether or not this statement is true, but what a great boon it would be to the American people if such were actually the case. If we could have silver certificates coming into circulation as the result of American miners working at decent wages, producing the silver that backs silver certificates—coming into circulation in the

United States in such volume that they were replacing the interest-bearing Federal Reserve notes created out of debt, and to every one of which attaches an interest payment to bankers—what a godsend it would be to the great mass of American people. I wonder if this, Mr. Chairman, is not the real secret behind the opposition of Republicans to the silver program of the New Deal. I wonder if the fact that silver certificates do not carry interest to the great bankers of the United States is not the very reason why we find the gentleman from New York, the ranking Republican member of the Appropriations Committee, opposed to any silver program whatever. He has tried to cover his subtle efforts today to destroy the silver program by trying to make the domestic-silver industry believe that he is not aiming at them. But if his amendment should carry, it would so demoralize the silver market of the world that, regardless of the efforts of the New Deal to aid the domestic industry, it would not recover in a decade. The gentleman from New York is doing exactly what I prophesied he would do during my last campaign in the State of Utah. The Republicans of Utah are just as dependent on silver as the Democrats of Utah. The leaders of the Republican Party always assure us just prior to election how sympathetic the Republican Party is to the welfare of the silver industry of the West, but just as soon as election is over and Congress convenes we find their sympathy expressed in actions directed to the destruction of the entire silver program.

Now, let us consider for just a moment the redemption feature of silver certificates. All that any holder of a silver certificate can get therefor from the Treasury of the United States in the way of redemption is that for each dollar in silver certificates when presented to the Treasury he will be handed one silver dollar. This redemption can be had and still leave in the Treasury the huge profit it has made by purchasing silver for less than its monetary value and immediately monetizing it at its statutory monetary value. As stated above, silver certificates circulate at par without any question as to their parity with all other types of money and currency issued by the United States. The big round silver dollars that you find circulating in the West constitute the only hard and sound money in circulation in the United States today. In answer to a statement made by the distinguished gentleman from New York [Mr. TABER] on Friday last, I read from a letter received from the Treasury Department addressed to me, dated February 27, 1939, signed by Herbert E. Gaston, assistant to the Secretary, as follows:

The procedure which has been followed in the purchase of silver has been to issue silver certificates to the cost of the silver acquired. The purchase of silver thus does not reduce Treasury cash balances nor cause an increase in the public debt.

This certainly should be a sufficient answer to the gentleman from New York [Mr. TABER] as to how silver is purchased under the present program, and it should assure him and every Member of this distinguished body that the purchase of silver does not reduce Treasury cash balances nor cause any increase in the public debt.

The gentleman from New York, and other opponents of the silver program, refer to it as a subsidy to the silver mines of the West. But instead of a subsidy this program has resulted in the greatest profits to the Treasury of any monetary program ever adopted. For the sake of argument, I care not how long a silver certificate remains in existence, I care not how low the price of silver may go, under the present program the United States Treasury can never take a loss. Under the program the Treasury is only obliged to deliver to the holder of silver certificates a dollar in silver, which is fixed by statute, for a dollar outstanding in silver certificates. The price of silver cannot have any bearing on this obligation; and the Treasury, under the present program, can retire every certificate in existence and still have a vast amount of silver representing the profits from this program.

The use of silver in the arts and sciences since the adoption of the silver program of the New Deal has increased more than 120 percent, so the future outlook from this standpoint should dispel any fears of a great fall in the price of silver unless this Government willfully contributes to it. On the

questions of imports and exports we find that, notwithstanding the great wailing of the Republican Members as to the vast amount of foreign silver that has come in under our program, since 1873 until the present date our exports of silver are vastly greater than our imports, indicating again that the balance of trade in this commodity, if we wish to consider silver as a commodity, is still in favor of the United States.

In conclusion, I desire to say that it has been indeed a pleasure to me to witness the unanimity of the Democratic side in support of the silver program, contrasted with the unanimity on the Republican side against it.

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. CASE].

Mr. CRAWFORD. Will the gentleman yield?

Mr. CASE of South Dakota. For a question.

Mr. CRAWFORD. Is it the gentleman's understanding that under the Silver Purchase Act the Treasury of the United States can issue debt obligations in order to secure the dollar exchange with which to pay for the silver?

Mr. CASE of South Dakota. I presume that is one way it can be done. My understanding is that silver certificates are issued.

Mr. Chairman, I am going to support this amendment because I believe it is for the best interests of the silver industry of the country. I am afraid a continuation of the present policy will throw such a burden of proof upon the silver-mining interests of the West that if we do not take the step proposed in this amendment we are going to lose the entire benefits of the Silver Purchase Act so far as domestic producers are concerned.

Mr. MURDOCK of Utah. Will the gentleman yield?

Mr. CASE of South Dakota. Briefly.

Mr. MURDOCK of Utah. Does the gentleman believe this is the proper procedure to enact legislation, or would it not be better to hold public hearings and let the mining men of the West come in and appear before the committee and tell their story?

Mr. CASE of South Dakota. Of course, I think that would be preferable. I recognize this is a method of indirection. At the same time, what we are doing by the purchase of foreign silver is to seek, by indirection, to help the exportation of cotton, wheat, or whatever the commodity may be. It may be a desirable thing to aid the exportation of these commodities from this country, but to do it by the purchase of foreign silver is also doing something by indirection.

Even though it may be an indirect method of accomplishing the result, I am convinced the step proposed by this amendment is necessary if we are going to protect the present benefit to domestic silver under the present Silver Act.

GOLD PRICE IS SELF-DEFENSE

I am sorry that the gentleman from New York [Mr. FISH] brought into the discussion the question of the gold purchases, because that confuses the issue. However, because the gentleman has brought it into the discussion I wish to make one or two references to it.

The gentleman from New York and many other Members of the House in discussing the Gold Reserve Act at various times have assumed that by fiat or by legislation or by some decree of this country the price of gold was automatically raised from \$20.67 to \$35. As a matter of fact, no act of this Congress or no proclamation by any President is fundamentally responsible for the increase in the price of gold. What increased the price of gold above \$20.67 per ounce was the demand for gold.

In 1933, before we ever had any purchasing of gold in this country at \$35, the price of gold on the open market in London was bouncing far above \$20.67. It was up to \$26 and \$29, and for some time was between \$32 and \$34 per ounce. Because gold was going out of this country we had a proclamation establishing an embargo upon gold in this country to protect this country from losing its supply of gold. Finally, in self-defense, we passed the Gold Act, which authorized the purchase of gold at \$35 an ounce. Prior to that time gold was selling in London for over \$32 an ounce. Since we have

purchased gold at \$35, gold has sold on the open market in London at more than \$35 an ounce.

The establishment of the \$35 price in America was only in self-defense. Various steps were taken. At one time after the embargo was first established, when the domestic producers of gold said "it is unfair to force us to sell gold for \$20.67 at the mint here when if you would let us send it to London we could get \$29 or \$32 an ounce for it," the Government for a time said, "We will pay you the world price of the gold, but you cannot ship it out of this country."

The Gold Act was the result of definite conditions calling for self-defense. Anyone who has studied the history of gold ought to realize that gold does have a real value, regardless of what you say about the price. In the case of a national emergency, in case of war, if you have gold, you can go to some other country, whether or not it is on the gold standard, and you can get the war supplies you need. If you have the gold, you can get what you need in the world markets. This is why it is important to have a good reserve of gold. [Applause.]

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I rise in support of the amendment.

May I respectfully suggest to the Members from the mining States that they would render a great service to their country as well as the silver interests in their own districts if they would support and vote for this amendment? When the rank and file of our American people find out what a liberal Santa Claus Uncle Sam has been for foreign people under your New Deal silver and gold programs you will be mighty lucky if you retain any subsidy for your domestically produced silver and gold.

Who was the daddy of this gold and silver legislation? Was he a monetary expert? No. He was a college professor, an agricultural college professor—Warren. Professor Warren wrote a book and revealed that he was a great inventor. He admitted that he tried to perfect a device which would light up the chicken houses and make the chickens think that night was day, so they would lay two eggs a day instead of one. Professor Warren admitted that his device was imperfect; that it sent the chickens to their death instead of to the nest to lay an egg at night as well as in the day.

This New Deal professor, however, did perfect an invention to light up the home of the blue goose that laid the gold and silver eggs. The Warren invention was the New Deal silver and gold program under which the blue goose did lay two silver and two golden eggs instead of one. The record shows, however, that the New Deal let the people in foreign lands have most of the benefit from the Warren invention. Under the New Deal gold and silver programs foreign gold and silver producers and owners had most of the blue geese which laid two silver and two golden eggs instead of one, and Uncle Sam and the American people have been forced to contribute many billions of dollars to feed these geese in foreign lands.

Our New Deal administration forced Americans to turn in all of their gold to the Government for \$20.67 an ounce or else go to the jailhouse for 5 years. They then imported from foreign lands from 1934 to 1938, inclusive, according to Treasury statistics, \$7,676,858,307 worth of gold and paid \$35 an ounce for it. Most of these imports came from England and France, who owe the American taxpayers' Treasury more than \$10,000,000,000 which was handed to them by the World War Democratic administration.

What did you do under your New Deal silver legislation? According to these Treasury statistics, we imported \$955,398,319 worth of silver from foreign lands during the years 1934 to 1938, inclusive. A great deal of this silver was purchased at more than two times the price of silver before the enactment of Professor Warren's New Deal silver legislation. This amendment does not reduce the subsidy for American silver producers. It merely protects America from being exploited by producers, owners, and importers of foreign silver. Let us pass this amendment and stop Uncle Sam from playing Santa Claus in a big way to these foreign interests.

[Here the gavel fell.]

Mr. SMITH of Ohio. Mr. Chairman, I want to address myself particularly to the majority side of the House. My message should be of particular interest to you.

I hold in my hand a paper dollar bill. It is a silver certificate. I understand it is redeemable in silver. That is, I can redeem it at the United States Treasury for one silver dollar. Many of us have been wondering about the silver certificates that are being issued. We hear it said there is something wrong with them. Indeed, there is something wrong with them and it should not be difficult for us to find out what that is.

Suppose I should take this dollar bill to the United States Treasury and ask them for a silver dollar for it. The clerk at the window graciously hands me the silver dollar. Suppose I take the silver dollar home and melt it down into a small silver bar. Suppose then I take this little bar of silver back to the office of the United States Treasury and ask them how much they will give me for it. What will be the reply of the clerk at the window? He will say, "I will give you 50 cents for your bar of silver," and that is all he will give me for it.

Suppose, however, I take my bar of silver that I got from melting my silver dollar down to the world silver market and put it up for sale there. There I will be offered only 32 or 33 cents for it.

The real worth of the silver contained in the bar, therefore, is only 32 or 33 cents. The dollar bill I gave the Treasury for it was only a warehouse receipt for the silver contained in the silver dollar. Therefore this dollar bill which I hold in my hand is actually only worth about one-third of its face value. What is the other two-thirds? The other two-thirds is fiat money pure and simple.

Two-thirds of it is inflation. This means that the silver certificates now in use as money are inflated to the amount of two-thirds of their face value, which is 200 percent. The President now has the power to double this inflation.

And still people ask what is the matter with America.

It so happens my middle name is Cleveland. I was named after Grover Cleveland. My father was a gold Cleveland Democrat. Grover Cleveland was one of our greatest money Presidents. If he knew what is being done now to our money he would be turning over in his grave.

Cleveland called a special session of Congress in 1893 to consider the repeal of the Sherman Silver Purchase Act. The country was in a panic at that time. Cleveland blamed the distress of the country on the money debasement involved in the Silver Purchase Act. Between 1878 and 1891 the Treasury spent \$308,000,000 in buying 291,000,000 ounces of silver at an average price of \$1.06 an ounce. The Treasury then coined out of the 291,000,000 ounces \$378,000,000. It then allocated to itself a "profit" of \$70,000,000 as seigniorage.

That meant a 20-percent inflation of the silver money. When the Congress was discussing the repeal of the Silver Purchase Act they took the matter very seriously. They debated the question on this floor for 15 days and nights. The result was the act was repealed. The repeal of the Sherman Silver Act immediately brought the country out of its depression.

Now, if a debasement of the silver money at that time to the amount of only 18 percent could bring on a depression such as was experienced then, is it any wonder our country is in its present deplorable condition when we have an inflation of 200 percent, which can be doubled at the will of the Chief Executive? This is to say nothing about the pathologic condition of the other part of our monetary problem.

It is important to point out that Grover Cleveland especially understood the importance of a sound and honest money system. He knew that the solution of the unemployment problem depended upon reestablishing confidence in money. He pointed this out in one of his messages to Congress. For full employment he said we need "contented capital."

Mr. FITZPATRICK. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Ohio. I yield to the gentleman.

Mr. FITZPATRICK. What is the purchasing power of that dollar today as compared with the dollar in 1928 and 1929?

Mr. SMITH of Ohio. The purchasing power of this dollar can be measured in fairly precise terms. In 1929 the United States dollar bought about \$6,500,000,000 of brand new capital, which gave millions of workmen employment. In the year 1938 our dollar bought about \$850,000,000 worth of new capital and left millions in the bread lines. That is what our present dollar is worth as compared with 1929.

Mr. FITZPATRICK. But what is its purchasing power in clothing and groceries today? It is worth 20 percent more today than in 1928 or 1929?

Mr. SMITH of Ohio. For those who have full employment, yes; but for the millions who have not any jobs, who have no dollars with which to buy groceries and clothing, the dollar is not worth a cent.

Mr. MURDOCK of Arizona. Mr. Chairman, some recent American political history has just been paraded before us, and I should like to call your attention to the fact that Grover Cleveland was not the only great and distinguished Democrat we have had on the American scene. Right now I am thinking of another Democrat and of his words, and as we discuss this measure I see the dividing line as it was in 1896.

If they dare to come out in the open and defend the gold standard as a good thing, we will fight them to the uttermost, having behind us the agricultural interests and all the toiling masses. * * * The big business interests have made too limited their definition of a businessman.

This great Democrat thought that farmers, small merchants, and miners are businessmen.

Today we have the same issue. We on this right side of the central line have behind us in this struggle the laboring classes, the farming classes, and the multitude of small-business men, while you on that side of the aisle have behind you the banking interests and some big-business men.

What do you want in this simple amendment that you propose in the guise of economy? You are striking deep at the fundamental financial policy of our country. You want a money, sound money, you say, but a money for the businessmen, not a Government currency but a bank currency based on an interest-bearing indebtedness, whether it be national bank notes or Federal Reserve notes. It is a money that is based on a bonded indebtedness or an interest-bearing debt. As my colleague from Idaho has pointed out to you, we favor the money of the masses. It is the money of the laboring people, the farming people. I am not in favor of unrestricted fiat money. I certainly am not in favor of rank inflation, such as you hold before us as a scarecrow. I am not fearing that the United States is going the way of Germany at the close of the World War, but I am saying to you that that which has been regarded as money since the world began, gold and silver, is our money, and I want to assure you that although some silver purchased may be put in a hole at West Point, it is not buried. It furnishes us a representative money which I am very glad to possess.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK of Arizona. Briefly.

Mr. WHITE of Idaho. If the United States Government or the United States could get entirely out of debt and all business go on a cash basis, could any Federal Reserve notes circulate, or could we have any currency under the Federal Reserve System at all?

Mr. MURDOCK of Arizona. No; in such an event we could not have either Federal Reserve bank notes or Federal Reserve notes. I say this because Federal Reserve bank notes have been based on the Government's obligation, just as the old national bank notes were, and Federal Reserve notes are based upon private obligations arising in the course of business. Although I can see some logic in this latter class of notes—Federal Reserve notes—it does seem a shame that business must pay an interest rate in order to bring it into circulation.

The Federal Reserve System uses gold as a basis so far as any metal is used. I insist that if we confine our basis for a monetary system to gold alone as we have for many years past, it puts too great power in the hands of the few holders of gold. We must use both gold and silver as the basis for our monetary system from now on. It seems to me that the amendment proposed by the gentleman from New York [Mr. TABER] is sniping at this whole silver policy. Perhaps there ought to be a modification of our dealing in foreign silver, but as the gentleman from Colorado [Mr. MARTIN] and the gentleman from Utah [Mr. MURDOCK] pointed out, this is not the place to do it. Let us go about it in a legislative fashion, and we may agree to it, but the purpose of this amendment is bad, and I am opposed to it.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. LUDLOW. Mr. Chairman, it is not my purpose to discuss the merits or the demerits of the Silver Purchase Act. That has been done by others. At one time a distinguished Member of this House, in a moment of conviviality, rose and said, "Where am I at?" I think it may be well for us at this juncture to pause and ask ourselves where we are "at" in connection with this amendment now pending before the House. The Secretary of the Treasury, by a specific statute, is under a mandate to purchase silver. It is a mandate from which he cannot escape until silver attains the position of one-fourth of the entire monetary stock of the country, or until it reaches the price of \$1.29 an ounce. The gentleman from New York [Mr. TABER] has said his amendment would cut off absolutely the purchases of all foreign silver, which amount to more than three-fourths of all the purchases of silver. It seems to me that you will then have the Secretary of the Treasury tied up in a very hard knot. He is under a mandate to purchase silver, and yet if this amendment should prevail, he could not purchase anything but newly mined domestic silver, and if he purchased that to meet the requirements of the statute, it is obvious that he would be piling up a subsidy to these domestic producers of silver that would be out of all reason. The point I make is, without taking issue for that matter with the general objective of the gentleman from New York, with which I have much sympathy, nevertheless this is a matter which certainly should have the attention of a legislative committee and should have long and serious and constructive consideration with hearings, and an opportunity for everyone concerned and every section of the country to be heard. So I plead with the House to defer favorable action on the amendment and to allow this matter to be considered in a legislative way.

The CHAIRMAN. The time of the gentleman from Indiana has expired. All time has expired. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. LUDLOW) there were—ayes 130, noes 128.

Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. TABER and Mr. LUDLOW to act as tellers.

The Committee again divided; and the tellers reported—ayes 135, noes 155.

So the amendment was rejected.

The Clerk read as follows:

Construction of public buildings outside of the District of Columbia: For continuation of construction of, and acquisition of sites for, public buildings outside of the District of Columbia, including the purposes and objects, and subject to the limitations, specified under this head in the Third Deficiency Appropriation Act, fiscal year 1937, and also including those increases in the limits of cost of certain authorized projects, 25 in number, as specified in House Document No. 177, Seventy-sixth Congress, \$30,000,000: *Provided*, That the provisions of section 322 of the act of June 30, 1932 (47 Stat. 412), shall not apply with respect to the rental of temporary quarters for housing Federal activities during the replacement or remodeling of buildings authorized under this or previous acts.

Mr. O'CONNOR. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: Page 51, line 8, strike out "\$30,000,000" and insert "\$60,000,000."

Mr. TABER. Mr. Chairman, I make the point of order that it is not authorized by law.

The CHAIRMAN. Does the gentleman from Montana desire to be heard on the point of order?

Mr. O'CONNOR. I would like to be heard briefly. In the act of 1937, which is the basis for this appropriation, Congress authorized the sum of \$70,000,000 for expenditure over a period of 3 years. The Chair will note that there was no particular quota of that amount directed by Congress to be used during any particular year. In 1938 Congress again authorized a further appropriation of \$60,000,000, making a total of \$130,000,000. Of the \$130,000,000, \$59,000,000 have been appropriated, and this bill now seeks to appropriate \$30,000,000 more, making a total of \$89,000,000. My point is this. This bill is subject to amendment in this respect for the reason that the additional amount sought to be appropriated by the amendment makes a total of \$119,000,000, or \$11,000,000 under the authorization of the acts of 1937-38. Inasmuch as Congress did not direct any particular amount of the \$130,000,000 to be used or appropriated in any 1 year, my contention is the amendment is in order so long as we retain part of the \$130,000,000 authorized to use for post-office buildings during the third year.

The CHAIRMAN (Mr. COOPER). The Chair is ready to rule.

The gentleman from Montana [Mr. O'CONNOR] offers an amendment on page 51, line 8, seeking to increase the appropriation there stated, \$30,000,000, to the figure of \$60,000,000, to which amendment the gentleman from New York [Mr. TABER] makes a point of order on the ground that the increase in the item sought to be made is not authorized by law.

The Chair invites attention to Public Resolution 122, Seventy-fifth Congress, title III, Federal Public Buildings, and quotes in part as follows:

* * * is hereby increased from \$70,000,000 to \$130,000,000.

There is a balance remaining of that authorization of \$71,000,000. The pending bill carries an appropriation of \$30,000,000, which would leave \$41,000,000 unappropriated. The amendment of the gentleman from Montana seeks to increase the \$30,000,000 appropriation to \$60,000,000, or seeks to appropriate \$30,000,000 of the remaining \$41,000,000 authorized by law. Therefore, the Chair overrules the point of order.

The gentleman from Montana is recognized for 5 minutes in support of his amendment.

Mr. O'CONNOR. Mr. Chairman, on page 1873 of the CONGRESSIONAL RECORD, the gentleman from Texas [Mr. MAHON], in answer to an inquiry, stated as follows:

I have just explained that it takes about \$60,000,000 to construct a post-office building in each district each year. The \$30,000,000 carried in the bill is just to carry on the 3-year program of two buildings for each congressional district for the 3-year period.

So you will see that the appropriation contained in this bill would not provide in each congressional district one post-office building. The least we can do, in the light of the information as disclosed by House Document 177, is to provide for the construction of a post-office building in each congressional district each year; and, according to the gentleman from Texas [Mr. MAHON], and I think he is correct, it would require \$60,000,000 to do that.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield for a question.

Mr. MAHON. Does not the gentleman understand that if his amendment were adopted it would not mean an additional Federal building for the congressional districts? It would simply mean an appropriation which the Procurement Division is not in a position to utilize, and therefore would be an idle gesture.

Mr. O'CONNOR. I have heard it said that the Procurement Division was without sufficient help to carry out this program if we appropriated the additional \$30,000,000. In reply to that, I want to say we are feeding and taking care of millions of people throughout the country who are unemployed. Why

not put some of those unemployed people to work? The Procurement Division can hire them just the same as anybody else. You get more for your money in the construction of a Federal post-office building than you get for your money in the construction of other Government buildings built by relief labor throughout the United States. There is not a congressional district in the West or in the East that should not have an additional post-office building. Let us put this money to work. The authorization was made in 1937 and 1938. Let us appropriate this \$30,000,000 and give them \$60,000,000 to work with, and if the Procurement Division does not have sufficient help, let them employ some of the people who are now upon relief in the United States.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mrs. ROGERS of Massachusetts. Is it not true also that it will be a saving in the end, because it will save rental expense?

Mr. O'CONNOR. Exactly. In addition to that, the post offices are needed. In my district there are 17 cities eligible for post offices now. None of them is authorized to date.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield for a question.

Mr. SCHAFER of Wisconsin. For a suggestion. If the cities in your district would contact Mr. "Chip" Robert, of Georgia, no doubt you would get some post offices. [Laughter on the Republican side.]

Mr. O'CONNOR. I think the gentleman is out of order.

Now, getting down to business, let us put to work this money. Let us put to work the people throughout the United States in the construction of Federal post-office buildings which are needed. They are needed in Montana, in California, in New York, and in many other States. Some of the States are well provided for, but the States I have pointed out, including Iowa and Nebraska as well as many others, need post-office buildings. So let us hurry this program. The expenditure of the \$130,000,000 is provided for in the act of 1937 and the act of 1938. When next year comes around make additional appropriations to supply the country with needed post offices.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. NICHOLS. Does the gentleman think if his amendment were agreed to, that would mean there would be any additional post offices built throughout the United States?

Mr. O'CONNOR. By the adoption of my amendment you would sharply advance the construction of post offices for which there has been an authorization, and no doubt in the near future additional post-office buildings would be built as a result of the amendment.

Mr. NICHOLS. It does not mean any new building.

Mr. O'CONNOR. Perhaps not immediately.

Mr. O'NEAL. What is the gentleman's recommendation as to a post-office building program for the next 10 years?

Mr. O'CONNOR. I have not that in mind. All I have in mind now is that we have the authorization for these buildings, we need these post offices, and we need to put people to work. [Applause.]

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Montana.

Mr. Chairman, I am sure everybody knows that even if this amendment were adopted not one congressional district in the United States would get a single additional building, it would not add one building to the \$130,000,000 program authorized, for that has been entirely allocated, the amount to be appropriated for each district has been determined, and the amount carried in this item is the amount necessary to carry the program through the coming fiscal year.

The Department came to us with a proposal that we appropriate \$30,000,000, which they said was all they needed, that it met all of the requirements of the program.

The gentleman from Montana spoke about using people on relief to do this work on these buildings, but I would point

out to him that you do not find on the relief rolls men capable of drawing the plans, specifications, and blueprints necessary for great public buildings. A certain degree of architectural skill and art is required. Furthermore, there is a certain maximum of production possible, and this is provided for by this \$30,000,000. We want to sustain that organization in an efficient operating condition. The \$30,000,000 carried in this item represents every cent they can use. Why, therefore, do we want to double the appropriation when they can not use it?

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield for a question?

Mr. LUDLOW. I yield.

Mr. O'CONNOR. Could not that force be increased? Are there not other qualified people who can be added to that force, architects who can draw these plans?

Mr. LUDLOW. To add another \$30,000,000 to this item would not speed the program. The program adopted meets all of the expectations of Congress. The organization handling this work carries it on in an efficient, progressive manner. Thirty million dollars is all the money they need, is all the money they can use. Such an organization as this cannot be built up overnight; it is not a mushroom proposition; this work has to be done by a skilled organization that has been built up over a long period of years.

Mr. PIERCE of Oregon. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. PIERCE of Oregon. When is the program to begin in the districts, this year or next year?

Mr. LUDLOW. The original program, as I understood it, was to cover every congressional district in the United States, placing one building in each district.

Mr. PIERCE of Oregon. But nothing in this year 1939; is that right?

Mr. LUDLOW. In some districts; yes. Some of these buildings are in progress now. I cannot tell the gentleman when a building will be built in any particular district. This is a 3-year program, as a result of which a public building will be built in each district of the United States that can qualify. A certain number of districts have not so far met the qualifications, because the postal receipts have not been sufficient. As I understand, however, reservations have been set up for 56 such projects, covering over \$4,000,000, which is held in reserve pending the time these districts do qualify.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. LUDLOW. I yield.

Mr. TABER. Is it not a fact that this \$130,000,000 program will provide two buildings for each district instead of one? Two building programs were adopted, one for \$70,000,000, the original one, and a second one last year of \$60,000,000.

Mr. LUDLOW. I stand corrected; the gentleman states the facts correctly. The \$130,000,000 program will furnish two buildings in every district.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. O'CONNOR. Is it not a fact that under the \$130,000,000 program the two post-office buildings per district ought to be built in the 3-year period with the present set-up and with this appropriation as it is written in the pending bill?

Mr. LUDLOW. That is the way the plan will work out, and this \$30,000,000 is the amount needed for this year's work under the program. To make a haphazard appropriation and throw another \$30,000,000 into this activity would disrupt progress and make for confusion.

Mr. O'CONNOR. Increase the appropriation, increase the force. The country needs the post offices.

Mr. LUDLOW. What is the use of appropriating money that cannot be used?

Mr. O'CONNOR. The people need the work.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. RICH. The idea we hear expressed that we are going to save money by building these post offices certainly is erroneous because in most instances interest on the cost of the new building is greater than the cost of rental of like quarters.

Mr. LUDLOW. I think the gentleman is making a good argument, but the fact is the Congress has authorized this program and I think the gentleman's argument comes a little too late.

[Here the gavel fell.]

Mr. O'NEAL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not intend to take 5 minutes but, as a member of this subcommittee on appropriations, I want to again call the attention of the Members of the House, and particularly the attention of the Members on this side of the aisle, to the word "economy." The committee worked on this bill for a month in an endeavor to try to save the taxpayers a little money in the operation of these various Departments. [Applause.]

We went into every individual item and did the best we could and in spite of all the efforts we put into the work, the total involved in the pending bill is \$1,780,000,000. I think we have done a very good job in cutting off \$27,000,000. We knew there would be complaints. We knew that the people who might be injured a little bit by the cuts would be here demanding that the money be put back. This always happens and that has been the case here.

Mr. Chairman, I want to urge the Members of the Committee to remember that in voting on this amendment, if you agree to it you will increase by \$30,000,000 the total amount given you a moment ago, which is \$3,000,000 more than our months of work was able to effect in the way of savings. I do not care what excuse we make as to how much we would like to see a beautiful building go up in our various districts, our country cannot afford it. Of course, it is a nice thing to go back home and say that we got another post office for our district, or that we got six or seven more.

Mr. Chairman, let us begin to stand pat on the proposition that when a committee has studied a thing for months and has endeavored to effect every possible saving we will try to support it. Let us endeavor to consider very carefully before we do anything to raise the amount that the committee brings in. There is extravagance enough now and to agree to an amendment of this sort at the present time, in my opinion, would be almost criminal waste. I ask the members of the Committee to vote against the pending amendment.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. O'CONNOR].

The amendment was rejected.

The Clerk read as follows:

OFFICE OF CHIEF INSPECTOR

Salaries of inspectors: For salaries of 15 inspectors in charge of divisions and 600 inspectors, \$2,336,000.

Mr. MOSER. Mr. Chairman, I offer an amendment which I have sent to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MOSER: Page 61, line 3, after "\$2,336,000," insert "Provided, That none of the funds appropriated herein shall be used to increase the salaries of post-office inspectors."

Mr. LUDLOW. Mr. Chairman, I reserve a point of order on the amendment just offered.

Mr. MOSER. Mr. Chairman, on yesterday afternoon I addressed the Committee of the Whole and mentioned what had occurred with respect to appropriations heretofore made for increased personnel under the Chief Post Office Inspector. Under the Classification Act of 1935 some comfort was taken by Mr. Mague, superintendent of post-office inspectors in the Post Office Department, in that appropriations have not been made and a reallocation of funds has been rendered necessary in order to meet the requirements of this particular classification act.

As I stated yesterday, it must be really offensive to a person to be under the compulsion of an act that requires an increase of the salaries of the personnel under that particular individual's direction. In my experience as a post-office inspector in the field I know that a field inspector is not promoted or increased unless his inspector in charge comes to Washington and goes to bat for him and puts up a battle. However, the people who are in the chief inspector's office and who have their friends at court are the ones who are favored.

Since I have been a Member of the Congress I have had before the chief inspector the name of a constituent who has been desirous of qualifying by taking a competitive examination for post-office inspector in order to prove his merit and ability to serve in this capacity, and since that time he has not been favored even with an examination. I have not asked that he be reassigned or that he be appointed, but only that he be permitted to take the same examination I was permitted to take a good many years ago.

A ruling was made by the Chair about an hour and a half ago in which the Chair made reference to the fact that a previous Chairman of the Committee of the Whole [Mr. Dingley] had stated that the House had a right to appropriate or not to appropriate.

Under the act of 1935, which provides for the increase of these salaries, there has been no appropriation made, and, as Mr. Mague testified before the committee, it was passed. He meant "passed up." It has not been a popular thing for anybody in the Government service to come forward and ask for appropriations to increase salaries. However, there has been a great disposition on the part of the Congress and the Government of the United States to find employment for people everywhere.

If there were to be increases in the Post Office inspection force for the very purpose they advocated when they came before the Appropriations Committee, may I say, if they concluded the investigation of cases uninvestigated and others to be undertaken, it would exact appointments to the personnel of the Inspection Service, which would deplete the ranks among the letter carriers, railway postal clerks, and others, and accomplish extra appointments to fill them, as contrasted to salary increases for those having jobs. The Congress has not appropriated money to increase salaries under the Classification Act of 1935, and Mr. Mague, as superintendent of the Post Office inspection force, has seen fit under the guise of reallocation of funds to take that which was appropriated for an increase in the personnel and divert it to increasing salaries, which was not publicized until it came before this committee in the hearings. That is a practice I feel every Member of Congress who votes for an appropriation for increase in personnel has a perfect right to resent.

That is my purpose in offering this amendment. I trust the Committee may adopt it, that it may be binding on those who are charged with the administration of this appropriation.

[Here the gavel fell.]

The CHAIRMAN. Does the gentleman from Indiana withdraw his reservation of a point of order?

Mr. LUDLOW. I do, Mr. Chairman.

Mr. Chairman, I shall not occupy 5 minutes. I am sure the House understands the bent of mind of the Subcommittee on Appropriations against unwarranted increases in salaries. We have a good deal of sympathy for the philosophy expressed by the gentleman from Pennsylvania in his remarks, but just to write into the statute that under no circumstances shall there be any increase in the salaries of inspectors no matter what the conditions or the circumstances may be would seem to be hamstringing the Office of Inspectors in an unreasonable way. We do not believe this would be conducive to sound administration. I do feel, however, that these increases should be made only in exceptional cases.

With these observations I shall conclude. This is a matter entirely for the House to decide.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. Moser].

The question was taken; and on a division (demanded by Mr. Moser) there were—ayes 56, noes 64.

So the amendment was rejected.

The Clerk read as follows:

Compensation to assistant postmasters: For compensation to assistant postmasters at first- and second-class post offices, \$6,950,000.

Mr. SWEENEY. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. SWEENEY: On page 62, after the word "offices" in line 26, strike out "\$6,950,000" and insert "\$7,000,000."

Mr. SWEENEY. Mr. Chairman, there probably is no group of Government employees more appreciative of the efforts of Congress to better their conditions than the great Postal Service. This amendment has merit. Many of you will recall that last year the able chairman of the Committee on Post Offices and Post Roads, now the junior Senator from New York [Mr. Mead], made a plea on the floor of the House for a million dollars for clerk hire and a million dollars for carrier hire in excess of the Budget estimate, and that fight was successful. Had it failed, the service probably would have been demoralized. In this case the Budget has placed the amount at \$7,000,000. We are asking the Committee to raise the amount carried in the bill only \$50,000 to take care of an emergency affecting 2,700 postmasters of the first- and second-class throughout the country. Every district in the country will benefit.

These men were compelled to work in December 1933 for three successive Saturdays in order to get the mail out during the holiday season. They operate, as all postal employees do, under the 40-hour week. They were not compelled to do this extra work, but it was a service to the Nation for which they ought to be compensated.

Mr. Donaldson, of the Post Office Department, said while appearing before the committee:

Mr. DONALDSON. I might say that in this appropriation item estimate this year, we have had to disallow overtime compensation to assistant postmasters for the last three Saturdays in the month of December, which is provided for by law, due to the fact that the annual cost runs to approximately \$40,000 a year. We have nothing in the appropriation this year for it. Last year our appropriation was reduced by \$50,000 in this committee under the Budget estimates. In other words, we got \$50,000 less than the Budget approved.

Quoting Mr. Donaldson further, and I think the Committee ought to take notice of this, although they did not in the hearings—

We can allow for overtime or grant compensatory time. We would prefer to allow overtime. We should allow the overtime, because they do not have the time or opportunity to take the compensatory time.

In other words, if a carrier or a clerk works on a Saturday he gets compensatory time. If the postmaster works overtime he can get compensatory time, but the Department has said he is too valuable a man and must remain there. So I say, you will have to meet this obligation sometime and you might as well meet it now.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. SWEENEY. I yield to the gentleman from Pennsylvania.

Mr. McGRANERY. Is it not true that if this committee does not put back in the bill the \$50,000 cut by the Appropriations Committee it will mean these assistant postmasters will have been required to work several days without pay?

Mr. SWEENEY. There is no question about that at all.

I ask the Committee to go along with the amendment. The amount is small. You have to face this problem some day, so why not do it now? Give the Department a chance to meet this obligation. The committee has never shown a hostile attitude, as I read the hearings. The amount is very small, and you will be doing a service to the men in every one of your districts.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amount carried in the bill provides an increase of almost \$18,000 over the amount the Department is using now. It is absolutely ridiculous for us in times like these to be raising the salaries of the higher salaried employees of the Post Office Department. I hope we will not provide any more money for the assistant postmasters than the law has allowed. The committee has been exceedingly liberal.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. SWEENEY. Does the gentleman construe this to be a salary increase?

Mr. TABER. It must be if more money is appropriated.

Mr. SWEENEY. This is to pay for 3 Saturdays these men worked during December, outside of their 40-hour week.

Mr. TABER. We should not pay overtime to these high-salaried employees. It is absolutely ridiculous.

Mr. SWEENEY. It is not overtime at all.

Mr. TABER. Paying overtime to people who draw low salaries might be something to talk about, but when you offer overtime to these fellows who draw \$3,000 a year and over you are going pretty far in these days when people are struggling to get enough to eat.

Mr. SWEENEY. If the gentleman will yield further, can the gentleman inform the House where it is overtime and how it is overtime?

Mr. TABER. How can it be anything else but overtime if you are going to hand these men money for working on Saturdays?

Mr. SWEENEY. These men came down there to get the mail out for the Christmas holidays, to do what they always do.

Mr. TABER. That is what they are there for and that is what the situation always has been. They are paid high salaries because they are supervisory employees. We should not increase the salaries of these highly paid employees. I hope the House will vote down this amendment.

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I move to strike out the last word.

In 1938 the actual expenditures under this item were \$6,882,000. The sum we allow in this bill is approximately \$68,000 more than the actual expenditures last year, and it should be sufficient to care for promotions in salary of assistant postmasters as a result of any pick-up in postal business with a consequent increase in postal receipts. So far as overtime is concerned, of course, we have that in many of the different establishments and it is inescapable. I do not believe the situation here is any worse than it is in many other places and not nearly as acute as it is in some instances.

After most ample consideration we believe this appropriation is sufficient, and even generous, to meet the purposes, and we ask you to vote down the amendment.

Mr. McGRANERY. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. McGRANERY. Is it not true that unless this \$50,000 is provided, these assistant postmasters will not be paid for the extra time they are required to work?

Mr. LUDLOW. I do not know a thing about the situation the gentleman is referring to. Of course, temporary employees were employed all over the United States.

Mr. McGRANERY. My question had reference to the assistant postmasters who will not be paid for the time they were required to put in as extra time.

Mr. LUDLOW. I have no information about that.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. MAHON. Is not the purport of the remarks of the gentleman from Indiana simply that we are already appropriating in this bill a sum of \$68,000 more than was spent under this item last year by the Post Office Department?

Mr. LUDLOW. The gentleman is absolutely correct.

Mr. MOSER. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not care to impose on the time of the Committee, but in line with this discussion I may say to those of you who have third-class postmasters and in some instances second-class postmasters that have just gotten over the border. The act of Congress provides a stipulated salary for that third-class assistant postmaster, but because of a lack of appropriations, perhaps, a woman in that post office with a postmaster who has been sponsored politically and is not functioning as such, is carrying the burden and doing the work of the office and has been doing it for years and is deprived, perhaps, of a measly \$150 a year of compensation that is her right by law. This has not anything particularly to do with this amendment, but with respect to overtime as covered by this amendment, reference has been made here to the high salaries of these people. For the most part, in the case of a high-salaried postmaster or a high-salaried administrative official within a post office, the matter of his compensatory time does not concern the available amount of time for which he cannot be compensated. He compensates himself whenever he wills to abandon that post office and go away, and the post-office inspector is the one who pretends to see that he stays on the job and attends to business while the inspection is under process of being initiated, conducted, and consummated. So the people who are being deprived of their compensation for compensatory overtime are not the ones who can go away at any time they may desire, and for this reason I believe the amendment ought to be adopted.

Mr. FLANNERY. Mr. Chairman, there is one aspect of this matter, if I understand the situation correctly, that ought to be called to the attention of the Committee. There are approximately 2,000 post offices in this classification which do not have assistant postmasters because of budgetary deficiencies. In such cases, in the absence of the postmaster, a clerk acts in the capacity of assistant postmaster. He assumes full responsibility for the office and discharges the duties not only of the assistant but of the postmaster, and very often of the clerk himself. In such post offices during the rush period a clerk, in addition to his own duties, is very often performing the duties of an assistant postmaster, working overtime and on various occasions working when in the ordinary course of his employment he would not be called on to perform any task whatsoever. As I understand the situation, we are asking the clerk who is assuming the responsibility of the post office, as a gratuity, to work for nothing, and, Mr. Chairman, he has no choice in the matter. He is just a clerk and he is a clerk under a politically appointed postmaster and he must, perforce, do as his superior requests in any emergency in the service, and you are compelling him to work for nothing.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. FLANNERY. I will be pleased to yield.

Mr. TABER. Does not the gentleman think that the postmaster who does nothing should pay the assistant for those things out of his own pocket?

Mr. FLANNERY. Unfortunately, that matter is not before us at the moment. I would be pleased to discuss that at the proper time and place; but because there is an injustice, perhaps, on the one hand is no reason we should visit an injustice on a clerk who has no redress.

Mr. O'NEAL. Mr. Chairman, I move to strike out the last two words. I want only a couple of minutes. This question of overtime is present in almost every item we have in this bill, as well as in every department we go into. If the Federal Government is going to assume the matter of paying every man for a little effort on his part, an extra hour here or an extra hour there, there is no limit to it. The Federal Bureau of Investigation had half a million hours overtime work for which they are not getting anything. I could take almost every hearing we have, in every department, and show where men who are getting very good salaries, who have gone through the depression with security,

who know where their money is coming from, who are satisfied although they work not only the hours for which they are paid, but occasionally, some Saturday or other, overtime. We cannot possibly establish a rule that gives a man pay for overtime for every minute that he spends in his office. I imagine that Congressmen occasionally work longer hours than they are expected to. All through the Federal service that is true. I believe most of these men are glad to have the jobs that they have, with steady monthly income, and that they are delighted to retain the positions they have, though they are asked to spend an extra hour in their offices once in a while. I think we are doing nobody any injustice. I think we are trying to help the situation with the cooperation of those men who do a little extra work, and that that is the solution of the problem. I do not believe this Committee should attempt to compensate all well-paid employees for a little extra time, and I think that the action of the committee in this respect should be supported in keeping the amount at the figure fixed in the bill.

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent that debate upon this paragraph and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McGRANERY. Mr. Chairman, I move to strike out the last four words. I was rather surprised to hear my distinguished colleague the gentleman from Kentucky [Mr. O'NEAL] say that overtime should not be a proper charge against the Federal Government. We have said so, and enacted it into law.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. McGRANERY. Yes.

Mr. O'NEAL. In the higher brackets. It is a very different situation with a man who has a comfortable \$3,000 a year income, who stays and works on Saturday, from the fellow who is drawing \$900 to \$1,000 a year.

Mr. McGRANERY. And I say that the average pay of these assistant postmasters is \$2,100 a year, so that they do not come within the upper brackets. We have enacted a law in this Congress which requires industry to meet the letter as well as the spirit of the law with respect to hours and overtime. We in this Congress should be the last to violate that law or deny the right to any employee to compensation for overtime. With respect to the chairman of the committee, I believe that he did not understand the question propounded to him when it was asked whether these men were paid last year. I read the testimony of Mr. Donaldson, in which he clearly says that they were not paid for three Saturdays they worked in December.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. McGRANERY. Yes.

Mr. LUDLOW. It might be inferred from what the gentleman says and from what my friend from Ohio [Mr. SWEENEY] said that these assistant postmasters do not receive any compensation. That is quite erroneous. They do not receive any compensation for overtime, but they were paid their usual salaries.

Mr. McGRANERY. Mr. Donaldson said:

I might say in this appropriation estimate this year we have had to disallow overtime compensation to assistant postmasters for the last 3 Saturdays in the month of December, which is provided for by law.

We are the ones who fixed the 40-hour week for postmasters, and if they are required to work overtime 3 Saturdays, then we have an obligation to either pay them, or adjust the law so as to have it comply with their salaries.

Mr. LUDLOW. But they are not differentiated from any other postal employee. Many other postal employees have not been paid for overtime, and all through the Government that is so.

Mr. McGRANERY. The point is that these men were required to work 3 days in December for the Federal Government without compensation.

Mr. LUDLOW. That is an erroneous statement. They had the usual compensation, their salaries, but they did not receive anything for overtime.

Mr. McGRANERY. The Postal Department recommends the payment of this overtime. That Department is charged with the efficiency and maintenance and good conduct of that Department. They certainly must know what they are doing, and if you want to maintain honesty among your employees, at least be honest with them in return. We have fixed the 40 hours a week as the maximum, and when they are required to give more of their time, this Government should meet its obligation, the same as in private industry. Private industry would be dragged into the courts and compelled to comply with the law, and we have no right, because of our position here, to take advantage of that position and say to these employees, "We know you have worked, we know your employer said you ought to be paid, but we, the members of this Committee, feel it is high time that there should be some saving on the part of the Government and, therefore, we are going to violate our own law, a law that we enacted, and deny that which we said you should have." Mr. Chairman, that is an anomalous situation and that is the situation in which this Committee finds itself today. I ask that the Committee of the Whole vote the \$50,000 carried in the amendment, so that we may do justice and nothing more to these postal employees.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. McGRANERY. I yield.

Mr. O'NEAL. Does the gentleman favor appropriating money for every hour of overtime by all employees? For instance, the Federal Bureau of Investigation, which has actually spent 500,000 hours overtime? Does the gentleman believe we should appropriate for every extra minute of overtime?

Mr. McGRANERY. I say if that is the law we ought to pay it. If it is bad practice, then the law ought to be changed by this Congress.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. McGRANERY. I yield.

Mr. KITCHENS. Has the Government any way of determining the undertime? [Laughter.]

Mr. McGRANERY. They have the same way of determining undertime that they have of determining overtime. [Laughter.]

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The pro forma amendments were withdrawn.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. SWEENEY].

The question was taken; and on a division (demanded by Mr. SWEENEY) there were—ayes 31 and noes 88.

Mr. SWEENEY. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was rejected.

The Clerk read as follows:

Foreign air-mail transportation: For transportation of foreign mails by aircraft, as authorized by law, \$10,200,000.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: Page 64, line 14, after the period, insert: "Provided, That no part of the funds herein appropriated shall be paid to any corporation which shall directly or indirectly purchase insurance from any official or employee of the United States or any member of their immediate family."

Mr. LUDLOW. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. LUDLOW. I make the point of order, Mr. Chairman, that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman wish to be heard?

Mr. SCHAFER of Wisconsin. I wish to be heard briefly, Mr. Chairman.

This is a limitation. My amendment applies to a paragraph of the bill which makes an appropriation of \$10,200,000 as a

subsidy to aviation corporations which are engaged in the transportation of foreign air mail. In view of the fact that administrative branches of the Government determine what corporations are to receive these large subsidies, it is necessary to include the language of the amendment in order that private personal interests of Government officials and employees and their families might not conflict with the public interest with a resulting increased cost to the taxpayers' Treasury. This amendment is a limitation with a purpose of reducing the cost of government, and I submit it is in order.

The CHAIRMAN. Does the gentleman from Indiana wish to be heard?

Mr. LUDLOW. I do not wish to be heard, Mr. Chairman.

The CHAIRMAN (Mr. BOEHNE). The Chair is ready to rule. The Chair is of the opinion that this is definitely a limitation and, therefore, the point of order is overruled.

The gentleman from Wisconsin [Mr. SCHAFER] is recognized for 5 minutes.

Mr. SCHAFER of Wisconsin. Mr. Chairman, for several years New Deal leaders denounced air-mail subsidies and charged fraud and corruption. Apparently these violent denunciations were only demagogic political propaganda, because the New Deal has been in complete control of the Federal Government for 6 years and has not even brought an indictment, let alone a conviction, of any person for fraud or corruption with relation to air-mail contracts. At that time you denounced Mr. McCracken, a Republican, and sent him to jail for giving Mr. Britten some files that the Senate investigating committee wanted, although the record shows that a New Deal "brain truster," Mr. Lee, Mr. McCracken's partner, admitted that he gave those files to Mr. Britten. By reason of this assistance in helping to spread New Deal political propaganda, Mr. Lee received a lucrative appointment in the Federal Alcohol Administration.

The pending bill carries many million more dollars for air-mail subsidies than the appropriation bills passed under Republican administrations. Page 39 of the committee report indicates that this bill carries \$10,200,000 for foreign mail transportation subsidies, \$996,000 as a subsidy for trans-Atlantic service estimated on the basis of 7 months' operation of six aircraft, three of which have already been delivered and three of which will be delivered in the near future. These six trans-Atlantic aircraft will be operated by the Pan American Airways, which will receive the subsidy. I do not believe any member of the immediate family of an official, particularly an administrative officer of the Federal Government who determines how much of this subsidy is to go to a private corporation and to what corporation it is to go, should be writing insurance for the corporation which receives the subsidy. The firm of Roosevelt & Sargent, of which the First Lady is a member, having taken the place of the star insurance salesman, James Roosevelt, wrote 50 percent of the insurance on the six Pan American trans-Atlantic planes. This information was released by John A. Sargent, president of the firm, upon his return from Europe, according to an Associated Press article appearing in the January 26 issue of the Washington Evening Star and the Boston Evening Transcript. This Associated Press article also indicated that Mr. Sargent stated that the insurance covered total liabilities of slightly more than \$500,000 on each plane.

Here we have the Roosevelt administration handing out \$996,000 of the taxpayers' money as a subsidy to the Pan American Airways for the operation of six trans-Atlantic planes. According to the press, the First Lady will christen one of these planes in Washington in the near future and according to the statement of the president of her insurance firm, said firm will underwrite more than \$3,000,000 worth of insurance on the planes. This kind of a hook-up is not in the public interest. You Democrats should support this amendment in the interest of your political party as well as your country.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield.

Mr. HOOK. Can the gentleman tell me why the Silver Shirts did not do anything about it?

Mr. SCHAFER of Wisconsin. I do not know anything about the Silver Shirts. The gentleman may know. The gentleman may know something about the Silver Shirts and the Red Shirts. I only know about the red, white, and blue shirts that I wore for 22 months overseas in the World War; and I do not yield further to the spokesman for the so-called liberal bloc of which our red-shirt Communist brethren and their various fronts are a part. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

The Clerk read as follows:

Star-route service, Alaska: For inland transportation by star routes in Alaska, \$125,000.

Mr. LUDLOW. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LUDLOW: On page 64, line 20, strike out "\$125,000" and insert in lieu thereof "\$140,000."

Mr. DIMOND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the committee amendment provides for an increase of \$25,000 in this item, to a total of \$140,000 for star-route service in Alaska. The similar item carried in last year's bill was \$206,000. The Bureau of the Budget sent up an estimate for this item of \$150,000. The committee brought in the bill reducing the Budget estimate to \$125,000. We find the reason for it in the committee report. The following statement is there made:

STAR-ROUTE SERVICE TO ALASKA

A reduction of \$25,000 has been made in the Budget estimate for this item, it being recommended that an appropriation of \$125,000 be approved by Congress for this service. Existing star-route service in Alaska, on the basis of actual expenditures for the first 6 months of this fiscal year, is being operated at an annual cost of approximately \$110,000. Therefore, the amount approved by the committee should grant a margin of \$15,000 for enlargement of existing operations or institution of new service.

Unfortunately the committee was misled, Mr. Chairman, by the fact that the cost of this service is comparatively light during the first 6 months of the fiscal year, but is comparatively heavy during the last 6 months. The committee evidently desired to leave a margin of \$15,000 for emergency service. In doing this the committee undoubtedly had in mind the act of August 25, 1935, authorizing the Postmaster General to give emergency service in Alaska at a cost of not to exceed \$25,000 in any fiscal year. I fear, however, that the estimate of the committee is still too low. I am not positive it is too low—otherwise I would offer an amendment to the amendment to bring the amount back to the Budget estimate of \$150,000.

The existing contracts and orders, based upon last year's operations, call for a minimum expenditure during the next fiscal year of \$132,400. Instead, then, of having a margin of \$15,000 for emergency, as the committee planned, we shall have a margin of \$7,600 for emergencies, and this may not be sufficient.

Mr. Chairman, my principal object in speaking at this time is to say that it is my understanding—and I think it is the understanding of the committee—that in accepting this figure, \$140,000, we do not promise, or tell the House, that this amount will be sufficient to give the same service we have had over all of the years in the past. I am afraid it will not be sufficient. It is my understanding at least, and I think the committee so understands it too, that if the Department comes here either before the expiration of the present session of Congress or at the beginning of the next session and asks for an emergency appropriation in order to bring the amount up to the Budget estimate, namely, \$150,000, the Committee on Appropriations will receive the officials of the Department with sympathetic consideration. The \$140,000 may be sufficient, but I am apprehensive that it will not be; and in this connection I invite the attention of the

membership to the fact that the cost of this service has been lowered every period of 4 years for the last 3 periods, or 12 years. Last year the appropriation was \$206,000. Under the amendment proposed by the committee it will be \$140,000 this year; and I hope this will be sufficient. We are getting better and cheaper service as the years pass. There is no need of any extraordinary haste in the reduction of expenditures with respect to star-route service in Alaska, for we are making constant progress in that direction.

May I refer once more to the lack of balance of expenditures in the two halves of the fiscal year. In testifying before the subcommittee, Mr. Cole, the Acting Second Assistant Postmaster General, as shown on page 193 of the printed hearings, testified as follows:

You gentlemen should not be misled by the cost for the first 4 months of the current fiscal year, because the costs in the winter months are a great deal more than they are in the summer months. The costs for the first 4 months of the fiscal year 1938 were only 10.3 percent of the cost for the entire year, although the first 4 months were one-third of the year.

The star-route service in Alaska, as will be seen from pages 192 and 193 of the hearings, embraces 8 routes served by dog teams, 13 routes served by motor vehicles, and 33 routes served by airplanes. The principal and greater part of the service is given by airplanes. In former days practically all of the winter service was given by dog teams, but at the present time dog-team service is all but nonexistent. We have come to depend more and more upon the airplane for all types of transport service in Alaska, because we are so sadly lacking in other ordinary facilities of transportation such as motor roads and railroads.

The development of air transport in Alaska is more adequately shown by the following table:

Trend of air travel and air traffic in Alaska

Year	Planes in service	Number passengers carried	Number of plane-miles	Number of passenger-miles	Mail and freight carried (pounds)
1929.....	8	2,171	33,591	272,999	118,951
1930.....	24	3,654	338,422	684,361	120,733
1931.....	26	7,947	381,234	947,695	161,718
1932.....	31	6,637	742,854	942,176	496,680
1933.....	42	7,743	1,059,155	1,222,510	785,586
1934.....	56	10,194	1,126,610	1,533,311	994,370
1935.....	75	13,318	1,685,654	2,148,692	1,722,757
1936.....	79	16,982	2,130,929	3,035,018	2,418,616
1937.....	102	20,958	2,209,206	4,021,798	3,211,927
1938.....	155	26,885	2,829,253	5,634,461	3,758,495

In the more thickly settled portions of the Nation, where ample facilities for all types of transportation are available, practically all of the mail service can be given under long-term contract. In Alaska, which is still largely a frontier country, the situation is different. There it is much better and cheaper for the Government to depend to a much greater extent on emergency service as the need for service may be shown. Congress has recognized this by the legislation to which I have referred, and which provides that—

The Postmaster General may provide difficult or emergency mail service in Alaska, at a total annual cost of not exceeding \$25,000 * * *

An instance of that type of service came to my attention recently. St. Lawrence Island is situated in Bering Sea, approximately 150 miles from Nome, Alaska. At this season of the year, that part of Bering Sea is a mass of floating ice. And yet, the inhabitants of this island, about 500 in number, who had not received any mail since last September or early October, and who probably will not receive any more until next June at the earliest, were furnished mail at very modest expense by the flight of an airplane from Nome, through the power to give emergency mail service conferred upon the Postmaster General. The service is meager enough in any event. I do not wish to see the present meager service curtailed by lack of sufficient appropriation.

It would be as well, Mr. Chairman, to appropriate \$150,000 as to appropriate \$140,000. The larger appropriation would not result in the expenditure of a single additional dollar unless such expenditure were justified. I have lived in

Alaska for many years, and during all of that time I have never known the Post Office Department to waste or squander a cent.

I should say, from my observation of the operations of the Post Office Department in Alaska, reinforced to some extent by my experience in Washington, that the Post Office Department is not only the most efficient but the most economical and thrifty Department of the Government. I have never known a single instance of waste in that Department. Sometimes I think that the saving thrift of the Department almost amounts to a vice. So I do not understand the reluctance of the committee to appropriate for star-route service in Alaska in this bill the sum set up by the Budget, \$150,000, instead of the amount now offered as a committee amendment, namely, \$140,000. But it is possible that \$140,000 will be sufficient, and so I do not oppose it. We shall try to make it do, and if not sufficient, we shall come back and ask for more.

Mr. Chairman, I know the committee is not trying to reduce or curtail the mail service we have had in Alaska in the past. I am keenly sensible of the fact that the committee had approved an item in the bill of \$213,000 for air-mail service between Seattle, Wash., and Juneau, Alaska. That service, I am confident, will be set up soon. We must then have summer air-mail service along the lower Yukon Valley to Nome, and along the Kuskokwim to Bethel. And I look forward confidently to the time, and that soon, when the air mail to Alaska will be routed along the coast of the Territory and not across foreign soil. There is not the slightest reason in the world why our air mail should not fly over international waters from Seattle to Ketchikan, thence to Juneau, and from there to Cordova, Valdez, Seward, Anchorage, Fairbanks, Nome, Bethel, and other important points in Alaska. [Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, the able Delegate from Alaska has correctly stated the facts with respect to this item.

At the time we decided on the amount of \$125,000 the evidence before us was inconclusive. Since then we have come into possession of the complete evidence. In addition to the fact stated to the House by the distinguished Delegate from Alaska we are informed by the Acting Second Assistant Postmaster General that it will require \$132,000 to cover the contractual obligations of this service in Alaska. So we have allowed \$132,000, and to it have added \$8,000 for emergency service. We believe this will be sufficient and that it corrects the situation.

We ask the Committee to adopt the amendment.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

OFFICE OF THE FOURTH ASSISTANT POSTMASTER GENERAL

Post-office stationery, equipment, and supplies: For stationery for the Postal Service, including the money-order and registry system; and also for the purchase of supplies for the Postal Saving System, including rubber stamps, canceling devices, certificates, envelopes, and stamps for use in evidencing deposits, and free penalty envelopes; and for the reimbursement of the Secretary of the Treasury for expenses incident to the preparation, issue, and registration of the bonds authorized by the act of June 25, 1910 (39 U. S. C. 760); for miscellaneous equipment and supplies, including the purchase and repair of furniture, package boxes, posts, trucks, baskets, satchels, straps, letter-box paint, baling machines, perforating machines, duplicating machines, printing presses, directories, cleaning supplies, and the manufacture, repair, and exchange of equipment, the erection and painting of letter-box equipment, and for the purchase and repair of presses and dies for use in the manufacture of letter boxes; for postmarking, rating, money-order stamps, and electrotype plates and repairs to same; metal, rubber, and combination type, dates and figures, type holders, ink pads for canceling and stamping purposes, and for the purchase, exchange, and repair of typewriting machines, envelope-opening machines, and computing machines, numbering machines, time recorders, letter balances, scales (exclusive of dormant or built-in platform scales in Federal buildings), test weights, and miscellaneous articles purchased and furnished directly to the Postal Service, including complete equipment and furniture for post offices in leased and rented quarters; for the purchase, repair, and replacement of arms and miscellaneous items necessary for the protection of the mails; for miscellaneous expenses in the preparation and publication of post-route maps and rural delivery maps or blue prints, including tracing for photolithographic reproduction; for other expenditures necessary and

incidental to post offices of the first, second, and third classes, and offices of the fourth class having or to have rural delivery service, and for letter boxes; for the purchase of atlases and geographical and technical works not to exceed \$1,500; for wrapping twine and tying devices; for expenses incident to the shipment of supplies, including hardware, boxing, packing, and not exceeding \$62,300 for the pay of employees in connection therewith in the District of Columbia; for rental, purchase, exchange, and repair of canceling machines and motors, mechanical mail-handling apparatus, accident prevention and other labor-saving devices, including cost of power in rented buildings and miscellaneous expenses of installation and operation of same, including not to exceed \$35,000 for salaries of 13 traveling mechanics, and for traveling expenses, \$3,000,000: *Provided*, That the Postmaster General may authorize the sale to the public of post-route maps and rural-delivery maps or blue prints at the cost of printing and 10 percent thereof added: *Provided further*, That no part of this appropriation shall be used to provide post-office lock boxes, furniture, or screen-line equipment to post offices of the third class, except in those cases where the Department makes a lease for a period of 5 years or longer and the expenditure from this appropriation to provide post-office lock boxes, furniture, or screen-line equipment shall not exceed the amount allocated for this purpose during the fiscal year 1939.

Mr. BURCH. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Page 70, line 12, after the word "added" strike out the colon, insert a period, and strike out the remainder of the paragraph through line 20.

Mr. BURCH. Mr. Chairman, my amendment strikes out the provision which prohibits the Post Office from furnishing lockboxes, furniture, and equipment to third-class postmasters that has been taken from abandoned buildings.

Mr. LUDLOW. Will the gentleman yield?

Mr. BURCH. I yield to the gentleman from Indiana.

Mr. LUDLOW. I am sure the gentleman does not want to make an incorrect statement. It limits them to the amount they used this year, which is \$195,000.

Mr. BURCH. It goes a little further than that, if I understand it correctly.

Here is the language which my amendment would strike:

Provided further, That no part of this appropriation shall be used to provide post-office lockboxes, furniture, or screen-line equipment to post offices of the third class, except in those cases where the Department makes a lease for a period of 5 years or longer and the expenditure from this appropriation to provide post-office lockboxes, furniture, or screen-line equipment shall not exceed the amount allocated for this purpose during the fiscal year 1939.

Mr. Chairman, if that provision is left in the bill the Post Office Department will be unable to furnish lockboxes and equipment to third-class post offices which have not been leased for 5 years or more. There are only 2,100 offices in the United States on which the leases extend for that period of time. I am informed by Mr. Purdum, Fourth Assistant Postmaster General, it is to the advantage of the Post Office Department and more satisfactory not to make long leases.

In the past year the Fourth Assistant Postmaster General has furnished second-hand boxes that have been reconditioned, and boxes that have come out of old post offices which have been abandoned to the number of 30,536 boxes. Some of these boxes were reconditioned and some were not. The average cost of the boxes that have been furnished the third-class postmasters is 38½ cents. Where the boxes have been reconditioned the cost has been 62 to 63 cents. You will find this in the testimony given by Mr. Purdum.

Mr. Chairman, the rental of boxes in third-class post offices from third-class postmasters amounts to over \$2,000,000 annually. They get none of this rental. That has increased very materially since 1936, from \$1,968,000 in 1936 to over \$2,000,000 in 1938.

If my amendment is agreed to, the Government will salvage property now owned by it, but if the present provision remains in the bill the lockboxes and furniture that comes out of these abandoned buildings cannot and will not be used. I understand from Mr. Purdum they now have something like 70,000 or 80,000 boxes on hand.

Mr. SOUTH. Will the gentleman yield?

Mr. BURCH. I yield to the gentleman from Texas.

Mr. SOUTH. I cannot see any objection to the gentleman's amendment and I wonder if the Subcommittee on

Appropriations objects to it and if so what the objection is? I would like to have that brought out.

Mr. BURCH. Mr. Chairman, the Fourth Assistant Postmaster General, Mr. Purdum, makes the statement to me, and he has made the same statement to others, that if this provision is stricken from the bill and a similar provision is not included hereafter, within the course of the next 2 or 3 years, not to exceed 3 years, they will be able to furnish equipment and boxes to every third-class post office in the country.

[Here the gavel fell.]

Mr. O'NEAL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this proposition, and the principles relating to it, has been discussed for some time. It is a question of both dollars and cents, and of policy. The committee has written this provision in the bill primarily as a matter of policy. For many years these lockboxes have been furnished by private industry. For how many years I do not know, but a great many. They have been furnished at a reasonable cost. There has been no criticism of the boxes or the service.

The Committee has learned that the Government has its own equipment shop and if allowed to proceed as it wishes, this would mean direct competition with private industry which has been in existence for many years. It would mean the total elimination of old sound businesses which have been in existence for years and which have a right to continue to exist.

The question of cost also enters into this matter. There may be some conflicting opinion, but on page 302 of the hearings the statement is made that the excess cost of second-hand boxes over new boxes is 65 cents. In other words, private industry can do the job, according to these figures, for 65 cents per unit less than the Government. This may or may not be true.

The testimony is very clear that if this provision is stricken and the Government should pursue this course, it will put people out of business. We allowed a certain sum of money, which will allow the Government to go ahead on the basis it has been going ahead previously; but we do not want them to put American business out of business, and incidentally these firms are scattered all over the country. There are nine different companies located in Wisconsin, Connecticut, Pennsylvania, Michigan, and other States.

Mr. Chairman, I feel very strongly about this matter personally. As a committee we should not permit the Federal Government to get into activities which will drive private business to the wall as long as private business is furnishing satisfactory service. [Applause.]

Mr. SOUTH. Will the gentleman yield?

Mr. O'NEAL. I yield to the gentleman from Texas.

Mr. SOUTH. The gentleman does not consider the welfare of private business of more importance than the convenience of the public, does he? Does not the gentleman know that these third-class postmasters are poorly paid, and if the Government does not provide equipment the postmaster has to do the best he or she can to furnish the service, with the result that the postmaster does not furnish adequate or sufficient equipment?

Mr. O'NEAL. Does the gentleman understand it costs 65 cents more to have the box reconditioned than it does to buy a new one for the little post office?

Mr. SOUTH. I do not believe that. Where did the gentleman get these figures?

Mr. O'NEAL. This is the testimony that came to us. I may say there was a conflict of testimony, but if a little post office, such as the gentleman mentions, wants to have its boxes reconditioned, and the Government does the work, there is testimony in the hearing that it costs 65 cents more per box than it would to buy from the concerns who have been making these boxes. I cannot say that the figures are exactly correct.

Mr. BURCH. Did more than one man make that statement? Mr. Baxter made that statement, and he is an operator of a manufacturing plant. That was in your hearings.

Mr. O'NEAL. For 3 years we have had witnesses on both sides. We have gone into the question of cost. Some say it costs more and some say it costs less, but I think I am safe in saying—and if the committee members disagree with me they can say so—that in the opinion of the committee the cost is greater to the little post office to have a box repaired by the Federal Government than to purchase it outright from private industry.

Mr. Chairman, I hope the amendment will be rejected.

Mr. LUDLOW. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. Mr. Chairman, I am sure the distinguished gentleman from Virginia does not want the Federal Government to come into his district and drive out of business old-established and honest private institutions of business and put their employees on the relief rolls.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I cannot yield now.

Mr. SOUTH. The gentleman has 10 minutes. I should like a moment to ask a question.

Mr. LUDLOW. I should like to make a consecutive statement before I yield.

That is exactly what this means, unless we put on this limitation. I may state that the gentleman's opening assertion, that the Post Office Department cannot go ahead with the reconditioning of these boxes under this bill, is entirely erroneous, because in the present year the allocation for these boxes and for furniture is \$192,800 and we provide in this limitation that they may go ahead and do exactly what they did this year, but that they shall not go wild, they shall not run amok and spend any more than that.

Mr. BURCH. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. Not at the present time.

There are nine factories making these boxes and they are located in Wisconsin, Connecticut, Pennsylvania, Michigan, Tennessee, California, West Virginia, and Indiana. They are all suffering and they are all threatened by this Government competition.

As the gentleman from Kentucky has said, the evidence that was brought out before our committee is that it costs the Government very considerably more to build these boxes for presentation to the postmasters, by the time overhead is counted in and all the factory costs are evaluated, than it costs to buy the boxes directly from the manufacturers.

This is a very ill-advised sort of proceeding. The Government gains nothing by it. Even if the Government cost of manufacture were less than the boxes cost when new, what in the world would be gained by a little saving at this end of the line if it meant throwing employees out of work in Indiana, Wisconsin, Connecticut, Pennsylvania, and the other States, and putting them in the relief lines?

This matter has been before Congress many years. It first came to my attention when our late beloved Speaker, Mr. Byrns, of Tennessee, was the chairman of the subcommittee occupying the position I now have the honor to occupy. He thought this was one of the most ill-advised ventures the Government had ever entered. Time after time he spoke against it and brought in reports in opposition to it.

If you want to embark on a wild and unbridled program of throwing the Government into competition with business, this is your chance.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. No; I cannot yield. I am sorry; I do not have the time.

This proposal does not stop the Government from reconditioning the boxes. It simply puts a reasonable limitation on the Government's efforts and is a compromise that the Government in all sense and reason ought to have accepted; but there is a violent prejudice for some reason or other in certain quarters of the Post Office Department against these

private institutions. It has never been satisfactorily explained to any of us.

I say with all respect that this matter has been threshed out very exhaustively, a hundred times more exhaustively than the gentleman from Virginia could possibly have considered it, before our subcommittee. We have gone into it in the utmost detail. We have heard witnesses. Our subcommittee is absolutely unanimous, Democratic and Republican Members alike, on what ought to be done and what ought not to be done. The entire membership, 100 percent, is back of the limitation we have written into the bill. If the House of Representatives has any confidence in its subcommittee and its diligence, its industry, its conscientiousness, and its desire to get at the facts and protect everybody who should be protected, then we ask you to stand by the committee and vote down this amendment. [Applause.]

Mr. ROMJUE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this amendment should be adopted. Of course, I am not going to quarrel with the gentleman from Indiana [Mr. Ludlow] because he has one of these factories in his home town.

The second thing I want to make clear is that there is no competition with private business involved in this matter.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. ROMJUE. Not now.

There is no competition with private business, because the Government does not manufacture these boxes.

Mr. LUDLOW. The gentleman does not—

Mr. ROMJUE. I do not yield for the present.

The Government does not manufacture these boxes. We are tearing down some old buildings over the country and building new post-office buildings and, of course, the policy of the Government is that when we build new post-office buildings we put new fixtures in them. We do not want to put second-hand fixtures in such new post-office buildings and therefore we have the old equipment left over. These left-over fixtures have to be disposed of in some way. They are the property of the Government. The Government has paid for them, having bought them from private industry.

Now, the statement that you can make new lockboxes cheaper than you can move these old boxes is all poppycock and, of course, there is no truth in that. You cannot manufacture the new article cheaper than you can take the old article out of a post office; and, in many cases, groups of these boxes can be taken out of a post-office building and just shipped out and placed in another post-office building without even dissecting the boxes. Sometimes they polish them up, perhaps.

I now want to tell you what Mr. Purdum said in his testimony. Of course, the statement quoted a little while ago by some speaker against this amendment is what the private manufacturer himself said, but here is what Mr. Purdum, Fourth Assistant Postmaster General, said when asked this question:

Does it cost more to rehabilitate them than it would to buy new boxes?

Mr. Purdum said:

No, sir; many of those boxes are reinstalled in Presidential offices just as they are taken from the vacated Federal buildings.

And he says further:

Our figures show that we can install these used boxes at much less cost than buying the new boxes.

Now, 4 years ago the gentleman from Indiana [Mr. Ludlow], on January 28, 1935, complimented Mr. Purdum in this language, and this is Mr. Ludlow's statement:

To Smith Purdum, the Fourth Assistant Postmaster General, I doff my hat in unqualified admiration. He has more widespread knowledge of the Post Office Service than his associates in Mr. Farley's "kitchen cabinet," because he has been long in the service, he is the soul of conscientiousness and a symbol of devotion to the public interest.

Mr. LUDLOW. Will the gentleman say just what that has to do with this matter?

Mr. ROMJUE. I am just proving what the gentleman said about Mr. Purdum, with which I am in accord.

Here is what he said about Mr. Purdum on the floor of this House on January 28, 1935, at page 1128, on this very subject:

Mr. Purdum ordered surveys made of large quantities of Government-owned second-hand furniture and he found with small repairs, much of this furniture which is really of excellent quality could be reconditioned and made serviceable for postal needs. Result, another large saving—

Says Mr. LUDLOW. Now, Mr. Chairman, I hope no one gets confused about competition with private business, because all these boxes are made by private factories and bought by the Government and installed in third-class offices.

In the last 2 years box rentals have increased over \$110,000. This is revenue coming in.

Of course, you have a limitation in this bill, and that is what we want to strike out. We have 10,079 third-class post offices in this country. Only 2,194 of them are under leases for any particular length of time. The Government chooses to carry these third-class post-office buildings along under short-term leases, and this provision would prevent the Government from taking its own property and installing it in any of those offices where the Government does not have a lease for 5 years or more. Therefore this amendment should be adopted striking out this restrictive feature now appearing in the bill. By adopting this amendment it will permit the Government to use its own property which has already been bought from private industries through the process of installing in such third-class offices as may require the use of these lockboxes and furniture. The public absorbs these boxes by applying for the use, and this furnishes an increase in revenue to the Government, which the public is glad to pay for the use of the lockboxes; and if this amendment is not adopted and legislation is enacted in its present form, the legislation would not only deprive the public of the use in many instances of lockboxes unless the Government went out and bought new boxes, and would also deprive the Government of considerable revenue. There is nothing sound in the argument that the Government can buy new equipment cheaper than it can install the present lockboxes into another office.

Mr. SOUTH. Mr. Chairman, I move to strike out the last two words.

Mr. LUDLOW. Mr. Chairman, I wonder if we cannot reach an agreement on a limitation of time. I ask unanimous consent, Mr. Chairman, that debate on this paragraph and all amendments thereto conclude in 15 minutes.

Mr. PACE. Mr. Chairman, I shall be compelled to object to that, as I have an amendment to offer.

Mr. LUDLOW. Then, Mr. Chairman, I ask unanimous consent that debate on this amendment close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. SOUTH. Mr. Chairman, I do not have any great deal of interest in this amendment and I have not given it a great deal of thought. I am a little surprised at the chairman and other members of the committee taking the position which they do that it would be economy to prevent the third-class post offices from using discarded fixtures that have been taken out of first-class offices. Much is said about the manufacturer of this equipment. Who is entitled to the most consideration, the public or the manufacturer? Who paid for the equipment in the first place? The public. And who will be benefited by the amendment offered by the gentleman from Virginia, that is, by a more liberal use of this discarded equipment? The public. The only serious argument that has been made here is that certain equipment companies will suffer. I submit that, after all, the patrons of the third-class offices, situated in all of our districts, are of more importance than a few manufacturing concerns. The actual application of the proposition is this. In my own district I have had some three or four third-class postmasters on salaries of some \$1,200 a year, who have not been able to buy or otherwise provide sufficient equipment to make

the mail of the patrons safe. What happens under the terms of the pending amendment? The Post Office Department furnishes this equipment, and in some cases it had not been reconditioned at all, and therefore, it was of no additional expense to the Government. The result being that the third-class postmaster was able to render better service to his patrons, and better protection to the mail. I do not think we need to get excited about a few little concerns making this equipment. They will make it whether the Government buys it or the individual buys it. The only difference is that under the plan as defended by the chairman of this committee, you will have serviceable equipment piled up in Government warehouses and not being used. I submit that the amendment is a sensible amendment; that it is in the interest of the public service and that many people will benefit as a result of its adoption. I think the Committee ought to adopt it. [Applause.]

Mr. SWEENEY. Mr. Chairman, with all respect to the committee, I wish to say I have an affection for the distinguished chairman of the committee, Mr. LUDLOW, as all of us have, because he is one of the most conscientious workers in the Congress, yet I think the greatest effort to provide economy comes from those who present this amendment. This fight was fought in the last Congress. The distinguished gentleman from Virginia [Mr. BURCH] gave factual information to this House, and he was so persuasive that the Congress passed the bill, and while our distinguished friend from Indiana has, as you might say, a duty to protect an industry in his own district, we should take a wider perspective and look at the matter as it affects the Nation as a whole.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. SWEENEY. I cannot yield now. I have only a few minutes.

Mr. LUDLOW. But the gentleman does not mean to infer that I would do something that I ought not to do.

Mr. SWEENEY. Oh, no; I certainly do not want to leave that impression at all. But I can recognize the fact that it is everyone's desire to aid industries in his own district. We have from 70,000 to 90,000 lockboxes stored in warehouses in Chicago, Philadelphia, Boston, Denver, Washington, and they ought to be in these third-class post offices, where the third-class postmasters are now paying rent for such equipment.

Let me give you an illustration. Take the town of Oldham, S. Dak. There the postmaster rented equipment from the Keyless Lock Co. at \$165 a year for 7 years. The Department bought new equipment from the Morgan Lumber & Manufacturing Co. for \$822.76. Then in Cumberland, Ky., screen-line only was rented from the Keyless Lock Co. for several years at \$273 per annum, and the Department purchased new equipment from the Keyless Lock Co. for \$1,311.33. This equipment ought to be distributed to the third-class postmasters. Men getting small salaries have to pay \$165 to \$180 per year for these boxes, which yield no return. It is unfair. I think this committee is derelict in its duty in this respect. To say that we are putting the Government in business is no answer. The Government has been in business. It has a uniform manufacturing plant in Philadelphia; they have munition plants in New Haven, Conn., and it is no defense to say now that this is putting the Government in business. It is already in business, and with the tremendous amount of equipment we have on hand I think this Congress owes itself the duty of passing this amendment.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. SWEENEY. Yes.

Mr. SOUTH. Is it not a fact that aside from the matter of who furnishes the equipment, the public will get better service if this amendment is adopted and this equipment put into the various third-class post offices?

Mr. SWEENEY. I think the gentleman is correct.

Mr. MURDOCK of Utah. Is it true that some of the boxes that have been taken out of first-class post offices are used without reconditioning?

Mr. SWEENEY. That is true.

Mr. O'NEAL. Mr. Chairman, will the gentleman yield?

Mr. SWEENEY. Yes.

Mr. O'NEAL. I rise to make a comment about the gentleman from Indiana [Mr. Ludlow]. There is no man on the committee who does not know that Mr. Ludlow would vote against his district at any time when it was a matter of right, and I say further that every member of the committee knows that Mr. Ludlow is in favor of economy, and would not do anything that would in any way reflect upon his honor.

Mr. SWEENEY. I appreciate the contribution the gentleman has made. I again reaffirm my faith in the gentleman from Indiana [Mr. Ludlow]. He is one of the most distinguished Members of this House, but in view of the fact that the Fourth Assistant Postmaster General has appeared before the committee time and time again recommending this amendment, I believe his recommendation should be supported. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment.

This is an item that was originally carried in the bill, as we are carrying it now, written by the late Joseph W. Byrns, former Speaker of the House, when he was chairman of the Committee on Appropriations. It was designed to prevent, as far as it might, the wasteful procedure in the equipment shops in the city of Washington, whereby the outfit there spends more money to rehabilitate these boxes than it would cost to buy new boxes. There is no attempt on the part of the committee to prevent money being spent to provide boxes to third-class offices, because with this provision carried as it is \$192,000 may be spent. But the committee would require the item to be kept within reason, and would require a situation where some funds would have to be spent to buy boxes, which can be bought for \$1.25.

I tried to find out from Mr. Purdum what he thought it was costing for the rehabilitation of these boxes. I received a statement, on page 308 of the hearings, which left out about two-thirds of the items of cost, and, where it did give the items of cost, they were more than the private manufacturers claimed it was costing the Government. With that picture so clear that it is an extravagance to put the Government into the business of rehabilitation of boxes further than it should go, and it is costing it more to rehabilitate the boxes than it is to buy new boxes, I think this House should sustain the position of the committee and refuse to adopt this amendment.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Virginia [Mr. BURCH].

The question was taken; and on a division (demanded by Mr. BURCH) there were ayes 69 and noes 47.

Mr. LUDLOW. Mr. Chairman, I ask for tellers.

Tellers were refused.

So the amendment was agreed to.

Mr. PACE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE: On page 69, line 24, after the word "devices", add the following in parentheses: "(not more than one-half of the funds herein appropriated for the purchase of twine shall be expended in the purchase of twine manufactured from materials or commodities produced outside the United States)."

Mr. PACE. Mr. Chairman, I ask unanimous consent that I may proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LUDLOW. Mr. Chairman, I wonder if we can reach an agreement on time? I ask unanimous consent that all debate on this amendment may close in 20 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PACE. Mr. Chairman, it is somewhat embarrassing for an American citizen to have to come before an American Congress to insist that one of the great departments of the American Government use American commodities.

This bill carries \$325,000 for the purchase of twine. The item last year was \$292,000. In this bill it is increased to

\$325,000. For the last 18 years your mail and mine, transported by your Post Office Department, has been wrapped in jute, a commodity produced thousands of miles from American shores.

I make no attempt in my amendment, for none is necessary, to increase the appropriation. I do not ask, as I should, that the twine used by your Post Office Department should be made of American products entirely. I simply ask that you at least, or the postal authorities, at least give the American commodities a 50-50 chance. My amendment provides that not more than one-half of this money shall be expended for twine manufactured from materials grown outside the United States. Is it unreasonable that I should object, with 15,000,000 bales of cotton lying in the warehouses, with your own Government holding 11,200,000 bales under loans of approximately \$600,000,000, that I should ask that you at least in part give the American farmer the American market? [Applause.]

The Appropriations Committee, I understand, states that it wants more time, after 18 years of investigating this question. I ask you to turn to page 14 of this bill and see how much time they gave in helping the paper manufacturers of this Nation. On page 14 you see an appropriation of \$851,000 for fancy paper, approximately three times as much as that for twine, and listen to the provision which the Appropriations Committee has inserted for the benefit of the paper manufacturers. The committee insists that the jute manufacturer has submitted the lowest bid on twine, and, therefore, they must have all the twine business, regardless of the condition of the cotton farmers of the South, but when the Secretary of the Treasury wants to get some fancy paper on which to print more Government bonds the committee authorizes him to disregard the requirement with respect to accepting the low bid. Here is the provision they have written in at page 14:

That in order to foster competition in the manufacture of distinctive paper for the United States securities the Secretary of the Treasury is authorized in his discretion to split the award for such paper for the fiscal year 1940 between the two bidders whose prices per pound are the lowest received.

Understand me, I do not want to mislead you. Year before last there was no bidder on cotton twine. I will tell you why. You know we are happy in the security, I think, that we have a competitive bidding system in our Government, but have you ever stopped to think that you leave it to the head of the department to draw the specifications? Just this week I was given an illustration by the head of a department. They moved the headquarters from one place to another; had to rent new quarters. They were supposed to have done it by competitive bidding, and they did, but they did not advertise that they wanted 5,000 feet of office space. Do you know what they did? They went to the city they were to move to, picked out the offices they wanted, and then drew the specifications and issued the advertisement. There was, of course, exactly one bidder in the United States that could bid on it.

Let us turn to the hearings of last year. The committee asked us why we did not come before them. I did not come before the committee because the hearings were held on the 16th day of last December, when I was a long, long way from the city of Washington. But let us look at the hearings on the 1939 bill; let us see what we find. It is given on page 303. Mr. Trexler, who, I presume, is the purchasing officer for the Department, said:

The last time a representative of the jute-manufacturing industry was in my office he said that the next time we advertised for jute twine the price was going to be even higher. When the last proposals were called for, there were no bids on cotton twine. This year there was a bidder on cotton twine. The bid on jute was 11.25 cents a pound. The lowest bid on cotton was 14.50 cents a pound.

Under that figure, they say, it is going to cost a little more to use cotton and other American commodities. Suppose it does, you have a buy-American law that authorizes a differential of 25 percent; but I submit to you if you will give cotton a chance, if you will tell that Department down there they must write their specifications so as to be fair to cotton,

they can arrange those specifications so they will give the cotton manufacturers an equal chance of making a suitable twine to compete with the jute twine.

Today we are paying a subsidy on wheat of 27 cents a bushel for sale in foreign countries. That is a subsidy of 50 percent. Do you realize that? It is a 50-percent subsidy. I am not complaining of what our Government has done to help the farmer of the South who produces cotton; you have done a great deal. At this hour you are spending millions of dollars to find new uses for cotton, yet here is a use right under your nose that I will guarantee under this amendment will not cost the American Government over \$1,000 or \$2,000 additional.

Is it unreasonable that the people in the South, who are trying to stay in the cotton business, who do not want to go into the wheat business, to set up new farm practices unless it becomes absolutely necessary—is it unreasonable to ask an American Congress to give the American cotton producer under existing conditions at least at 50-50 chance at the business of the American Government?

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. SCHAFER of Wisconsin. Why not give them a 100-percent chance? Why limit it to 50-50 when you have such a deplorable situation?

Mr. PACE. I will tell the gentleman why. They contend they want to investigate it more, that it costs a little more for cotton twine; and I am willing to make a start after 18 long years to make it merely 50-50 and let cotton and jute get on the line, and then I am willing to accept the consequences. That is the reason. I admit to the gentleman that it is embarrassing now to me to come here and ask for only half when we are entitled to all, but I am doing it in view of the conditions; I am doing it because above all things on earth I want to be fair, I want to be fair to every commodity and to every section, and I want no more than I can prove I am entitled to. I have never asked for more than my fair share, and I shall never be satisfied with less.

My amendment will not require any increase in the appropriation. If it should develop that the cotton twine should cost a little more than the jute twine, I am sure a little economy in the use of twine will more than save the difference.

The cotton farmer of the South is facing a critical situation and his future is very uncertain. The present surplus of cotton is the greatest in history, with 15,000,000 bales in this country and an equal quantity in foreign countries.

On top of that our exports or foreign sales have dropped down to what they were in 1880, or 60 years ago. It is doubtful that we will export as much as 4,000,000 bales this year.

In addition, the use of cotton in this country is becoming less and less, due to the rapid increase of substitutes for cotton and the failure of business to expand in a normal way.

At this time it seems that our principal hope lies in increasing the consumption of cotton by finding new uses for it. My amendment provides one new use by substituting cotton twine for jute twine in the Post Office Department. I propose to later suggest the same change in the hundreds of other departments and agencies of the Federal Government, and in all it will bring about a substantial increase in the use of cotton.

The cotton farmer is not receiving cost of production. He would not be receiving even 8 cents per pound were it not for the Government loan. Under the loan program the Government has already accumulated 11,200,000 bales of cotton, and we all realize that this cannot go on forever; we know loans in excess of world prices cannot continue very long on a commodity which is dependent on world trade for at least half of its market. We must soon begin paying export subsidies, as you are now doing for wheat, or you must increase the uses of cotton. If we reduce cotton acreage much more it will throw millions of southern people out of work

and will tend to increase cotton production in foreign countries.

I do not want to beg you to do anything, but I do hope you can understand the position we are in and that the Appropriations Committee, which is in charge of this bill, will not fight my amendment. When I questioned the chairman of that committee concerning this matter during general debate last Friday he said that the committee and the Post Office Department wanted to investigate the matter further. It seems to me that 18 years is long enough and the time has come to act.

May I repeat—the American farmer is entitled to the American market; he is entitled to sell his own products to his own Government. My amendment gives you an opportunity to see that he gets it, at least in part. I hope you will adopt the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CLASON] for 3 minutes.

Mr. CLASON. Mr. Chairman, the gentleman from Georgia says he wishes to be fair to the American public in regard to his amendment. I certainly want to be fair also. He has already told us that for 18 years the Post Office Department has been using jute twine. This twine is not made abroad. The raw material, the jute, comes in here and is fabricated into twine in the United States. If the amendment offered by the gentleman were adopted, an additional subsidy beyond the 25-percent allowance already given to cotton goods would be given to the cotton industry. The result might be to throw out of work for 6 months 300 people in Massachusetts and 300 people in Pennsylvania who have been accustomed to employment in this work for the last 18 years.

I ask, Is it fair to start up a new industry which will, in the first place throw out of work 600 citizens who have been accustomed to this type of work and make idle the machinery that makes this product—to do this in order further to subsidize a product which already has the advantage of the buy-American plan; in other words, has a 25-percent advantage on price because it is cotton? For 18 years the Post Office Department has got along with jute twine. There is no question about its being satisfactory. It answers the needs and requirements of the Postal Service. Why at this late date do the cotton interests come in and say: "We are not making cotton twine for this particular kind of job. We have got to bid more than 25 percent more than the Post Office is able to obtain jute twine for, and yet we insist on having this business." I feel this way about it: For 18 years we have allowed this industry to be built up by a company with mills in Ludlow, Mass.; Allentown, Pa.; and Savannah, Ga.

We have allowed these employees to carry on their work, build their homes, and raise their families. We have allowed the cotton people a 25-percent advantage over us so far as price is concerned. Think of these 600 people and their families and do not wipe them out arbitrarily.

Mr. Chairman, this Committee has heard all the evidence. It has heard this evidence year after year and this amendment has been offered year after year. The Committee has decided, in fairness to the Post Office Department, to the taxpayers, and to the people engaged in this jute industry, that it is sufficient to give the cotton people a 25-percent advantage in price on every bid of this character.

[Here the gavel fell.]

Mr. O'NEAL. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Georgia [Mr. PACE].

Mr. Chairman, a great many things could be brought into the debate. We could mention patriotism, as did the gentleman from Georgia. We could mention helping the cotton farmers. We could mention a great many things. But I think the Committee should reason this proposition out, having all the facts before it, then decide what is right and what is wrong.

What is right and what is wrong? It is perfectly clear that all of us want to buy American-made goods. We have a provision in the law which encourages the purchase of

American-made goods. However, we do not say in that law that no foreign goods should ever be used. With reference to the twine used in the Post Office Department, although the Department states it could use cotton twine, it is a matter of common knowledge that cotton stretches more than jute.

Mr. Chairman, the cotton people have never bid on the total needs of the Post Office Department, with the exception of this year, when they did bid on the total needs of the Post Office Department and they were $3\frac{1}{4}$ cents higher than the jute people. They had an advantage, and if they had bid one-fourth of a cent less they would have gotten the entire business on the buy American plan; however, as I stated, their price was $3\frac{1}{4}$ cents higher than the jute.

Speaking about patriotism, may I say that the factories could have bought cotton at 5 cents a pound. In buying this cotton at 5 cents a pound and in the processing of the twine, in my judgment, they could have made a price certainly less than $14\frac{1}{2}$ cents, probably very close to $11\frac{1}{4}$ cents. So when we begin talking about helping the cotton farmer, let us reflect that it is the man who buys the cotton and processes it who makes the bid and who is trying to get the contract, just the same as the man who processes the jute. Incidentally, since the price of cotton is that much higher, it seems to me his remedy is not to come in here and make a patriotic appeal and plead with us not to make him conform to strict business standards, and to ask us to force the Post Office Department to give him half the business. The cotton people instead should tell us, "You are buying at a price that is fair enough. I want you to have every opportunity to let the contract on a business competitive basis."

This whole thing only involves 5,000 bales of cotton. The Post Office Department has not been unkind to the cotton people. Back in 1938 it bought 2,416,000 yards of cotton duck and paid the cotton manufacturers \$630,500. In 1939 it bought 3,023,000 yards of cotton duck and paid the cotton manufacturers \$551,000.

Mr. Chairman, when the jute is manufactured only 10 percent of the cost is the original purchase price. Ninety percent goes to American labor and American manufacturers.

May I say in conclusion, I do not believe we ought to say to the manufacturers of cotton goods, "We are not only going to give you a 25-percent differential over the other fellow but we are going to make the Post Office Department give you half of the business." That is un-American. It does not conform to the standards of American fair play and American business.

Mr. Chairman, I ask that the pending amendment be voted down.

Mr. PACE. Will the gentleman yield?

Mr. O'NEAL. I yield to the gentleman from Georgia.

Mr. PACE. Does the gentleman realize that we could get a little better degree of fairness due to the fact there is more yardage in a pound of cotton twine than there is in a pound of jute twine, yet the Department insists on buying on a poundage basis and not on a yardage basis?

Mr. O'NEAL. If the gentleman has an advantage of that sort, it would help him that much more in bidding and if he would put in his bid based on the question of price he would get the business.

[Here he gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The question was taken; and on a division (demanded by Mr. PACE) there were—ayes 66, noes 84.

Mr. PACE. Mr. Chairman, I do not want to take up the time of the Committee unnecessarily, but I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. O'NEAL and Mr. PACE to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 74, noes 103.

So the amendment was rejected.

The Clerk read as follows:

Equipment shops, Washington, D. C.: For the purchase, manufacture, and repair of mail bags and other mail containers and attachments, mail locks, keys, chains, tools, machinery, and mate-

rial necessary for same, and for incidental expenses pertaining thereto; material, machinery, and tools necessary for the manufacture and repair of such other equipment for the Postal Service as may be deemed expedient; accident prevention; for the expenses of maintenance and repair of the mail bag equipment shops building and equipment, including fuel, light, power, and miscellaneous supplies and services; maintenance of grounds; for compensation to labor employed in the equipment shops and in the operation, care, maintenance, and protection of the equipment shops building, grounds, and equipment, \$1,200,000, of which not to exceed \$635,000 may be expended for personal services in the District of Columbia: *Provided*, That out of this appropriation the Postmaster General is authorized to use as much of the sum, not exceeding \$15,000, as may be deemed necessary for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments; and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions.

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word.

Now that the Committee has decided they do not want to change the plan adopted in 1937 with reference to the construction of post-office buildings throughout the various congressional districts in the United States, by rejecting my amendment, I wish to ask the gentleman from Kentucky [Mr. O'NEAL], a member of the committee, what is the purpose of publishing the list on the extreme right of House Document 177, which intimates to the public they are going to get new post-office buildings in their towns when they are not? We Congressmen, and particularly I in my own district, are constantly being asked the question, "When do we get our post-office building for which provision already has been made?"

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. No; I do not have time to yield.

In other words, the Government of the United States through some agency lets the people believe by these publications that they are going to get post-office buildings when they are not. On one side of this document is a list of authorized post-office buildings, and next to it is another list. It took the expert interpretation the other day of the gentleman from New York [Mr. TABER] to tell the House just what that document meant. I should like to ask what is the purpose of putting out such information as that, because it is at least misleading if not deceiving. The public think they are going to get something when they are not.

Mr. O'NEAL. I may say to the gentleman this is the approved list of the Post Office Department that states which towns can qualify for public buildings. The remedy of the gentleman is to go before the Public Buildings Committee and urge the passage of a bill to have the thing done the way he wants it done.

Mr. O'CONNOR. What is the purpose of declaring these cities eligible for post offices when under the present system and under the plan adopted in 1937 it would take 51 years in my own district to carry out the program and give the people the post offices in the cities that have been declared by the Government to have been eligible?

Mr. O'NEAL. The receipts have been sufficient to justify these towns being placed on the list known as the approved list.

Mr. O'CONNOR. But why publish that list and give the people the idea they are going to get these post-office buildings when they are not?

Mr. TABER. Mr. Chairman, if the gentleman will yield I will tell him.

Mr. O'CONNOR. I yield to the gentleman from New York.

Mr. TABER. The list in the last column is placed in the communication from the Procurement Division as propaganda to create agitation for post offices in those places.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Pennsylvania.

Mr. RICH. I may say to the gentleman there is included in that list a \$75,000 post office for my little town of Woolrich, Pa. Let me say I am for saving the Government money, and if the Post Office Department builds that post office in Woolrich, I will think the whole Congress is crazy. We have to stop building these post offices. To build every one of

these post offices will increase the cost of government from 200 to 500 percent.

Mr. O'CONNOR. If we are not going to build these post offices, we should quit kidding the public about the matter.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Texas.

Mr. POAGE. Does the gentleman know that not only the buildings to be built for the next 51 years are listed but those that have been built in the last 5 or 6 years as well? My home-town newspaper, published last week, stated that the postmaster was at a loss to know why Waco was going to get a post-office building, because he opened a new post office 2 years ago, and he could not figure out why we should have a new one unless they were going to build a basement or an addition to that post office.

Mr. O'CONNOR. We should get busy in the right department and see that such misinformation is no longer published. [Applause.]

The Clerk concluded the reading of the bill.

Mr. LUDLOW. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendations that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOEHNE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4492) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. LUDLOW. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. TABER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. TABER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit of the gentleman from New York.

The Clerk read as follows:

Mr. TABER moves to recommit the bill to the Committee on Appropriations with instructions to report the bill back forthwith with the following amendment: On page 45, line 5, after the comma, strike out "\$2,016,000" and insert "\$1,916,000" and the following: "Provided, That none of the funds appropriated in this bill shall be used for carrying out the purchase of any silver except newly mined silver mined in the United States."

The SPEAKER. The question is on the motion of the gentleman from New York [Mr. TABER].

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 102, noes 137.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 143, nays 197, not voting 93, as follows:

[Roll No. 20]

YEAS—143

Alexander	Burdick	Dondero	Gillie
Allen, Ill.	Carlson	Dowell	Graham
Andersen, H. Carl	Case, S. Dak.	Eaton, N. J.	Grant, Ind.
Anderson, Calif.	Chapfield	Elston	Griswold
Andersen, A. H.	Church	Engel	Gross
Angell	Clason	Englebright	Guyer, Kans.
Arends	Clevenger	Fenton	Gwynne
Austin	Cluett	Fish	Halleck
Ball	Crawford	Gamble	Hancock
Barton	Crowther	Gartner	Harness
Blackney	Culkin	Gearhart	Harter, N. Y.
Bolles	Curtis	Gehrmann	Hawks
Bradley, Mich.	Darrow	Gerlach	Heinke
Brewster	Dirksen	Gifford	Hinshaw
Brown, Ohio	Ditter	Gilchrist	Hoffman

Holmes	Lord
Hope	Luce
Horton	McLeod
Hull	Mapes
Jenkins, Ohio	Marshall
Jensen	Martin, Iowa
Johns	Martin, Mass.
Johnson, Ill.	Michener
Johnson, Ind.	Miller
Jones, Ohio	Monkiewicz
Kean	Mundt
Keefe	Murray
Kennedy, Martin	O'Brien
Kinzer	Oliver
Knutson	Pierce, N. Y.
Kunkel	Pittenger
Lambertson	Powers
Landis	Reed, Ill.
LeCompte	Reed, N. Y.
Lemke	Rees, Kans.
Lewis, Ohio	Rich

Risk	Talle
Robison, Ky.	Taylor, Tenn.
Rockefeller	Thill
Rodgers, Pa.	Thomas, N. J.
Rogers, Mass.	Thorkelson
Routzohn	Tibbott
Rutherford	Tinkham
Sandager	Treadway
Schafer, Wis.	Van Zandt
Schiffier	Vorys, Ohio
Seccombe	Wadsworth
Shafer, Mich.	Wheat
Short	White, Ohio
Simpson	Wigglesworth
Smith, Maine	Williams, Del.
Smith, Ohio	Wolcott
South	Wolfenden, Pa.
Springer	Wolverton, N. J.
Stefan	Woodruff, Mich.
Sumner, Ill.	Youngdahl
Taber	

NAYS—197

Allen, La.	Dempsey	Kerr	Polk
Allen, Pa.	Dickstein	Kilday	Ramspeck
Anderson, Mo.	Doxey	Kirwan	Randolph
Arnold	Drewry	Kitchens	Rankin
Ashbrook	Duncan	Kleberg	Rayburn
Barden	Dunn	Kramer	Richards
Barry	Durham	Lanham	Robertson
Bates, Ky.	Dworshak	Larrabee	Robinson, Utah
Beckworth	Eberhart	Lea	Rogers, Okla.
Bell	Edmiston	Leavy	Romjue
Bland	Evans	Lesinski	Ryan
Bloom	Faddis	Lewis, Colo.	Sacks
Boehne	Ferguson	Ludlow	Satterfield
Boland	Fitzpatrick	McArdle	Schaefer, Ill.
Boren	Flaherty	McCormack	Schulte
Bradley, Pa.	Flannagan	McGehee	Scrugham
Brooks	Flannery	McGranery	Secret
Brown, Ga.	Folger	McLaughlin	Shanley
Bryson	Ford, Miss.	McMillan, John L.	Sheppard
Buck	Ford, Thomas F.	Maciejewski	Sirovich
Buckler, Minn.	Fries	Mahon	Smith, Conn.
Bulwinkle	Fulmer	Mansfield	Smith, Va.
Burch	Garrett	Marcantonio	Smith, Wash.
Burgin	Gathings	Martin, Colo.	Smith, W. Va.
Byrne, N. Y.	Gavagan	Martin, Ill.	Snyder
Caldwell	Geyer, Calif.	Massingale	Somers, N. Y.
Cannon, Mo.	Gore	May	Sparkman
Cartwright	Gossett	Merritt	Spence
Celler	Grant, Ala.	Mills, La.	Starnes, Ala.
Chandler	Green	Monroney	Steagall
Clark	Gregory	Moser	Tarver
Claypool	Hare	Mouton	Tenerowicz
Cochran	Harrington	Murdock, Ariz.	Terry
Coffee, Nebr.	Hart	Murdock, Utah	Thomas, Tex.
Coffee, Wash.	Harter, Ohio	Myers	Thomason
Cole, Md.	Hill	Nelson	Tolan
Collins	Hobbs	Nichols	Turner
Colmer	Hook	Norrell	Voorhis, Calif.
Connery	Houston	O'Connor	Wallgren
Cooley	Hunter	O'Day	Walter
Cooper	Izac	O'Neal	Warren
Costello	Jarman	Owen	Weaver
Cox	Johnson, Luther A.	Parsons	West
Crosser	Johnson, Okla.	Patman	White, Idaho
Crowe	Johnson, W. Va.	Patton	Whittington
Cullen	Jones, Tex.	Pearson	Williams, Mo.
Cummings	Kee	Peterson, Fla.	Zimmerman
D'Alesandro	Keller	Peterson, Ga.	
Delaney	Kennedy, Md.	Pierce, Oreg.	
	Keogh	Poage	

NOT VOTING—93

Andrews	Douglas	Kocialkowski	Sabath
Barnes	Eaton, Calif.	McAndrews	Sasscer
Bates, Mass.	Elliott	McDowell	Schuetz
Beam	Ellis	McKeough	Schwert
Bender	Fay	McLean	Seger
Bolton	Fernandez	McMillan, Thos. S.	Shannon
Boykin	Ford, Leland M.	McReynolds	Smith, Ill.
Buckley, N. Y.	Gibbs	Maas	Stearns, N. H.
Byron	Goldsborough	Magnuson	Sullivan
Cannon, Fla.	Griffith	Maloney	Summers, Tex.
Carter	Hall	Mason	Sutphin
Casey, Mass.	Hartley	Mills, Ark.	Sweeney
Chapman	Havener	Mitchell	Taylor, Colo.
Cole, N. Y.	Healey	Mott	Vincent, Ky.
Corbett	Hendricks	Norton	Vinland, Ga.
Creal	Hennings	O'Leary	Vreeland
Curlley	Hess	Osners	Welch
Daly	Jacobsen	O'Toole	Whelchel
Darden	Jarrett	Pace	Winter
DeRouen	Jeffries	Patrick	Wood
Dies	Jenks, N. H.	Pfeiffer	Woodrum, Va.
Dingell	Johnson, Lyndon	Plumley	
Disney	Kelly	Rabaut	
Doughton	Kennedy, Michael	Reece, Tenn.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:
On this vote:

Mr. Jarrett (for) with Mr. Barnes (against).
Mr. Andrews (for) with Mr. Darden (against).
Mr. Bolton (for) with Mr. Havener (against).

Mr. Corbett (for) with Mr. Healey (against).
 Mr. Bender (for) with Mr. Fay (against).
 Mr. Hall (for) with Mr. Daly (against).
 Mr. Hartley (for) with Mr. Hennings (against).
 Mr. Plumley (for) with Mr. Fernandez (against).
 Mr. Hess (for) with Mr. Doughton (against).
 Mr. Mason (for) with Mr. Rabaut (against).
 Mr. McLean (for) with Mr. Kelly (against).
 Mr. Winter (for) with Mr. McAndrews (against).
 Mr. McDowell (for) with Mr. Schwert (against).
 Mr. Eaton of California (for) with Mr. Pfeifer (against).
 Mr. Douglas (for) with Mr. O'Leary (against).
 Mr. Reece of Tennessee (for) with Mr. O'Toole (against).
 Mr. Seger (for) with Mr. Taylor of Colorado (against).
 Mr. Cole of New York (for) with Mr. Woodrum of Virginia (against).
 Mr. Osmer (for) with Mr. Maloney (against).

General pairs:

Mr. McReynolds with Mr. Carter.
 Mr. Vinson of Georgia with Mr. Jefferies.
 Mr. Sullivan with Mr. Mott.
 Mr. Beam with Mr. Stearns.
 Mr. DeRouen with Mr. Maas.
 Mr. Dies with Mr. Jenks of New Hampshire.
 Mr. Boykin with Mr. Leland M. Ford.
 Mr. McKeough with Mr. Vreeland.
 Mr. Griffith with Mr. Bates.
 Mr. Sabath with Mr. Welch.
 Mr. Gibbs with Mr. Jacobsen.
 Mr. Smith of Illinois with Mr. Byron.
 Mr. Sutphin with Mr. Cannon of Florida.
 Mr. Buckley of New York with Mr. Lyndon B. Johnson.
 Mr. Michael J. Kennedy with Mr. Sweeney.
 Mr. Casey with Mr. Wood.
 Mr. Kocialkowski with Mr. Vincent of Kentucky.
 Mr. Whelchel with Mr. Chapman.
 Mr. Thomas S. McMillan with Mr. Curley.
 Mr. Creal with Mr. Magnuson.
 Mr. Dingell with Mr. Schuetz.
 Mr. Mills of Arkansas with Mr. Elliott.
 Mrs. Norton with Mr. Shannon.
 Mr. Patrick with Mr. Disney.
 Mr. Pace with Mr. Sasser.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed; and a motion to reconsider the vote by which the bill was passed was laid on the table.

EXTENSION OF REMARKS

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address made by Col. Stephen A. Park, president of the National Reserve Officers' Association of the United States.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bill passed this afternoon and to include a short paragraph from the RECORD of a prior debate upon this bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address delivered by David A. McMullen.

The SPEAKER. Is there objection?

There was no objection.

Mr. TURNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein Senate Joint Resolution 14, passed by the General Assembly of the State of Tennessee.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by former Senator Robert L. Owen.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a copy of an amendment to the National Cancer Institute bill which I introduced this afternoon.

The SPEAKER. Is there objection?

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a memorial from the Michigan State Senate.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein House Document 177.

The SPEAKER. Is there objection?

There was no objection.

Mr. STARNES of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of the Public Works Administration bill (H. R. 4576) which I introduced today and also upon the subject of navigation.

The SPEAKER. Is there objection?

There was no objection.

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks and include excerpts from an address delivered by the Honorable ROBERT A. TAFT, of Ohio, on the farm problem.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks on the bill under consideration this afternoon and to include a few excerpts from the annual report of the Director of the Mint and the Secretary of the Treasury.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a letter I have written to Walter Winchell.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of National Aviation Day, and to include therewith a statement by Col. J. E. Myers, a retired officer, in favor of such celebration.

The SPEAKER. Is there objection?

There was no objection.

By unanimous consent, Mr. FENTON and Mr. SPRINGER were granted permission to extend their own remarks.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks on two different subject matters and include a letter respectively relating to each.

Mr. SPEAKER. Is there objection?

There was no objection.

Mr. TENEROWICZ. Mr. Speaker, I ask unanimous consent to extend my own remarks commemorating the one hundred and ninety-second anniversary of the birth of General Casimir Pulaski.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my own remarks by printing a speech I delivered on the floor of the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today in Committee of the Whole House on the state of the Union, and to include therein some brief excerpts from the hearings on the bill under consideration, and a short table.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PETERSON of Georgia, for the remainder of the week, on account of official business.

To Mr. YOUNGDAHL (at the request of Mr. AUGUST H. ANDRESEN) on account of serious illness in his family.

To Mr. PATRICK, for today, on account of important business.

To Mr. MILLS of Arkansas (at the request of Mr. TERRY) for today, on account of illness.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 10. An act for the relief of the Fred Harvey Transportation Department; to the Committee on Claims.

S. 11. An act for the relief of Hubert H. Clark and Dr. W. C. Copeland; to the Committee on Claims.

S. 18. An act authorizing payment to the San Carlos Apache Indians for the lands ceded by them in the agreement of February 25, 1896, ratified by the act of June 10, 1896, and reopening such lands to mineral entry; to the Committee on Indian Affairs.

S. 539. An act for the relief of Charles E. Naghel, special disbursing agent, Department of the Interior, and Kammerer & Medack, contractors, from disallowance of charges for additional work under a construction contract; to the Committee on Claims.

S. 643. An act authorizing the payment of necessary expenses incurred by certain Indians allotted on the Quinalt Reservation, State of Washington; to the Committee on Indian Affairs.

S. 754. An act for the relief of J. G. Mayfield; to the Committee on Claims.

S. 794. An act relating to banking, banks, and trust companies in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 875. An act for the relief of Andrew J. Crockett and Walter Crockett; to the Committee on Claims.

S. 876. An act to authorize the purchase of certain lands for the Apache Tribe of the Mescalero Reservation, N. Mex.; to the Committee on Indian Affairs.

S. 877. An act to add certain public-domain land in Montana to the Rocky Boy Indian Reservation; to the Committee on Indian Affairs.

S. 884. An act for the relief of disbursing officers and other officers and employees of the United States for disallowances and charges on account of airplane travel; to the Committee on Claims.

S. 911. An act for the relief of Roscoe C. Prescott, Howard Joslyn, Arthur E. Tuttle, and Robert J. Toulouse; to the Committee on Claims.

S. 917. An act authorizing the Library of Congress to acquire by purchase, or otherwise, the whole, or any part, of the papers of Charles Cotesworth Pinckney and Thomas Pinckney, including therewith a group of documents relating to the Constitutional Convention of 1787, now in the possession of Harry Stone, of New York City; to the Committee on the Library.

S. 961. An act for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., for completing the construction, extension, equipment, and improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont.; to the Committee on Indian Affairs.

S. 1036. An act to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota; to the Committee on Indian Affairs.

S. 1093. An act for the relief of Mike Chetkovich; to the Committee on War Claims.

S. 1104. An act to provide for conveying to the United States the land, buildings, and improvements comprising the Choctaw and Chickasaw Sanatorium and General Hospital; to the Committee on Indian Affairs.

S. 1174. An act for the relief of Alex St. Louis and Dr. J. P. Lake; to the Committee on Claims.

S. 1253. An act for the relief of John B. Dow; to the Committee on Claims.

S. 1476. An act to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933; to the Committee on Indian Affairs.

S. 1477. An act to repeal section 9 of the act of March 3, 1875 (18 Stat. L. 450), as amended; to the Committee on Indian Affairs.

S. 1523. An act to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government; to the Committee on Foreign Affairs.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 494. An act to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King," John Philip Sousa, composer of the Stars and Stripes Forever; and

S. 1294. An act to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted.

ADJOURNMENT

Mr. LUDLOW. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p. m.) the House adjourned until tomorrow, Wednesday, March 1, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Wednesday morning, March 1, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Wednesday, March 1, 1939. Business to be considered: Railroad rate differentials.

There will be a meeting of the wool subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Wednesday, March 1, 1939. Business to be considered: Opposition to wool-labeling bill, H. R. 944.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Wednesday, March 1, 1939, at 10:30 a. m., to continue hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

The Committee on Rivers and Harbors will meet Friday, March 3, 1939, at 10:30 a. m., to hold hearings on H. R. 295, H. R. 922, H. R. 2890, H. R. 4170, and H. R. 4314, all bills for the control of water pollution.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday, March 1, 1939, at 10:30 a. m., for the consideration of H. R. 1829, H. R. 2971, H. R. 3703, H. R. 4117, and H. R. 4180.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, March 1, 1939, on bills H. R. 159, H. R. 160, and H. R. 4167, certain private bills.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Wednesday, March 1, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

The Committee on Coinage, Weights, and Measures will meet on Friday, March 3, 1939, at 9:30 a. m., in room 115, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below: Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

470. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated August 16, 1938, submitting a report, together with accompanying papers and illustrations, on reexamination of Hoosic River, N. Y., Vt., and Mass., and Roaring Branch at Bennington, Vt., requested by resolutions of the Committee on Flood Control, House of Representatives, adopted February 3, 1937, and the Committee on Commerce, United States Senate, adopted July 29, 1937 (H. Doc. No. 182); to the Committee on Flood Control and ordered to be printed, with two illustrations.

471. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated July 26, 1938, submitting a report, together with accompanying papers and illustrations, on reexamination of Schuylkill River, Pa., with a view to control of pollution from mining operations, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted April 8, 1935 (H. Doc. No. 183); to the Committee on Rivers and Harbors and ordered to be printed, with eight illustrations.

472. A letter from the Acting Secretary of the Navy, transmitting the draft of a proposed bill to make better provision for the government of the Army and the Navy of the United States by the suppression of attempts to incite the members thereof to disobedience; to the Committee on Military Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1961. A bill for the relief of disbursing officers and other officers and employees of the United States from disallowances and charges on account of airplane travel; without

amendment (Rept. No. 104). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROMJUE: Committee on the Post Office and Post Roads. H. R. 3812. A bill granting postal employees credit for Saturday in annual and sick leave law, thereby conforming to the 40-hour workweek or 5-day-week law; with amendment (Rept. No. 111). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2062. A bill for the relief of Charles E. Naghel and Kam-meyer & Medack; without amendment (Rept. No. 105). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2064. A bill for the relief of Allen L. Abshier, Verne G. Adams, Oliver D. Chattin, William K. Heath, and Harry B. Jennings; without amendment (Rept. No. 106). Referred to the Committee of the Whole House.

Mr. KEOGH: Committee on Claims. H. R. 2073. A bill to allow credit in the accounts of certain former disbursing officers of the Veterans' Administration, and for other purposes; without amendment (Rept. No. 107). Referred to the Committee of the Whole House.

Mr. EBERHARTER: Committee on Claims. H. R. 2079. A bill for the relief of Charles T. Wise; without amendment (Rept. No. 108). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3358. A bill for the relief of the widow and minor children of James A. Henderson, deceased; with amendment (Rept. No. 109). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 693) granting a pension to James A. Hoskins; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4518) for the relief of Francine Marie Dwight; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. McCORMACK:

H. R. 4575. A bill to protect producers, manufacturers, and consumers from the unrevealed presence of substitutes and mixtures in woven or knitted fabrics and in garments or articles of apparel made therefrom, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STARNES of Alabama:

H. R. 4576. A bill making appropriations for public-works projects, and authorizing the carrying out of such projects; to the Committee on Appropriations.

By Mr. BOEHNE:

H. R. 4577. A bill making it an offense against the United States for any person to move in interstate or foreign commerce with intent to avoid his obligation to support his children; to the Committee on the Judiciary.

By Mr. BUCKLER of Minnesota:

H. R. 4578. A bill to provide for the liquidation of the trust funds on deposit to the credit of the Chippewa Indians of Minnesota; to the Committee on Indian Affairs.

By Mr. COSTELLO:

H. R. 4579. A bill relating to the retirement of certain commissioned and warrant officers of the Army, Navy, Marine Corps, and Coast Guard; to the Committee on Military Affairs.

By Mr. FLANNAGAN:

H. R. 4580. A bill to provide for a preliminary flood-control examination and survey of the North Fork of the Clinch River, Va.; to the Committee on Flood Control.

By Mr. GUYER of Kansas:

H. R. 4581 (by request). A bill to provide for the general welfare by establishing a system of Federal old-age benefits and to make more adequate provision for aged persons, widowed, and disabled, and to establish an unemployment base and a General Welfare Board, to raise revenue, and for other purposes; to the Committee on Ways and Means.

By Mr. KENNEDY of Maryland:

H. R. 4582. A bill to provide for the acquisition of certain property for public use in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. JOHN L. McMILLAN:

H. R. 4583. A bill granting a pension to widows and dependent children of World War veterans; to the Committee on World War Veterans' Legislation.

H. R. 4584. A bill granting pensions and increases of pensions to needy war veterans; to the Committee on World War Veterans' Legislation.

By Mrs. ROGERS of Massachusetts:

H. R. 4585. A bill to amend the act approved August 5, 1937, entitled "An act to provide for, foster, and aid in coordinating research relating to cancer; to establish the National Cancer Institute, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Washington:

H. R. 4586. A bill to provide for the construction of a post-office building at Castle Rock, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. SUMNERS of Texas:

H. R. 4587. A bill to give the Supreme Court of the United States authority to prescribe rules of pleading, practice, and procedure with respect to proceedings in criminal cases prior to and including verdict, or finding or plea of guilty; to the Committee on the Judiciary.

By Mr. SWEENEY:

H. R. 4588. A bill to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. JONES of Texas:

H. R. 4589. A bill to authorize the encouragement of engineering research at experiment stations; to the Committee on Agriculture.

By Mr. KILDAY:

H. R. 4590. A bill to amend the Social Security Act; to the Committee on Ways and Means.

H. R. 4591. A bill to amend the Social Security Act; to the Committee on Ways and Means.

By Mr. O'LEARY:

H. R. 4592. A bill to amend section 4339 of the Revised Statutes of the United States; to the Committee on Merchant Marine and Fisheries.

H. R. 4593. A bill to amend section 4132 of the Revised Statutes of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. WEST:

H. R. 4594. A bill to amend the National Labor Relations Act (Public Law No. 198, 74th Cong., approved July 5, 1935 (49 Stat. 449)), to define agricultural labor; to the Committee on Labor.

By Mr. GWYNNE:

H. R. 4595. A bill to amend section 81 of the Judicial Code to provide for a Waterloo division of the northern district of Iowa, and to provide for the establishment of an office of the clerk of the court at Waterloo, Iowa; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 4596. A bill to provide for preferences on Works Progress Administration projects to owner-driven trucks; to the Committee on Labor.

By Mr. JONES of Texas:

H. J. Res. 188. Joint resolution authorizing the delegation of certain authority within the Department of Agriculture; to the Committee on Agriculture.

H. J. Res. 189. Joint resolution to define the status of the Under Secretary of Agriculture, and for other purposes; to the Committee on Agriculture.

By Mr. CELLER:

H. J. Res. 190. Joint resolution to make available to the Federal Government the facilities of the council of State governments, and for other purposes; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States to consider their Joint Memorial No. 4, with reference to Federal taxation; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Maine, memorializing the President and the Congress of the United States to consider their resolution with reference to present tariff rates; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Oregon, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 5, with reference to the harbor at Tillamook Bay, Oreg.; to the Committee on Rivers and Harbors.

Also, memorial of the Legislature of the State of Wyoming, memorializing the President and the Congress of the United States to consider their Joint Memorial No. 3, with reference to the livestock industry; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to consider their Senate Joint Memorial No. 9, with reference to House bills 2662 and 2663 concerning the Federal Oil and Gas Leasing Act; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of Rhode Island, memorializing the President and the Congress of the United States to consider their resolution to eliminate the taxation of gasoline and lubricating oil by the Federal Government; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARDEN:

H. R. 4597. A bill for the relief of Thomas P. Waters; to the Committee on Military Affairs.

By Mr. BARRY:

H. R. 4598. A bill for the relief of Orvie Matthew Ean; to the Committee on Naval Affairs.

H. R. 4599. A bill granting a pension to Catherine O'Hare; to the Committee on Pensions.

By Mr. BROWN of Ohio:

H. R. 4600. A bill for the relief of W. H. Backenstoe; to the Committee on Claims.

By Mr. CURTIS:

H. R. 4601. A bill for the relief of Paul McCoy; to the Committee on Claims.

By Mr. THOMAS F. FORD:

H. R. 4602. A bill granting a pension to Dora F. Babbitt; to the Committee on Invalid Pensions.

By Mr. GAVAGAN:

H. R. 4603 (by request). A bill for the relief of Walter Will; Sanders A. Frye; David Gordon, an individual trading as David Gordon Building & Construction Co.; Leslie L. LeVeque; and L. L. LeVeque Co., and the David Gordon Building & Construction Co., Inc.; to the Committee on Claims.

H. R. 4604. A bill for the relief of Charles T. Wills, Inc.; to the Committee on Claims.

By Mr. HARTER of Ohio:

H. R. 4605. A bill for the relief of Arthur R. Lewis; to the Committee on Military Affairs.

By Mr. HUNTER:

H. R. 4606. A bill for the relief of the Toledo Terminal Railroad Co., of Toledo, Ohio; to the Committee on Claims.

By Mr. IZAC:

H. R. 4607. A bill for the relief of Elmira Margaret Vantatta; to the Committee on Claims.

By Mr. JOHNSON of Oklahoma:

H. R. 4608. A bill for the relief of Lettie Leverett; to the Committee on Claims.

H. R. 4609. A bill for the relief of Charles Enslow; to the Committee on Claims.

By Mr. KILDAY:

H. R. 4610. A bill for the relief of William G. Schmid; to the Committee on Claims.

H. R. 4611. A bill for the relief of Mark R. Larkin; to the Committee on Claims.

By Mr. KITCHENS:

H. R. 4612. A bill for the relief of John B. Aldridge; to the Committee on Claims.

H. R. 4613. A bill for the relief of Mrs. F. A. N. Yeager; to the Committee on Claims.

H. R. 4614. A bill for the relief of James Martin Wells; to the Committee on Claims.

By Mr. KUNKEL:

H. R. 4615. A bill for the relief of Sallie Barr; to the Committee on Claims.

By Mr. LEMKE:

H. R. 4616. A bill to pay to M. F. Gubrud, of Ambrose, N. Dak., \$261.75, money erroneously collected under protest, as duty on frozen wheat imported from Canada as feed for livestock, under the Tariff Act; to the Committee on Claims.

By Mr. MANSFIELD:

H. R. 4617. A bill for the relief of Capt. Robert E. Coughlin; to the Committee on Claims.

By Mr. MARTIN of Massachusetts:

H. R. 4618. A bill for the relief of Herbert Frederick Field, deceased; to the Committee on Naval Affairs.

By Mr. MYERS:

H. R. 4619. A bill for the relief of Stephen Joseph Ketran; to the Committee on Military Affairs.

By Mr. O'LEARY:

H. R. 4620. A bill for the relief of the firm of Cotonificio Bustese, S. A.; to the Committee on Claims.

By Mr. TERRY:

H. R. 4621. A bill for the relief of C. A. Blackburn; to the Committee on Claims.

H. R. 4622. A bill granting an increase of pension to Kenneth Morford; to the Committee on Pensions.

H. R. 4623. A bill granting a pension to Ada Epperson; to the Committee on Invalid Pensions.

H. R. 4624. A bill granting a pension to Rosetta McKay Adams; to the Committee on Pensions.

By Mr. VAN ZANDT:

H. R. 4625. A bill for the relief of Adelaide Damiano; to the Committee on Claims.

H. R. 4626. A bill granting an increase of pension to Williantina H. Young; to the Committee on Invalid Pensions.

H. R. 4627. A bill for the relief of Mildred C. Resig; to the Committee on Claims.

By Mr. WEAVER:

H. R. 4628. A bill for the relief of John C. Gibbs; to the Committee on War Claims.

By Mr. YOUNGDAHL:

H. R. 4629. A bill for the relief of Arthur O. Anderson; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1411. By Mr. COCHRAN: Memorial of the Central Trades and Labor Union, submitted by the secretary, W. M. Brandt,

urging Congress to make an additional appropriation for the Works Progress Administration in order that those in need of employment will be reinstated and no additional employees entitled to recognition under the Works Progress Administration policy will be furloughed; to the Committee on Appropriations.

1412. By Mr. COFFEE of Washington: Resolution of 300 persons at mass meeting at Bremerton, Wash., assembled under the sponsorship of the Bremerton Sun, stating that Federal social-security law, while a step in the right direction, has proved inadequate and unsatisfactory; pointing out that it has been too costly and discriminatory in its operation; and therefore urging Congress to give serious consideration to the principles embodied in House bills 2 and 11, now pending before the Congress, to the end that a genuine retirement and recovery plan be enacted in keeping with the American standard of living; to the Committee on Ways and Means.

1413. Also, resolution of the plywood, veneer, and box shock council of the International Woodworkers of America, pointing out that the Pacific Northwest possesses the only appreciable stands of old growth Douglas fir timber suitable for peeler logs; asserting that such resources are a natural heritage which should be conserved; asserting that exportation of such logs has undermined Northwest industries, and urging that the Congress pass House bill 3579, introduced by Mr. COFFEE of Washington, or identical legislation to prohibit the exportation of such logs; to the Committee on Ways and Means.

1414. Also, resolution of the Chamber of Commerce of Tacoma, Wash., Thad Stevenson, secretary-manager, pointing out that lumber industries are the means of employment of thousands of workers in the Tacoma, Wash., area; that these industries are dependent on the virgin softwood resources of the Pacific Northwest for their existence; asserting that export trade of finished lumber during recent years has been curtailed because foreign countries have imported Douglas fir logs to the exclusion of American finished products, constituting a serious drain on the great natural resources of the Pacific Northwest; insisting that the exportation of the raw material instead of finished product deprives the Pacific Northwest of more than \$1,000,000 annual pay roll, and therefore emphatically urging that the Congress forthwith consider and pass House bill 3579, introduced by Mr. COFFEE of Washington (and similar bills of the same purport and tenor providing for the prohibition of export of such logs); to the Committee on Ways and Means.

1415. Also, resolution of mass meeting of 5,000 persons held under the auspices of the Seattle Star, Seattle, Wash., comprising representatives of all pension groups within the State of Washington, asserting that the present social security law, though commendable in objective, has proved to be inadequate, unsatisfactory, and discriminatory; and therefore urging the present Congress to give serious consideration to the various recovery and retirement plans now pending and enact forthwith a recovery and retirement plan embodying the general principles of House bills 2 and 11, so that the country will be benefited by a genuine retirement and recovery plan consonant with the American standard of living; to the Committee on Ways and Means.

1416. By Mr. GRAHAM: Petition of the Catholic Daughters of America Court, No. 663, Rochester, Pa., urging the retention on the statute books the act of May 1, 1937, and the extension of the original act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1417. By Mr. GUYER of Kansas: Petition of the State of Kansas, as expressed in Senate Concurrent Resolution No. 6, passed by the Senate and the House of the State of Kansas, now in session at Topeka, Kans., asking that Congress make available to the States all funds collected under the tax imposed on sporting arms and ammunition by the Pittman-Robertson Act; to the Committee on Appropriations.

1418. By Mr. HALLECK: Petition of the Woman's Christian Temperance Union of Bourbon, Ind., favoring the enactment of legislation for the control of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

1419. By Mr. HOUSTON: Concurrent Resolution No. 6 of the Kansas Senate, memorializing the Congress of the United States to appropriate all of the funds collected under the terms of the Pittman-Robertson Act for Federal aid to the States in wildlife restoration; to the Committee on Agriculture.

1420. By Mr. LUTHER A. JOHNSON: Petition of Charles A. Teeple, of Corsicana, Tex., opposing House bill 101, section 210 (b) (7), amendment to the Social Security Act; to the Committee on Ways and Means.

1421. Also, petition of A. M. Aycock, owner of Ben Hur Telephone Co., route 2, Mart, Tex., favoring House bill 2842, which has to do with telephone exchanges having 1,000 or less subscribers, and modifies the wage-and-hour law so as to make it possible for these small exchanges to continue to employ telephone operators as they have in the past; to the Committee on Labor.

1422. By Mr. MARTIN J. KENNEDY: Petition of the Transport Workers Union of Greater New York, comprising 50,000 members, urging vote for the appropriation of the additional sum of \$150,000,000 cut from President Roosevelt's original recommendation on Works Progress Administration; to the Committee on Appropriations.

1423. Also, resolution of the New York Board of Trade, Inc., New York City, opposing the enactment of Senate bill 158, known as the Hill bill; to the Committee on Interstate and Foreign Commerce.

1424. Also, letter from Rev. Dr. Paul Austin Wolfe, of the Brick Presbyterian Church, New York City, expressing opposition to the proposal to include churches and ministers under the extended provisions of the Social Security Act; to the Committee on Ways and Means.

1425. Also, letter from the board of national missions of the Presbyterian Church in the United States of America, New York City, opposing the proposal to include churches and ministers under the extended provisions of the Social Security Act; to the Committee on Ways and Means.

1426. By Mr. KEOGH: Petition of Vincent A. Roy, supervisor, teacher-training department, Pratt Institute, Brooklyn, N. Y., concerning House bill 2319; to the Committee on Education.

1427. Also, petition of the Queens County committee, the American Legion, Department of New York, concerning House bill 3760; to the Committee on World War Veterans' Legislation.

1428. Also, petition of the Transport Workers Union of Greater New York, concerning the President's recommendation for additional appropriation of \$150,000,000 for Works Progress Administration; to the Committee on Appropriations.

1429. Also, petition of the rehabilitation committee, United States Marine Hospital, Fort Stanton, N. Mex., concerning seamen coming under the Social Security Act; to the Committee on Ways and Means.

1430. Also, petition of Gane & Ingram, Inc., manufacturing chemists, New York City, concerning House bill 3536; to the Committee on Ways and Means.

1431. By Mr. PFEIFER: Petition of Gane & Ingram, Inc., manufacturing chemists, New York City, urging support of House bill 3536, to tax imported menthol; to the Committee on Ways and Means.

1432. Also, petition of the National League of District Postmasters of the United States, Washington, D. C., urging support of amendment by Representative BURCH, of Virginia, increasing appropriation for third-class post offices; to the Committee on Appropriations.

1433. Also, petition of the Transport Workers' Union of Greater New York, urging additional appropriation of \$150,000,000 for Works Progress Administration; to the Committee on Appropriations.

1434. By Mr. SANDAGER: Memorial of the officers and members of the board of directors of the General Welfare Association of Rhode Island, Inc., of Providence, R. I., to speedily enact the General Welfare Act (H. R. 11) into law; to the Committee on Ways and Means.

1435. Also, memorial of the Rhode Island Agricultural Conference, opposing placing a tax of 3 cents per gallon on fuel oil; to the Committee on Ways and Means.

1436. Also, memorial of the State of Rhode Island, urging that in the construction of the new post office in Westerly, R. I., the entire exterior be of Westerly granite; to the Committee on the Post Office and Post Roads.

1437. By Mr. SCHAEFER of Illinois: Petition of Local 243, Hotel and Restaurant Employees and Beverage Dispensers, Byrl Donelson, secretary, Alton, Ill., favoring adoption by Congress of amendments to the Wagner Labor Relations Act as recommended by the American Federation of Labor; to the Committee on Labor.

1438. Also, petition of the Ladies' Auxiliary, National Association of Letter Carriers, Lodge No. 97, Viola I. Palis, recording secretary, East St. Louis, Ill., urging enactment of certain legislation for improvement in working conditions for postal employees; to the Committee on the Post Office and Post Roads.

1439. Also, petition of the Senate and House of Representatives, General Assembly, State of Illinois, appealing to the President, Secretary of War, Secretary of the Navy, and commanding officers and athletic directors of the service academies to direct that the annual football game for 1939 between Army and Navy be held in the city of Chicago; to the Committee on Military Affairs.

1440. By Mr. SCHIFFLER: Petition of Katie B. Knox, secretary, Townsend Club, No. 3, Fairmont, W. Va., urging early action on the Townsend bill (H. R. 2); to the Committee on Ways and Means.

1441. By Mr. SMITH of West Virginia: Resolution passed by the House of Delegates of the State of West Virginia in which the Representatives in Congress from that State are requested to oppose the enactment of House bill 188 and Senate bills 126, 138, and 158, which pertain to the establishment of freight rates; to the Committee on Interstate and Foreign Commerce.

1442. Also, resolution adopted by the members of Local Union No. 7252, United Mine Workers of America, Royal, W. Va., opposing any and all amendments to the National Labor Relations Act; to the Committee on Labor.

1443. By Mr. TENEROWICZ: Resolution of the Senate of the State of Michigan, urging Members of Congress not to take favorable action on House bill 188 and Senate bills 126, 137, and 158; to the Committee on Interstate and Foreign Commerce.

1444. By Mr. THOMAS of New Jersey: Concurrent resolution introduced and adopted by the One Hundred and Sixty-third Legislature of the State of New Jersey, February 6, 1939, commending the House of Representatives of the National Congress on their recent action in continuing the activities of the Dies committee to investigate un-American practices; to the Committee on Rules.

1445. By Mr. WEAVER: Petition of certain citizens of Waynesville, N. C.; to the Committee on Foreign Affairs.

1446. By the SPEAKER: Petition of Jose Castro Novoa, of Hatillo, P. R., and others, petitioning consideration of their resolution with reference to veterans of the World War; to the Committee on Ways and Means.

1447. Also, petition of the Meridian Teachers' Association, of Meridian, Miss., petitioning consideration of their resolution with reference to Senate bill 1305, Federal aid to education; to the Committee on Education.

SENATE

WEDNESDAY, MARCH 1, 1939

(Legislative day of Monday, February 27, 1939)

The Senate met at 12 o'clock meridian on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O giver of life and light, who hast brought us in safety to the beginning of this another day, look down in infinite

pity upon this, Thy world, and let Thy spirit lead us through the coming hours into a new and richer experience wherein all fears and vain regrets shall be cast aside, and our service to our country and our God shall know the rapture of a high resolve to quit ourselves like men in this valley of decision.

Bless, we humbly beseech Thee, with health, strength, and spiritual insight our President, Vice President, the Members of the Congress, the judiciary, and everyone who bears the authority and responsibility of leadership, and grant that they and all our citizens may make the great adventure of faith, and discover the secret of peace in finding Thee. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, February 28, 1939, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed a bill (H. R. 4492) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 494. An act to name the bridge to be erected over the Anacostia River in the District of Columbia, after the late "March King," John Philip Sousa, composer of The Stars and Stripes Forever; and

S. 1294. An act to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Reed
Andrews	Davis	La Follette	Reynolds
Ashurst	Donahay	Lee	Russell
Austin	Downey	Lewis	Schwartz
Bailey	Ellender	Lodge	Schwellenbach
Bankhead	Frazier	Logan	Sheppard
Barbour	George	Lucas	Shipstead
Barkley	Gerry	Lundeen	Smathers
Bilbo	Gibson	McKellar	Smith
Bone	Gillette	McNary	Stewart
Borah	Glass	Maloney	Taft
Bridges	Green	Mead	Thomas, Okla.
Brown	Guffey	Miller	Tobey
Bulow	Gurney	Minton	Townsend
Burke	Harrison	Murray	Truman
Byrd	Hatch	Neely	Tydings
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	Nye	Van Nuys
Caraway	Hill	O'Mahoney	Wagner
Chavez	Holman	Overton	Walsh
Clark, Idaho	Hughes	Pepper	White
Clark, Mo.	Johnson, Calif.	Pittman	Wiley
Connally	Johnson, Colo.	Radcliffe	

Mr. MINTON. I announce that the Senator from Montana [Mr. WHEELER] is detained from the Senate because of illness.

The Senator from Utah [Mr. THOMAS] is detained because of illness in his family.

The Senator from West Virginia [Mr. HOLT] and the Senator from Nevada [Mr. McCARRAN] are absent on important public business.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

CHARGES FOR METERED COMMODITIES OR SERVICES, POST OFFICE DEPARTMENT

The VICE PRESIDENT laid before the Senate a letter from the Acting Postmaster General, transmitting a draft of proposed legislation to amend the act approved April 27, 1937, entitled "An act to simplify accounting," which, with

the accompanying paper, was referred to the Committee on Appropriations.

DRAFTS OF PROPOSED LEGISLATION BY INTERIOR DEPARTMENT

The VICE PRESIDENT laid before the Senate letters from the Acting Secretary of the Interior, transmitting drafts of proposed legislation to authorize the sale and conveyance of certain property of the estate of Jackson Barnett, deceased Creek Indian, and also to amend section 4 of the act of May 31, 1933, enacted to safeguard the interests and welfare of Indians of the Taos Pueblo, N. Mex., in certain lands within the Carson National Forest, which, with the accompanying papers, were each referred to the Committee on Indian Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of Oregon, which was referred to the Committee on Commerce:

House Joint Memorial 5

To the honorable Senate and House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the Fortieth Legislative Assembly of the State of Oregon, convened in regular session, respectfully represent that—

Whereas the Port of Bay City is a municipal corporation duly organized and existing under and by virtue of the constitution and laws of the State of Oregon, and organized principally for the purpose of improving the harbor conditions at the entrance of and on Tillamook Bay, in Tillamook County, Oreg.; and

Whereas at the time of the organization of such port, it embraced within its territory and subject to taxation many millions of feet of standing and merchantable timber, upon which such port depended for the revenue necessary to carry out its purposes; and

Whereas in 1933 a fire destroyed a large portion of such timber, thereby eliminating the principal source of revenue of such port, and rendering it financially impossible for such port to pay its outstanding indebtedness approximating \$296,000, or to further carry on the necessary works in connection with the improvement and maintenance of such port; and

Whereas during the present winter a storm caused the washing out of the north end of Bay Ocean at the entrance of Tillamook Bay, which will require the early construction of a jetty at the south entrance of Tillamook Bay in order to protect not only the harbor, but also lands bordering on Tillamook Bay, and said port is without revenue, as well as without sources of revenue, to carry on the work immediately necessary; and

Whereas the improvement of the entrance to Tillamook Bay, as well as the maintenance of said harbor, is of general interest to the welfare of the people of the United States: Now, therefore, be it

Resolved by the House of Representatives of the State of Oregon (the senate jointly concurring therein), That the Legislature of the State of Oregon does petition the Members of Congress from the State of Oregon and the whole Congress of the United States to consider favorably and to pass such legislation as may be necessary to permit and direct the assumption and payment by the United States of the present and outstanding indebtedness of the Port of Bay City, and the appropriation of such additional sums as may be necessary to forthwith improve the entrance to Tillamook Bay in Oregon by the construction of a jetty at the south side of such entrance and to construct and maintain the necessary sea wall to protect Bay Ocean Peninsula; and be it further

Resolved, That a certified copy of this application be sent forthwith to the Congress of the United States, to each Member of the Congress from the State of Oregon, and to the President of the United States.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of South Dakota, which was referred to the Committee on Indian Affairs:

House Concurrent Resolution 14

Concurrent resolution memorializing the Congress of the United States of America to appropriate funds for the payment of taxes levied on Indian lands in South Dakota to which patent in fee titles have been erroneously issued by the Secretary of the Interior and which patent in fee titles were later canceled by the Secretary of the Interior

Be it resolved by the House of Representatives of the State of South Dakota (the senate concurring):

Whereas heretofore the Secretary of the Interior, pursuant to a "declaration of policy," issued patents in fee to numerous Indians residing on the several Indian reservations in the State of South Dakota, covering the lands theretofore allotted to such Indians by trust patent; and

Whereas by issuance of patent in fee title such lands became and were subject to taxation by the several tax districts of the State of South Dakota in which such lands were situated; and

Whereas upon the issuance of such patent in fee titles the lands were assessed and taxed by the taxing districts in which such lands were located for several years, and the said taxing districts issued

warrants of indebtedness against such anticipated tax revenues; and

Whereas in most cases the tax levies against such land were not paid by the Indian owner thereof, but such taxes were allowed to accumulate thereon for several years; and

Whereas subsequently thereto the patent in fee titles theretofore issued to many of said Indians were canceled as having been erroneously issued, and the land restored to its former trust status, and the lien of said taxes were thereby canceled and lost to the detriment, disadvantage, and hardship of such taxing district which had incurred indebtedness relying on the validity of such patents in fee and consequent taxation of such lands; and

Whereas a few of said Indians receiving such patent in fee titles to their lands paid the taxes assessed and levied thereon for several years, and after cancellation of such patent in fee titles as aforesaid, have brought suit in the United States courts and have recovered judgments against the county or counties in which such lands are situated, for the amount of taxes so paid by them with interest thereon from the date of said payment; and

Whereas on account of the general financial distress of the counties of the State of South Dakota containing Indian lands this situation has worked a tremendous hardship on the taxpayers of such counties in not being able to collect the taxes so assessed and levied against such Indian lands to which patent in fee titles had been issued as aforesaid, and upon which tax levies said taxing districts had incurred indebtedness, and in being compelled to pay back to those Indians who had paid the taxes, the amount of taxes paid by them with interest from the date of such payments; and

Whereas this deplorable situation has occurred entirely by reason of the issuance of such fee simple patents by the Secretary of the Interior as aforesaid: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That the Congress be, and it is hereby, memorialized and petitioned to promptly take such steps and to appropriate such funds as may be necessary as to provide for the payment to the several counties of the State of South Dakota of the taxes so assessed and levied against Indian lands to which fee simple patents have been issued by the Secretary of the Interior, and which patents in fee were subsequently canceled and the said taxes thereby lost to said counties and to pay to said counties the amount or amounts that such counties have paid on account of judgments recovered against them by Indians on account of taxes mistakenly paid by them under such patent in fee titles heretofore issued by the Secretary of the Interior, as aforesaid; and be it further

Resolved, That copies of this memorial be certified and forwarded by the secretary of state of South Dakota to the Secretary of State of the United States at Washington, D. C., and to the Vice President of the United States as presiding officer of the United States Senate and to the Speaker of the House of Representatives of the United States.

The VICE PRESIDENT also laid before the Senate a cablegram from the Speaker of the House of Representatives of Puerto Rico, embodying a resolution of that house requesting that Puerto Rico be included and allotted its share of a proposed appropriation for developing and operating vocational schools in the States, which was referred to the Committee on Territories and Insular Affairs.

Mr. HUGHES presented a concurrent resolution of the General Assembly of Delaware, in reference to Federal taxes on motor fuels and lubricating oils, which was referred to the Committee on Finance.

(See resolution printed in full when laid before the Senate by the Vice President on the 27th instant, pp. 1894-1895, CONGRESSIONAL RECORD.)

Mr. LODGE presented petitions, numerous signed, of sundry citizens of the State of Massachusetts, praying for the adoption of measures to stop the shipment of arms and munitions to Japan for use in operations in China, which were referred to the Committee on Foreign Relations.

Mr. MINTON presented a memorial, numerous signed, of members of the South Bend Industrial Union Council, and sundry other citizens of South Bend, Ind., remonstrating against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also presented the memorial of the pastor and 521 members of the First Baptist Church, of Warsaw, Ind., remonstrating against the enactment of legislation to include religious bodies under the operation of the social-security system, which was referred to the Committee on Finance.

Mr. CAPPER presented the petition of sundry citizens of Greenleaf, Kans., praying for the enactment of legislation exempting small independent telephone companies from the provisions of the Labor Standards Act of 1938, which was referred to the Committee on Education and Labor.

He also presented resolutions adopted by the Review Club, the Ladies Literary League, the Current Event Club, the

Mothers League, the faculty and student body of the College of Emporia, and sundry citizens of Wabunsee, Kans., praying that the United States stop the shipment of war materials to Japan for use in operations in China, which were referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Wichita, Kans., praying for the enactment of House bill 11, a general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

He also presented a resolution adopted by a joint meeting of the elders, trustees, and members of the First Presbyterian Church of Great Bend, Kans., remonstrating against the enactment of legislation including religious bodies under the operation of the social-security system, which was referred to the Committee on Finance.

RESOLUTIONS OF MICHIGAN STATE LEGISLATURE

Mr. VANDENBERG. I present two memorials from the Michigan State Legislature for usual publication and reference. I especially call attention to one of them, which happens to relate to the particular subject matter now pending before the Senate; and I desire to read two of the resolving clauses:

Resolved by the house of representatives (the senate concurring), That we, the members of the Sixtieth Legislature of the State of Michigan, memorialize the Congress of the United States that we are in favor of preparation for a reasonable adequate home defense of the United States by air and sea and land, but that we are unalterably opposed to any action, diplomacy, or mandate that will involve our Nation in war with any other nations, on our own behalf or in defense of other nations; and be it further

Resolved, That any declaration of war, either direct or implied, we believe must be by the present United States constitutional sovereign power of Congress, and should not be delegated.

The VICE PRESIDENT. Without objection, the resolutions presented by the Senator from Michigan will be received and appropriately referred, and, under the rule, printed in the RECORD.

To the table:

House Concurrent Resolution 5

Concurrent resolution memorializing the Congress of the United States to provide for a reasonable adequate home defense, and also measures for the prevention of war

Whereas we are warned by the facts that the Old World has been and is at war, declared and undeclared, and that there is a real menace, it is believed, to the peace of our Nation; and

Whereas the greatest peacetime program for war is now being prepared, and the imminence of war is being discussed in assemblies and in newspapers throughout the Nation; and

Whereas our citizenry with foreign interests should be warned that we are unalterably opposed to any action, diplomacy, or mandate that will involve our Nation in war with any other nations; and

Whereas we approve uniting with friendly nations in diplomatic and economic cooperation: Now, therefore, be it

Resolved by the house of representatives (the senate concurring), That we, the members of the Sixtieth Legislature of the State of Michigan, memorialize the Congress of the United States that we are in favor of preparation for a reasonable adequate home defense of the United States by air and sea and land, but that we are unalterably opposed to any action, diplomacy, or mandate that will involve our Nation in war with any other nations on our own behalf or in defense of other nations; and be it further

Resolved, That any declaration of war, either direct or implied, we believe must be by the present United States constitutional sovereign power of Congress and should not be delegated; and be it further

Resolved, That we believe war is abhorrent, a destroyer and not a builder of nations, and that the people of our democracy can best serve not only the interests of its own people but the peoples of other nations, with a real demonstration of democracy of peace and prosperity in our own country as the best guarantor of world peace and welfare; and be it further

Resolved, That this resolution be spread on the journals of the house and senate and suitable copies be sent to the President of the Senate, the Speaker of the House of Representatives, and to Michigan Members in the Senate and House of the Congress of the United States.

To the Committee on Interstate Commerce:

Senate Concurrent Resolution 12

A concurrent resolution memorializing Congress to defeat certain measures that would discriminate against Michigan industry and agriculture in the matter of transportation rates

Whereas there are now pending in Congress several measures, namely, H. R. 188, S. 126, S. 137, and S. 158, and before the Interstate Commerce Commission an action designated as Docket 27744, all of which are detrimental to Michigan labor, industry, and

agriculture, because they impose discriminatory transportation rates against Michigan and in favor of certain Southern States competing with the products of Michigan; and

Whereas adoption of these revised rate schedules, in the estimation of competent authorities, would force some Michigan industrial enterprises to face the alternative of closing or moving their plants to the States sponsoring these rate revisions, thus making more acute Michigan's economic difficulties; and

Whereas other States threatened with the same destructive discrimination, notably Illinois and Indiana, are putting forth every effort to defeat this attempt to subject them to unfair competition: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That we do hereby urge the United States Senators and Members of the United States House of Representatives from Michigan to exert their full force in defeating the measures referred to; and be it further

Resolved, That the interests of the State of Michigan be adequately represented in hearings before the Interstate Commerce Commission or before any other agency of the Government on the proposals referred to, such representation to be at the discretion of the Governor of Michigan.

REPORTS OF COMMITTEES

Mr. BULOW, from the Committee on Civil Service, to which was referred the bill (S. 1582) to authorize the President to bestow a Meritorious Service Medal upon civil-service officers and employees of the United States, and for other purposes, reported it without amendment and submitted a report (No. 121) thereon.

Mr. NEELY, from the Committee on Civil Service, to which was referred the bill (S. 281) to amend further the Civil Service Retirement Act, approved May 29, 1930, reported it with an amendment and submitted a report (No. 122) thereon.

Mr. GREEN, from the Committee on Foreign Relations, to which was referred the bill (S. 1464) to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States, reported it with an amendment and submitted a report (No. 123) thereon.

WATER-POLLUTION CONTROL—REPORT OF COMMITTEE ON COMMERCE

Mr. BAILEY, from the Committee on Commerce, submitted a report (Rept. No. 120) to accompany the bill (S. 685) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, heretofore reported from that committee without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARBOUR:

S. 1656. A bill for the relief of Parker McKee, Sr., and Louise McKee; to the Committee on Claims.

By Mr. NEELY:

S. 1657. A bill for the relief of William Lewis Drain; to the Committee on Claims.

By Mr. TRUMAN:

S. 1658. A bill granting a pension to Thyra Wilks; to the Committee on Pensions.

By Mr. SMATHERS:

S. 1659. A bill for the relief of John W. L. Schols; to the Committee on Immigration.

By Mr. REED:

S. 1660. A bill to redistribute the functions of the Interstate Commerce Commission, to create a Transportation Planning Board, and for other purposes; to the Committee on Interstate Commerce.

Mr. HATCH. Mr. President, this morning my colleague, the junior Senator from New Mexico [Mr. CHAVEZ], and I received a telegraphic request to introduce in the Senate two bills which are now pending in the House of Representatives. I have conferred with Representative HORTON, who introduced the bills in the House; and I now ask unanimous consent that we may introduce both bills in the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bills will be received and appropriately referred.

By Mr. HATCH and Mr. CHAVEZ:

S. 1661. A bill to amend the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920

(41 Stat. 437; U. S. C., title 30, secs. 185, 223), as amended; and

S. 1662. A bill to provide for the extension of certain oil and gas prospecting permits issued under the acts of Congress entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on public domain," approved February 25, 1920 (41 Stat. 437, U. S. C., title 30, secs. 185, 223), as amended; to the Committee on Public Lands and Surveys.

By Mr. LA FOLLETTE:

S. 1663. A bill to adjust the salaries of rural letter carriers, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. MEAD:

S. 1664. A bill to reclassify the salaries of watchmen, messengers, and laborers in the Postal Service, and to prescribe the time credits for service as substitute watchmen, messengers, and laborers, and for other purposes; to the Committee on Post Offices and Post Roads.

(Mr. MURRAY introduced Senate bill 1665, which was referred to the Committee on Agriculture and Forestry and appears under a separate heading.)

By Mr. DAVIS:

S. 1666. A bill to provide a right-of-way; and

S. 1667. A bill to provide a right-of-way; to the Committee on Military Affairs.

S. 1668 (by request). A bill to amend the act entitled "An act relating to the liability of common carriers by railroad to their employees in certain cases," approved April 22, 1908; to the Committee on the Judiciary.

By Mr. BYRD:

S. 1669. A bill relating to the military record of Irving L. Leaf; to the Committee on Military Affairs.

By Mr. ASHURST:

S. 1670. A bill for the relief of Walter D. Adams; to the Committee on the Judiciary.

By Mr. KING:

S. 1671. A bill to provide for the construction, extension, and improvement of public-school buildings in Uintah County, Utah; to the Committee on Indian Affairs.

S. 1672. A bill authorizing the Secretary of War to permit Salt Lake City, Utah, to construct and maintain certain roads, streets, and boulevards across the Fort Douglas Military Reservation; to the Committee on Military Affairs.

By Mr. CONNALLY:

S. J. Res. 85. Joint resolution authorizing the preparation of plans for the eradication and control of the pink bollworm affecting cotton in the United States and Mexico; to the Committee on Foreign Relations.

W. P. A. PROJECTS IN GREAT PLAINS AREA

Mr. MURRAY. Mr. President, several days ago I sent to the desk to be printed an amendment which I intend to propose to the second deficiency bill. That amendment provides for the appropriation of \$5,000,000 to be used in making supplemental allotments for W. P. A. projects in the northern Great Plains area. The necessity for these supplemental allotments arises from the fact that under present W. P. A. appropriations the administration is limited to expending not more than \$7 per man-month for nonlabor costs on W. P. A. projects.

In the Great Plains area it is absolutely essential that a comprehensive program of rehabilitation be carried out, and these supplemental allotments for nonlabor costs will make possible the relocation of stranded farm families in the drought areas, making them self-supporting and removing them from the relief rolls. It should be emphasized in connection with this amendment that all allotments made from this appropriation of \$5,000,000 will be wholly reimbursable to the Government.

The appropriation was passed by the Senate last year and was recommended by the Director of the Budget. In this connection I refer to Senate Document No. 220, Seventy-fifth Congress, third session, a communication from the President of the United States, transmitting this recommendation made by the Acting Director of the Budget. I request that the

document I refer to be inserted in the Record at this point as a part of my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

The document referred to is as follows:

[S. Doc. 220, 75th Cong., 3d sess.]

CONSTRUCTION OF WATER CONSERVATION AND UTILIZATION PROJECTS
Communication from the President of the United States, transmitting supplemental estimate of appropriation for the fiscal year 1939 for the construction of water conservation and utilization projects, amounting to \$5,000,000

June 7 (calendar day, June 14), 1938.—Read; referred to the Committee on Appropriations and ordered to be printed

THE WHITE HOUSE,
Washington, June 14, 1938.

THE PRESIDENT OF THE SENATE.

Sir: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1939 for the construction of water conservation and utilization projects, in the amount of \$5,000,000.

The details of this estimate, the necessity therefor, and the reasons for its transmission at this time are set forth in the letter of the Acting Director of the Bureau of the Budget, which is transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

BUREAU OF THE BUDGET,
Washington, June 14, 1938.

THE PRESIDENT,

The White House.

Sir: I have the honor to submit for your consideration a supplemental estimate of appropriation for the fiscal year 1939 for the construction of water conservation and utilization projects in the amount of \$5,000,000, as follows:

"Water conservation and utilization projects: For construction, in addition to labor and materials to be supplied by the Works Progress Administration, of water conservation and utilization projects, including acquisition of water rights, rights-of-way, and other interests in land, in the Great Plains and arid and semiarid areas of the United States, fiscal year 1939, \$5,000,000, to be allocated by the President, in such amounts as he deems necessary, to such Federal departments, establishments, and other agencies as he may designate, and to be reimbursed to the United States by the water users on such projects in not to exceed 40 annual installments: *Provided*, That expenditures from Works Progress Administration funds shall be subject to such provisions with respect to reimbursability as the President may determine."

There have been submitted for consideration various proposals for the construction of irrigation projects in the Dakotas, Montana, and other portions of the Great Plains area, which would be impracticable for construction under the existing reclamation laws requiring full reimbursability of construction costs, but which might be considered feasible if reimbursement were not required of a part or all of the cost of labor and materials that might be supplied by the Works Progress Administration. The purpose of this estimate is to provide, for allocation by the President, an appropriation of \$5,000,000, which would be reimbursable to the United States, and be expended, in connection with Works Progress Administration funds, for the construction of such projects as the President may consider feasible. This program contemplates the construction of numerous projects for the purpose of providing opportunities for settlement by farmers who are now unable to make a living by dry-land farming.

The foregoing estimate is required to meet contingencies which have arisen since the transmission of the Budget for the fiscal year 1939, and approval is recommended.

Very respectfully,

D. W. BELL,
Acting Director of the Bureau of the Budget.

Mr. MURRAY. After the appropriation had been passed by the Senate last year and sent to conference, an amendment was inserted which provided that not more than \$50,000 could be allotted to any one project. This amendment rendered the appropriation ineffective and useless, as no project could be carried through under such a limitation. Last October the Northern Great Plains Committee, in submitting its report to the President, recommended the removal of this limitation, and it was on the basis of this recommendation that I prepared and introduced my amendment which will remove the limitation.

I have here an excerpt from the report of the Great Plains Committee, and I ask that it be printed in the Record at this point as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

EXCERPT FROM REPORT OF GREAT PLAINS COMMITTEE MADE TO THE PRESIDENT OCTOBER 14, 1938

On June 14, 1938, the President submitted to the Congress a supplemental estimate of appropriation for the fiscal year 1939 for the construction of water conservation and utilization projects in the Great Plains and arid and semiarid areas of the United States, amounting to \$5,000,000. Such an additional appropriation, if supplemented by such Works Progress Administration aid as appears to be suitable, would permit construction of the greater part of the projects indicated in table I. The Congress authorized the item of \$5,000,000 in the Second Deficiency Appropriation Act, fiscal year 1938, but provided that the funds were to be taken from the funds made available by section 1 of the Emergency Relief Appropriation Act of 1938, and also provided that not to exceed \$50,000 may be expended on any one project. These limiting provisions practically defeat the purpose of the appropriation—insofar as projects in table I are concerned. It is accordingly recommended that these restrictions be removed by appropriate action in connection with the first deficiency bill of the next session of the Congress and that so much of the appropriation as cannot be effectively used thereafter and before June 30, 1939, as the President may direct, be made available for use in the fiscal year 1940 (contingent upon the continuation of the work-relief program). Work could thus be initiated during the latter part of the fiscal year 1939 with a greater degree of assurance of its completion.

Mr. MURRAY. Mr. President, today I am introducing additional proposed legislation in connection with the recommendations made by the Great Plains Committee. The bill which I am sending to the desk will enable the Secretary of Agriculture to acquire land suitable for cultivation which will be used for the relocation of drought-stricken farmers now receiving Federal relief. It is the opinion of the Great Plains Committee that without such enabling legislation there can be no adequate program of rehabilitation in the Great Plains area. The bill further provides that the Secretary of Agriculture be authorized to make use of Farm Security Administration appropriations for the construction of small irrigation projects. Hitherto the funds appropriated for the Farm Security Administration have been used in making direct relief grants. This legislation will enable the Secretary to place these rural relief clients on useful work projects and rehabilitate these areas now constituting such a serious problem to our Government.

I respectfully request that the bill I now introduce be referred to the appropriate committee for consideration and report, and that it be printed in the Record at this point.

The VICE PRESIDENT. Without objection, the bill of the Senator from Montana will be received, appropriately referred, and printed in the Record.

The bill (S. 1665) to enable the Secretary of Agriculture to more adequately provide for the rehabilitation of certain regions of the United States, was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the Record, as follows:

Be it enacted, etc., That (a) the first sentence of subsection (a) of section 32 of the Bankhead-Jones Farm Tenant Act is amended to read as follows: "To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, Territory, or political subdivision (1) submarginal land and land not primarily suitable for cultivation, and interests in and options on such land, and (2) land suitable for cultivation or capable of being made suitable for cultivation, and interests in and options on such land.

(b) Subsection (c) of such section is amended by striking out "sale, exchange, or grant" and inserting in lieu thereof "conveyance of title without consideration."

Sec. 2. The Secretary of Agriculture, in lieu of extending direct relief to any person who may apply to him for direct relief payable from any sums appropriated to the Secretary of Agriculture and made available for loans, relief, and rehabilitation for needy persons, may employ such person and pay him compensation at the rate paid to employees employed by the Works Progress Administration upon work similar to the work to which such person may be assigned. Any person so employed by the Secretary shall be assigned by the Secretary to perform work upon any water-utilization, soil-conservation, or other regional rehabilitation project under construction by any department or independent agency of the United States or by any agency of a State or a political subdivision thereof. No such assignment shall be made by the Secretary without the consent of the department or agency constructing the project. The provisions of the act of February 15, 1934 (48 Stat. 351), as amended, relating to disability or death compensation and benefits shall apply to any person so employed to the same extent, and in the same manner, that such provisions apply to persons receiving compensation as employees of the United States from the funds appropriated by the Emergency Relief Appropriation Act of 1938.

HOUSE BILL REFERRED

The bill (H. R. 4492) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

CHANGE OF REFERENCE

On motion by Mr. CAPPER, the Committee on Finance was discharged from the further consideration of the bill (S. 1628) to exempt from taxation certain property of the American Friends Service Committee, a nonprofit corporation organized under the laws of Pennsylvania for religious, educational, and social-service purposes, and it was referred to the Committee on the District of Columbia.

THE NATIONAL DEFENSE—AMENDMENTS

Mr. BRIDGES submitted amendments intended to be proposed by him to the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, which were ordered to lie on the table and to be printed.

ADVERTISING OF ALCOHOLIC BEVERAGES BY RADIO—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 517) to amend the Communications Act of 1934 to prohibit the advertising of alcoholic beverages by radio, which was referred to the Committee on Interstate Commerce and ordered to be printed.

NATIONAL DEFENSE ARRANGEMENTS WITH FOREIGN GOVERNMENTS

Mr. LODGE. Mr. President, for myself and the Senator from Oregon [Mr. McNARY] I ask consent to submit a resolution which I request to have printed and lie on the table.

There being no objection, the resolution (S. Res. 91) was ordered to lie on the table, as follows:

Whereas the Senate Military Affairs Committee recently approved a \$100,000,000 authorization to purchase and store large stocks of essential war materials which are not available in this country; and

Whereas the acquisition of such reserves of strategic war materials would materially contribute to our national security and to the creation of a sound national defense program; and

Whereas, in view of recent developments in war-torn Europe, it is not impossible that certain insular possessions of great strategic importance in the defense of the American hemisphere now held by certain so-called democracies may be lost to nations whose proximity to our coasts would be undesirable; and

Whereas several foreign nations have debts, incurred during the World War, still outstanding to the United States; and

Whereas the payment of these debts might be used to fund the purchase of these war materials in part or full payment of their debts to us and to make available to the United States geographical points important in the defense of the United States; and

Whereas the payment of these war materials would not compete with any American activity: Therefore be it

Resolved, That the President is hereby requested to enter into negotiations with foreign governments which are indebted to the United States with a view to arranging for such governments (1) to furnish the United States with strategic materials for national defense purposes, and (2) to make available to the United States geographical points which are of strategic importance for national defense purposes, in payment or part payment of the indebtedness of such governments to the United States.

FLORIDA SHIP CANAL

Mr. PEPPER. Mr. President, on the 4th day of February of this year I addressed a letter to the Secretary of the Interior inquiring whether the Geological Survey had any information as to the possible effect of the construction of the Florida ship canal on the ground waters of Florida, and in reply I received a letter from W. C. Mendenhall, Director of the Geological Survey, under date of February 7. In his reply Mr. Mendenhall referred to the hearings before the House Committee on Rivers and Harbors, where he testified.

I have before me also a letter dated February 25, 1939, from the Acting Secretary of the Interior in response to Senate Resolution 63.

I also have before me a letter from Mrs. Bessie Palmer, setting forth that as far back as 1825 the Governor and the Legislative Council of the State of Florida passed an act providing for an examination into the expediency of opening a canal across the peninsula of Florida, and enclosing a copy of

the act, as well as of a memorial to the Congress of the United States on the subject.

I also have before me a letter written by me to Dr. Mendenhall, Director of the Geological Survey, under date of February 25, of this year, and his reply under date of February 28.

I ask unanimous consent that all this correspondence, together with the testimony of Dr. Mendenhall before the Rivers and Harbors Committee of the House of Representatives on Thursday, April 29, 1937, on House bill 6150, be printed as a Senate document, and that the letter from Mrs. Bessie Palmer to me under date of February 16, 1939, together with the memorial of the Governor and Legislative Council of the State of Florida, be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The letter and enclosure referred to are as follows:

OFFICE OF THE SECRETARY OF STATE,
STATE OF FLORIDA,
Tallahassee, February 16, 1939.

HON. CLAUDE PEPPER,

United States Senator, Washington, D. C.

DEAR SIR: I thought you might be interested in knowing that the Florida canal project has been on the Congress calendar since year 1825.

While doing some research work on a W. P. A. project sponsored by the Florida Railroad Commission, I discovered the act that was created by the Legislative Council of Florida in 1825 to open this canal.

In 1834 a resolution was drawn up by the legislative council to be sent to the Senate and House of Representatives of the United States concerning the canal.

Enclosed is a copy of each. I am,

Very truly yours,

Mrs. BESSIE PALMER.

Chapter CXCVIII (No. 32)

An act appointing commissioners to report on the opening of a canal from the Gulf of Mexico to the Atlantic Ocean.

SECTION 1. Be it enacted by the Governor and legislative council of the Territory, that James Gadsden, William H. Simmons, and Edward R. Gibson be commissioned to examine into the expediency of opening a canal from the waters of the Gulf of Mexico to those of the Atlantic through the peninsula of Florida, and that they report to the next legislative council on the consequences, practicability, and probable cost of operation; the intent of assistance that may be deemed from the General Government in aid of the undertaking; and the terms on which private enterprise and capital may be enlisted in its execution.

SEC. 2. Be it further enacted, moneys advanced by individuals and which shall be received and disbursed by said commissioners shall be considered a component part of a general stock of a canal company, if it shall hereafter by the legislative council be deemed expedient to charter the same.

SEC. 3. And be it further enacted, that said company shall not be entitled to any compensation for their services.

A. B. BELLAMY,
President of the Legislative Council.

Approved December 8, 1825.

WILLIAM P. DUVAL, Governor.

No. 1

To the Senate and House of Representatives of the United States:

The legislative council of the Territory of Florida beg leave again respectfully to ask the attention of the Federal Government to the important project of effecting a communication between the Atlantic Ocean and the Gulf of Mexico across the Florida Peninsula. The excavation of the ship channel, so long and so anxiously contemplated it is believed will not probably be undertaken by the United States. If it is to be abandoned your memorialists respectively present to the attention and favorable consideration of Congress a project for creating such communications which it deems feasible, to wit, by the construction of a railroad across the upper neck of the peninsula from the town of Jacksonville on St. Johns River to the Gulf of Mexico at the disembogement of the River St. Marks.

The district of country through which this railroad would pass affords advantages certainly not surpassed, perhaps not equaled in any portion of the United States of the same extent throughout the whole distance, the country level, of firm, solid foundation, and the few rivers which the road route across are never subject to high or rapid freshet. In every portion of the route is found in the greatest abundance, and the finest, timber in the world for such a construction and a mild and delightful climate where frosts and ice never occur to impede its operation.

The legislative council, impressed with the belief that it is a measure perfectly practicable in its accomplishment and highly important in its consequences, not only with reference to the interests and prosperity of the Territory of Florida but received in a national light as forming the most important link in the chain of inland communication between the extreme North and South, have at their present session incorporated The Florida Peninsula Jacksonville Railroad to construct a railroad from Jack-

sonville to Tallahassee, a distance of about 145 miles in a straight line to be there connected with the Tallahassee and St. Marks Railroad; also charter at the present session without the aid of the Government this great undertaking will be restored for many years or perhaps totally fail of accomplishment. They therefore pray the attention of your honorable body to the following resolutions. Be it therefore

Resolved, by the Governor and legislative council of Florida that the Delegate in Congress be requested to obtain from the Congress of the United States the appointment of an experienced engineer to survey the route of the contemplated railroad from Jacksonville to Tallahassee and also to obtain relinquishment on the part of the United States in favor of said company of 1 mile on each side of the said route of the public lands through which it may pass; and be it further

Resolved, That the Delegate be further requested to obtain from Congress such appropriations of money, donations of land, or subscriptions to the stock of railroad company as their wisdom and the importance of the object may suggest or justify; and be it further

Resolved, That the foregoing memorial and resolutions when signed by the Governor and president of this legislative council shall be certified by the chief clerk and forwarded to our Delegate in Congress.

REORGANIZATION OF EXECUTIVE DEPARTMENTS—ARTICLE BY SENATOR BYRD

[Mr. VAN NUYS asked and obtained leave to have printed in the RECORD an article entitled "Government Reorganization," written by Senator BYRD, and published in the Country Gentleman for October 1938, which appears in the Appendix.]

ADDRESS BY SENATOR CLARK OF MISSOURI BEFORE GEORGIA PRESS INSTITUTE

[Mr. GEORGE asked and obtained leave to have printed in the RECORD an address delivered by Senator CLARK of Missouri before the Georgia Press Institute at the University of Georgia, Athens, Ga., February 22, 1939, which appears in the Appendix.]

SOCIAL SECURITY RESERVE—ARTICLE BY JOHN T. FLYNN

[Mr. CLARK of Missouri asked and obtained leave to have printed in the RECORD an article entitled "The Social Security 'Reserve' Swindle," by John T. Flynn, published in Harper's Magazine for February, which appears in the Appendix.]

RESOLUTIONS OF FOURTEENTH WOMEN'S PATRIOTIC CONFERENCE ON NATIONAL DEFENSE

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD resolutions adopted by the Fourteenth Women's Conference on National Defense, held at Washington, D. C., January 26, 1939, which appear in the Appendix.]

THE SITUATION IN SPAIN

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a letter to him from Richard W. Hogue, director of the Independent Legislative Bureau of Washington, D. C., relating to the situation in Spain, which appears in the Appendix.]

THE PRIBILOF ISLANDS—ARTICLE BY MISS JUNE LIPKE

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an article written by Miss June Lipke entitled "Here on the Pribilofs," which appears in the Appendix.]

THE NATIONAL DEFENSE

The Senate resumed the consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

The VICE PRESIDENT. When the Senate took a recess yesterday, the first committee amendment was pending. The Senator from New Mexico [Mr. CHAVEZ] gave notice that he desired to be heard. The Chair sees the Senator from New Mexico on his feet, and recognizes that Senator.

Mr. BRIDGES. Mr. President—

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from New Hampshire?

Mr. CHAVEZ. I do.

Mr. BRIDGES. I offer amendments to the defense bill now under consideration, and ask that they may be printed and lie on the table.

In explanation of the amendments, let me say that they are amendments to permit the training of Negro aviators

in certain Negro colleges approved by the Secretary of War, and to do other acts to that end, in order that the Negroes of the country may have the advantage in certain institutions of the same training for aviation that is offered to white boys.

The VICE PRESIDENT. The amendments will be printed and lie on the table.

Mr. CHAVEZ. Mr. President, I am going to vote for the pending bill because I believe in national defense as a fixed governmental policy—a defense in keeping with this country's welfare, historical traditions, ideals, and the dignity of the Nation.

During the debate on the pending measure much has been said concerning the foreign policy of this Nation. It seems to me that the Nation has had a fixed foreign policy; and, regardless of inflammatory statements by some persons in the Government, the fact still remains that we need a fixed foreign policy now. Ever since the beginning of the Republic there has been such a policy. It is simple and readily understood by the entire world. Our policy has been to attend to our own business and stay away from the political difficulties of other nations. We may not agree with or like their form of government, but we still feel that it is their business. Other nations may not like our form of government, but this country would not for a minute stand for any other nation telling us what type of government we should have. We are satisfied with ours.

We have not in the past let any other nation interfere with our domestic policy. That is something which pertains to the American people and the American people only. Ours has always been a party government, and we let the American people decide just what party they want to have in control of the Government. We have had both the Republican and the Democratic Parties in control of governmental affairs. If the American people are not satisfied, it is up to them to make the proper changes; and in keeping with that idea we would not let another nation tell us whether or not the New Deal is satisfactory to the American people.

There is no reason for misinterpretation of our foreign policy. I believe that the American people are satisfied with the policy as it was outlined by the early statesmen of our country. It was very vividly expressed in this Chamber on the 22d of February, when I listened most attentively to the reading of Washington's Farewell Address by the junior Senator from Ohio [Mr. TAFT]. I have been in the Congress of this country since 1931; and on the 22d of February every year, either in this body or in the House of Representatives, I have heard that masterpiece of common sense and intelligence read by some Member of the Congress. There must be some reason for it. One cannot say it is idle curiosity that makes Members of Congress and other citizens of the country listen to that address. I listen to it because it contains words of wisdom and advice that have been strictly followed by this Nation in governmental affairs for the past 150 years. In that address is embodied wisdom which should guide our international policy now.

Mr. President, in view of the fact that there seems to be some doubt as to what that policy is, and what the advice of Washington was at the time, and what we have been following ever since, I ask to be allowed to quote from that masterpiece.

Referring especially to our foreign policy, Washington said what I am about to read. I believe it was good advice then; I believe it is good advice now, and that it has been and should be followed:

In our dealings with other countries Washington said that we should—

Observe good faith and justice toward all nations; cultivate peace and harmony with all. Religion and morality enjoin this conduct, and can it be that good policy does not equally enjoin it? It will be worthy of a free, enlightened, and, at no distant period, a great nation, to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence. Who can doubt but, in the course of time and things—

How prophetic, Mr. President.

the fruits of such a plan would richly repay any temporary advantages which might be lost by a steady adherence to it; can it be that Providence has not connected the permanent felicity of a

nation with its virtue? The experiment, at least is recommended by every sentiment which ennobles human nature. Alas! is it rendered impossible by its vices?

The following I respectfully commend to some governmental officials who, in my opinion, do not exemplify the advice and the sentiments expressed by Washington.

In the execution of such a plan—

Says Washington, referring to a plan or rule of conduct—

nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others, should be excluded; and that, in place of them, just and amicable feelings toward all should be cultivated. The nation which indulges toward another an habitual hatred, or an habitual fondness, is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another, disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur. Hence, frequent collisions, obstinate, envenomed, and bloody contests. The nation, prompted by ill will and resentment, sometimes impels to war the government, contrary to the best calculations of policy. The government sometimes participates in the national propensity, and adopts through passion what reason would reject; at other times, it makes the animosity of the nation subservient to projects of hostility, instigated by pride, ambition, and other sinister and pernicious motives. The peace often, sometimes perhaps the liberty of nations, has been the victim.

So, likewise, a passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest, in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions to the favorite nation of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted, or deluded citizens who devote themselves to the favorite nation facility to betray or sacrifice the interests of their own country without odium, sometimes even with popularity; gliding with the appearances of a virtuous sense of obligation, a commendable deference for public opinion, or a laudable zeal for public good, the base or foolish compliances of ambition, corruption, or infatuation.

As avenues to foreign influence in innumerable ways, such attachments are particularly alarming to the truly enlightened and independent patriot. How many opportunities do they afford to tamper with domestic factions, to practice the arts of seduction, to mislead public opinion, to influence or awe the public councils! Such an attachment of a small or weak toward a great and powerful nation dooms the former to be the satellite of the latter.

Against the insidious wiles of foreign influence—I conjure you to believe me, fellow citizens—the jealousy of a free people ought to be constantly awake, since history and experience prove that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious, while its tools and dupes usurp the applause and confidence of the people to surrender their interests.

The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

Mr. President, I believe sincerely that Washington's advice in his Farewell Address to the Nation contains our foreign policy, that it has been generally strictly adhered to, and that in the future this country should ever heed that advice. So it appears to me that when we talk of a different foreign policy of this Government at this time, we forget our own past history. Never have we interfered with the domestic policies of other nations, but that it resulted to our detriment. With the exception of Latin America, our policy has been in keeping with the dignity of this Nation; we have followed and heeded the advice of George Washington.

We should never interfere with the domestic affairs of other countries any more than we would let any other country interfere with our affairs. But let us examine history and see how in keeping with the advice of Washington have been the efforts of this country along these lines.

One of our first experiences in foreign affairs was during the time of the French Revolution. Did we tell the French

people what kind of a government they should set up? There were many people in this country at that time who did not believe in beheading other human beings, a thing which happened in France. Nevertheless, this country kept hands off, as it always should in the affairs of other countries.

There is no reason why we should be our brother's keeper so far as his domestic affairs are concerned. There is no reason whatsoever why we should stand for one instant another country telling us what to do.

Mr. President, there is no question that peoples of other nations probably were not satisfied and criticized and condemned our attitude toward the real natives of this country, the Indians. Who can say that he is proud of what we have done to the Indians? Nevertheless, it has been our affair. Shocking the history may have been, to such an extent that even to this day the Congress takes cognizance of the fact that the Indian must have been abused, for at every session of Congress we take action to try to rectify something bad that was done in the past. But we handled that affair.

During the time when Texas was obtaining its independence from Mexico did we assert or obtain the sanction of any other country as to what we should do? In our dealings with the Republic of Mexico did we ask any other country for advice? We have been following the advice of Washington and attending to our own affairs so far as domestic policy has been concerned and have let other countries attend to theirs. We may not like their governments, we may not like what they are doing. I personally do not like many of the things that are happening in nations in Europe today, and while we may protest, and while we as a nation may say that we dislike what they are doing, nevertheless, if we are to heed and follow the advice of Washington, we must let them settle their own difficulties.

Mr. President, I shall digress for a few moments to talk of something which I believe we can do in order to bring about peace, at least in some sections of the world. I will ask my colleagues to follow me when I say and believe me when I assert that it is not my purpose to interfere or say what kind of government any other nation should have. I firmly believe that, whether we like it or not, every other nation has the right to run its affairs as it and the people of the country see fit.

I shall talk of one particular matter, because I believe it is along the line of what I think the American people want—peace everywhere. I shall discuss an unfortunate country which for the last 2½ years has been in the throes of a terrible civil war, and I shall do this in order to see if we as a nation can do something to bring about peace in that unfortunate country.

Mr. President, possibly the most dramatic historical event of recent years is the Spanish war which has been so sanguinely waged these past 2½ years. It has captured the spotlight of the world news. It has aroused the sentiments of all people. In its savagery it has indeed surpassed all civil wars before it. Due to the tremendous amount of propaganda, feelings have been whipped to fever heat in this country. I feel, however, that now that the war is drawing to a close the common desire and wish in the United States, of even the most partisan for either side, is that the war end quickly and that peace be restored to that unhappy nation.

Events of the last few days have brought the war to a dizzy close and it is commonly accepted by the world that the nationalist forces have won. This being so, it should now be the earnest desire of all peace-loving Americans that conditions in Spain be restored to normalcy and that we, as a nation, do all we can to bring this about.

Mr. President, I earnestly urge that we take immediate steps to recognize the nationalist government of General Franco. I do this because of the sincere belief that it will contribute to the immediate peace of the world and tend to restore normal relations between the United States and a great country of Europe and add to our own immediate prosperity. In this I am guided solely by what has been the consistent policy of this Nation; that is, to view recognition and any other manifestation of our foreign policy strictly on

the basis of our own welfare and our obligations as prescribed by international law.

In my humble opinion our foreign policy, and certainly the domestic policies of other nations, should be viewed completely and impartially from the single standpoint of our own welfare. This is based on the belief that a war for this country would greatly endanger our own institutions, and is based also on the conviction that to become involved in the domestic affairs of foreign countries will lead us to war. That may be selfish, perhaps, but the hard-won liberties wrested by the blood and sacrifices of our ancestors are too precious a heritage to trust to the dangers which might possibly result if we became involved in every domestic problem which might arise the world over.

In my remarks it will be necessary to go into the background of the Spanish war. By doing so I hope to clear away if possible some of the mistakes which I am afraid have been accepted in this country and overcome also some of the arguments against recognition of Nationalist Spain which are based on these errors.

The Spanish War had its origin in problems and racial characteristics some thousands of years old, yet pseudo experts have been swarming over this country explaining the question and solving it, mind you, in an evening's short lecture.

I recall the speeches of my good friends the former Representatives in Congress, Mr. O'Connell and Mr. Bernard, who spent a week in Spain and returned experts on the ethnic, social, economic, political, and spiritual problems of a country which the whole world acknowledges to contain people more individualistic and diverse than any other on the globe.

I am minded of the irresponsible statements of would-be Machiavellis who invoked the sacred name of democracy and rushed to the fray to defend what purported to be democracy but which in reality was only clothed in its raiment.

It is time that the people of this Nation obtain a true picture of conditions in Spain. In the few moments I am taking today I hope to show why I believe the Nationalist government should be recognized immediately. To do so it will be necessary to go into several phases of the civil war, including the events leading up to it.

I do not want anyone to overlook, however, that though I believe in the intrinsic merits of the Franco government and its right to recognition, for reasons which I will endeavor to demonstrate, still the strictly legal argument based on American foreign policy and our own welfare as a people ultimately motivates my arguments for recognition and is the only one upon which I insist.

Mr. President, why the people of this Nation have been misled as to the nature of the war in Spain is hard to explain; but if we put our finger on international propaganda, the story reveals itself. It is a sad commentary, however, that the liberal press of the United States, which a few short years ago was so loudly condemning the propaganda which drew us into the World War, should have been duped, along with the rest of the press of this Nation, on the Spanish situation. But just as the press of this country was wrong in its choice for President in 1936, so has it been wrong in interpreting conditions in Spain. I know that if the American people were acquainted with facts they would see the striking similarity between the Nationalist movement and their own struggles for freedom. Americans who have fought so many times to protect their civil rights and institutions should have no difficulty explaining or appreciating why the Government of Spain since the Republic and prior to the outbreak of the war was no government at all, and above all was not a democratic government. They need only to know the real story.

I am mentioning this only because I know that the immediate objection to recognition will be the soporific argument that Franco is a dictator and a Fascist.

What amazes me is that in our country all the organizations which are so industriously lobbying and sponsoring the cause of the Negrin government fasten so tenaciously on fascism and ignore completely its twin evil communism. And I am wondering if it is not true that the various organiza-

tions—I name them offhand: (1) The American Friends of Spanish Democracy; (2) American League for Peace and Democracy; (3) Friends of the Abraham Lincoln Brigade; (4) Lawyers Committee on American Relations with Spain; (5) American League Against War and Fascism; (6) Medical Bureau to Aid Spanish Democracy; (7) North American Committee to Aid Spanish Democracy—are not after all communistic organizations with a democratic cloak. It does seem strange that the principal officers of these organizations should be also officers or adherents of the Communist Party.

Permit me then to develop the history of the so-called Spanish Republic.

The Spanish Republic, though established because of basic social evils existing under the Royalist government of Alfonso and founded for the purpose of attempting to solve these problems, made little effort to do so, but, rather, confined itself to anticlericalism of the most violent sort. It was weak, vacillating, and inept. In fact, it did not govern since it did not or could not control the outrages of the street mobs. In fact, it was no government at all, for it was either guilty of inciting the violence of the mobs, as so many charge, or it was incapable of controlling them. In either case it was not government but anarchy.

It is a mistake to judge conditions in Spain by conditions in our own country. A thorough understanding of conditions existing in Spain will reveal how utterly incorrect it is to call the former Spanish Government a democracy.

Spain must not be compared to the United States. The American people have had not only the hundreds of years of legislative government, but the countless centuries of inherited experience in parliamentary government from the mother country, England.

To class Negrin, Indalecio Prieto, Del Vayo, or Largo Caballero as champions of democracy is much more farfetched when the record is examined than it is to class Franco as a democrat.

To begin with, Spain has for centuries been the battleground of races and ideologies. Civilizations have repeatedly clashed on her soil. Europeans clashed with the Asiatics on her soil when Roman and Carthaginian met there in a death struggle for mastery of the world. It was just beyond her gates that the Moslem tide was turned back on her soil by Charles Martel, and Spain's history since then has been one long struggle to rid the land of the invader.

When the second great Moslem invasion threatened to engulf all Europe it was the Spanish infantry of the Emperor Charles V, at Vienna, which defeated the hordes of Suliman the Great; and again at Lepanto the Spanish vessels shattered once and for all the menace of Moslem invasion to Europe by destroying the sea power of the Great Turk.

Today Spain is dedicating her blood, shedding it on her own soil, as a willing sacrifice that the greatest menace to civilization the world has yet to know will be turned back. Spain's 1,000,000 dead form a mighty dike against which the surging wave of communism will spend its strength.

We are fortunate in this country that we do not know communism, but, just as Spain was marked by international communism to be its victim, so has this great Nation been chosen, and if we are wise we will profit by Spain's experience, for communism has no equal in its threat to civilization. For sheer terror, godlessness, immorality, and ruthlessness the atheistic Muscovite terror is beyond comparison.

The fierce warriors of Taric el Tuerto, who destroyed the flower of the Spanish Visigoths at Guadalete, were lambs in comparison to the agents of communism who invaded Spain 1,220 years later.

It will be a revelation for Americans at least to learn that even from the beginning the Spanish Government was hardly democratic in our sense of the term. Shortly after the constitution was adopted, in 1931, the government pushed through Parliament the so-called act for the defense of the republic, which suspended the provisions of the constitution referring to freedom of speech, of the press, of meeting, of association, and thus destroyed what we consider to be the choicest fruits of our democracy.

At that time the government was in the hands of Azana, the recently resigned President of the Spanish Republic. The opposition party consisted mainly of the Popular Action Party of Gil Robles, which represented the rightist or traditionalist viewpoint.

During the next 2 years the government manifested itself most consistently in its anticlericalism and antireligiousness. Everywhere there was disorder and bloodshed. Writers and public speakers during this period were imprisoned. One hundred and fifty rightist newspapers were suspended. Three thousand fines were levied.

So violent were the excesses that the Nation reacted instinctively, and in the elections of 1933 there was a sharp swing to the right. In that election the Popular Action Party won a decisive victory, but instead of appointing a government corresponding to the mandate of the electorate the President of the Republic appointed a cabinet headed by Martinez Barrio, a man equally as violent and anticlerical as Azana.

In the chamber elected in that year the Popular Action Party had the greatest number of seats. The result of the election enraged the leftists who openly incited the masses to revolt and to terrorism and violence. It was at this time that the fateful revolution broke out in Asturias under the radicals. The revolution was put down by the army. Then the leftists, growing alarmed at the growing strength of the rightist forces, and fearful lest the social program of the Popular Action Party meet with public approval, decided on further violence.

It was in such a situation that Spain saw itself approaching the elections of 1936. This is the election which the friends of so-called Spanish democracy insist legally elected the Negrin government. For it is commonly asserted and not disputed that the leftist or popular-front government won a complete and legal victory in that election.

However, an analysis of the election figures, as well as a study of conditions attending the election, will demonstrate that there is at least grave doubt whether the so-called Loyalist government was ever popularly installed, much less legally elected.

By the figures of the Junta Central del Censo, the official results of the election, the anti-Marxist coalition secured in Spain some 250,000 more votes than did the popular front. This is too evident to be denied. The figures are easily obtainable. Upon further analysis of the composition of the Parliament, one will see that though the popular front did elect more representatives it did so only because of the gerrymandering and chicanery which had taken place under its order.

Americans who have had a taste of elections in which the registration, the poll books, the election officials, and all the election machinery are in the hands of one party, will appreciate what happened in that election.

In other words the electoral districts were divided in such a way that leftist districts were given a disproportionate number of delegates. For example, districts like Madrid elected 19 delegates, Barcelona 22, and the rightist rural districts, like Soria and Alva, only 3 and 2, respectively.

In the leftist districts the seats reserved for the minority were proportionately few, while in the rightist districts the seats reserved for the minority were proportionately very many.

To put the matter graphically, in Madrid the majority of the leftists amounted to 35,000 votes, and by this they elected 11 deputies, and in Salamanca the rightists secured a majority of 70,000 and elected only three deputies.

The election itself was a farce. For example, the Government agents in Lugo imprisoned the rightist candidates and leaders. In the district of Tuy, Lalin, L'Estrada, the Government's agent forcibly seized the election certificates of 230 precincts. In the district of Corunna the rightist candidates were locked up in the offices of the civil government and obliged to sign certificates acknowledging that they were beaten. One candidate was threatened at the point of a

gun to sign his name, and, Mr. President, strangely enough it was "O'Shea."

With methods such as these the popular front reached the Cortes with a small majority. To make it larger they annulled the elections in the districts of Granada, Cuenca, Salamanca, Burgos, and Santander.

I should like to ask those who insist so vigorously that the popular front government was popularly installed by the election of 1936, to read Current History Magazine and the publications of the Royal Institute of International Relations of London. Both publications give the right wing a large majority in the election.

How then could the rightists in Spain have faith in this so-called democracy? What would have been the reaction in our Nation if in the election of 1936 the Government or New Deal had by force seized the poll books and certificates in Vermont and Maine in order to make its victory complete?

And what if in 1938, to make the majority in Congress greater, the Government had seized by force candidates of the Republicans such as the distinguished Senator from Ohio, and the countless other successful Republican candidates for Congress, and at the point of a gun forced them to acknowledge by written certificates that they had been defeated?

Would not our faith in democracy have been shattered if the Government had at the last election stepped into the States of Ohio, Pennsylvania, Kansas, Wyoming, Massachusetts, and other places where the Republican Party won great victories, and annulled the elections by decree of the Democratic majority which exists in this Congress?

But in Spain excesses such as these were not enough for the fiendish desires of the leftists. They then summarily dismissed from office the President of the Republic, Alcalá Zamora, and they then initiated a slaughter of rightist soldiers and officials.

And by law passed by this, oh, so democratic parliament, all judges and magistrates who did not adhere to the popular front were deprived of their offices. And this, Senators, included members of the Supreme Court of Spain.

This was not a question of adding to any court. It merely consisted of kicking out the opposition. It was as if this Congress and the Government should enact a law tossing out the dissenters on our Supreme Court if they did not agree to all the New Deal legislation which we have passed, most of which, I am proud to say, I voted for. Could such a government pass the test of democracy?

Then in Spain began the reign of terror. Mobs ruled the streets with ever-increasing violence. In Cadiz, in Alicante, and in Granada the leftist mobs burned and sacked churches, theaters, business houses, and residences, and the civil governors refused to call out the militia.

In Madrid the Communists burned three churches, one of which was that of San Luis, which was situated within 50 yards of the Ministry of the Interior. We are told by reports that the Minister watched the fire from his apartment in the Ministry and made no attempt to stop the disorder.

Murder, arson, bombings, and assassinations took place daily throughout the land. Time and time again rightist deputies, such as Calvo Sotelo and Gil Robles, called attention to these outrages, but the Government declined to heed their protests. Robles tells us that he himself reported hundreds of assassinations without the Government being able to deny a single one.

Spain was in the hands of the anarchists. It was then that the Nationalists took arms to fight for the things which we in this country cherish above life itself.

God forbid, but should a situation such as I have described ever arise in this country, I would join, as we would expect all Americans to join, any movement which promised to restore the institutions and culture of our ancestors and guarantee the stamping out of so fiendish a government.

How can anyone who truly believes in the institutions of our country by any stretch of the imagination call the government which then existed in Spain a democracy? Who can blame those who rose up and by force of arms fought

to crush the anarchistic and diabolical forces which are destroying their country and their culture?

Imagine a situation in which armed mobs throughout this country are bombing and burning churches and residences of those who do not belong to "a popular front." Imagine a popular-front government in this country which annuls the elections of conservative or opposition Representatives and Senators. Imagine a situation in which a popular-front President aided by a small majority in the Congress, throws out the members of the Supreme Court and Federal judiciary who do not agree with them. Imagine a President and a Congress who encourage and incite mob violence, and who sit back and allow the beautiful National Cathedral in Washington, in which rests the body of our great wartime President, to be used as a munition dump and to be burned to the ground. Imagine a government which allows the ministers of God to be murdered merely because they are religious. Imagine a government which would allow the bodies of the Jesuit fathers, who rest in eternal sleep in the consecrated burial ground back of the old Georgetown College, to be sacrilegiously torn from their burial places and rudely dragged through the streets of Washington. Would that be democracy?

American patriots gave their lives for their belief in free government and liberty, just as today Spaniards are fighting and willingly giving their lives to stamp out communism and restore what they, too, hold dear—the tradition and culture of their ancestors.

The spark that set off the flame of war in Spain was the murder of Calvo Sotelo, the leader of the rightist forces in the Cortes. He was a brilliant orator and statesman, and had been Minister of Finance during the regime of Primo de Rivera. Through his brilliance and sound argument, Sotelo was becoming a threat to the leftist, who realized that through their excesses they stood to lose in the coming elections, so they murdered him. His murderers were three captains of the police.

God forbid that such a thing should ever happen here; but imagine, if you can, what conditions would exist in this country if, because of inability to match wits with the adroit maneuvers of our brilliant minority leader, the Democratic leaders of Congress could with impunity order his murder by three Capitol policemen. Democracy, Mr. President? Government, Mr. President? Or anarchy?

Following this in Spain, the first to strike was the army. Behind it all sectors of the Spanish Nation united as a man. The poor and the rich who did not wish their country to fall into the hands of anarchism and godlessness joined in the nationalist movement.

Why, I ask, has not this tale been told to the American people? It is easy to understand the Gallup poll when we realize that the American people have never been told the true story of what happened in Spain. Why has this side of the story been withheld?

Of course, I know these statements will be challenged, but fortunately we have the written word of the great men of Spain to bear them out. The written testimony of the men who led the fight for the establishment of the Republic in 1931—the liberals, republicans, and ardent patriots who had suffered under the monarchy that Spain might be free—is vivid proof of the statements I have just made.

Let me quote what the first President of the Spanish Republic has to say of the turbulent days while he was in office, and see if I have in any way exaggerated what took place. In the *Journal de Geneve* he addresses to its readers on January 17, 1937, the following:

The Popular Front rose to power on the 16th of February by means of an electoral procedure as absurd as it was unjust, one which grants to a relative majority, though it may be an absolute minority, an extraordinary preference. It was thus in any district that the popular front, even though it had received 30,000 less votes than the opposition, could nevertheless win 10 out of 13 seats, without having anywhere more than 2 percent more votes than the party which came next. This paradox was quite frequent.

Later he adds:

It was thus that the Cortes planned two parliamentary coups d'etat. First, they declared themselves indissoluble for the re-

mainder of the presidential term. Second, they removed me from office. The last obstacle had been swept aside from the path of anarchy and all the violence of the civil war.

Let me quote from Alejandro Lerroux, a chieftain of the radical party in Spain, one of its dominant figures during the period of the Republic, and certainly no Fascist.

He says:

The tenseness of the situation in Spain was becoming intolerable. The time had come when either the Communists and their allies or the conservative forces of the country would have to take the initiative, for such a situation could not last. Since the illusory electoral triumph gained in February by the popular front, Spain was the scene of the most criminal violence for which no one was punished. In Madrid assassinations and arson were common even in open daylight. Not only did the Government fail to exercise the slightest repression, but the most elementary measures of precaution were disregarded.

He adds further, in describing the violence that went on prior to the outbreak:

But at one stroke everything gives way; there is no parliament, no democracy, no liberty, no justice, no order, no peace. Then what is left of the Republic, and the nation? For the nation cannot be this savage horde that robs, pillages, and assassinates under the pretext of social equality; nor this band of elementary intellectuals who direct it and who, preferring that the work of 20 centuries of civilization be reduced to nothingness, do not have the heroism to perish with it nor the greatness nor the nobility to assume their responsibilities. Before resorting to flight, sure of impunity, they pillage the national treasury and sack private property, leaving behind them as prey for gunfire and fodder for the cannon a miserable herd, which will have to pay with its own blood.

And finally, to describe the present war being waged by the Nationalist, he adds in the same article:

I therefore declare we are not witnessing a military rebellion. The army has not broken its discipline; it is trying to reestablish a discipline which antipatriotic treason and criminal anarchy have destroyed; it has not rebelled against the law but to uphold the law, because law and authority require it; not against the people but for the salvation of the people. We are not concerned in the slightest with merely another military pronunciamiento but with a national uprising as sacred and legitimate as that of the independence in 1808. It is even more sacred, for here it is not only a matter of political independence but also of social and economic organization of the home, of property, of culture, of conscience, of life; in short, of all the civilization of an entire history. . . . When the army rose in arms it was already identified with the people, and the people placed themselves deliberately on its side without distinction of class or ideology. The people and the army have mingled their blood from the first day, and that blood has sealed a pact of sacrifice and of abnegation on the altar of the nation.

What more noble sentiments have ever been uttered? Here is a man who has dedicated himself to the establishment of a republic in Spain, a man who throughout his entire life in an unbroken line consecrated his efforts to bring democracy to Spain; a man who suffered persecutions, trials, imprisonment, and exile in his struggles for its principles; yet he saw the futility of describing the Spanish Government as a democracy.

Let me describe for you the words of Gregorio Marañón, president of the Academy of Medicine of Madrid, a world-famous biologist, a deputy in the Cortes, and one of the founders of the Republic, and—what will interest the women of this country—the sponsor of suffrage for the women of Spain.

He tells us that he was horrified by the murder of the great Spanish Republican, Ferrer, by the monarchist government; but the murder of 30,000 Ferrers by the Popular Front government, because they believed in freedom of thought, without trial, by firing squads, and the murder by hand grenades of 5,000 more in prison, destroyed his faith in such democracy. I quote him:

In me these acts produced the same reactions. I did not wait for such murders to sever my connections with stupid assassins, savage fanatics, who hate all science and intelligence. . . . When Calvo Sotelo was assassinated, with the consent and knowledge of all, by three police captains, I wrote my friend: "I am through . . . forever."

Spain, the great country of letters, has produced no figure more brilliant than the great philosopher and outstanding world liberal, Unamuno. He was late president of the University of Salamanca. He led the fight for the establishment

of the Republic. He dedicated his life to it. Imagine the disillusionment and the great force of character that was required of this great man to acknowledge to the world that the social experiment which he himself helped initiate had not worked out as planned and that it was a failure and menace to the country. Listen to his words:

In a very short time Marxism succeeded in dividing the citizens. I have seen what the class struggle is; a reign of hatred and of envy which the worst passions unleash. We have known a period of pillage and murder. Our civilization was going to be destroyed. You can probably understand the irresistible impulse which today is driving the Spanish people to expel those who have deceived them. This impulse grows between blood and suffering. What will become of it tomorrow, next month?

Let me quote an outstanding American statesman. The first Ambassador to the Spanish Republic, Mr. Laughlin, was on the scene throughout the early days of the Republic and can personally testify to the excesses and anarchism of the Reds and, what is even more important, can give evidence to the trials and sacrifices which a nation must undergo if it falls a victim to communism. To read his statement is to want to dedicate one's life to wiping out the evil. This is the quotation from Mr. Laughlin:

The object of this Spanish popular-front government, which came into power in February 1936 has been the destruction of democracy, and to this end they have deliberately slaughtered, in thousands of cases with obscene torture, at the very lowest estimate more than 200,000 helpless men, women, and children.

I continue quoting from Mr. Laughlin:

These Spanish anarchists have been directed by carefully formulated plans sent them from abroad to exterminate the middle classes. The Communist International has controlled the mob—and the Government as well—and has directed the outrages since the spring of 1936. Its influence on the popular front has been known since 1932. . . . The driving force behind the whole movement is the Communist Party. The National Commission of Marxist Unification did a thorough work of organization before the popular revolution of July 1936. All these facts have been published and can be confirmed by anyone who wishes to follow up the dismaying history. But they are not yet generally known to the great public in the United States. From this ignorance springs the widespread delusion that what are so often called the Spanish Loyalists are adherents of a democratic government of respectable existence.

Mr. President, I have purposely refrained from analyzing the direct cause of the disorder and chaos in Spain, preferring to describe the situation generally as anarchistic communism. I intend to go slightly into the background and its origin with two purposes in mind: First, to show that the civil war and the success of the Nationalists was the direct result of the reaction of Christian Spain to communism; and, second, to warn the United States of the evils of communism; to reveal to our people an example of what happens when communism is allowed to filter into a country under the guise of democratic institutions, and to show them more particularly what is meant by the popular front, the Trojan horse plan of action which international communism has so cleverly devised.

International communism, I maintain, deliberately planned and directed the violence and lawlessness that characterized conditions in Spain during the early days of the Republic and immediately prior to the outbreak of the Nationalist revolution. The strikes, mob riots, burned churches, and public edifices, the mutilated art treasures, the assassinations of priests, the murder and violation of nuns, the desecration of the dead were nothing more than the carrying out of a carefully and diabolically laid plan, and it was not, as Ambassador de Los Rios claims, the sporadic outbreak of indignant people.

We are told—and it is a matter of record—that long before the assassination of Calvo Sotelo the possibilities of communistic control of Spain were openly discussed in the meetings of the central executive committee of the Communist International in Moscow, and a specific program was forwarded to the Communist Party in Spain for execution.

It is also a matter of record that during the critical period of the Spanish Republic's existence a group of trained agitators were dispatched from Moscow to Spain. There were some 70 of these agitators sent to this unhappy country,

every one of whom was trained in the technique of revolutionary uprising.

In 1931 the executive committee of the Communist International in Moscow adopted several theses, a statement from one of which is as follows:

* * * The prerequisites of a revolutionary crisis are being created in a rapid pace in Spain.

It was in the report of this same meeting in Moscow that the masters and directors of international communism so clearly outlined what they were doing in Spain. We are told that the agents were paving the way for the revolution which was to come. The report described in detail the economic strikes of the proletariat, the mass disintegration of the army, the murder of religious people, and the increasingly fervent propaganda against Christianity. The effect of their plans is evidenced by the disorders which followed.

In this country news reports at that time hinted that the Spanish Republic was being made the victim of a vast conspiracy against law and order and that in the background there existed a vast clandestine and powerful force. Peasants were carrying the Communist banner and compelling the landowners to salute the flag. The war against God continued at white heat. We are told that on May 16, 1932, seven stone crosses, one of them dating from the twelfth century, were destroyed in Galicia. Religious processions were fired upon.

All this was leading up to and in preparation for the direct work to come of the radical and Communist agitators in the popular front. And while on the subject of the popular front, it is well to consider that, by admission of the Communist officials themselves, Communists are always the guiding spirit and driving force of the popular front.

The foreign secretary of the Communist International, Dimitroff, in a speech at the World Congress, has this to say:

Only the Communist Party is at the bottom, the initiator, the organizer, and the driving force of the united front.

The period from 1932 and up to 1935 is characterized by increasing violence. Nineteen hundred and thirty-five is the time of the Asturias revolt, at the bottom of which the Communists, by admission of their press in Russia, were the instigators. The revolt, by admission of the Communist International, was for Soviet power and led by Communists. In 1935 the same Dimitroff, whom I have just mentioned, on August 2, 1935, at the Seventh World Congress, gives further explanation of the instructions which they wanted their agents abroad to use and which they did use in unhappy Spain.

The formation of a broad people's front—

Declared Dimitroff—

providing for joint action with social-democratic parties, is a necessity. Cannot we endeavor to unite the Communist, social-democratic, Catholic, and other workers? Comrades, you will remember the ancient tale of the capture of Troy. Troy was inaccessible to the armies attacking her, thanks to her impregnable walls. And the attacking army was unable to achieve victory until, with the aid of the famous Trojan horse, it managed to penetrate to the very heart of the enemy's camp. We revolutionary workers, it seems to me, should not be shy about using the same tactics.

So the popular front was formed in Spain. This was prior to the election. Manifestoes urging the voters in the general election in February to vote for the Soviet system were openly circulated. Through the election and following it disorder was rife in the provinces. Communists ordered the general strike in Granada, and during its progress mobs roamed the streets, burning and sacking.

It is impossible to list all the outrages following the election. In June a list submitted to the Government after 6 months of popular-front government included: 160 churches destroyed, 251 churches partially destroyed, 43 newspaper offices destroyed, 69 Catholic centers destroyed, and 28 churches closed. In the Cortes deputies were brazenly singing the International, and their clenched fists were raised in mockery to God in the "red" popular-front salute.

It was in April of that year that Senor Sotelo warned Spain in a speech before the Cortes of "the progressive bolshevization of labor groups and their open threats to

supplant the Government by a proletarian dictatorship at the first opportunity."

No sooner had Calvo Sotelo finished delivering his now famous address in the Cortes, revealing the anarchy then prevalent in the country, and warning of the bolshevization of Spain, when a Communist delegate arose and said: "This will be your last speech."

His words were prophetic, as Sotelo paid with his life for his utterances, for within 3 months local Soviets and committees took over the government in Madrid, and the prophetic words of another long since dead also came true. Lenin died prophesying that Europe would burn at both ends. Spain in the hands of the Communists was being reduced to shambles; it was then that Franco started his victorious march.

Of the success of the Nationalist arms there is no need to speak. Victory, however, was won at the cost of over a million dead and countless wounded. Lenin was right—Spain was burning; she paid a horrible price; but Lenin wrongly foresaw a Communist Spain as the result. He did not reckon that Spain would overcome the Communist invasion just as she had every other invasion in the past.

We should not be too prone to condemn the horrors of the Spanish war, but rather we should recall the terrific slaughter of our own War between the States. Let us not forget the sufferings of innocent noncombatants because it was strategically sound that sources of supplies should be cut off in order that the Union might be preserved.

The Spanish war should remind us rather of the horror in all wars and impress us with the futility of wars and the sorrow they bring. Above all it should bring home to us the realization that our freedom and institutions are our most precious possessions and that even at the cost of the horrors of war we should be prepared to defend them.

But what of the Nationalist regime and its leader General Franco? How are we to judge him? In October 1936, Francisco Franco at Burgos described the aims of the Nationalist government as follows:

We promise the Spanish people that no home shall lack a hearth and fire; no worker shall lack bread. Everybody shall have work, because those who have more shall give away something for those who have less. Our social justice will be based on brotherly love and on intimate collaboration of all classes. Our hand will be hard and relentless to establish social justice.

How, then, shall we characterize the outcries in this country of the pseudo liberals and radicals who are everywhere screaming fascism, dictator, and reactionary at anyone who mentions Franco's name?

Any man who speaks such words as those which follow cannot be motivated by the interests of the wealthy and conservative classes:

For peace and the country's welfare—

General Franco continues—

for the rational and just betterment of the working and middle classes, for liberty of conscience and respect for religion and tradition, for the tranquillity and prosperity of the home, for our threatened civilization and the prestige of our flag, for the independence of our country, for a new Spain, a free Spain, a great Spain, our soldiers are fighting today this Russo-communistic invasion.

Under Franco there is peace and tranquillity in Nationalist Spain. Those who insist that the Nationalist uprising is only militaristic ignore the facts. Today the territory of Nationalist Spain knows only happiness and security. In nationalistic Spain there is authority and order.

To its credit it might be added that throughout this sector of Spain there is not even the semblance of military government, for in the territory conquered by the Nationalists preparations had been made in advance for the setting up of civil government. There is a civil and not a military government in Nationalist Spain.

In speaking of the work that goes on behind the lines in Nationalist Spain, Franco tells us that they are taking up the problem of ending stoppage in work, of adequately helping people out of work, of educating the poor and middle classes, and of providing facilities for underprivileged children. Plans

are being made for free medical assistance, to fight tuberculosis, and to help poor families; in a word—I quote him—"to do everything to secure the new, happy Spain which we all desire."

His economic aims are quite clear, and no one can find fault with them, for he says that the Nationalists will govern in favor of the poor and the middle classes; that they want to banish forever the poverty of the working classes and the injustices of those who have a right to live and be happy. On labor Franco has the following to say:

The laborer is worthy of his hire and will receive an absolute guarantee that he will not be a slave to capitalism * * *. We are fighting for a state which will be like one great family, without overlords or serfs, plutocrats or proletarians, and in which all the elements that go to make the national wealth will be represented.

And once again, in Salamanca, in 1937, on January 19, he tells us:

This new Spain will represent a great national family, one without masters or vassals, without poor or potentate. Social justice will be the basis of our new empire, without destructive and suicidal class warfare, without meddlesome interferences from abroad that are so incompatible with our national dignity. We want a fraternal Spain, an industrious and working Spain, where parasites can find no lodging. A Spain without chains and tyrannies, a nation without destructive Marxism and communism, a state for the people and not a people for the state.

I like the last sentence—"a state for the people and not a people for the state." In other words, he proposes the very antithesis of both communism and fascism, which would subordinate the lives and souls of the people to the state.

Mr. President, the Nationalist government is the only government in Spain today. The Negrin government has collapsed. Resistance is at an end. Azaña, the President of the Republic, has tendered his resignation, convinced that further resistance on the part of the Government is not only futile but would result only in further and needless slaughter and continue the suffering of the Spanish people. He is seconded in this view by the Vice President and the head of the Spanish Parliament, Martinez Barrio. Only the evacuation of Government and Army officials awaits Franco's occupation of the remaining one-fourth of Spain which remains outside of Nationalist territory. The terror and chaos and ruin which characterized Government Spain will, thanks to God, be replaced by the order and peace which has thus far followed the success of the Nationalist arms.

Internationally, the world has accepted the success of the Nationalists. The following nations have already recognized Franco's government as the government of all Spain: Albania, Hungary, Peru, Bulgaria, Italy, Poland, El Salvador, Japan, Portugal, Germany, Manchukuo, Uruguay, Guatemala, Nicaragua, Argentina.

The Balkan entente has met, and each of its members agreed to recognize Franco.

I understand that 11 other nations, in addition to those I have just mentioned, have also recognized the Nationalist regime of General Franco. The French and the British are according unequivocal recognition to the Nationalists. So in the eyes of the world, with the exception of the United States and Russia, the Nationalist government is the sole government of Spain.

We are in lovely company. Naturally this will please the countless "pink" publications and organizations which shroud their "red" tendencies under various guises; but whether this is for the best interest of the Nation is at least debatable.

Personally I believe we should immediately instruct Ambassador Claude Bowers to proceed to Burgos and present his credentials.

Before proceeding further, let me analyze briefly what is meant by recognition, after which I shall point to what American policy has been in respect to recognition throughout the history of the Republic. Then I shall endeavor to demonstrate how conditions today fulfill all the requisites of recognition; and, finally, it shall be my purpose to show why it is to the interest of our Nation immediately to recognize Franco.

The requisites of recognition are given by the authorities simply as follows:

First. There must be a stable government, with the additional attribute of future stability or future permanence.

Second. It must exercise dominion over a considerable geographical area.

Third. It must be willing to recognize its international obligations.

Other authorities have concentrated on two requisites and have overlooked that of exercising dominion over a geographical area. For example, Taylor Cole, in defining American policy on recognition, says:

These criteria, reliance upon which has resulted in giving to the United States a recognition policy which has been fundamentally continuous from earliest times to the present, have included, first, the present and future stability of the government to be recognized; and, second, the willingness and ability of the government to fulfill its international obligations.

In other words, if the United States should recognize Franco, it would only be admitting what is a fact; namely, that his government is stable now, that it offers promise of stability in the future, and that the Nationalist government has time and time again expressed its willingness to meet its international obligations.

In respect to the first condition, it is a commonly accepted fact that the Nationalists have won the war. The Negrin government has disintegrated; and further resistance is, according to newspaper dispatches, impossible.

Reports from Nationalist Spain tell of the order and peace which exist there. Prices have remained at prewar levels. Their currency is accepted throughout the exchanges of the world at no discount; and, of course, the step taken by France and Great Britain to recognize the Nationalists is in itself testimony of the stability of the Nationalist government.

It should be added here that the policy of recognition of Great Britain differs from that of the United States in that the foreign office has always divided recognition into categories. One is conditional and revocable and is called *de facto*. The other is complete, final, irrevocable, and is called *de jure* recognition. In the present case the governments of both nations are according complete and irrevocable recognition to the Nationalists.

An examination of the history of our own foreign policy will disclose that we recognize only one form of recognition, and that is *de jure*. We do not believe in *de facto* recognition.

According to our policy the sole thing which we look to when a new government exists in fact is the question, Are the requisites satisfied? If they are, recognition should immediately follow.

Therefore, since every condition necessary for recognition is found in the Nationalist government—it is stable; it gives promise of future stability; it exercises dominion over practically all of Spain; it has publicly announced its willingness to respect its international obligations—we should immediately recognize it as the sole government of all Spain.

The only possible objection that can be raised—and this is political—is that we do not agree with the form of government maintained by Franco.

In the first place, I am not willing to concede that the government of Franco will be Fascist in any sense of the term.

I cannot believe that the Spaniards, as individualistic as they are, will ever submit to fascism in the extreme sense of the term. Their history and characteristics clash much too diametrically with the principles of fascism to permit this.

Just as the Nationalist movement itself was a reaction to communism, so would there be reaction to fascism.

Fascism is not the answer to Spain's problems. Authority, order, peace, work, bread, justice for the poor are the answer; and all of these, and more, are pledged by Franco to the Spanish people.

But, even so, we should not be concerned by the internal political affairs of Spain as far as recognition is concerned, when our interests are not affected.

An unbroken line of precedents, from the time of the founding fathers to the present, clearly illustrates the theory accepted by the United States that the internal domestic affairs of other nations are no concern of ours.

There is wisdom and foresight in the statement of Thomas Jefferson when he so ably outlined this policy in his letter to Morris while he was Secretary of State. It is dated March 12, 1793.

I read:

I am sensible that your situation must have been difficult during the transition from the late form of government to the reestablishment of some other legitimate authority, and that you may have been at loss to determine with whom business might be done. Nevertheless when principles are well understood their application is less embarrassing. We surely cannot deny to any other nation that right wherein our own Government is founded—that every one may govern itself according to whatever form it pleases, and change these forms at its own will; and that it may transact its business with foreign nations through whatever organ it thinks proper, whether king, convention, assembly, committee, president, or anything else it may choose. The will of the Nation is the only thing to be regarded.

Congress has concurred in this policy. Henry Clay, in his report to the Committee on Foreign Relations at the time of the consideration of the recognition of Texas, further confirming the power of the United States to recognize if it chose, said the following:

The right of one individual power to recognize the fact of the existence of a new power is incontestable. It is founded upon another right, which appertains to every sovereignty, to take care of its own interests by establishing and cultivating such commercial and other relations with the new power as may be deemed expedient. Its exercise gives no just ground of umbrage or cause of war. The policy which has hitherto guided the Government of the United States in respect to new powers is to act on the fact of their existence, without regard to their origin whether that has been by the subversion of the preexisting government or by the violent or voluntary separation of one from another part of a common nation.

Confirming this policy, Buchanan, as Secretary of State in 1848, when we recognized the provisional government of France, said:

In its intercourse with foreign nations the Government of the United States has from its origin always recognized *de facto* governments. We recognize the right of all nations to create and reform their political institutions according to their own will and pleasure. We do not go behind the existing government to involve ourselves in a question of legitimacy. It is sufficient for us to know that a government exists capable of maintaining itself and then its recognition on our part inevitably follows.

In keeping with this policy the United States has rarely delayed in recognizing new governments, taking as an example, no doubt, the recognition of our own Government in its very infancy by France and Spain.

When the Spanish colonies were breaking away from Spain, even at a time when there were grave doubts as to the success of their being separated from the mother country because of the presence of Spanish armies in the field, Adams' reply to Aduanga, the Spanish Minister to the United States, illustrates this policy. He draws a comparison between the principles involved, insisting that there is one of right and one of fact, and that the one of fact was the one the United States followed as a matter of policy.

In the past the United States has generally, among the nations of the world, taken the lead in recognizing the changes in government in this hemisphere. In Europe we have generally followed the lead of the great powers. However, since the war there has been an increasing tendency to take the lead ourselves as long as the requisites for recognition were fulfilled.

In the case of the Kerensky government Wilson, through Lansing, waited only 9 days from the time of the outbreak until recognition.

In the case of Estonia this Government recognized a consul before there was even the semblance of a government in Estonia. The Czechoslovakian Government was scattered from Pittsburgh to Paris, and yet her government was recognized as existing in fact.

Therefore, on the basis of precedent, there can then be no reason for withholding recognition. It is entirely consistent with our foreign policy.

Thus far I have briefly traced the course of the Spanish war to show why the Nationalists rose up in arms. I sought to show what happened to that unhappy country when it became the testing ground for the application of the clever Trojan horse plan of the Communist International. I sought then to show what the Nationalist government promises to do in Spain and to give evidence of the Nationalist government's popularity and stability. I then sought to point out the policy of our country in respect to recognition, as illustrated by such statesmen as Jefferson, Clay, and Buchanan.

It follows from these that the United States should recognize Franco. The sole question, then, for us to examine is the expediency of recognition. In other words, is it to the benefit of the United States to recognize the Nationalist Government in Spain?

It will be to our material benefit to recognize the Franco government. It is all well and good to talk of ideals and rights and forms of government, but the first concern of government is to its people.

In view of our long line of foreign policy and in view of our own economic conditions at home it is the obligation and the duty of this Government to look first to the welfare of our people. We have millions out of work. We must look to new markets for our goods in order that industry may reemploy at least a part of these people. Certainly it is not right that we should turn our back on opportunity to trade with Spain.

I should like to read some figures submitted to me by the Department of Commerce on our trade with Spain since 1920:

United States exports to and imports from Spain, 1920-38

Year	Exports, including re-exports	General imports
1920.....	\$151,440,000	\$42,513,000
1921.....	69,197,000	26,160,000
1922.....	70,901,000	28,669,000
1923.....	61,862,000	31,461,000
1924.....	71,163,000	28,962,000
1925.....	79,203,000	32,798,000
1926.....	68,206,000	41,399,000
1927.....	73,776,000	34,351,000
1928.....	86,613,000	35,018,000
1929.....	82,120,000	36,059,000
1930.....	57,507,000	25,362,000
1931.....	33,971,000	16,621,000
1932.....	26,688,000	11,406,000
1933.....	30,757,000	13,701,000
1934.....	38,029,000	18,903,000
1935.....	41,303,000	20,021,000
1936.....	21,540,000	18,537,000
1937.....	6,012,000	13,806,000
1938.....	12,226,000	9,157,000

It is true, of course, that the war could not help but have an adverse effect on trade; but it is equally true that with peace it will be only by restoring the normal relations between the nations that we can hope to restore our lost trade.

We shall have for competitors in this market not only the so-called totalitarian nations but also the democratic countries, which, incidentally, are very commercial. They all will be on hand, you may rest assured, to reap whatever profit can be gained from Spanish markets. Conditions in our own Nation do not warrant our passing up any opportunities for trade.

In addition, it is well to dwell upon the fact that sentiment in Latin America has been consistently in favor of the cessation of hostilities in Spain. Now that peace is promised, and is being bolstered not only by the Nationalist arms but also by the recognition of the various countries in Europe and elsewhere in the world, the countries to our south will resent our hesitancy, and look on it as another example of our propensities in the past toward intervention in their domestic affairs.

They are very interested in that war, and will look upon our policy toward Spain with minute care. We must not jeopardize our improved relations with Latin America merely because of the domestic problems of a European country.

Of course it will be argued that a Fascist victory in Spain in itself will constitute a threat to our interests in Latin America because of the close racial and cultural ties which exist between Latin America and Spain.

This argument overlooks a fundamental characteristic of the Spanish the world over. They are extremely individualistic. Even though in South America they are vitally interested in the outcome in Spain, it does not follow that they can or will be dominated politically by Spain.

Just as Latin America has resented in the past the attempts of this and other nations to intervene in its domestic affairs, so will Latin America resent it if an attempt is made by Spain.

Commercially, we are still leaders so far as South American trade is concerned. We are closely followed, not by either of the totalitarian states, but rather by England. So, if we are afraid to lose this position, we should look to our own efforts, and forget about European bugaboos.

If the South American countries wish to trade and improve their relations with Europe, there is nothing that we can do or should attempt to do to stop them. Let us depend on good salesmanship to promote our stock. Let us sell ourselves, and let the poor qualities of our competitors' brand of goods do the mocking.

While we are on the subject of the closeness of the cultural and racial ties between Spain and Latin America, I might point out that as a nation we are overlooking one of our best bets, and this not even as far away as our doorstep. This treasure is right within our very house, if we would only make use of it.

In the southwestern part of this great Nation and in Puerto Rico live the descendants of the Spanish explorers and colonizers. These people speak both English and Spanish. They have inherited the same culture, language, and traits as their cousins in Latin America. In addition, they possess, by God's grace, an additional gift—American citizenship.

For various reasons, the United States has overlooked the fact that it, too, has a brilliant and illustrious Spanish background. We are only now beginning to appreciate it. If we want success to the south of the Rio Grande, why do we not pick up and utilize the services of those of our citizenry who can present what is truly American, and yet, because of cultural ties, are able at the same time to reach the hearts and understandings of the Latin Americans—something which, thus far, our Government has been unable to accomplish?

Words and pleas about democracy are fine, but deeds are more effective. Try this, and we shall not need to worry about European penetration of South America.

Because I hold the sincere belief that the sanest foreign policy is that which follows the advice of the founding fathers, and steers clear of foreign entanglements; because I believe that we, as a nation, should endeavor to promote friendship with all the nations of the world, irrespective of their internal policies; because I truly believe that the American people want peace, and for the reasons I have previously mentioned, I again submit that we should recognize the National Government of Spain.

Mr. President, I have before me several editorials dealing with our commercial relations with Spain, which I should like to have inserted in the RECORD at this particular point.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The editorials referred to are as follows:

[From the Washington Daily News of February 27, 1939]

RECOGNITION OF FRANCO

The decision of Britain and France to recognize the Franco regime in Spain doubtless will cause some bitterness in this country. Yet they had no safe alternative. The almost certain consequence of delayed recognition would have been to throw Franco into the waiting arms of Hitler and Mussolini.

To say that Franco has already sold out to Germany and Italy is an altogether too facile generalization. True, he has accepted their support in his war. We accepted French support in our Revolution, but that did not make us a tool of France. The proud people of Spain, Franco among them, are not likely to submit willingly to foreign domination. We in this country ought to know

something about that. Every time our marines have intervened in Spanish-America it has stirred up a hornets' nest all the way from the Rio Grande to Cape Horn.

Spanish reconstruction will cost a great deal of money, and the only major powers in a position to give the new government such financial help as it will need are Britain, France, and the United States. Germany and Italy are having the utmost difficulty in financing themselves.

Furthermore, while Britain and France refused to go to war over Czechoslovakia, they would fight if Italy and Germany attempted to dominate Spain. The very existence of their empires depends upon Spanish friendship, or at least neutrality. They have no wish to dominate Spain; but, as Franco well knows, this is not true of the dictatorships.

Rome and Berlin have claimed all along that their only interest in Spain was to prevent the establishment of a Communist regime. That having been accomplished they can pack up and leave Spain to govern herself, which, no doubt, is exactly what Franco desires. Now, through cooperation, Britain, France, and Spain all have a fair chance to get what they want.

[From the Washington Post of February 28, 1939]

"WITH CHARITY FOR ALL"

For over 31 months the Spanish civil war has kept civilization on the brink of the abyss. More than any other conflict of modern times, the World War not excepted, it has aroused bitterness and divided communities far removed from the actual fighting. Protagonists of either side have painted partisans of the other in the blackest shades. The actual physical destruction, ghastly though it has been, is perhaps less damaging than the sum total of hatred and passion which has been developed.

Now that this war is all but over, every intelligent person, regardless of his sympathies, will breathe a sigh of relief. One of the most dangerous threats to European peace, and to the peace of the United States, is at an end. A deep-rooted disturbance which might easily have engulfed a score of nations, at almost any time since July 18, 1936, is being liquidated. There is no better testimonial to the virility of Europe's intense will for peace than the successful restriction of the fighting to Spain. That must be credited, no matter what is written on the other side of the ledger.

Men of good will everywhere will now be anxious to let bygones be bygones. And Americans in particular will at this moment recall Lincoln's timeless admonition in his second inaugural address. They will hope that Franco will also now proceed "with malice toward none; with charity for all." They will hope that Franco, too, will now "do all which may achieve and cherish a just and lasting peace among ourselves, and with all nations."

It is partly in that hope, and partly because of the inescapable realities of the situation, that the British and French Governments are extending recognition to General Franco on the heels of President Azana's voluntary abandonment of his office. Probably it will be only a matter of time before the United States follows suit. For better or worse the republican government is falling to pieces and the sooner the fact of Nationalist dominance in Spain is accepted the quicker that unhappy country will be able to concentrate on the enormous task of reconstruction.

There will be many who will argue that haste in recognizing Franco is unseemly; that he has triumphed because of foreign assistance and that proof of his ability to govern the country is still lacking. All this is true, yet the factors urging a definitive settlement in Spain remain overwhelming. The democracies cannot save the Spanish Republic by withholding recognition from Franco. That would merely insure that his government, as his army in the past, will have to depend on German and Italian aid. Such an outcome is not in the interest of Spain nor of the democracies. When Great Britain and France agreed on nonintervention they really decided to recognize Franco promptly if he should win. The logic of their policy demands the action now taken.

Nothing is now to be gained by reviewing the ghastly record of butchery which has given the Spanish civil war an aspect of horror unparalleled in modern times. The memory of the priests, the nuns, and the religious murdered by left-wing republicans, like that of the women and children blown to pieces by Nationalist bombs, deserves better than to be exploited for propaganda purposes. On either side they are the martyrs to a break-down of civilization. There is honor for the fallen in both camps and what now should be emphasized is the bravery, the loyalty, the self-sacrificing determination with which the Spanish people, of both factions, have endured the terrible ordeal inflicted on them.

Historians must decide—and their task will not be easy—whether the popular-front government seized power illegally in 1936, and was then overthrown by a righteous rising; or whether an alliance of reactionary groups in 1936 attacked and has now destroyed a promising Spanish democracy. The actual truth is probably somewhere between the two viewpoints. But determination of that controversial issue is at the moment a secondary matter. The vital task today is to get Spain on her feet again. Reconciliation injurious to that end are to be deplored.

It does appear, however, that again the so-called popular-front technique has brought disaster on those who accepted it. In Spain, as everywhere else, the attempted cooperation between communism and democracy has only served to stimulate fascism and to destroy that which it was sought to save. On considering the factors behind Franco's victory there remains no doubt that whole-souled antagonism to the atheistic and ruthless materialism of communism was one of the most potent.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Reed
Andrews	Davis	La Follette	Reynolds
Ashurst	Donahay	Lee	Russell
Austin	Downey	Lewis	Schwartz
Bailey	Ellender	Lodge	Schwellenbach
Bankhead	Frazier	Logan	Sheppard
Barbour	George	Lucas	Shipstead
Barkley	Gerry	Lundeen	Smathers
Bilbo	Gibson	McKellar	Smith
Bone	Gillette	McNary	Stewart
Borah	Glass	Maloney	Taft
Bridges	Green	Mead	Thomas, Okla.
Brown	Guffey	Miller	Tobey
Bulow	Gurney	Minton	Townsend
Burke	Harrison	Murray	Truman
Byrd	Hatch	Neely	Tydings
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	Nye	Van Nuys
Caraway	Hill	O'Mahoney	Wagner
Chavez	Holman	Overton	Walsh
Clark, Idaho	Hughes	Pepper	White
Clark, Mo.	Johnson, Calif.	Pittman	Wiley
Connally	Johnson, Colo.	Radcliffe	

The PRESIDING OFFICER (Mr. Taft in the chair). Ninety-one Senators having answered to their names, a quorum is present.

Mr. AUSTIN. Mr. President, there is one grand objective upon which all Senators are united, namely, peace. There are apparently many differences as to where we should have peace, and the manner of obtaining peace, which divide us in the Senate, and probably divide the citizens of the United States. Some of us want peace throughout the world, and are sufficiently optimistic to believe that, though it is entirely impractical at the present time to found such a peace upon sanctions different from war, yet the objective is so important for the world that we should hug it to our bosoms, as it were, and continually strive for the establishment of a new sanction among all peoples, so that they might develop within themselves an international faith of a kind which is new in the world, and which will make it "sporting," to state it as we would in America, or will make it "cricket," as they state it in England, to conduct ourselves nationally in such a way as not to trespass upon the good feelings of other countries, and not to irritate them, and thus to avoid the causes of war.

On the other hand, there are those who want peace so dearly for America, peace for the citizens of this country, that they cannot go far enough to excite causes for peace outside of our limitations. But what I have to say can be narrowed down without too much simplification, I believe, to this premise, that whether we in the Senate stand for isolation, whether we stand for insulation, or whether we stand for independence, or, looking at it in the corollary way, that is, looking outward, whether we stand for non-intervention, whether we stand for intervention, or whether we stand for cooperation, no matter which of these positions we take in the Senate, the pending bill, House bill 3791, ought to pass.

I do not believe that the bill affords what has been described here as an adequate establishment for national defense. From my understanding of the evidence given in the committee, the bill falls short of providing an adequate defense. For example, after the whole program has been put into effect, that is, by 1941, and has accomplished the objectives provided for in this authority, how many bombers or fighting planes will the United States have altogether for its first line of defense? Do Senators know? If they do not, they are going to be astonished when I tell them that the number will be only 1,900 planes. By comparison with those we know other countries of the world already possess, that is an inadequate number of planes.

There is another aspect to this measure, however, which is quite as important now to consider in respect to the wisdom of its passage as the number of planes which will be actually in esse in 1941; that is, the capacity to produce planes in great numbers to meet any foreseeable need for them. Another

aspect is the increase of the personnel of officers and standing army necessary to man such planes, necessary to afford the ground crews, necessary to equip the factories which must be keyed up to the point where production can be accomplished when and if the need should occur. These elements in the bill afford the strongest recommendations for its passage.

Briefly stated, the bill authorizes, in effect, \$300,000,000 to be expended on the aerial branch of national defense. That is the largest element of authorization in this particular bill. There are two other items of importance, of course, namely, the Panama Canal authorization of \$23,750,000 to be used for construction, rehabilitation, and installation in the Panama Canal Zone. Then, finally, \$34,500,000 for educational orders.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BORAH. At some time before the Senator takes his seat I desire to ask him a question about one phase of this matter. Would the Senator prefer to have the question asked later, after he has presented his case?

Mr. AUSTIN. It makes no difference to me. I am glad to accommodate myself to the Senator from Idaho.

Mr. BORAH. The bill passed the House after very thorough investigation and after consideration of the testimony of the experts who know about these questions, and the House fixed the number of planes at 5,500. What was the evidence and what was the showing; upon what does the Senator rely as a justification for adding the 500 planes after the House, upon the testimony of the same expert, had decided upon the number of 5,500?

Mr. AUSTIN. I will state what I understand to be the justification. Of the \$300,000,000 herein authorized, only \$170,000,000 is to be used, if appropriated, for the manufacture of planes. This is so near to a definite allocation of money to units that it in effect limits the ability of the Government to obtain a larger number of planes within the appropriation. The additional number of 500 planes under the plan or program in this authorization does not call for a single dollar of additional money. It merely takes the elephant's foot off the shoulder and allows the Government to obtain more planes for the same money if it can do so, either by competitive bidding or under such authorized negotiation as may hereafter take place. So there is no commitment, there is no obligation to secure 500 additional planes within this figure. There is the authorization to do so. There is no increase in the amount of money appropriated to that particular purpose. Does that answer the question?

Mr. BORAH. As a matter of fact, then, the House bill and the Senate committee amendment provide for the same number of planes; only in one instance there is an authorization for 500 and in the other there is an appropriation.

Mr. AUSTIN. The bill before us is the House bill, H. R. 3791, and it is nothing but an authorization. The measure before the Senate is not an appropriation. The authorization is raised by the committee amendment in order that the same money which is expected to be used under the President's program, the \$300,000,000, may purchase more planes than probably could be purchased under the limitation contained in House bill 3791.

Mr. BORAH. The House bill provides an authorization for 5,500 planes.

Mr. AUSTIN. That is not exactly correct. It is thirty-two hundred and something. But when added to existing planes, as I understand, it will equal 5,500.

Mr. BORAH. And under the Senate committee amendment it will equal 6,000.

Mr. AUSTIN. That is correct, if they are obtainable within the same amount of money, but not if they are not so obtainable. As I understand, the proposal is just the same as if the lid were taken off entirely, and no limitation placed upon the number of planes at all. It was thought, as I understand the recommendation of the Secretary of War, that authorization for 500 additional planes would have the same effect in relieving the Government from the limitations and restrictions that bound them to a high price per plane, if they used the figure 500 additional, as would have resulted if the limit had been taken off.

Mr. BORAH. We need an expert to interpret these bills as well as an expert to supply the evidence upon which the bills are made up.

Mr. AUSTIN. Mr. President, I confess I am not an expert.

Mr. BORAH. I think the Senator is doing very well.

Mr. AUSTIN. But I am for the bill. I believe that this program is well expressed by General Arnold, as appears at page 42 of the hearings. He says:

Mr. Chairman, I am for this program here, hook, line, and sinker, because I believe it is a program that is well planned, and one that balances the personnel with the airplanes, and one that answers the problem of the aerial defense of the United States, and I cannot see any need at this time for anything more.

That is found at page 42 of the last edition of the hearings.

Mr. President, at this point I desire to record what I understand to be the fact, that the number of planes that may be manufactured and put into use by 1941 would afford defensive protection to our country upon four different bases, namely one in the northeast, one in the southeast, one in the southwest, and one in the northwest; that they do not afford the means of aggression upon any other country; that the plan and program is not designed to cross the seas and reach any foreign land, save, of course, lends in this hemisphere where planes could alight at friendly bases and go from place to place overland. We had before us for consideration, in determining whether this was a suitable program of national defense, maps which showed the area of aerial influence from these bases, so that one could see all the points of approach by planes or ships that might attack the Canal Zone, or any other vulnerable point on this hemisphere, and how this distribution of this small number of 1,900 planes would enable our country, by means of combining them, to have a fairly good defense against attack in this hemisphere.

Let me say here that I think the discussion in the Senate has been extremely illuminating. It has been educational to me; and I have great respect for the views of my colleagues even though I may not agree in all respects with their views, and particularly with views about foreign policy.

I wish to say that I think there is nothing about this particular bill in and of itself which indicates that the United States of America has changed its foreign policy in the least degree. As to what that policy has been and what it is now there seems to be some dispute in the Senate. My own notion about it is that we have never at any time in the history of this country had an attitude of isolation. I firmly believe that our policy has been also something different than one of insulation.

Mr. BORAH. Mr. President, has anyone ever contended, either before the World War or since the World War, for a policy of isolation, such as here indicated? We have contended for complete independence of action, free from previous commitments or agreements; we have contended for the doctrine of Washington and Jefferson.

Mr. AUSTIN. Mr. President, I regret to say that the person who is referred to as the originator of the first information regarding the sale of planes to France, Ambassador Bullitt, made an address in France to Americans and French people, in which he is quoted as saying that the United States now is abandoning its policy of isolation. I take issue with that. I claim that we have never had a policy of isolation.

Mr. BORAH. There have been those in this country from the beginning who contended for a policy which would leave the United States free at all times and under all circumstances to determine what it would do in case of war or an emergency of that kind. But a policy of "isolation," in the sense that so many now use the term—that we would not trade with other nations, that we would not have treaties with other nations, that we would not carry on business with other nations—of course, that has never been contended for at any time. If Mr. Bullitt is undertaking to say that the United States is preparing to depart from the traditional policy of this Government and to adopt a policy which would tie this country into another country's policy or political affairs, I venture to say that Mr. Bullitt is mistaken.

Mr. AUSTIN. I am glad to have the corroboration of the very learned Senator from Idaho, whose opinions I greatly

respect. And I do not add anything when I say that I think that even the Monroe Doctrine is not inflexible. It does not commit us to action. We are always free, even when a European country undertakes to penetrate an American country with foreign ideology. We are still free to take such action as the circumstances of the particular time seem to dictate for our national welfare and for the peace of the world.

Mr. President, we are inextricably mixed up with world politics. I think it is not the simplest thing in the world to keep our nose out of other peoples' business, as I have heard us advised to do so many times recently on the floor of the Senate. Our nose is already in other peoples' business.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BORAH. It is easy enough for us to maintain a policy under which we can insert our nose into other peoples' business or keep it out, just as we choose.

Mr. AUSTIN. We are in other peoples' business.

Mr. BORAH. It has been the policy of this country at all times to maintain the attitude I have described. Our country can determine for itself, without any previous commitments, without any previous understanding or agreement, without anything that embarrasses it at all what it will do in any emergency.

Mr. AUSTIN. That is quite true; but we are already bound by treaties and by conduct in many parts of the world. The open-door policy, which Japan agreed to respect, and the obligation of the United States to conduct the foreign relations of the Philippine Islands during the period yet remaining of their probation, keep us now in the oriental disturbance. Do what we may, we cannot get out of it; and just so long as there remains a period of years when we occupy a position of responsibility in the Philippines, I say that we ought to do all that is necessary to keep our country strong, not for war but for peace. Our voice in the world will not be worth any more than that of China if we pursue the course of China. Just so long as we are in the Orient to the extent that we are today, I am firmly in favor of such establishment at Guam as is necessary in order to enable us to maintain a naval base and an air force there.

If the time shall come when it is necessary or advisable for us to withdraw from the Orient, and if at that time we are advised that it is safe for our west coast for us to do so, then we shall be at liberty, under the theory that we are independent, though not isolated, to adopt such policy as is adapted to the circumstances.

Mr. President, the act of our House of Representatives in turning down the proposal to fortify Guam was not accepted by Japan as a friendly gesture. I read a paraphrase from editorial opinion which reacted forthwith to the conduct of the House of Representatives:

[Paraphrase]

The fact that the proposal to fortify Guam was defeated was prominently reported in the vernacular press yesterday. This morning's editions of Yomiuri, Nichi Nichi, and Asahi all carry editorials in which the following summary of opinions is expressed:

Opinion expressed in Asahi: "The elimination by the American House of Representatives of the fortification of Guam from the plan for expansion of defense in the Pacific, indicates a tempering of the fervor, which has exceeded normal bounds, favoring expansion in the Pacific area of naval bases." We are glad in the first place for the sake of the American people themselves, since fortifying of Guam would, in fact, weaken American defense by extending the line of * * * to an isolated island far closer to the imaginary enemy, Japan, than to the United States, and would eventually be excessively expensive. Contrary to expectation, the extensive defensive works of Imperial Russia in the Far East were one of the provocations of the Russo-Japanese war, and it is not impossible that fortification of Guam might prove to be of similar significance. Also from the standpoint of American-Japan relations, abandonment of this plan is to be welcomed. Elimination of the Guam fortifications cannot, since it is the result of consideration of various desiderata from a purely American standpoint, be viewed as a friendly gesture to Japan, but it does soften somewhat the feeling which the presentation of this vast plan for Pacific fortifications aroused.

The United States must first, we should say, decide whether the ambitions of Japan are so dangerous that America must check them. Based on the premise that a war between the totalitarian and democratic nations is to be expected, diplomatic and defense policies carry with them the danger that such policies may of

themselves bring into reality a condition which at present is non-existent. The fortification of Guam is not at all fearful to Japan, but rather the reaction to such an act of the people in Japan and in the United States.

A similar tone is expressed in the editorials in the Yomiuri and Nichi Nichi. The alleged fact that such fortification would be provocative to Japan and of little strategic value is emphasized.

It is indicated by the amount of publicity given to it that the Japanese have carefully followed this question.

Mr. President, the point is that the act of the House of Representatives had no peace value at all in relationship with Japan. We are for peace. That is the major and all-comprehending objective of what we are about to do or not to do. The action of the House had no beneficial effect of that character. The Japanese newspapers said that our action was taken in view of various desiderata, from a purely American standpoint, and could not be viewed as a friendly gesture to Japan.

I know the spirit of the people of Japan. I have lived in the Orient. They are a lovable people. They are just as friendly to Americans as one would want. It is not the people of Japan who hold contrary views. It is the militaristic rulers of Japan who express such views. Japanese newspapers, unlike American newspapers, are not free to express the editorial views which they really hold. They are obliged to express the views of the militaristic Government of Japan.

The plan, which comprehended the inclusion of Guam for definite and specific reasons to which I have already alluded, is not a new plan excited by the invasion of China by Japan. The entire program has been in process for many years. It is not the product of war hysteria. As stated by the War Department, the reason it comes to us now, instead of 6 or 7 years ago, is that there seems to be a psychology in our country today that admits of the favorable consideration of the plan. It is idealistic. It is not antagonistic. It is not made to provoke Japan or any other country on earth.

It is a rounded-out scheme for the defense of the United States of America; and although it is frankly admitted to be only a step in the right direction, yet it now appears to be adequate to start something which will in time put our country in a position where the voice of America in the world will count for peace, count for peace in time of peace, count for peace in arbitrations. We have already participated in more than 70 arbitrations. The voice of America will not be strong if we allow ourselves to assume such a position economically, or such a position of weakness with respect to national defense, that we invite the discourtesy of all other nations of the world. We shall then not be in a position to promote peace on earth; and that is our objective. I think that if we must say what our present policy is in time of peace, we ought to say that it is to make clear to all the countries of the world that this country is for peace, and that the nation which disturbs the peace is sure to excite the animosity and the dislike of the United States, because one of the greatest objectives of our country is peace on earth, and we stand for the promotion of that objective. We make no promises. We make no threats; but we have a suitable military establishment for national defense, and our voice in the world on that subject will be given respect.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator.

Mr. BORAH. Certainly if it is essential to the security and protection of the United States to fortify Guam, or establish a naval base there, we should do so regardless of whether or not some other nation thinks well of it; but I can bring to the Senator plenty of evidence, given by our ablest military experts, that it is not in the interest of the security of the United States.

I oppose making Guam a naval base because, in the first place, some of the ablest military experts say that it is not in the interest of security, but also there is no calculation as to how much it will ultimately cost. It is proposed to start out with \$5,000,000, but the ultimate cost will run into billions of dollars, and when we come to use it and transfer the means of use 3,000 miles from Pearl Harbor or 8,000 miles from the Pacific coast, there will be involved an expenditure that would

almost bankrupt the Nation if it should undertake such a work. It is not in the interest of the taxpayers of the United States or the security of the people of the United States.

It is not that I care anything about what Japan says. Although I would not unnecessarily offend Japan or any other nation in these times, yet I would not stop building what I thought was necessary for the security of this Nation because some other nation objected; but my opposition is based on the impracticability and unwisdom of the project itself.

Mr. AUSTIN. That is a matter about which experts probably do differ. I accept, however, the evidence of those experts who say that Guam is a necessary adjunct to Corregidor. We are already out there, and just so long as we are out there we need the island of Guam; we need it for a stopping place in crossing the Pacific Ocean.

Mr. BORAH. Then we certainly would need the Philippines; but we have freed them.

Mr. AUSTIN. We have not as yet done so.

Mr. BORAH. Then, as I understand, the Guam proposal involves taking back the Philippines, holding the Philippines, and establishing ourselves in the Far East. That certainly would be a change of our foreign policy.

Mr. AUSTIN. Mr. President, I hardly think the Senator can conclude from the position I have taken here that I stand for what he suggests, for I have tried to make it clear that just so long as we are committed to conducting the foreign affairs of the Philippine Islands—and we are so committed for a number of years yet—I want our country to have a station at Guam, where our planes may alight, where our ships may find fuel and have an opportunity of getting us out of trouble, if necessary.

Of course, Guam will never become an important and impregnable fortress. Corregidor is a great fortress; I have been there and I admire it, but it is not impregnable, and we do not expect any such thing. What we do expect, however, is a safe haven in those waters just so long as we have a responsibility in the Philippine Islands. We also need to have a listening post out there, a sentinel, as it were. We must know, for the defense of our own coast line, what is going on out at sea there. We ought to have there means of communication, and we probably will have if we continue our present policy.

Mr. MINTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Indiana?

Mr. AUSTIN. I yield.

Mr. MINTON. Of course, Guam is not in this bill.

Mr. AUSTIN. I understand that, but it has been discussed here.

Mr. MINTON. And this bill, as I understand the Senator—and I so understood it myself, and he brought it out in the committee—is not to implement any foreign policy, but is rather to establish what the War Department conceives to be an absolute minimum for our own national defense.

Mr. AUSTIN. That is correct.

Mr. BORAH. Mr. President, I wanted to say when I rose that I myself was not discussing this bill on the theory that it had anything to do with our foreign policy until the Guam question was brought into the discussion.

Mr. AUSTIN. The discussion of this bill has led off into the subject of our foreign relations. Some of my colleagues have indicated, at least one of them on the Military Affairs Committee has indicated, that his position on this bill is taken by virtue of the implications respecting our foreign policy. Others have said that they will not support this bill without knowing what our foreign policy is. I am undertaking to say that we know what it is. It is what it has always been throughout the life of the Republic. We have not had any definite, positive, undisturbed rule. We have had a policy of nonintervention in Europe, but we have had a policy of intervention in South America; that is to say, we said we would consider it a cause for intervention if European countries should undertake to penetrate the free governments of this hemisphere with European ideologies;

so, although we should not bind ourselves to action, yet we were in there.

We have thus two diverse types of attitude, one for European countries and another for South American countries; and we have still another for the Orient. It has been labeled the "open-door policy," but it is intervention there, in fact. All the great treaty powers are there. Some of them are there with spheres of influence which they themselves govern short of the act of sovereign control of territory. Their influence is very great. The United States has never taken the position that it wanted to deprive China of territorial extent or of any of her sovereignty. The United States has even stood between other treaty powers and China to preserve the integrity both of the sovereignty and the territory of old China. That is one of the incidents of our policy in the Orient, which we call the "open-door policy," but it is absolutely contrary to our policy with respect to Europe.

Mr. VANDENBERG. Mr. President—

Mr. AUSTIN. I yield to the Senator from Michigan.

Mr. VANDENBERG. The Senator from Vermont asserts his belief that our foreign policy is fixed and certain and that he knows what it is. I should like to ask him whether or not the President's Chicago quarantine speech is part of our foreign policy as the Senator understands it to be fixed and certain?

Mr. AUSTIN. We at once get into a collateral discussion when we begin to consider the definition of a phrase. I would not use that phrase, but is it for me to undertake to say in what sense the President of the United States used that phrase?

Mr. VANDENBERG. No; I think it is for the President to say—

Mr. AUSTIN. Very well. Then ask the President.

Mr. VANDENBERG. And I am still waiting for him to say.

Mr. AUSTIN. I think I see what the trouble is and what provoked that type of question. I am not undertaking to speak for the President of the United States when I try to indicate what I understand to be the policy of the United States; I am speaking only for myself from my limited understanding of foreign relations. Although for many years I have been interested in such matters because of business connections that have taken me afar, and I have made some special study of the subject, yet I do not know sufficient to be an authority on this question. All I am undertaking to say is what I think about it. I say that we cannot have insulation; we cannot have isolation; we are out in the world as a responsible country, one of the greatest countries in the world, a leader in spirituality, a leader in economics. All the world looks to us as a great leader in government; they think we are a free country, and, if we could learn the truth about it, we would know that even the poor citizens living under dictatorships are yearning for the liberty that is here in America.

We gave our consent to the Palestine mandate. That put us into the Mediterranean Basin. War clouds overhang that entire basin, notwithstanding we hope that an end to the Spanish war is approaching. We gave our consent to the Palestine mandate, with an implication that we would have something to do in the future. We insisted, in the first place, that the League of Nations had no right to dispose of Palestine by a treaty entered into by nations that constituted the League. We said, "We are a conqueror as well as any other ally, and you must come to us and submit to us the treaty respecting Palestine." We brought this on ourselves. Is that isolation? We insisted that we be heard; we were heard; and we ratified a convention with Great Britain which looked well into the future, and we said to Great Britain, "We agree to this mandate on the condition that you shall not amend it so as to affect any of the interests of the United State of America there or elsewhere without submitting such amendment to us and obtaining our consent to it."

So we are in the Mediterranean Basin. Can it be said that we are sticking our nose into other people's business if we are concerned with the execution and the faithful carrying

out of a treaty between Great Britain and ourselves which ratified a convention of the League of Nations which contained in it a guaranty that a national home for Jews should be established and maintained in Palestine? I say not.

Furthermore, our good-neighbor commitment to South American States through the general treaty of inter-American arbitration and our venerable Monroe Doctrine entangle us in the affairs of the Western Hemisphere. The Nine Power Pact of Washington is inconsistent with the attitude of isolation. The Kellogg-Briand Treaty, outlawing war as a means of settling disputes, in which the United States assumed a leadership, contradicts isolation. That is one of our jobs.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AUSTIN. Yes; I yield.

Mr. VANDENBERG. If the Senator is using the word "isolation" or the word "insulation" in the sense in which I used it, namely, no commitment to the use of force by American arms in respect to controversies that may arise elsewhere, the exhibit which he has just named supports my position rather than his, for the Foreign Relations Committee of the Senate, when it reported the Kellogg-Briand Pact, specifically and directly and scrupulously asserted that we declined any obligation whatsoever to sustain it by force of arms or by any other method. It was solely an assertion.

Mr. AUSTIN. Mr. President, if the Senator can get that consolation out of the Kellogg-Briand Treaty, I want him to have it.

Mr. VANDENBERG. There is no consolation in the Kellogg-Briand Treaty. Unfortunately, it has become a grim joke.

Mr. AUSTIN. Very well. It was a solemn pronouncement by this country, and it represented an attitude of this country in the family of nations. By it we did not bind our hands behind our back. We only kept that independence, though not isolation, which we have asserted from the beginning of our government in our relation with other nations. It was a reiteration of our ancient policy. By it we were left, after consultation, in a position to act in one way in one case, in another way in another case, just as we might see fit when the occasion arose and we knew what the circumstances were. We did not thereby tie our hands behind our back; and I am opposed in principle to a statute which ties our hands behind our back, or a permanent treaty which does so. You will observe the word "permanent." I agree that from the time of Washington it has always been our policy to be perfectly competent and able and willing to cooperate with another nation in the world by temporary treaty whenever the safety and the welfare of the United States, the peace of the world, and the well-informed public sentiment of the citizens of this country, required it.

This boggy that George Washington excluded us from moral responsibility in the family of nations never existed except in fallacy. George Washington clearly acted in cooperation with other nations. George Washington, when he departed the chair of President of the United States, clearly announced to his successor in office that he believed this country ought to be able to cooperate with other countries, using temporary alliances, but not engaging in permanent alliances which would tie our hands behind our back like the statutes which are called neutrality laws.

It always seems to me a great pity that in the excess of emotion, or for some other cause, we forget our role as a great, responsible nation in the world, and by a statute say that we will not do this, and promise the world that we will not do that, not knowing how important it may be for us when the time comes to be free, as we were before the statute was passed, under the Constitution, with the Chief Executive having the duty, the responsibility, and the authority to conduct our foreign relations up to the point where a treaty is to be entered into or where a war is to be declared, and thereupon swinging into action the representatives of the citizens of this country in Congress assembled, who are expected to represent the sentiment of the people. I believe they honestly try to do so.

I think Charles Evans Hughes' definition of our attitude is as good as that which I have seen by anybody else. Perhaps I like it better than any other I have seen; and I should like to read it. Mr. Hughes then was Secretary of State, and, of course, was concentrating on that subject. This was said at an address to the American Bar Association after the World War:

Our people are still intent upon abstaining from participation in the political strife of Europe. They are not disposed to commit this Government in advance to the use of its power in unknown contingencies, preferring to reserve freedom of action in the confidence of our ability and readiness to respond to every future call of duty. They have no desire to put their power in pledge, but they do not shirk cooperation with other nations whenever there is a sound basis for it and a consciousness of community of interest and aim. Cooperation is not dictatorship and it is not partisanship. On our part it must be the cooperation of a free people drawing their strength from many racial stocks, and a cooperation that is made possible by a preponderant sentiment permitting—

Note that word—

permitting governmental action under a system which denies all exercise of autocratic power. It will be the cooperation of a people of liberal ideals, deeply concerned with the maintenance of peace and interested in all measures which find support in the common sense of the country as being practicable and well designed to foster common interests.

Is not that sound? Is not that what you believe to be the attitude of the United States this day? But even that attitude cannot be maintained unless we have a suitable establishment for national defense; and who has pointed out what there is about this bill that is wrong? Who has pointed out any excess of authorization in this bill? I have not heard anyone. The attacks upon the bill have a peculiar character. Pardon me if I tell you that my impression is that they are more calculated to excite prejudice by reason of a collateral thing than by reason of any rational criticism of the bill itself.

For example, take this story of the French sale and the Treasury Department's activity in connection with it. I have not heard anybody relate events as they occurred; and for the benefit of the people of America, as well as for the benefit of Senators who are now giving me the honor of their attention, I think I shall refer briefly to some of the things that happened in that transaction, and then let the judgment fall where it ought to. You may trust the people of America as you may trust a jury of our countrymen to arrive at the right judgment. I do, anyway.

In the last edition of the testimony—I am sorry I have to refer to it in that way; there should not be two different editions, with some of the testimony expurgated from it, but that is our situation—in the last edition, on page 107, is shown the order of events.

Mr. Morgenthau was asked who brought this French purchase to his attention and he said it was Ambassador Bullitt. That is the first thing we know anything about. Then he said:

The Ambassador first brought it to my attention, and then, following my usual custom, before I will see any mission of any kind I call up the State Department and say, "Is this an authentic mission, and is it all right for me to see them?"

Later he said:

Mr. Welles, after a reasonable time, informed me that this was an authentic mission, and on that basis I received them.

Senator NYE. And on that basis, Mr. Secretary, you summoned the others to the meeting?

Secretary MORGENTHAU. No; as I say, the direction to proceed to put the Procurement Division at the disposal of this mission and to assist them—I thought I made it plain that that instruction to me came from the President of the United States.

There are four steps. There was the instruction to put the Procurement Division at the service of the French mission.

Senator NYE. But upon whose instructions or whose order did the War Department, in the person of General Arnold, appear?

Secretary MORGENTHAU. I think the Secretary of War did it. I am only testifying to any action that affects us.

The Secretary of War, the Secretary of the Navy, the Secretary of State, and the Secretary of the Treasury had a conference with the President after a Cabinet meeting. There were subsequent conferences. During the course of these negotiations, which occurred in December, there was

a disagreement about what was to be done respecting the sale of planes. I think that it is without doubt that the War Department at first objected to the sale being made on two grounds. One of them was that the sale would interfere with the rate of procurement of the American planes under the President's plan and the other objection was that it would deprive the United States of priority in respect of secret devices, new inventions, which ought to belong to the defense of the United States.

According to my understanding and interpretation of the facts, those matters were all straightened out, all these differences were composed, the Secretary of War was satisfied and convinced that it was proper and beneficial to make this sale of this very Douglas plane, or planes of that type, and the contract of sale was made with the full and complete approval of both the War and Navy Departments.

Now, is that true? Let us take a look at some of the testimony. Consider the subject of procurement; there was no trouble in the procurement of our planes under our plan, because of this French purchase. Therefore, the objection so made had no ground.

Let us turn to page 98 of the original record. I am better acquainted with the original than with the second, which I did not get until Monday. I read from that record as follows:

Senator NYE. How much increase is private industry going to have in its capacity to do that?

That is, that the last planes should be produced by the end of the second year.

General ARNOLD. No increase at all in facilities. An increase in personnel only. At the present time most of our factories are operating with one shift. In two instances, I think, they may have two shifts or a shift and a half. But we also have about five factories that are not engaged in producing any Government work at this time. One of the largest is practically shut down. That is Consolidated. In addition to that, the Northrup plant is practically shut down. Vaught, Sikorsky, Seversky have no Government work in them at all, to speak of. Martin is producing nothing right at this time for the Army. It is, however, producing quite a few airplanes for foreign countries. So, by using all those facilities, we should have no trouble at all in producing this number of airplanes.

But that was not enough. When we turn to page 101 we see this very interesting testimony right to the point:

Senator CLARK. But we might suffer some very severe penalties, too, by giving somebody else much better planes than we have.

Senator NYE. Is this building program contemplated by the United States military to slow up the delivery of orders that France and England have pending in this country?

General ARNOLD. The orders that France and England have pending in this country now were made with the understanding that they would not slow up our production. So if we go into this increased production we would just quite naturally slow up their deliveries.

Senator NYE. If we do go into it, it will have a tendency to slow up their production?

General ARNOLD. Yes, sir.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. AUSTIN. I am glad to yield.

Mr. SCHWARTZ. On page 179 of the final transcript it appears that the Senator from Missouri [Mr. CLARK] asked this question:

Let me ask you this, then, General. Was it your idea, as the technical head of the Air Service, that the sale of a large number of planes to France, or to any other country, would interfere with the program contemplated by the United States Army?

General ARNOLD. It would not interfere if carried out in accordance with the numbers as represented that the French wished to procure. It was also brought out in the conference that the authorized orders would be so arranged so that it would not interfere with our production.

Mr. AUSTIN. I thank the Senator. There are many other places where we find this fact attested; so that one may say with certainty that before ever these planes were allowed to be contracted for, before any permit for their exportation was allowed, the Army and the Navy, notwithstanding the objections previously made, were thoroughly satisfied that their objections were not well founded, and the program was accepted, as I will point out, in so many words.

First, however, let me call attention to the other point. The first related to procurement. We now know that the

French contract would not interfere with the rate of our own procurement.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. I am very much interested in knowing the reality of the point the Senator is now discussing. As I understand the Senator, he is asserting that the original objection of the War Department was withdrawn.

Mr. AUSTIN. There is no one who says it was withdrawn. All we can take is what they say and what they do, and draw our own inferences. There is no other inference that can be drawn excepting that the War Department was thoroughly satisfied, before they got through, that there would not be any interference with our plans, and that the contract was beneficial. I will review the statement of the Secretary of War in so many words.

Mr. VANDENBERG. Is it equally accurate to infer that after the Commander in Chief had spoken, the War Department thereupon thought it was the proper course to concede the Commander in Chief's viewpoint?

Mr. AUSTIN. Oh, yes; that is not only an inference, that is part of the testimony. There is no doubt that the direction—or "directive," as it was described by the Secretary of War—had something to do with the meeting held, at which these differences were finally composed. As the Senator will see later, this directive occurred first. There was a directive, so-called by the Secretary of War and the other Secretaries, relating to the use of the Procurement Division for coordination, as I understand, and for the acquisition of this plane, without secret parts, or less secret parts. That word "less," contained in the original, was not transcribed in the copy at first, but it was afterward shown that in transmission, or in translation, the word "less" had been omitted.

Mr. VANDENBERG. Without intending any invidious indication, I am asking the Senator whether it is not a fact that after the Commander in Chief had spoken the War Department was no longer a free agent to assert its position?

Mr. AUSTIN. The Commander in Chief is the highest officer of the War Department. I do not see how one can assume that the opinion of the President of the United States expressed to the Secretary of War should be regarded as outside of the War Department.

Mr. VANDENBERG. I am referring to the protest which obviously was originally made. Am I mistaken about that? The protest that was originally made by the War Department per se. There was a protest about the refusal to agree to the orders. Is that not correct?

Mr. AUSTIN. No.

Mr. VANDENBERG. What was it?

Mr. AUSTIN. That is not exactly so. There never has appeared a story of just how that disagreement was expressed. It came to us in the form of the testimony of General Craig with respect to the fact, as it was at that time, that the War Department thought that the contract ought not to be entered into because it might interfere with the rate of procurement of planes by the United States, and because it might deprive the United States of priority with respect to newly invented parts. I do not believe that one can find anywhere in the record the suggestion of an expression to the President of the disagreement of the Secretary of War, or the Assistant Secretary of War, or of General Craig, or of anyone else.

Mr. VANDENBERG. What is it that we are to infer from the information that came to us that the President had overridden the War Department in connection with this episode? What does that mean?

Mr. AUSTIN. Where does the Senator get that expression?

Mr. VANDENBERG. I got that from all the reports that were in the newspapers, the only source from which I was permitted to get any information for a long time, not being on the committee which was locked up with the primary sources of information.

Mr. AUSTIN. Mr. President, I may not have seen that source of information. I have not equal opportunity nor the advantage which the Senator from Michigan has on that

point. For my part, I am getting my understanding from the record.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. LUCAS. The very question we are now discussing has been bandied back and forth in the United States Senate and throughout the press of the country. I am not a member of the Military Affairs Committee, yet I for one would like to know whether or not there is anything in the record which will give to the Senate some concrete information upon that particular point?

Mr. AUSTIN. I am about to read something upon it now. I have already covered the point of procurement and shown that, whereas the thought was in the mind of the commanding general that the French sale might interfere with the rate of procurement by the United States, nevertheless it turned out that the French sale was made subject to our procurement, and could not interfere with it at all. So there is no collision there. No matter what they thought, no matter what their objections were, there was nothing to the thought that the rate of procurement of American planes would be interfered with.

I am now about to tell the Senate what the record shows with respect to priority.

Mr. LUCAS. What I am interested in mostly, if the Senator will again yield to me for a moment, is the exact language that was used by the officers of the Army when that question was put to them in the beginning before the Senator's committee.

Mr. AUSTIN. The objection?

Mr. LUCAS. Yes. What did they say on that point?

Mr. AUSTIN. I will now give it to the Senator.

Mr. SCHWARTZ. Mr. President, will the Senator yield to me for a moment?

Mr. AUSTIN. Yes; if the Senator can help me on that point, I shall be very glad.

Mr. SCHWARTZ. I am afraid I cannot help the Senator so far as giving what the real reasons were, but I will read what General Arnold said at page 178 of the committee hearings. I read as follows:

Senator NYE. On what grounds did you protest, General?

General ARNOLD. On the ground it did not conform with the release policy.

And on page 179 General Arnold was asked what the objections were, and he answered:

The grounds of the objection, as far as I could recall now, were based upon the release policy, in that this did not conform to the release policy.

But with respect to wherein it failed to comply with the release policy, I do not believe the record will help us very much.

Mr. AUSTIN. I cannot find it. It is difficult, while on one's feet, to go through a large hearing and locate the precise subject. I thought I had it indexed.

Mr. LUCAS. I am not quarreling with the ultimate objective that was obtained, the Senator understands, but because of the question that has been bandied back and forth, I thought it might be of material interest to know exactly what was said upon that question.

Mr. AUSTIN. I regret that I am not able to turn to it; but I have the abiding conviction that the two objections stated were interference with rate of procurement by us and a possible loss of priority by us in up-to-date equipment, secret equipment.

I have disposed of that first ground and I desire now to turn to the priority point. I turn to page 33.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. NEELY. I inquire of the Senator if it is not a fact that regardless of what the objections were originally, they were ultimately in effect withdrawn.

Mr. AUSTIN. I believe the Senator will not find in the testimony where anyone said they were withdrawn. But I think from what happened and what was said before the committee that the objections did not exist in fact. So that when the Secretary of War ultimately said that he was for

this purchase, one may conclude that he based his decision and his statement that they all agreed to it, upon a rational basis as well as upon conformity with the President's directive. I think the President's directive is a part of it.

Mr. NEELY. Mr. President, will the Senator yield further?

Mr. AUSTIN. I yield.

Mr. NEELY. In view of the imputations that have been made, may I not inquire of the Senator if there is anything in the hearings which still appears, or that was later deleted, which would indicate that the President as Commander in Chief had by any improper methods coerced the War Department or any official of the Government, or had attempted to coerce by any improper methods any official of the Government into submission to what he seemed to think was a proper policy in authorizing the sale of these planes?

Mr. AUSTIN. Mr. President, I should like to have the Senator withdraw that question, because I do not think one should regard it as coercion at all if the Chief Executive transmits to a department, particularly to a Cabinet officer, a chit or memorandum of his views respecting a policy. I cannot bear the idea of such an act being regarded as of itself coercion. Furthermore, I cannot tolerate the idea that a Cabinet officer would be so weak and so little a man that he would be cowed by a chit or a note from his President. And I do not believe that of any member of the President's Cabinet.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. If the Senator will permit me I should like to make one further observation upon the point raised by my able friend from West Virginia [Mr. NEELY] and recently discussed at the moment by my able friend from New Hampshire [Mr. BRIDGES]. I am not suggesting any improper coercion on the part of the President in respect to this situation at all. I am simply asserting as a matter of simple natural reaction, that after the Commander in Chief has asserted a conclusive position, those who are subordinated to him cease to be free agents in respect to the assertion of their own opinions.

If the Senator will bear with me for a moment longer, let me give him an illustration of what I have in mind. We had pending before the Foreign Relations Committee a treaty respecting certain concessions in respect to Panama and the Panama Canal.

We have reason to believe that until the State Department, with the authority of the President behind it, asserted that it was the policy of the Government that these concessions should be made, the Army and the Navy objected strenuously to these concessions, and felt that they weakened our authority over the essential control of the defenses of the Canal. But immediately after it had become an official purpose of the Commander in Chief that the treaty should be ratified, all objections were withdrawn.

I am not complaining that they were withdrawn. I am not complaining against the officers of the Army and the Navy. I think they are subordinate to the Commander in Chief. I am not asserting that the Commander in Chief exercises any improper coercion. It is his business to be Commander in Chief. All that I am saying is that when the Army and the Navy changed their opinion after the Commander in Chief had spoken, I do not think there is a great deal of authority to be ascribed to the opinion subsequently asserted by the Army and the Navy.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. NEELY. I think that when the Senator from Michigan [Mr. VANDENBERG] becomes President, as he probably will if the Republicans ever elect another President, he will find that the clarifying speech he has just made will save him considerable trouble. I, for one, felt that his imputation prior to his last speech was that the President had acted improperly in having enforced his views as to the sale of airplanes to France.

Mr. VANDENBERG. Oh, no.

Mr. NEELY. I probably misunderstood him in good faith. I am glad to have the matter clarified.

Mr. AUSTIN. Mr. President, I have approached the gate of priority several times. I now wish to open it. I shall undertake to show that the sale of the Douglas bomber was not a violation of the priority of the United States in any secret device whatever. On page 33 of the original hearings—

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BRIDGES. By the "original hearings" does the Senator mean the ones which were never released publicly?

Mr. AUSTIN. Mr. President, I am a little confused about this matter, but I believe these were released. These are the original hearings. I certainly understood that by vote of the committee they were released. I know that I heard the Secretary of the Treasury definitely state before the committee that every word he had said was free to the public, and that he did not want to delete a word.

Mr. BRIDGES. I should like a word of explanation. I have just returned from the Military Affairs Committee room, where I had asked for and received five copies of the original hearings when this matter was under discussion. I had those five copies, but because they were considered confidential I returned them to the Military Affairs Committee. I asked for them today and was told that the copies had been destroyed, and that they were not available to me, although I had had them once. I believe another Senator on the Military Affairs Committee still has copies in his possession, and has sent for them. I think it is important to know to which hearings the Senator is referring, because the contents of the original reports are far different from the contents of the reports which have been publicly distributed. One of the things which I think should be cleared up is that the same story has not been told all the way through, in the committee reports. One set has been destroyed, and we now have another for public consumption. It is time we knew the facts.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. SCHWARTZ. Does the Senator refer to the original testimony of Secretary Morgenthau?

Mr. BRIDGES. Yes.

Mr. SCHWARTZ. In the report we all have, beginning at page 206, I find this statement:

The testimony of Secretary Morgenthau given before the committee on January 27, 1939, is here set out in full, as follows:

The testimony then follows, covering six or eight pages.

Mr. BRIDGES. I do not think that answers the question. The question that I raised, if the Senator from Vermont will permit me another half minute, is that we had certain secret, confidential testimony by members of the Cabinet, by General Craig, and by General Arnold. That was one story and one picture. Even then, much of the important material was omitted from the record. The record was published and made available to members of the Military Affairs Committee; I for one—I cannot vouch for anybody else—returned my copies to the committee, because I did not want to be responsible for them. I am now told that copies of the original reports have been destroyed and are not available. I say that the original committee reports, which we have available today, are different from the documents distributed to the public and tell a different story.

Mr. AUSTIN. On that point I think the committee has changed its position from time to time; but whenever I have been in the committee the action has been that we would place before the public and make public the reports of the hearings as soon as the transcript was edited and corrected by the witnesses. I was absent one day, and I heard that I had violated the rule of the committee as of that day by telling the newspapermen what had occurred on another day. So I went to the committee room and looked at the original transcript of the record, and I found this resolution, which I copied. It is a true copy:

The CHAIRMAN. We have agreed that everything that has taken place today will be given to the papers and the record made pub-

lic, as soon as it comes back from the people who testified, and the copies to be distributed will contain everything that took place except what we agreed on here today was confidential.

I believe that is the only day I missed hearing the resolution by the committee. All other days I certainly understood that the records would be made public when they were corrected and such things as were secret were deleted and the hearings put into print. I am using them on that theory. If anyone who hears me objects to their use, I should like to hear him object now or forever after keep still about it.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BRIDGES. I have great respect for the Senator from Vermont, and I am not taking issue with what he has said; but I should like to give my understanding of the situation.

We had these original documents, the original reports or records of the hearings. Even then much of the material, or at least some of it, was eliminated. They were printed and distributed to the individual members of the Military Affairs Committee. Each member was required to keep them confidential and secret. I returned my copies. I do not know whether or not others did so, but I did. Then we went over and rehashed certain of the testimony, which appeared in published form and which was generally distributed. The Senator says, in quoting, that all the material and all the testimony given was published. I know, because I was present at least at some of those hearings, that much of the material and much of the testimony that was given was not published in even the later hearings. It was secret, and it was held unwise to publish it. I do not think that the published hearings which we now have available tell the whole story by any means. They give only a partial picture.

Mr. CONNALLY and Mr. LUNDEEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AUSTIN. I yield to the Senator from Texas.

Mr. CONNALLY. May I ask the Senator from New Hampshire a question?

Mr. BRIDGES. Yes.

Mr. CONNALLY. The Senator was in attendance at all times while the so-called first hearings and the second hearings were in progress, was he not?

Mr. BRIDGES. Not all the time, but part of the time.

Mr. CONNALLY. If there was any dark, traitorous, or corrupt action, the Senator knows all about it, does he not?

Mr. BRIDGES. Yes; but I might not be able to say so on the floor.

Mr. CONNALLY. The Senator can say anything he wishes on the floor. A vital thing which affects the integrity of the Government, the integrity of its officers, and our conduct of foreign relations, is among the most sacred cares of this body; and if the Senator from New Hampshire knows anything with relation to the subject that has not been told, it is his duty as a Senator to tell it, and to be as free with that information as he is with other things.

Mr. BRIDGES. I do not want to ask the Senator a question, but the Senator from Texas is not on the Military Affairs Committee.

Mr. CONNALLY. But the Senator from New Hampshire is. If I were on the committee I would discharge my responsibility, and would not go skulking around, making out that there is something crooked and wrong about the proceedings.

Mr. BRIDGES. I am not skulking around in back alleys. The Senator may skulk around, but I do not. Unless the Senator has obtained the information in an unethical way from some members of the committee, he knows very little as to what went on in the conference with the President.

Mr. CONNALLY. I do not know a thing about it. I am dependent on such Senators as the Senator from New Hampshire, who are on the committee. We trust them; and if there is anything wrong going on in the committee, which is against the interest of the Government, a little pledge of secrecy does not bind a man's conscience or his patriotism. If there is anything wrong it is the duty of Senators such as the Senator from New Hampshire, who are on the committee, to rise and divulge it.

Mr. BRIDGES. If the Senator went into a conference with the President of the United States with the understanding that it was a confidential conference and that he was bound to secrecy, would the Senator deliberately violate that confidence?

Mr. CONNALLY. That is what the Senator from New Hampshire has been doing. He has been doing it in this way: The Senator from New Hampshire says he is bound, that he cannot say anything about what happened in the conference with the President. Yet in the newspapers, and now on the floor of the Senate, he says that what happened in the first conference, which was secret, and which he cannot divulge, is different from that which has been made public. If that is not, by indirection at least, breaking the pledge of secrecy and indirectly intimating that something took place other than what is published, I cannot understand the English language.

Mr. BRIDGES. Mr. President, will the Senator from Vermont yield further?

Mr. AUSTIN. I yield.

Mr. BRIDGES. I should like to say, Mr. President, that I, together with other members of the Military Affairs Committees of the Senate and the House, sat with Ambassadors Kennedy and Bullitt. I agreed with the others that that meeting would be confidential. I kept my part of the agreement. Apparently some other gentlemen were somewhat indiscreet in what they had to say. I sat in the conference with the President of the United States, and I kept my part of the agreement. I sat in the various hearings of the Military Affairs Committee, and I kept my part of the agreement. I will say to the Senator from Texas that some of the things that were told at those conferences were of an inflammatory nature, and, as a good American, I cannot stand on the floor of the United States Senate and tell them, because my first interest is for this country.

I believe the Senator will agree with me, and I tell the Senator that the reports which have been published and distributed do not contain all the information that the Military Affairs Committee has heard, by any manner of means.

Mr. JOHNSON of California and Mr. LUNDEEN addressed the Chair.

The PRESIDING OFFICER (Mr. LODGE in the chair). Does the Senator from Vermont yield; and if so, to whom?

Mr. AUSTIN. I first yield to the Senator from California.

Mr. JOHNSON of California. As an interested bystander, I merely wish to know what became of the reports or the printed matter returned by the Senator, as he suggests, to the committee?

Mr. BRIDGES. In answer to the Senator from California, let me say that I went to the Military Affairs Committee, there was there a major of the United States Army, who is an attaché of the committee, and I said, "Major, I return to you the five reports that were given me, which I had for the purpose of reading."

Mr. LOGAN. Mr. President, will the Senator from Vermont yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Kentucky?

Mr. AUSTIN. I inquire of the Senator from New Hampshire if he has finished?

Mr. BRIDGES. I have not finished.

Mr. AUSTIN. I cannot yield to two Senators at the same time.

Mr. LOGAN. I merely wish to suggest that I think I still have the five copies, if that be the correct number, of the original printing which were given to me, and I will bring them here in the morning and present them to the Senator from New Hampshire if he wants them, and he can find out what is in them for himself.

Mr. BRIDGES. If the Senator from Vermont will permit me further, let me say, in answer to the Senator from California that I was told by the major when I asked again about 10 minutes ago to have the five copies of the reports, that they had been destroyed and were not available. Under whose authority they were destroyed, I do not know. Whether the chairman of the committee knows, or whether

the major or someone else destroyed them of their own accord I do not know, but I was told not over 10 minutes ago that somebody destroyed the copies which I returned, and they were not available.

Mr. JOHNSON of California. Neither do I know, and neither does the Senate know.

Mr. LUNDEEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Minnesota?

Mr. AUSTIN. I yield to the Senator from Minnesota.

SECRET MILITARY CONFERENCES

Mr. LUNDEEN. Mr. President, I cannot permit the challenge that came a moment ago to pass without saying that, so far as I understand the situation, the published testimony of the Military Affairs Committee is not exactly the testimony we first heard in that committee. There was much revision and much off-the-record conversation. That is my understanding. There has been secrecy; there has been a smoke screen thrown about this matter, and people are confused about it. The original testimony of the Military Affairs Committee is not before us now. I am sure of that fact.

CHALLENGE MAY BE ACCEPTED

If Senators on the floor continue to challenge us to speak openly and freely, we may find that it is our patriotic duty to speak out. I think each Senator fully understands and can determine for himself what is his patriotic duty. We may meet that challenge some day and give full publicity to these secret conferences, not only that in the Military Affairs Committee but that in the White House itself. I happen to know that several Senators made notes of the conference in the White House, and these notes are now in existence. If Senators want to hear it, let a resolution be passed to that effect; and if the American people ever learn what was said then, the Nation would be shocked and stunned.

Foreign affairs must not be conducted in deep and dark secrecy. Whenever we do that, we are at once entangled in the intrigues and quarrels of other continents.

WASHINGTON'S FAREWELL ADDRESS

I am greatly interested in the action of Senators in reading from Washington's Farewell Address. I quoted from that great and immortal document 22 years ago, on April 6, 1917, in voicing my opposition to our entry into the World War. I voted against our entry into that war. We are now fully aware of the colossal blunder we made in that fatal hour. Then Members openly sneered at the words of Washington. They said, "Don't you know Washington died a long time ago? He's passé now. We're living in today, and not yesterday." Yet now, after more than 20 years have passed, we find that we did not put an end to all war. We did not "make the world safe for democracy." We did not outlaw war. We now find 12,000,000 unemployed, our foreign war debts repudiated and unpaid, and our business structure on shaky and uncertain foundations. Then we begin to read Washington, the great Washington I pointed to in 1917, in my youth, and whose foreign policy I have steadily adhered to all these years, and will ever follow—the Washington foreign policy, the North Star of our foreign affairs.

WE ARE AGAIN TURNING THE PAGES OF WASHINGTON

Yes; I am glad to know that Senators are again turning to the fathers and founders of this mighty Nation, I hope not too late. We are again turning the pages of the greatest state paper ever written by mortal man. If we will read and heed, we shall be done with foreign propaganda, foreign intrigue, and the quarrels of other continents. From Washington and Jefferson, Monroe and Jackson, down to Lincoln and the first administration of Woodrow Wilson runs a golden thread of a continuous foreign policy based on that famous Farewell Address. If we will give heed to the words of Washington, we shall once again move on to glory and greatness upon tried and true principles, tested by America's greatest statesmen of all time.

Mr. SHEPPARD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Texas?

Mr. AUSTIN. I yield to the chairman of the Committee on Military Affairs.

Mr. SHEPPARD. I wish to say to the Senate that I certainly ordered no papers to be destroyed.

Mr. AUSTIN. Mr. President, what has occurred here by way of colloquy on the Senate floor illustrates the danger of undertaking to conduct public affairs in secret. At an early time in the hearings I tried to get the doors opened, but was unsuccessful. I did, however, secure somewhat of an equivalent by an agreement that, although the committee would hold what are called "executive sessions", the members were at liberty to express to the public and to the newsmen all that took place in the committee meeting. I understand that the committee were not consistent in that regard, although I did not then know it, for it seems that on the only day when I was absent from the hearings there was a somewhat different rule adopted, and I was found to be in violation of it the next day. That caused me to obtain what I have read here from the record with respect to publicity. I regret that this secrecy has occurred; I regret that we seem to be now in doubt about the evidence and about the things with which we are dealing; but I say to you, Mr. President, I am using that early part of the record under the belief that it is not secret; that by the action of the committee it was made public, and that I have a right to use it here and now. What I say is that there are a sufficient number of members of the committee here present to challenge me if I am not conducting the debate upon an ethical and correct basis. I hear no voice by way of challenge.

Mr. FRAZIER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from North Dakota?

Mr. AUSTIN. I yield.

Mr. FRAZIER. In reading the hearings I notice in several places the notation, "Discussion off the record." Here is one page where there are three such notations, "Discussion off the record." It makes us wonder just what was discussed "off the record."

Mr. AUSTIN. There were matters which would probably have embarrassed the United States in its relations to other countries; there were matters that ought probably to be not printed or made public; and we understood that it was our duty as well as our right to have them off the record. So it will be found throughout the hearings that secret matter was not ever put in the record. That is the way I understand it.

Mr. SCHWARTZ. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Wyoming?

Mr. AUSTIN. I yield.

Mr. SCHWARTZ. I merely wish to ask the Senator a question. Assuming that some of the officials of the War Department had testified as to the number and character of our different kinds of planes and what they would accomplish, I wonder if the Senate would want that to remain in the record for the benefit of foreign nations? Such were some of the statements that were marked "off the record."

Mr. AUSTIN. I presume that was part of the material that was "off the record," but there were other things, too.

Mr. President, I was just concluding the proof of the claim that procurement, which was one of the objections, turned out not to be an objection at all. I nearly overlooked something which seems to me to be probative of this point, and something that is free from any of the claim of secrecy at all, because it occurred in a public speech delivered by General Arnold, Chief of the Air Corps, on February 20, 1939, at the National Aviation Forum in Washington, when, in regard to procurement, he said this to all the world:

This new program will be carried out to the last detail on time if authorization and appropriations are provided. We are ready to start; our plans are perfected; our machinery is oiled; it but remains for Congress to throw the switch. I advise our Nation to arm for air defense immediately. France and England must now realize that they began too late. Let us not make that mistake.

Mr. BARBOUR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from New Jersey?

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Mr. AUSTIN. I do.

Mr. BARBOUR. With the Senator's permission, without entering at all into the discussion of our foreign policy or of the secrecy which has been referred to, I think it will be pertinent at this time in relation solely to the potential production of aircraft in the United States, to request the clerk to read, with the Senator's permission, two letters which I send to the desk and which I requested of the authors; one from the Curtiss-Wright Corporation and the other from the Aeronautical Chamber of Commerce of America. I present these communications in order to show that there are very ample procurement possibilities in this country so far as ability to furnish great quantities of planes is concerned. Would the Senator object to having these letters read?

Mr. AUSTIN. I should be very glad to have them read; I think their reading would be very beneficial.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

AERONAUTICAL CHAMBER OF COMMERCE OF AMERICA,
Washington, D. C., March 1, 1939.

The Honorable W. WARREN BARBOUR,

The United States Senate, Washington, D. C.

MY DEAR MR. SENATOR: Replying to your inquiry as to the ability of the American aircraft industry to handle the proposed increase of aircraft strength, the Aeronautical Chamber of Commerce of America, Inc., representing practically every manufacturer of aircraft, engines, accessories, and allied industry in the United States desires at this time to advise you that American manufacturers would easily be able to take care of the proposed requirements.

It is a fact that at the present writing many of the largest and best equipped aircraft manufacturing concerns in the United States are practically devoid of work. The proposed program now under consideration calls for the construction of approximately 1,650 additional airplanes per annum during the next 2 years. The actual estimated capacity of the American aeronautical industry is somewhere between six and ten thousand airplanes of all types, large and small, per annum. Only about 3,700 in all were produced during the year 1938. Thus it will readily be seen that the increase of 1,650 airplanes per annum is only a very small portion of the actual capacity of the industry. Furthermore, the opportunity for current and anticipated domestic and export business would in nowise be hampered by the production above referred to. On the contrary the proposed program would have the effect of stimulating the industry and enabling it more nearly to carry on a development program in competition with other world powers. Any reduction of the program would only have the effect of withholding such stimulus, which at the present time is sorely needed.

For your further information we attach hereto copies of press clippings which appeared in at least two New York papers under date of January 13, 1939.

Respectfully yours,

AERONAUTICAL CHAMBER OF COMMERCE OF AMERICA, INC.,
By EDGAR N. GOTT, Assistant to the President.

CURTIS-WRIGHT CORPORATION,
New York, March 1, 1939.

HON. W. WARREN BARBOUR,

Senate Office Building, Washington, D. C.

MY DEAR SENATOR: It gives me pleasure to put forth here certain pertinent facts in response to your recent inquiry relative to the effect of the Air Corps expansion bill on our productive output.

Although we are already large contractors to the Air Corps and Aviation Branch of the Navy and enjoy a moderate export business, we feel that without increasing our plant facilities we can increase our aircraft output by nearly 200 percent. Although our plant at Buffalo is now operating with a steady flow of business, we have two other plants, one at St. Louis and one at Baltimore which are practically idle. We are now producing three airplanes a working day at Buffalo, while at St. Louis we have only one experimental commercial transport airplane under construction. The factory at Baltimore is idle. The productive capacity of the St. Louis plant with a normal flow of business should be two airplanes a working day, and the Baltimore plant is capable of producing three airplanes a working day. In other words, we have the plant facilities to produce nearly three times as many airplanes as we are now putting out.

In consideration of any broad policy with respect to the national defense of this country and its ability to produce large quantities of aircraft in the event of a major emergency, we feel that these idle plants should be put in operation in order to provide a nucleus of trained personnel particularly skilled in the peculiar requirements of aircraft manufacture. It must appear obvious from the above-stated figures as to capacities that we can easily handle any orders which we might be fortunate enough to receive in the event of the passage of the expansion bill, as well as a continuing commercial and export business. As a matter of fact, it might be stated that our orders on hand at Buffalo are not sufficient to keep that plant going with full continuity beyond another 6 months.

I trust these remarks sufficiently answer your questions, and I shall be pleased to give you any further information which you may desire.

Very truly yours,

G. W. VAUGHAN, *President*.

Mr. BARBOUR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from New Jersey?

Mr. AUSTIN. I do.

Mr. BARBOUR. If the Senator will indulge me further, I simply want to point out again that in having these communications read I am addressing myself at this time only to the one subject of domestic production which I think is very informing at this juncture of the debate. It is evidence which I hope will be helpful to the Senator from Vermont, the Senator from Michigan, and all other Senators in this particular connection; that is, the tremendous potentiality of aircraft production in this country.

Mr. AUSTIN. I thank the Senator from New Jersey. It is helpful.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BRIDGES. There has been some talk going on in this body to the effect that the five secret reports to which I have just referred were destroyed. I have just procured from another member of the committee the loan of his copies. I have just examined part of one in a very casual way, but it is sufficient to indicate that they are different documents, containing different statements, than the public report which has been distributed in this body.

Now I want to go back to the Senator from Texas [Mr. CONNALLY], who said it was my duty as a United States Senator to divulge certain things. I call his attention to the fact that he had heard the Senator from Minnesota [Mr. LUNDEN] stand up in this Chamber and say that this country would be stunned and shocked if it heard part of the conference that went on between the President of the United States and a member of the Senate Military Affairs Committee. I want to say that my first consideration—and I believe the Senator's first consideration—is what is best for the United States of America; and I tell him that it is best for America and it is best for the world that all the details of that conference at the White House never become known. I use as evidence the statement made by the distinguished Senator from Minnesota when he said the country would be stunned and shocked if it knew what was said.

Mr. AUSTIN. Mr. President, I wish now to go on with the demonstration that the second objection considered against the sale of planes to France was found to be without foundation, and was no real objection, in order that we may dispose of the contention that there is something wrong about the sale of planes to France, that something furtive is really implied in the secrecy of the transaction; for, in truth, the evidence shows that there was nothing of the kind.

The second objection, as stated, was that the sale might deprive the United States of some of the newly discovered secret devices for use in national defense. Now it turns out that that was not so; that the sale would not deprive the United States of that priority; and I am pointing out the places in the testimony where that appears. You will observe that it appears in the testimony of the very man who raised the point, General Craig.

On page 33 of the original record, the Senator from Wyoming [Mr. SCHWARTZ] says:

I had another matter I wanted to ask you about, and that was whether our private manufacturers have been manufacturing for foreign nations in the past year or two planes and bombers comparable in any way to those you contemplate would be built if this appropriation was made?

That is the question of priority, is it not, stated in a general form?—

General CRAIG. Airplane manufacturers cannot export military airplanes without the authority of the State Department which does not grant such permission unless approved by the War Department. The War Department does not approve such action except in the case of planes which have been superseded by later and more effective models.

Senator SCHWARTZ. Well, the purpose of my question is not to raise objection to the practice or business of the kind, but I was wondering whether we might have available the cost charged by these private manufacturers for planes that go abroad, and that might give us some idea of whether or not we are going to have the costs we pay jumped up too high when we begin to manufacture our own planes?

General CRAIG. I do not believe that such a comparison would be of value since manufacturers cannot sell airplanes abroad until those of the same model which they have furnished the Army have no further military value to us.

The Senator from Illinois [Mr. LUCAS] will observe that this is General Craig making that answer.

The same thought appears on page 35. General Craig, in answer to a long question by the Senator from Missouri [Mr. CLARK], says:

As I have previously stated, such exportations cannot be made without the sanction of the State Department which, in practice, does not issue such authority without the approval of the War Department. Consequently, priority of manufacture can be controlled by the Army and Navy.

Mr. President, I have said that not only do we have these facts from which we should draw our own rational and sensible conclusion but we also have the express statement of the Secretary of War on this point. I call attention to page 113 of the last book, as follows:

Senator NYE. I am going to be very direct about this, because I think that is the only fair way to do it. I am somehow caused to believe that the War Department had been requested to afford the cooperation that was finally made available, but had declined—

There you have the issue—

or had discouraged the plan at all, and I want to satisfy myself whether that is true.

Observe that language carefully. It is in the past tense; and without a doubt the Senator from North Dakota was justified in asking that question, because the committee had heard enough to lead it to believe just what is assumed in the question that the War Department "had declined or had discouraged the plan at all."

I want to satisfy myself whether that is true—

He says. Secretary Morgenthau replied:

Well, Mr. Woodring is head of the War Department.

Secretary Woodring answered promptly:

At the conference that has just been mentioned we were all in accord that it would not only help the development and lower the cost of the plane to the American Government if it were decided to give a French order for the plane.

The Senator from Missouri [Mr. CLARK] then inquired:

Mr. Chairman, may I ask the Secretary one question? I think it will clear this matter up somewhat. This plane, as I understand it, was a plane which was to be entered in the spring competition, to be tried out on the line by the Douglas Co. Is that correct?

Secretary WOODRING. Yes.

So it will be seen that identified the subject matter.

On the next page we find a similar reference to the same thing—that is, that priority was decided not to be interfered with by this proposed sale of the planes to the French. I read from page 114:

Senator CLARK. That is what I say. If they had sold it to the French Government as a necessary matter of production.

Secretary WOODRING. Although we would rather that they would have sold it to the French Government than enter it in the competition. We would want them to do that, because in the manufacturing of the French order it would lower—if we gave them an order it would lower the unit cost to the United States Government.

I wish now to call attention to the fact that, independently of these witnesses, we have another reason for knowing that the transaction with the French Government did not violate anything secret, and was not a sale of things which it would be an advantage to the United States to retain; but, on the contrary, that the transaction was in every respect a transaction beneficial to our national defense. So I call attention to page 73 of the original transcript, the original record:

General ARNOLD. I wanted to make that a little bit clearer.

Senator CLARK. Let us declare an open session right now.

General ARNOLD. I want to make that a little bit clearer. New airplanes are not one man's idea. We read in the papers that Amiot, for instance, has a bomber that goes 295 miles an hour.

We look at a picture of that Amiot and we say, "Well, if he can do that, we can do it. We are not doing it now." Therefore we start out with specifications: Minimum speed, 270 miles an hour; desired speed, 325 miles an hour; load carriage, 1,200 pounds; range, 1,200 miles. That is what we give to the designer. There is no military secret in that. He builds an airplane in accordance with that, and until he puts in some of the gadgets, like bomb sights or something like that, there may not be a single military secret in the airplane that he builds.

Senator CLARK. But this man in this wreck out there was evidently, from the newspaper accounts at least—and I have got another one here in which the Douglas people deny that they knew who this man was. They said he was a man named Smithson, a mechanic, and apparently did considerable lying about who the man was. Apparently he was in the demonstration in the full panoply of an official.

General ARNOLD. I doubt very much if there was a bomb sight in that plane, or whether there were any of the other articles that we class as restrictive military secrets.

Senator CLARK. I never have been able to determine what you class as restrictive military secrets.

General ARNOLD. Such as bomb sights. We do not allow any foreigner to see our bomb sights.

Senator MINTON. What would keep the Douglas Co. from letting a Frenchman, Italian, or anybody else in the plane, as far as the Government is concerned?

Senator CLARK. That is exactly what I am trying to find out; whether there is any restriction.

Senator MINTON. The Government cannot restrict these companies.

General ARNOLD. Only as to good will. The Douglas Co. would ordinarily wire, "Are we authorized to do so-and-so?" And we would say "yes" or "no," but we could not stop them.

In this case a letter was transmitted to an officer at the plant to show the French mission this bomber, less secret devices or secret developments.

I now refer to page 127. Captain Kraus was the officer who went out with the mission to California, and on the point as to whether there was any secret device in this plane that was flown with the French member aboard, he testified as follows:

Senator SCHWARTZ. Will you tell us why the bomb-sighting device, the secret sighting device, was not on the plane at that time?

Captain KRAUS. Major Wolf advised me that it had been removed. It was a secret article.

Senator SCHWARTZ. Prior to the time the trip was made, there was a secret sighting device on the plane and that was removed before the trip was made?

Captain KRAUS. When I said it was removed, I will put it this way. I was informed that the bomb sight was not installed. Whether it had ever been installed or whether merely provision for its installation had been made from drawings or dummy I do not know. As I have explained to the committee before, it was not a naval airplane. I have never entered the airplane, have never seen its interior, and there was no occasion for my doing so. The order that was issued to Major Wolf, the memorandum signed by Captain Collins under date of the 19th of January, indicates clearly that the mission would be entirely in the hands so far as inspection of the airplane or the visit to the Douglas plant, the physical limits of the plant, would be entirely in Major Wolf's hands, which was a perfectly satisfactory method so far as I was concerned.

It was following that testimony, on page 129, that Secretary Woodring testified:

At the conference that has just been mentioned, we were all in accord that it would not only help the development and lower the cost of the plane to the American Government if it were decided to give a French order for the plane.

There is no doubt whatever that this is the identical type of plane which was the subject of that conference. Of course, that particular plane never was sold, because it was destroyed.

Mr. SCHWARTZ. Mr. President, will the Senator yield again?

Mr. AUSTIN. I yield.

Mr. SCHWARTZ. On page 193 of the committee hearing General Arnold introduced a telegram from Major Wolfe, of the Air Corps, as to what took place in the inspection. He refers first to the designs, secrets, whatever they were, of the Douglas Co., which it puts on any plane it is manufacturing. This is what he says:

I certify that upon receipt of the decoded radio on January 20 I informed the Douglas Co. that they were authorized to demonstrate the seven B attack bomber to the French mission without restriction as to Douglas Co.'s design and manufacturing secrets. Inasmuch as this plane was not an Air Corps contract plane it contained no War Department secret or restrictive items of equipment. The airplane was demonstrated on this condition.

Mr. AUSTIN. That was signed by K. B. Wolfe, of the Air Corps, who was the officer to whom I referred previously. It is all connected up.

There is no room for doubt about these facts, as I see them, and, though I started off in the investigation of this matter with great skepticism, intellectual honesty alone requires one to come to the conclusion that there was nothing at all about that transaction with the French that was all wrong, excepting the great mystery thrown over it. I have often wondered the reason for veiling the transaction in mystery and exciting our people by so doing. I believe that probably it was that element which related to the Johnson Act, forbidding the granting of any credit to a foreign country which is a debtor of this country and which is in default.

It will be recalled that the Secretary of the Treasury stated that he was called in to pass on the question of the financing of this purchase, to say whether the financing would violate the Johnson Act, and that when he determined that, and the questions which were collateral thereto, he went out of the picture as a member of the Cabinet. There was no more interest in it for him at all.

Since our hearings, in an article by Arthur Krock, a well-known and respected newspaper writer, I have seen another and additional explanation. I read only a part of the column appearing in the New York Times of February 21:

Secretary Morgenthau actually leaned backward in the direction of strict official restrictions and perhaps was more rigidly neutral and exacting because of German and Italian state racial policy. Before he left on his January holiday—which was prior to the White House meeting on January 16—he declined to give the Treasury's assent to a French plan to set up a purchasing corporation over here, being determined to eliminate middlemen, and informed Jean Monnet, who was the French mission's financial agent, that unless immediate publicity was given to the presence and purpose of the mission the Treasury would lend no facility of any kind.

The reason why the British were able to buy their planes without any advance publicity is because of the superior technique they employed, which was partly made possible by their unquestioned ability to pay. They signed their purchasing contract in London and arranged for the fiscal transaction through the Bank of England and the Federal Reserve Bank of New York. After this had been done they announced the dispatch of their agents, since any need for secrecy had disappeared.

MORGENTHAU KILLS CORPORATION

If the French ability to pay had been as clear to American aircraft manufacturers, and if the contracts had been signed in Paris, the French purchases would have proceeded as smoothly as the British. If the French had not insisted on secrecy after their mission was in this country, and the President had not assented to their wish, the presence of the French air attaché in the Douglas bomber would not have surprised the country and caused the uproar in Congress.

M. Monnet wanted to set up an American corporation with his own capital to cover the cost of negotiating contracts and to permit incidental matters to be cleared through it. This, he said, was to cut red tape and do away with the necessity of referring every little thing to Paris. The corporation was to be given the plane-purchasing credit of sixty-five millions. But Mr. Morgenthau wanted one straight avenue running from the Bank of France through the Federal Reserve Bank of New York to the American manufacturers. Also, he saw in the proposed corporation a barrier to full publicity. He prevailed.

If that be true, and I assume it is true, it accounts for the extraordinary secrecy with which the origin of the French plane transaction occurred.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. SCHWARTZ. I wonder if the Senator will permit me to read just a short excerpt, two or three questions, with reference to the subject he now discusses and the Johnson Act.

I read from page 204 of the committee hearings:

Senator NYE. Was this mission evidencing any desire for a credit consideration in fields other than the one they were most interested in; that is the purchase of airplanes?

Secretary MORGENTHAU. When I asked them how they were going to pay for that, they informed me that the money had been provided in the French budget for that purchase, and that they would pay for the planes with the money out of the regular budget. I understood it was public information that the money had been provided for and voted in the budget. Having satisfied myself that the Johnson Act was not being infringed upon in letter or spirit, I felt satisfied. I wanted to make sure the money was available. They assured me it was in the budget.

The CHAIRMAN. They did not request a line of credit for anything else?

Secretary MORGENTHAU. No.

Senator REYNOLDS. Your interest was to get the cash for the United States, and you were not interested in extending them any credit?

Secretary MORGENTHAU. Absolutely, Senator. I am familiar with the Johnson Act and am entirely in sympathy with it, both as to the spirit and letter, and I would resist to the last ounce of strength I had, anybody who was trying to break the spirit or letter of the Johnson Act.

Mr. AUSTIN. I thank the Senator for that information.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. JOHNSON of California. I should like to ask the Senator if he would very briefly state how the payment for the planes was financed.

Mr. AUSTIN. According to Mr. Krock's article, directly from the Bank of France, through the Federal Reserve Bank of New York to the American manufacturer, paid for by the French Government, which was the contracting purchaser. I understand that to be the arrangement. Whether planes have been delivered and paid for under that contract I do not know. I presume not.

Mr. JOHNSON of California. And the Senator's understanding is that there was no intermediary at all?

Mr. AUSTIN. No intermediary.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield.

Mr. BRIDGES. I wish to make a statement at this point. The chairman of the Senate Military Affairs Committee, the Senator from Texas [Mr. SHEPPARD], just called me to the Military Affairs Committee room and informed me that there must have been some mistake on the part of the major attached to that committee if he told me that the original confidential reports were destroyed, and he as chairman of the committee has just presented me with a duplicate set of the reports. I want to make that statement, because I originally stated that the major had said that they were destroyed. I have not seen the major again. I do not know what his position in the matter is, but the chairman of the committee has informed me that the major must have made a mistake; that the reports were not destroyed, and has presented me with copies of the reports. I make that statement for the RECORD.

Mr. AUSTIN. Mr. President, I ask leave to put into the RECORD something which I would like to read if my voice were not getting a little bit weary, but which I briefly state shows the publicity given in the month of February with respect to contracts for the sale of military planes to Great Britain, to France, and to the Netherlands Indies.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article referred to is as follows:

WASHINGTON, February 11.—The State Department has announced the issuance of licenses in January for the sale of \$4,471,471.50 of airplanes to Great Britain. Four million dollars of this was specifically for fighting planes.

The number of planes was not mentioned, but, on the basis of price, probably was not more than 100. The planes represent only a portion of British contracts for airplane manufacture in this country, which now call for 650 planes. The Department also announced the shipment of planes and other war materials valued at \$1,443,199.13 to Great Britain in January.

During the same month, France took out licenses for \$569,366.34 of war materials, mostly airplanes, and had shipped to her \$1,289,746 in airplanes.

The Netherlands Indies were another large purchaser of American fighting equipment, receiving shipments in January totaling \$704,168.10. The Netherlands Indies are arming in the face of trouble in the Far East.

January, the State Department announcement showed, was a good sales month of war supplies, the licenses issued totaling \$6,271,030.86, and the amount of equipment actually shipped totaling \$4,630,587.66.

Mr. AUSTIN. I wish to make one more point about the French contract which has seemed to stir up and muddy the waters upon which this particular defense bill has been borne, and that is that the plane sale to the French was beneficial to the national defense of the United States of America. Probably the best informed person as to the

number of planes manufactured and sold by factories in the United States is G. Grant Mason, Jr., member of the Civil Aeronautics Authority, who came to the Senate Military Affairs Committee at my request and gave us very helpful service. Among other things he was asked a question relating to \$68,000,000 worth of planes that had been exported during a certain definite period of time, and the Senator from New Hampshire [Mr. BRIDGES] inquired:

What part of that was military planes and what part was commercial planes? Can you tell us that?

This appears at page 163 of the original record:

Mr. MASON. I do not have a break-down of that figure.

Senator BRIDGES. If you have not, can you give us just a general idea?

Mr. MASON. An indication; yes. In the 12 months ending November 30, 1938, according to the National Munitions Control Board, they issued export licenses for roughly \$57,000,000 worth of military planes and armament therefor, and licenses for the export of approximately \$30,000,000 worth of aircraft parts, engines, and other than military planes. Of that \$30,000,000, it is very probably safe to say that a goodly portion of the parts were used in military aircraft. Assuming that the same ratio would apply to the calendar year 1938, it would appear that some \$45,000,000 to \$50,000,000 of last year's \$68,000,000 aeronautical exports were for military use.

Senator AUSTIN. I want to follow that thought a little further, with reference to our national defense, and that is this: If we should fail to keep our airplane production current continually in the future, what would that failure mean so far as national defense is concerned?

Mr. MASON. It certainly would mean increased cost of research if we eliminate foreign markets. It would mean slowed down production, probably more inefficient aircraft, and certainly inability to produce as many in a hurry as we would if we had maintained the export markets.

I am omitting a part of this long answer, and reading again:

Senator AUSTIN. You have direct authority in your act, do you not, to contemplate national defense?

Mr. MASON. Very much so. In making rates, in granting certificates of convenience and necessity for air-line routes, we are to bear in mind—stated in four different places—the needs of national defense.

This witness also addressed the Joint Aviation Forum in Washington on February 20, and in the course of his address occurs the following, which he has given me permission to use, and which I want the Senate to bear in mind:

With an aviation experience of 11 years in Latin America and having returned not long ago from a survey of civil aviation in Europe on behalf of our Government, I can appreciate fully the vital need of maintaining and bettering our position throughout the world. This is especially true on the American continent where, by keen competition and startling methods, certain European countries recently have been making alarming progress in aeronautics. We must protect and expand our foreign markets for aircraft exports and we must improve and extend our own international air lines.

Several weeks ago the Authority completed a detailed study of all international air-line operations in Latin America. A serious situation was revealed. In various ways and to various degrees every single country in South America today is receiving international air-line service by German, Italian, French, or Dutch companies. German companies, for example, now are operating on the east and west coasts as well as across South America and fly on frequent and regular schedules over the South Atlantic to Europe. In fact, and unknown to most Americans the Germans now operate more route miles in scheduled air transport service in South America than do our own carriers. Italy intends inaugurating an air line in the near future from Rome to South America where it will connect with existing Italian services in the Argentine. We do not intend permitting the challenge to go unanswered.

He could have said more to the public about the relationship of the condition in South America to our plan for national defense. I can say what I believe to be true, that Germany today would have no difficulty in sending 1,700 bombers to South America. To be sure, they would have to fly light; they could not carry bombs. Imagine, if one cares to do so, the infiltration of South America by German planes, the establishment of German lines, and the establishment of depots spread over South America with parts for German airplanes to such an extent as to permit a German base to be established there. What would be the situation? The unplumbed depths of a wonderful ocean to defend the American shores? Oh, no. The situation would be that the cities of America would be exposed to flocks of planes

filled with bombs, operating from bases to which they could return if they were successful in flying out of range of our national defense.

In illustrating the potentialities that we must confront when we undertake to create an aerial defense for the United States and for all this hemisphere, I choose no country of the world for illustration because it is an enemy of America. I am using Germany only as an illustration, not because I envision Germany as an enemy of this country, for I think she is not.

What is the effect of developing and maintaining our markets by sales to foreign countries, particularly to Latin-American countries? Consider Mexico. Today Mexico is so saturated with American planes that Germany, using that country only for illustration, cannot put through a barter agreement to trade German planes for Mexican oil because there is no market for German planes. It is all absorbed by American planes. It seems to me that is a perfectly clear, logical description. It is of benefit to the defense of this country that we should occupy those foreign markets with American planes. It is of benefit to the national defense of America that we should step up the capacity of America to produce planes upon any scale that the circumstances of the future require, and do it promptly.

So, Mr. President, I conclude what I have to say by apologizing for taking so much time. I felt bound to do it, having occupied the position I did in the committee. I conclude by saying that I am thoroughly satisfied. I may vote for certain amendments to the bill, but I am in favor of the general plan expressed in the bill.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes, and that the House insisted upon its disagreement to the amendments of the Senate numbered 17 and 18 to the bill.

THE NATIONAL DEFENSE

The Senate resumed consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

Mr. WILEY obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Reed
Andrews	Davis	La Follette	Reynolds
Ashurst	Donahay	Lee	Russell
Austin	Downey	Lewis	Schwartz
Bailey	Ellender	Lodge	Schwellenbach
Bankhead	Frazier	Logan	Sheppard
Barbour	George	Lucas	Shipstead
Barkley	Gerry	Lundeen	Smathers
Blibo	Gibson	McKellar	Smith
Bone	Gillette	McNary	Stewart
Borah	Glass	Maloney	Taft
Bridges	Green	Mead	Thomas, Okla.
Brown	Guffey	Miller	Tobey
Bulow	Gurney	Minton	Townsend
Burke	Harrison	Murray	Truman
Byrd	Hatch	Neely	Tydings
Byrnes	Hayden	Norris	Vandenberg
Capper	Herring	Nye	Van Nuys
Caraway	Hill	O'Mahoney	Wagner
Chavez	Holman	Overton	Walsh
Clark, Idaho	Hughes	Pepper	White
Clark, Mo.	Johnson, Calif.	Pittman	Wiley
Connally	Johnson, Calif.	Radcliffe	

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

Mr. WILEY. Mr. President, I desire to express a few thoughts that relate themselves to House bill 3791 and to the

subject of preparedness. I listened with a great deal of interest to the instructive and illuminating remarks the day before yesterday of the distinguished Senator from Texas, chairman of the Military Affairs Committee [Mr. SHEPPARD], and I listened also with a great deal of respect to the challenging talk of the distinguished Senator from Michigan [Mr. VANDENBERG].

And when the distinguished Senator from Kentucky [Mr. LOGAN] and the distinguished Senator from Idaho [Mr. BORAH] agreed in substance that the defense of the Monroe Doctrine did not involve any entangling alliances, I felt that the exchange of ideas was adding clarity to the situation in the thought of the people of this country.

From this debate I believe it appears so conclusively that there can be no question that there is practical unanimity in the Senate in the view that in our foreign affairs the advice of Washington still stands as a landmark and a guide and that the Monroe Doctrine is a vital landmark also in guiding our destiny.

Mr. President, I also listened with a great deal of interest to the distinguished Senator from Texas [Mr. CONNALLY], whose remarks were very illuminating and interesting. He had no disagreement with what had been said by the distinguished Senators from Michigan and Idaho. He brought out with clarity Washington's principle as to the need of adequate defense, and that in the time of extraordinary emergencies temporary alliances are appropriate and according to our American concepts.

We all agree that in this period the need to be adequately prepared must be met, and, meeting it, we will provide an effectual means for preserving peace. As we look about the world, we see a situation that requires that we be on guard, on guard protecting our own. By that I mean our persons, our property, our institutions. With an adequate defense in times such as these, we will not provoke war. We will undoubtedly prevent war from breaking out, especially if our policy is certain and definite, and the stick is big enough so that irrational folks, who will not listen to reason, may see and realize the bigness of that stick. Mr. President, in calmness and reason, yesterday's and Monday's debate lifted a standard for the people. I must admit that today's debate in part probably was not so calm.

We are not Germans, or Frenchmen, or Irishmen, or Englishmen, or Italians, or Scandinavians, we are Americans. Of course, we are human beings, with the frailties of human folk. We have our sympathies, our blood ties; but also, thank God, we have something larger than those sympathies and blood ties—we have America! May I be privileged to read a little about this America of ours.

MY COUNTRY

My Country, there she stands—
Expectantly, confidently facing the future.
From many lands have come her brood,
And under her wings she has taken them.
Shepherdess of many flocks,
On guard she stands to protect her own.

Unafraid she surveys the world.
There is in her eye the look of one who has suffered much,
But grown strong.

Again and again she heard the cries of her children,
And war came and went.
And Freedom, threatened but triumphant, perched upon her shoulders.

Dark hours came, and through it all, a lifted brow—
Hopeful, triumphant—showed itself to the wondering world.
And now, strong, courageous, and beautiful,
She stands fronting the future.
Accepting the challenge the future holds,
And vowing nothing is impossible for her and her brood,
She confidently awaits the dawn.

And now she bids her brood conquer again,
Not with sword and fire,
But with the great spirit of peace.

And over all this great land
In the hearts of men—hope and courage and strength return.

Oh my Country—
Emblem of man's mastery,
Symbol of man's accomplishments,
Leader of men
To that great goal

Where man shall be free—
Free of hatred and of strife.
We of this generation pledge, like the Greeks of old,
"We will transmit unmarred to our children
The Freedom and Democracy we have received."

May I repeat a portion of the last sentence?
Senators, you and I pledge that—

We will transmit unmarred to our children
The Freedom and Democracy we have received.

Mr. President, I digress at this point to compliment the junior Senator from Idaho [Mr. CLARK] on the thought-provoking contribution he made to this debate.

We all agree that in the life of the individual as well as of nations it is a good rule to "mind one's own business." But we must be realistic and, as suggested by the Senator from Vermont [Mr. AUSTIN], not forget that the world is our "market place." I would not have America go to war to collect the debts of her citizens, but I would give aid and comfort and assistance to America's children in every land, to the end that the pirates, individual and national, would understand the meaning and the worthwhileness of American citizenship.

I do not believe in turning the hands of the clock back and sacrificing the international law the centuries have builded. I do not believe in resurrecting the buccaneers and pirates, national or individual, of yesterday.

International law and order and good will and common sense are part of the world's heritage of which we are custodians. Let us not, as did Esau of old, sell our heritage for a mess of pottage. There is no need for us to play the traitor to the future.

The distinguished Senator from Oklahoma [Mr. LEE] made a constructive contribution to this debate. His résumé of the administration's position through the years in relation to the avoidance of foreign entanglements was clear and to the point. Being a new Member of the Senate, I was happy to get the information which he delivered so eloquently, and I am happy also that the people of the country may have the benefit of that information.

I must not fail to compliment the distinguished Senator from North Dakota [Mr. NYE] on his excellent address. He brought home to the Senate the great truth that we need have no immediate fear of war. He also raised the serious question, Do we need to spend as much as is contemplated?

I appreciate the able contribution of the Senator from Vermont [Mr. AUSTIN] made to the debate today, particularly with respect to our foreign relations.

Mr. President, on the subject of preparedness I desire to speak from another angle.

The distinguished and versatile Senator from North Carolina [Mr. REYNOLDS] brought into the discussion the thought that we had enemies at home, and he mentioned the exponents of the ideologies of other lands—Germany, Italy, and Russia. I am not unaware of that situation; but there is another phase of this subject to which I must refer.

In the farming area, because of the break-down in our economic structure, we are letting millions of our best people be dispossessed of their farms. We are continuing a system that is breaking the morale of our best people, who have been the savers, who have been the builders, who have created the wealth of the Nation. It is well to build battleships and airplanes, and to be able to talk turkey, if necessary, to the buccaneers of the world; but it is more important that we rebuild the morale of our citizenship by getting off the detour on which we have been traveling and returning to the main highway.

We have been told in the debate that we have no entangling alliances with foreign nations. This was definite and certain. It is equally important that we cease having internal alliances with crackpot notions that have sapped the confidence and energy of our people.

In my own State, yes—in fact, in all the agricultural districts of America—a creeping paralysis has affected the greatest of all industries—the farming industry.

Wisconsin, the greatest dairy State in the Nation, with her lakes, her rivers, and her hills, with her forests, her cultivated stretches, her myriad flocks of purebred cattle, and her

3,000,000 souls, is looking to this Congress, that voted without blinking an eye \$725,000,000 to help the unemployed, but now waits and hesitates to develop a plan to aid the farmers of America who are caught between the nether and the upper false economic millstones. The situation is the same in the Cotton, Wheat, and Corn Belts.

Mr. President, we can go on creating jobs in the Government; we continue to vote millions for warships and airplanes; but all of these will be worthless and useless unless we lift a standard for these people—the farmers of America. It is our business not only to protect America from attack but to save America from deterioration within.

The dairy interests and the farm interests of this Nation never indulge in a sit-down strike. Thank God the Supreme Court a couple of days ago clearly settled that issue.

If we permit the farms to be taken away from the farmers, if we permit this segment of our society to be broken, if we permit the backbone of America, the producers, to be broken, we will have no America.

What makes this Nation great is her people, their love of liberty and democracy, their love of freedom of speech and the press, their love of industry, and freedom of worship. In the birthright of every American is this value: For what he produces he shall receive a fair return.

When we speak of preparedness, let us prepare a way so that these great freedoms shall not be lost, by making sure that the farmers get a square deal, a fair return for what they produce—the lifeblood of the Nation.

Mr. President, I shall vote for adequate defense. Now that everyone agrees there is a need for adequate defense, there is, as I see it, only one question, or perhaps two, before the Senate in the debate on this bill.

Does the bill require that we commit ourselves to an expenditure of money that is greater than is needed? If so, I shall vote to cut the commitment. The address of the Senator from Vermont gave me a great deal of light on this very subject. I should like to have more light.

The second question is, Are we, in voting this money, making provision so that every dollar of it will go into preparedness? There are so many places where money is needed to help and encourage and influence constructively the life of our people that we cannot afford to waste the money which is to be appropriated. We must see that no exorbitant profits or graft are permitted.

There are so many needs for money that we had better be wise and careful as to the amount spent and the manner of spending it. I should like information on those subjects.

Mr. President, I could guess my way about the morrow, in Europe, America, or Asia; but no man knows the answer. We hate no nation or people. We defest only wrong.

All we can do is to use the light that is in our hands. We have a mandate from the people to use our judgment.

I have faith that guidance and direction from the God of Washington and Lincoln—our God, too—will be ours.

We rest in faith that man's perfection is the crowning flower, toward which the urgent sap in life's great tree is pressing—seen in puny blossoms now.

But in the world's great morrows to expand with broadest petal and with deepest glow,

The faith that life on earth is being shaped to glorious ends.

Mr. LUCAS. Mr. President, some few weeks ago I left the prairies of Illinois to come to the Nation's Capital for the purpose of taking up my duties in the United States Senate. Prior to my leaving I stated that I hoped to be one of the best listeners in the Senate during the first year of my present term. However, I further said that should any vexatious or fundamental problems of government arise, wherein the general welfare of my country or the people of Illinois was involved, I should not hesitate to arise on the floor of the Senate and speak honestly and conscientiously on the merits or demerits of the proposal.

And little did I think that the time for this speech would come so soon. Yet, as I sat here yesterday afternoon, listening closely to the address of the able Senator from North Dakota [Mr. NYE] on the question now before the Senate, I confess that at least upon one occasion my pulses were

quicken and I wondered if I had not misunderstood. Screaming headlines in the afternoon papers later in the day assured me that I had indeed heard right, and I found in the Evening Star a headline which I hoped I would not see, namely, "United States holds key to war, NYE asserts."

Under this headline, in bold, black type, was the subheading:

Senator NYE, of North Dakota, told the Senate today there would be no war in Europe until the United States gives the word.

Other newspapers expressed the same idea in varying style, and this morning, in the New York Times, we find the declaration that there would be no war in Europe this spring, this year, or next year until the United States encourages the democracies, the declaration being attributed to the Senator from North Dakota during the debate on the bill to expand the Army Air Corps to 6,000 planes.

Mr. President, I am not an alarmist. So that there can be no mistake about the statement which was made, I turn to page 2003 of yesterday's CONGRESSIONAL RECORD to read my worthy colleague's exact words:

I am more and more convinced that there will be no war in Europe this spring, this year, or next year, unless the United States encourages, urges, and eggs Europe on to it. There will be no war in Europe unless the United States shows a definite will to help out when war comes and an inclination to finance it. There will surely be a war in Europe when the United States gives the word "go" and gives Europe reason to anticipate that the United States will be standing by and ready to go on when the hour comes.

That is the statement that caused my pulses to quicken and which made me hope I had not heard aright.

That statement, if it be true, standing alone, without qualification or detailed explanation, is a shocking observation to hurl before a peace-loving nation. Quite obviously, the inference is that President Roosevelt and a Democratic administration will be responsible for any war that comes to Europe this spring, this year, or the next.

I wonder if the Senator from North Dakota fully realized the import of his implication that if or when a death-dealing holocaust of war descends upon the nations of this world, our United States of America will be responsible? Truly, my colleagues, this is a grave charge and one which, in my opinion, casts a blot upon the integrity and the national honor of our country.

It is my purpose here to deny the charge. I challenge not only the foundation of the statement, but I challenge the wisdom and question the motive of any Member of this body who deals so carelessly, so flippantly, and so loosely with the subject of cold and cruel war. That the statement comes from the lips of the junior Senator from North Dakota is strange, for he has a reputation throughout America as a disciple of peace.

It is my considered judgment, however, that that one statement will do more to drag this Nation into the zone of war hysteria than any utterance made by a responsible man in public life. Those who were on the floor yesterday will recall that some time elapsed after the Senator pried open the lid from his bucket of war paint and smeared by innuendo those who are today responsible for our foreign policy before the following colloquy took place:

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. NYE. I yield to the Senator.

Mr. LUCAS. A few moments ago the Senator made the statement that war would not come in Europe, either this year or next year—

Mr. NYE. That is my opinion.

Mr. LUCAS. Unless the United States of America in some way, through someone, said the word "go." Sitting here, listening to that statement, I consider it a very serious one; and I think the Senate as well as the country at large would be glad to have the Senator from North Dakota develop that statement.

I hope I did not misunderstand the Senator. If I did, I apologize to him.

Mr. NYE. No; I said it was my opinion that there would be no war in Europe this spring, or this year, or next year unless Europe had reason to believe that the United States would be ready to assist in the prosecution of a war if it came.

Mr. LUCAS. I do not want to disagree with the Senator's statement; but, as I recall, the able Senator from North Dakota dis-

tinctly said that there would be no war in Europe, either this year or next year, unless the United States of America said the word "go." To me that was a rather serious statement; and if the Senator has any information from anyone or from any source as to just how the United States of America or the present administration is going to give the word "go" I, for one, should like to know about it.

Mr. NYE. No, Mr. President; I am not prepared to say that anyone in America has intimated to Europe that the word "go" will be spoken; but I repeat my firm conviction that Europe is not going to have war this year or next year unless and until one side involved in Europe can have assurance that the United States is going to stand ready to assist them in that war.

Mr. BARKLEY. Mr. President—

Mr. NYE. They are not able to finance a war. They are not able to carry it on. I do not believe the dictatorships want war any more than the democracies do; and yet the democracies, having suffered these humiliations of recent months, would be quite apt, if they could have the least bit of encouragement over here, to accept the next challenge and go to war.

Mr. LUCAS and Mr. BARKLEY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from North Dakota yield; and if so, to whom?

Mr. NYE. I yield first to the Senator from Illinois.

Mr. LUCAS. I think the Senator will agree with me that under no circumstances does the United States of America want to engage in a foreign war with any European power. If that be true, the United States is not going to give the word "go" nor is it going to do anything to encourage Europe in embarking on a war which will involve all the nations of that continent.

Mr. President, if ever there were a time in the history of this Nation when reason, logic, and a free interchange of ideas should prevail on the question of adequate national defense, it is in this hour of uncertainty as we debate a problem of world magnitude. This is a time when "the feast of reason and the flow of the soul" should prevail. This problem affects not only 130,000,000 of American people, it is at this moment the focal point of the eyes and ears of the world.

I submit, with all the sincerity and humility I possess, that this is no time for anyone to fire the imagination of people in any nation in the world by loose, prejudicial, alarming, and unsubstantiated statements. Responsible leaders in high governmental positions everywhere would serve their countries best by restraint in public utterance. It also is a time when men in high public positions, seeking to aid the solution of a foreign policy which, we hope, will be for our best interest, and ours alone, should remain calm, reasonable, constructive and fair, accurate and unprejudiced. Neither partisanship nor prejudice should be allowed to supplant solid facts.

When my colleague from North Dakota says we will not have war in Europe this spring, this year, or next year, unless America gives the signal to "go," I submit that in fairness to our Chief Executive, in fairness to our country, in fairness to the people of Europe, and in deference to our American tradition of high patriotism, we are entitled to have the facts upon which that statement was based. Nor is the statement mitigated by the qualification that it is only his opinion. The Nation as a whole will see only the screaming headlines, such as those which appeared in the newspapers of yesterday and today. And it is a reasonable assumption by the people of the United States to expect that a United States Senator, dealing with a problem which affects the continued existence of our Nation, our liberty, and the survival of our institutions of free democracy, deals not in the realm of speculation but bases his charges on solid and indisputable facts.

Mr. President, the direct question which I asked yesterday was not answered by the junior Senator from North Dakota. That question, which I repeat, is: What individual, or group of individuals, in this land of ours wields such power that the nations of the earth can be plunged into bloody and costly war? Just who is it in this Nation who controls the destiny of Europe? I would like to have names and facts cited to substantiate such a charge.

President Roosevelt stated that America hates war. In that blunt, bold declaration he echoed the sentiment of all America. And by his actions and his statements he has demonstrated that, hating war, America will go to extreme lengths to avert war. Ours is a glorious tradition of having entered no armed conflict in history save for reasons that our people were convinced were idealistic and humanitarian.

In the face of this tradition, it is difficult for me to understand or comprehend how any United States Senator, or any other person for that matter, can be so reckless as to place at our doorstep the blame for any conflict which may occur by saying that if such a conflagration shall take place it will be because this Nation gives the word to proceed.

No, Mr. President, I violently disagree with that premise and with that conclusion. Should there be in America some sinister, foul, and dreadful conspiracy which has the power to cause war in Europe—a premise which I deny—those same forces would obviously drag America into an European brawl. But, fortunately, Mr. President, it is the Congress of the United States wherein is vested the power to declare war. As a member of that body, I would like here briefly to state my position in respect to America becoming embroiled in European quarrels and entanglements.

I shall support the pending bill, believing that it is necessary for our own defense in a world which is filled with greed, envy, hate, racial jealousy, and the lust for territorial conquest. It is a mad world. It is a sad world.

It is a world filled with military despots who refer to us sneeringly as a "bellowing herd of democracy," who charge that our liberty is but a myth, and who have shown their willingness and inclination to stamp the lifeblood from liberty wherever liberty appears. An adequate national defense will keep our vast, rich, plentiful, and powerful Nation from being regarded with covetous eyes by many who, if America were an Ethiopia or a China, would have no reluctance to despoil it.

Yet let us not be totally blinded by this external display of force and conquest. Our internal problems are not trifling. We are annoyed by the trifling, ineffectual, yet bothersome activities of alien "isms" which seek to implant their strange and ungodly philosophies on our shores. Let us pass this national defense bill so that it may be a warning to those who live under our flag but who preach and teach other insidious doctrines foreign to our ideals of government, that the overthrow of this Government by any method other than prescribed by the Constitution will be immediately challenged with force.

Mr. President, I speak with the utmost sincerity when I say that in dealing with a foreign policy, these great foreign problems which are now being discussed, the Members of the United States Senate should divorce politics, divorce partisanship and prejudice in this discussion as we go along.

In conclusion, I should like to give the Senate some notion as to how my people in the State of Illinois, in my humble opinion, feel about entangling alliances with foreign nations.

During my campaign for the United States Senate, I visited almost every one of the 102 counties of Illinois, both in the primary and in the general election, and I discussed with the people the very questions we are now discussing. I made a pledge to the people of Illinois which I propose to fulfill in the United States Senate, in substance, that as the junior Senator from the State of Illinois I would vote for adequate national defense, billions upon billions of dollars, if necessary, to the end that no foreign intruder should ever place his belligerent foot upon American soil, but that I would never vote a single dime to send American boys across the pond to pull the chestnuts of some other nation out of the fire, irrespective of what nation that might be.

Mr. President, I believe I know something about the experiences of war. We entered the last war for the sole purpose of making the world safe for democracy. We were fighting a war at that time to end all wars, and there was many a boy who went into the service and made the supreme sacrifice believing that he was giving his all in the interest of humanity to the end that that would be the end of all wars. Oh, what a myth; what a sad story the history of the world has been since the last war. America has received nothing but grief and sorrow. America has received nothing but debts, one on top of the other, as the result of the World War of 1917-18.

Mr. President, so far as I am concerned, I am against any war of aggression. I shall go to the limit to sustain war

waged for the defense of our shores, our people, and our property.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Levi G. Bassett to be postmaster at Louin, Miss., in place of L. G. Bassett, which was ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. LODGE in the chair). If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters on the calendar.

Mr. BARKLEY. I move that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

IN THE MARINE CORPS

The legislative clerk proceeded to read sundry nominations for promotions in the Marine Corps.

Mr. BARKLEY. I move that the nominations in the Marine Corps be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Marine Corps are confirmed en bloc.

That completes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 37 minutes p. m.) the Senate took a recess until tomorrow, Thursday, March 2, 1939, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 1 (legislative day of February 27), 1939

PROMOTIONS IN THE NAVY

MARINE CORPS

To be colonels

Harold C. Pierce	Samuel L. Howard
James L. Underhill	Lyle H. Miller
Keller E. Rockey	Ralph J. Mitchell
Alphonse De Carre	DeWitt Peck

To be lieutenant colonels

George F. Adams	William P. T. Hill
Shaler Ladd	Ray A. Robinson
Richard H. Jeschke	

To be chief marine gunner

Thomas W. P. Murphy

POSTMASTERS

LOUISIANA

Viola H. Reed, Epps.
Thomas E. Barham, Oak Ridge.

NEW YORK

Nina M. McKinney, Brewerton.
Charles W. Rentschler, Burt.
Rae M. Schoonmaker, Kerhonkson.
John M. Collins, Lyons.
Grace L. Harden, McConnellsville.
Albert Goldman, New York.
Marie M. Rice, Sylvan Beach.

OHIO

Gilbert C. Wilson, Hiram.

OKLAHOMA

Josh S. Cole, Porter.

HOUSE OF REPRESENTATIVES

WEDNESDAY, MARCH 1, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord; our Lord, holy, holy, holy is Thy name and righteousness is the habitation of Thy throne. We pray not for ease but for the way, the truth, and the light. Let Thy word be a lamp to our feet and a guide to our path.

Blessed is the man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful. But his delight is in the law of the Lord.

Teach us, Heavenly Father, that this priceless heritage is perfect in its character and perpetual in its obligation. Neither time nor age can wither nor breathe upon it. We pray Thee to let the day come when it shall shine forth as the sun in Thy kingdom on earth. Let it radiate in pure noble deeds in the common walks of life for the love of mankind. May the Christ and His spirit be our daily inspiration. In His holy name. Amen.

The Journal of the proceedings of yesterday was read and approved.

WAR DEPARTMENT APPROPRIATION BILL, 1940

Mr. SNYDER, from the Committee on Appropriations, reported the bill (H. R. 4630) making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes (Rept. No. 112), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. POWERS. Mr. Speaker, I reserve all points of order against the bill.

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday rule may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that tomorrow, following the legislative program for the day and any special orders that have been entered, that the gentleman from Pennsylvania [Mr. GRAHAM] may address the House for 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Monday next following the legislative program for the day and any other special orders that may have been entered, the gentleman from Kentucky [Mr. ROBSRON] may address the House for 40 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WAR DEPARTMENT APPROPRIATION BILL, 1940

Mr. POWERS. With the indulgence of the Speaker, I would like to ask the gentleman from Pennsylvania when he expects to call up the War Department appropriation bill and what he has in mind as to the time to be allowed for general debate; in other words, details as to the entire procedure.

Mr. SNYDER. Mr. Speaker, the majority leader tells me that we may call the bill up tomorrow after the disposition of matters on the Speaker's desk. I suggest that general debate run throughout tomorrow, to be finished tomorrow if possible, but if not, that general debate close not later than 2 o'clock on Friday; that we then start reading the bill and pass the bill before we adjourn on Friday.

Mr. POWERS. The gentleman, of course, intends that the time for general debate be equally divided?

Mr. SNYDER. Certainly.

Mr. POWERS. That is satisfactory.

Mr. RAYBURN. Let us not at this time make any agreement about having 2 hours of general debate on Friday. It may not be wanted.

Mr. POWERS. I think that is entirely satisfactory.

The SPEAKER. There is no parliamentary question pending before the House.

EXTENSION OF REMARKS

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein the testimony I gave before the Committee on Military Affairs this morning.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1940—CONFERENCE REPORT

Mr. WOODRUM of Virginia. Mr. Speaker, I call up the conference report on the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$557,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 17 and 18.

C. A. WOODRUM,
JED JOHNSON,
JAMES M. FITZPATRICK,
JOHN M. HOUSTON,
JOE STARNES,

Managers on the part of the House.

CARTER GLASS,
JAMES F. BYRNES,
RICHARD B. RUSSELL,
ALVA B. ADAMS,
JOHN G. TOWNSEND, Jr.,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On amendments Nos. 1 and 2, relating to the American Battle Monuments Commission: Waives usual procurement procedure, at the discretion of the Commission, with respect to supplies, materials, and equipment purchased in Europe, and waives provisions of section 3709 of the Revised Statutes, when amount involved does not exceed \$500, as to procurements in the United States, all as proposed by the Senate.

On amendments Nos. 3 to 8, inclusive, relating to the Civil Aeronautics Authority: Makes the appropriation for salaries and expenses of the Civil Aeronautics Authority available for administrative expenses of the Air Safety Board in connection with duties imposed upon such Board by clause (5) of subsection 702 (a) of the Civil Aeronautics Act of 1938, as proposed by the Senate; earmarks \$557,000 of the appropriation for salaries and expenses of the Civil Aeronautics Authority for the branch of Authority set up under the law for handling technical development matters, instead

of \$1,000,000, as proposed by the Senate; specifically provides for the payment of fees and mileage of witnesses by the Civil Aeronautics Authority and the Air Safety Board, as proposed by the Senate, and provides specifically as to the Air Safety Board for the payment of rent and expenses incident to the operation of field offices, as proposed by the Senate.

On amendment No. 9: Strikes out, as proposed by the Senate, the supplemental appropriation of \$75,000 proposed by the House for the fiscal year 1939 on account of the Mount Rushmore Memorial, as such additional amount is included in the first deficiency appropriation bill, 1939, now pending.

On amendment No. 10: Strikes out, as proposed by the Senate, authority proposed by the House to employ after March 31, 1939, such amount as may be necessary of the appropriation proposed under the Social Security Board for grants to States for unemployment compensation administration to augment such appropriation for the current fiscal year, as provision to meet the current fiscal year deficiency is included in the first deficiency appropriation bill, 1939, now pending.

On amendments Nos. 11 and 12, relating to the Tennessee Valley Authority: Appropriates \$39,000,000, as proposed by the Senate, instead of \$21,797,000, as proposed by the House, and makes the appropriation available for Gilbertsville Dam, and for construction of a dam at or near Watts bar on the Tennessee River and for preliminary investigations of a site for a dam at or near Coulter Shoals, as proposed by the Senate.

On amendment No. 13: Inserts a heading, as proposed by the Senate.

On amendments Nos. 14, 15, and 16, relating to the Federal Housing Administration: Strikes out, as proposed by the Senate, the additional availability of \$2,500,000 proposed by the House for the current fiscal year. This additional availability is provided for in House Joint Resolution No. 185, passed by the House and Senate on February 27, 1939.

In disagreement

The committee of conference report in disagreement the following amendments of the Senate:

On amendment No. 17: Denying reenlistment gratuities to enlisted men of the services encompassed by the Joint Military Services Pay Act of 1922.

On amendment No. 18: Correcting a section number.

C. A. WOODRUM,
JAMES M. FITZPATRICK,
JOHN M. HOUSTON,
JOE STARNES,
JED JOHNSON,

Managers on the part of the House.

CALL OF THE HOUSE

Mr. FADDIS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Pennsylvania makes the point of order that a quorum is not present. Evidently there is not a quorum present.

Mr. WOODRUM of Virginia. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 21]

Allen, Ill.	Douglas	Johnson, Lyndon	Pierce, N. Y.
Allen, Pa.	Eaton, Calif.	Keefe, Wis.	Rabaut
Bates, Mass.	Elliott	Keller	Robertson, Va.
Beam	Evans	Kelly	Sabath
Bolton	Flaherty	Kennedy, Md.	Schuetz
Boykin	Fries	Kocalkowski	Seger
Buckley, N. Y.	Garrett	McAndrews	Simpson
Burdick	Gartner	McArdle	Smith, Maine
Cannon, Fla.	Gibbs	McGehee	Sullivan
Casey, Mass.	Goldsborough	McKeough	Summers, Tex.
Chapman	Griffith	McMillan, Thomas	Sutphin
Cole, N. Y.	Hancock	McReynolds	Sweeney
Corbett	Hartley, N. J.	Maas	Thomas, N. J.
Creal	Havener	Magnuson	Vincent, Ky.
Crowther	Hendricks	Maloney	Vinson, Ga.
Culkin	Hennings	May	White, Idaho
Curley	Hess	Mitchell	Winter
Daly	Jacobsen	Mott	Wood
Dies	Jarrett	O'Brien	Youngdahl
Disney	Jeffries	Osmer	
Doughton	Jenks	Pfeifer	

The SPEAKER. On this roll call 350 Members have answered to their names. A quorum is present.

On motion of Mr. WOODRUM of Virginia, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. LEAVY asked and was given permission to revise and extend his own remarks in the RECORD.

INDEPENDENT OFFICES APPROPRIATION BILL, 1940—CONFERENCE REPORT

Mr. WOODRUM of Virginia. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, the conference report on the independent offices appropriation bill now under consideration disposes of everything in the bill with the exception of the matter inserted by the Senate as amendment No. 17, denying reenlistment gratuities to the enlisted men of the military services, including the Coast Guard. In other words, the adoption of the conference report will dispose of everything with the exception of that one item, which will be called up as soon as the conference report is disposed of. So far as I know, there are no items in the conference report to which the conferees agreed or took final action about which there is any controversy with the exception of matters affecting the Tennessee Valley Authority.

With reference to that matter, the conferees agreed to the Senate amendment which reinserted in the bill matters reported out by the Appropriations Committee of the House and subsequently stricken out by the House. So that matter stands before the House again in the conference report.

Some suggestion has been made that the Members of the House are not being given an opportunity to vote on this controversial question, because the matter is brought back in the conference report. That is not theoretically accurate. The parliamentary situation is this: After something like an hour's debate, practically all of which will be devoted to this item, and I shall yield half of the time to Members who are opposed and half to those who are in favor, I shall move the previous question on the adoption of the conference report. If a majority of the Members of the House present and voting wish to vote separately on any item in dispute or any Senate amendment, and the conference report is voted down, the Senate amendments will be in order for consideration. That is the parliamentary situation.

Mr. Speaker, insofar as the merits of the Tennessee Valley item are concerned, may I say it is not a question now of whether or not you approve of the Tennessee Valley Authority development. That has long ago been decided and millions of dollars have been expended in that development and invested by the Federal Government in the project.

It is no longer a question whether or not we wish to approve the building of a dam at Gilbertsville, because that matter was very deliberately considered in the last session of Congress and the Congress authorized the commencement of construction at Gilbertsville. More than \$5,000,000 have been spent on that project. So the question is whether or not, having begun construction at Gilbertsville, it is now the part of wisdom to throw away the amount of money so expended and abandon that important link in the whole Tennessee Valley project for flood control and navigation.

Mr. Speaker, there is not a dollar in this bill nor a dollar involved in the present consideration of this matter for power development at Gilbertsville. This dam, we are told, is necessary for flood control and navigation. The hearings are here. Whether they are right or wrong, you may take either side you wish; but, I repeat, there are no funds in here for power development at Gilbertsville. Whether or not some future Congress will put dynamos in the dam being erected there and generate power is a matter I cannot say any more than you can say, but certainly, I can assure you there is no power involved in the present bill.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. MAY].

Mr. MAY. Mr. Speaker, for three successive times, and probably four, this question has been presented to the House, and it has each time been definitely decided against the construction of Gilbertsville Dam.

Before I enter into a discussion of the matter I want to express my appreciation of the fine way in which the chairman of the committee has stated the parliamentary situation and his apparent fairness in letting the House be ad-

vised as to how it may consider this matter and vote upon the question, relating to the Senate amendment of the provision for Gilbertsville Dam.

I started out with the consideration of the first bill that created and set up the Tennessee Valley Authority. At that time the only question under consideration by the Congress was the question of navigation and national defense. I am proceeding at this time in opposition to the action of our conferees with respect to the Gilbertsville Dam because of the destructiveness of this proposed dam.

Let us see what it does. It will destroy, before it is completed, \$150,000,000 of the taxpayers' money. It will destroy and take out of production from four to six hundred thousand acres of the most valuable land in the Tennessee Valley. It will destroy thousands upon thousands of homes of contented citizens throughout this area of 184.6 miles that will be covered by the reservoir of water. It will destroy over 100 miles of hard-surfaced roads. It will destroy railroads, railroad bridges, and highway bridges. I am afraid it will help destroy the Democratic Party. At the end of all this destructiveness it will be a menace to navigation, and not an aid. It will be of little, if any, aid to flood control.

If you will read in the RECORD a speech inserted by the gentleman from Texas [Mr. MANSFIELD], chairman of the House Committee on Rivers and Harbors—and the gentleman has made a lifetime study of these questions—you will find that in dealing with a small lake on the upper Mississippi River known as Lake Pepin, less than 30 miles in length, they have had several great disasters, including one in which there were 100 lives lost and valuable property destroyed. The program of the T. V. A., devoted largely to the production and marketing of electricity, is a program of a punitive nature, intended by its promoters to destroy by ruthless competition the privately owned power industry; but in addition to that it is a direct competitor of the bituminous-coal industry, a very large labor-employing industry, while hydroelectricity is not a labor-employing industry. The coal industry vitally affects the railroad industry as one of its best revenue producers. It fills the pay envelopes of the coal miner and the railroad employees, while the T. V. A.'s hydro dams will do neither. I am opposed to its further expansion on these grounds, and for the far more important reason that it is socialistic and destructive of the principles of democracy and human liberty. The Government has since the time of the Lake Pepin disasters been building havens of refuge for boats upon that lake, which is less than one-fifth the length of the proposed reservoir to be created by the Gilbertsville Dam.

In addition, it has developed that the average Mississippi Valley barges and boats cannot be operated on that small lake in times of ordinary storm. The lake to be created by the Gilbertsville Dam will be four or five times as long and at least twice as wide, and more in many places. Then it becomes a matter of fact that it is destructive of navigation.

They propose to spend what they admit to be \$112,000,000 in order to provide flood control, but that is not all. The gentleman from Virginia, when he stated a moment ago that we might as well make up our minds that the Tennessee Valley Authority is an established fact, undoubtedly is right in saying that the T. V. A. as a whole is an established fact, but they have under construction now two major dams and plan a half dozen more, including Gilbertsville. They not only have those in plan but they have projected a scheme by which they propose to cut a canal from the Tennessee River several miles over into the Cumberland River. After they get that done they propose to go down into the Ohio River below the mouth of the Tennessee and build another high dam, and by doing so they will cover up and destroy five navigation dams that have already been built by the Army engineers in the Ohio River. In other words, that is Dog Island, and, if we let them go on, the next thing we know they will have us in the dog house. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 4 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Speaker, all of us in discussing the development of the Tennessee Valley go back to the one document that is considered the authority on the development of that valley, a study made by the Army engineers by direction of Congress and their report to the Congress submitted in 1930. In this study the matter of low dams and high dams was gone into thoroughly. It is true they reported that this project could be developed in either manner, either by the use of 32 low dams or a series of high dams. When the T. V. A. was created it studied this report and as a result adopted the plan of a series of high dams. Gilbertsville is simply one of the high dams necessary to complete the system.

Let me read you just a few extracts from this report of the Army engineers:

It is possible to provide a 9-foot waterway—

Remember, that is the responsibility this Congress placed upon the Tennessee Valley Authority, to create a 9-foot waterway to Knoxville. It is the injunction from Congress to the T. V. A. This is what the Army engineers have to say:

It is possible to provide a 9-foot waterway by means of low-lift dams, but such a waterway would be inferior to the high-dam developments and would not permit the economical development of power.

In another place the report stated—

It is evident that the full utilization of the resources of this river for the public benefit requires its improvement by means of high dams built for the joint development of power and navigation.

It is to carry out the recommendations of the Army engineers that the T. V. A. has adopted this system of high-lift dams.

I know we are all interested in flood control.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Mississippi.

Mr. RANKIN. Is not that report signed by Patrick J. Hurley, Secretary of War in the Hoover administration?

Mr. SPARKMAN. I presume it is. The report was issued in 1930.

Let us talk about flood control. If you replace the high dam at Gilbertsville with a series of low dams such as those who are fighting Gilbertsville want to put in there you will not have 1 foot of storage capacity for flood control. I do not believe anyone would dispute that the Tennessee Valley development is to be taken as a flood-control project, in view of the statement of the Mississippi Flood Control Commission only year before last that it is one of the most important projects controlling the flow of water in the Ohio River and its tributaries.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Texas.

Mr. RAYBURN. Is it not also true—and the question has been investigated by the best engineers of the country, in the Army and out—that the most economical dams that can be built are the maximum-size dams?

Mr. SPARKMAN. Absolutely.

Mr. RAYBURN. Further, the gentleman from Kentucky [Mr. MAY] talks about covering up valuable land. That question has been passed over, because everyone knows that if you are going to build a dam anywhere and back water up it is going to cover up land. The point is that if you cover up a few thousand acres and save a million acres, then the building of a maximum-size dam is justified. [Applause.]

Mr. SPARKMAN. The gentleman is absolutely correct. Gilbertsville is the closest point to the confluence with the Ohio River that it is economical to build a dam.

May I say further that out of the 12,000,000 acre-feet of storage capacity in the Tennessee Valley, 4,600,000 is behind Gilbertsville Dam. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Speaker, the argument of my colleague, the gentleman from Alabama [Mr. SPARKMAN] relative to the fact that the Army engineers have recommended this

dam, should have absolutely no weight in the consideration of this matter. After all, I would remind the membership of the House here today that the Engineer Corps of the United States Army is not the appropriating body of the American Nation. [Applause.]

Neither has the question relative to the size of the dam any importance. We are not opposing this matter because of the size of the dam, we are opposing it because we are opposed to extending the activities of the T. V. A.

When I consider the methods that the T. V. A. is following today it puts me very much in mind of a little story. At one time a man was walking down a boardwalk and found another man poking a ten-dollar bill down through the boards. He said, "What in the world are you doing?" The man replied, "My friend, I just lost a nickel down there and now I am putting \$10 there to make it worth while for me to pull up the boardwalk to get the nickel. [Laughter.]

This is the way the T. V. A. has been operating all the time. They come in here for an appropriation for a certain purpose and at the same time they ask for a small appropriation to start another project and then 2 years later or 1 year later they come back to the Congress and say, "Well, we must have an appropriation of \$200,000,000 in order to prevent the \$2,000,000 you appropriated last year from being lost." [Laughter.] This is exactly the situation that we are up against today. Every time they come back to the Congress asking for an appropriation for a dam, at the same time they are wise enough to ask for a small appropriation for initial work which will make a larger appropriation necessary in the future.

This is not a question of the size of the dam, it is simply a question of whether or not the Congress is to allow the T. V. A. to reach out all over the United States, wherever they may desire to go, and take under their authority whatever they desire. As far as this is concerned, there are many other sections of this Nation that are just as much entitled to projects of this or any other nature as is this one section. I was in favor of the T. V. A. to start with, back in the days when T. V. A. was put over as a measure for national defense, a flood-control measure, and a measure to manufacture fertilizer for the farmers; but the original objectives of the T. V. A. have been lost sight of entirely. So far as I have been able to determine they are making no nitrates to be used in national defense, and so far as I have been able to learn, the fertilizer that they have been manufacturing down there is almost nil. They are devoting themselves to building up a gigantic empire of power. They are devoting themselves to a socialization program that was never intended under this act.

I am sure all the members of the Committee on Military Affairs who were on that committee when the T. V. A. came back to them a second time for authority to extend their domain, granted them such authority with the most extreme reluctance. At that time we could see where this question was leading us. We could see that they were taking the inevitable path of a bureau in reaching out and accumulating unto itself more and more and more power all the time.

Now, I hope the Members of this House will vote down this conference report in order that we may have an opportunity to vote singly on the various items involved here, and I hope that when they do that they will put a check to this extravagant agency that is spending the money of the people, when this Nation is getting so very deeply in debt.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. FADDIS. I yield.

Mr. MAY. The gentleman recalls that when the amendments of 1935 that gave them the power to extend their transmission lines and destroy the power industry came up that they stayed in the committee 3 months and then came out by one vote.

Mr. FADDIS. Exactly so. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 4 minutes to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Speaker, the gentleman from Virginia [Mr. WOODRUM] in the opening statement at the beginning

of this argument, clearly stated the issues. It is not a question as to whether we will commence the construction of a dam at Gilbertsville, nor is it a question now of whether we are going to permit the T. V. A. to continue its activities. It is a question of completing a mighty undertaking, after the Government has authorized an investment of hundreds of millions of dollars and has proceeded for some 5 or 6 years and has demonstrated to any fair-minded person who will go down there and spend as much as 3 or 4 days that here is a practical, feasible, and successful undertaking. The proof is uncontrovertible that Government was warranted in entering upon this great undertaking; it is a question now as to whether or not it shall be completed. It is merely doing that which American greed and profit undid; that is, restoring a great empire down there.

But my friend from Pennsylvania [Mr. FADDIS] says they entered into this work for the purpose of developing fertilizer for the farmer. I spent some time personally looking into that. They have done a marvelous work there in that field, and no friend of the American farmer should hinder that activity. I wish time would permit me to detail at length what some of the accomplishments are in the fertilizer field by T. V. A. The gentleman from Pennsylvania says it is an extravagant agency. Has not a committee been investigating it, a committee made up in large part of men who are adverse to it, which has for months been trying to find something bad, and yet not one single thing have they been able to give this Congress or the American people that shows either extravagance or dishonesty.

The opposition to the T. V. A. comes from three sources—those who believe the construction of the Gilbertsville Dam will not further navigation and flood control. I respect those who have such convictions on that subject, but I state that if you will carefully examine the conflicting evidence pro and con you will find far the greater weight of it on the side of this being an essential navigation and flood-control dam on T. V. A. Then, opposition comes from a group who represent the coal-mining districts, and I accord to them the right to express the views of their own constituents, but I fear they are blinded by prejudice. The facts are—and they appear in the RECORD on page 2970 of February 27, through a statement made by the Federal Power Commission—that coal consumption for the production of electrical energy in the T. V. A. region has increased more than 100 percent in the last 6 years. It is not threatening that industry; it is stimulating it. It is teaching the American people the value of the use of electricity and bringing it to them at a price where they can use it. It will call into being numerous industries that do not now exist there which will make use of coal to generate electricity which can never be produced by falling waters, as they do not have possibilities sufficient to meet the future needs.

The third objection is partisan in a large measure. Gentlemen will remember the vote on the Republican side of the House a few days ago when we walked by the tellers. With few exceptions the vote was almost unanimously against it, while on the Democratic side many Members were not present; and, if they had been, we would not have this problem before us now, because it would have carried then. This is not a partisan measure, but has been made such by the minority. The amendment that struck it when the bill was first before us was offered by a Member on the Democratic side, the gentleman from Pennsylvania [Mr. FADDIS], it is true, representing a coal district, and for the purpose of giving it a nonpartisan complexion. I am too charitable to charge that any Member in this body is here as the direct advocate of the private power interests of this country, but I do assert as a fact that many of us are here in spite of the money spent by private power interests to defeat us. [Applause.]

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee [Mr. PEARSON].

Mr. PEARSON. Mr. Speaker, I must confess to the Members of the House that I have said about all I know to say in

behalf of the Tennessee Valley Authority, and certainly nothing new of much value could be said with reference to it today in the short period of 4 minutes. If there is any one thing that is of value to every individual Member of the House as a result of his experience here I think it is the fact that he learns to get away from provincialism, from provincial influence, and raises his sights, so to speak, to consider questions that arise on the floor of the House not from a sectional or a district viewpoint, but rather from a national viewpoint, and strive to do his full duty as an American citizen toward any project which has as its objective the upbuilding of the Nation or any integral part of the Nation. Certainly, my friends, the objectives of the Tennessee Valley Authority as they were conceived by the Members of this body 6 years ago are of national interest and will bring national benefits, and I appeal to the Members of the House on both sides of the aisle to consider this question not from a sectional standpoint but from a national standpoint; and if you will do that in all good conscience, in view of what has been done by this great governmental agency, I shall have no misgivings in the world as to your attitude or your vote on this particular measure. I think the Tennessee Valley Authority has justified its existence from every standpoint of conception of those who made it possible. It was created as an instrumentality to promote our national defense, flood control, and navigation; and if you gentlemen, as Members of the House, could have an opportunity to go into that vast area which this organization serves and see to what extent it has greatly accomplished those objectives and the benefits which it is bringing to a group of people who have never enjoyed governmental benefits before, I would again have no misgivings about your attitude and your vote here today. It has justified its existence in every essential element for which it was created.

Congress has created it. It has made it possible. It is our own brain child. We have set up the program. It remains now for Congress to see to it that the T. V. A. carries out its program to its ultimate completion. Otherwise, we have created a child and murdered it, so to speak, by declining and refusing to permit it to carry on these things which we said when we gave it existence we needed throughout this Nation.

I cannot believe that sensible men, thinking men, would permit this Government to launch upon a project as vast as this and spend \$250,000,000 of the people's money and then decide, perchance because some features of it we may not like, we will throw away our investment and discontinue the program. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 7½ minutes to the gentleman from West Virginia [Mr. JOHNSON].

Mr. JOHNSON of West Virginia. Mr. Speaker, as you all know, I am not accustomed to making very many speeches. It is only on such an occasion that I feel called upon to make remarks. I requested that I be permitted to address this House for a few moments upon this vital question. This is an unusual situation. Three times, or possibly four times, this House has spoken in no uncertain terms with respect to the T. V. A. and the building of Gilbertsville Dam. The proposition here today is not to destroy the T. V. A. set-up. The proposition presented here is whether or not you are going to build Gilbertsville Dam and continue this sort of governmental activity.

The Congress has spoken. The conference committee has met. While I have the greatest regard and respect for my good friend from Virginia [Mr. WOODRUM], we today have been placed in a very unusual position. I have rendered service on conference committees, and it is the first time I recall where such a situation has arisen, when this House has spoken so pronouncedly upon a question of this magnitude. You are confronted now with the position that you have to vote down this conference report in order to get at this evil, Gilbertsville Dam.

Mr. WOODRUM of Virginia. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of West Virginia. I do.

Mr. WOODRUM of Virginia. You do not have to vote down the conference report. You only have to vote down the previous question.

Mr. JOHNSON of West Virginia. I mean the previous question.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of West Virginia. I yield.

Mr. TABER. I understand from the Parliamentarian that a vote against the previous question would simply prolong the debate and that the only way we can get at this situation is to vote down the conference report completely.

Mr. JOHNSON of West Virginia. Yes. Now, we are placed in that unusual position. This House is turning itself over, body and soul, to the Senate. [Applause.] Why, I cannot answer.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of West Virginia. I have some other things I want to say.

Mr. MAY. The House is not turning itself over to the Senate. It is the conferees who have turned the House over.

Mr. JOHNSON of West Virginia. Be that as it may, it resolves itself into the same thing.

Now, I want to speak about a few things that have not been mentioned here today—West Virginia's riches and its possessions is in coal. There is not a single man here who has coal fields in his district who can afford to vote for the Gilbertsville Dam, because that is the entering wedge which will destroy the value of your coal lands. You men from coal regions think about that. If this policy is carried to its finality, it means simply that coal lands and the coal industry will be worthless. It will take out of taxation the coal properties. It will throw into bankruptcy every coal operation. I do not mean now. I am not talking about right now, but it is the entering wedge that will destroy forever your coal properties in this country.

Now, let me speak a little further. In our State and in other coal regions there are thousands and thousands of miners who live by mining, by birth and training, they are wholly unfit for any other service. When you destroy the coal mines of this country you will take out of employment those laboring people who are unable to earn a living in any other way, and thus increase our relief rolls. That is one thing that we must consider seriously.

What are you going to do with the railroads that are in the red? The other day before our deficiency subcommittee we had evidence that before very long the airplanes will be taking care of all the passenger service as well as the light freight. What are you going to do with the railroads? The only way the railroads can exist is by carrying freight. Your freight is coal. It means in the end, Mr. Speaker, that the Government must take over these railroads or put them in a position where they will have to ask for subsidies. We cannot get along without railroads. What are you going to do with the people who are employed by the railroads? They will go out of employment and on to the relief rolls.

So I speak for labor; I speak for the railroads; I speak for the life of these coal-bearing sections. Now it is up to this House whether it shall say for the fourth time and impress upon the conferees and the Senate that we propose to stand by our guns and we do not propose that the Government shall go into as a general policy, the development of hydroelectric power.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of West Virginia. I yield.

Mr. RANDOLPH. By voting down the conference report and then going back to the items in question, namely, Gilbertsville and others, this Congress would not destroy that which has been done in the Tennessee Valley.

It has been my purpose to cooperate, insofar as possible, with the programs which mean future prosperity for this Nation. But I am strongly opposed to the ever-encroaching power which in this instance seems to have determined a course which would be detrimental to certain proper business in areas close by the proposed development.

My record will clearly indicate that on every occasion I have supported the program for rural electrification. I shall continue to speak and vote for this meritorious development.

The objectives of T. V. A. have been worthy, and I have aided insofar as I could the work, which has been progressing. On the Gilbertsville Dam I find myself unable to feel it is desirable to provide funds. The gentleman will agree that no harm will come if we stop this construction in view of other considerations.

Mr. JOHNSON of West Virginia. I concur in the gentleman's conclusions. It is to stop this thing where it is now and not to spend another dollar in the development of this project, which will destroy labor, railroads, and values in our coal fields. That is what it is. [Applause.]

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of West Virginia. I yield.

Mr. THOMAS F. FORD. It seems to me that in 1929, 1930, and 1932, when there was no T. V. A., the coal business was in bad shape.

Mr. JOHNSON of West Virginia. That is unfortunate, but it will be a great deal worse if you permit this development to go on.

Mr. Speaker, this is a serious matter. It is not one we should pass by lightly. Oh, I know what a terrific fight has been made; I know it only too well. I know that certain Democrats will be charged with being irregular because, perchance, some of the good Republicans over there look at this thing the same way we do and will vote with us rather than we voting with them. This is a serious matter, my friends, too serious to pass by lightly. [Applause.]

I appeal to those who are in sympathy with the laborer employed in this great industry. I appeal to those interested in saving our railroads and those millions who labor by day and by night in the operation of our railroad systems. I appeal to those who want to save and preserve our great coal fields and the value of these properties to the end that our taxable properties may be held intact and the industry may continue and thrive.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, there is some confusion about the parliamentary situation. I ask unanimous consent to be permitted to submit a parliamentary inquiry, and that it not be taken out of the time that has been allotted for the consideration of the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, it has been stated upon the floor by myself, and I think it was the general understanding of the rest of us, that in the event the previous question on the conference report were voted down the Senate amendments would then be open for separate consideration. Pursuant to the statement just made a few moments ago by the gentleman from New York, I discussed the matter with the Parliamentarian, and, as I understand the matter now, it appears that the only way the House could get a vote on this amendment would be to vote down the conference report; that then each Senate amendment would be before the House for separate consideration. My parliamentary inquiry is whether or not that is correct.

The SPEAKER. The Chair is of opinion that the gentleman has very clearly stated the parliamentary situation. The mere voting down of the previous question would not afford an opportunity to the House to open up a conference report for amendments. In other words, the Chair, under the precedents, is clearly of the opinion that the only way in which a separate vote could be obtained upon any Senate amendment would be to vote down the conference report; that voting down the previous question would not afford an opportunity for such consideration.

Mr. WOODRUM of Virginia. So nothing will be gained by voting down the previous question.

The SPEAKER. It would merely extend the time for debate on the conference report.

Mr. TABER. Mr. Speaker, may I submit a parliamentary inquiry?

The SPEAKER. The gentleman will state it.

Mr. TABER. If the conference report should be voted down, would it be in order to ask unanimous consent to dispose of the other amendments than the T. V. A. all in one block in accordance with the conference report so that they might be disposed of and we might get at the T. V. A. question by itself?

The SPEAKER. In answer to the parliamentary inquiry of the gentleman from New York, the Chair will state that if unanimous consent should be given by the House to vote on the amendments en bloc, aside from the one in dispute, that such action could properly be taken and would dispose of all items except the ones in dispute.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 4 minutes to the gentleman from Mississippi [Mr. RANKIN].

ENEMIES OF T. V. A. ON A SIT-DOWN STRIKE

Mr. RANKIN. Mr. Speaker, the gentleman from West Virginia [Mr. JOHNSON] complains that the extension of this program would interfere with the coal business and the railroads; yet coal is being mined with electricity and steam machinery, instead of human labor, and the railroads are now running their trains by electricity—some of the very railroads that run right through the coal belt.

Now I want to appeal to you gentlemen who are fighting this proposition on account of the power question.

You were elected last year because of two things: Low farm prices and dissatisfaction with the sit-down strikes. The Supreme Court has finally dug up the Constitution and outlawed the sit-down strike. [Applause.] Now it seems that a lot of you newly elected men—led by the Republican Old Guard—have gone on a sit-down strike here in the House. Let me warn you now that you are sitting on a live wire, and we propose to turn on the heat as time goes on. [Laughter and applause.]

Twenty-three millions of your constituents pay overcharges for electric lights and power in their homes. Remember, the one you are sitting on reaches into the homes of the people you were sent here to represent.

Whenever the housewife complains to her husband, "Dear, the lights are going dim, my electric iron won't heat, the radio is silent, the water pump has failed, and the refrigerator has gone dead," the old man will say: "Dearie, our Congressman is on the line." [Laughter.]

The people of this country are being overcharged 100 percent for their electric energy, or more than \$1,000,000,000 a year. I am going to put those figures in the Record and break them down by States.

The T. V. A. has already helped to reduce electric light and power rates by \$556,000,000 a year, and all of your constituents are reaping the benefits.

I am going to put in the Record a schedule which shows the overcharges in every congressional district in the United States, so that when the old man comes in and says, "Look here, dear, with all the trouble we have had with our lights, they have overcharged us 100 percent for our electricity. Look at this bill. It is double what it ought to be." The wife will say, "Yes, dear, the same thing is going on; our Congressman is still on the line." [Laughter.]

But this is not a power issue so much as it is the carrying out of the program for navigation and flood control. Everybody knows that Gilbertsville will generate very little power if it ever generates any at all, but you are killing flood control and navigation both if you kill Gilbertsville Dam, if you vote down this conference report; because the floods will destroy, as they have in the past, the people and the property from there down to the mouth of the Mississippi River, and the river will be dead so far as navigation is concerned because of the want of an entrance.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. COOPER. Has it not been stated on the authority of Dr. A. E. Morgan, former Chairman of the T. V. A., that the Gilbertsville Dam is designed for flood control alone?

Mr. RANKIN. Absolutely. We talk about national defense. The coal-minded gentleman from Kentucky [Mr. MAY], my coal-minded friend from West Virginia [Mr. JOHNSON], my coal-minded friend from Pennsylvania [Mr. FADDIS].

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. RANKIN. And the beer-minded gentleman from Wisconsin [Mr. SCHAFER]. [Laughter and applause.] I am sorry I cannot yield.

They all complain that the T. V. A. was started for national defense purposes—as well as that of flood control and navigation—and yet they would all vote to kill this conference report, which would paralyze this great project so far as navigation and flood control are concerned, and forever destroy its usefulness for purposes of national defense.

If they could do it, they would destroy the T. V. A., which as I have said, is the greatest development of ancient or modern times, and the most profitable investment the American people have made since the Louisiana Purchase.

I appeal to you as patriotic Americans, as responsible Members of Congress, in the name of 130,000,000 people whose interests are involved, to vote for this conference report. Do not permit the enemies of this great project to cripple or injure the Tennessee Valley Authority, which is not only the outstanding achievement of this administration but the leading accomplishment of its kind on this earth. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Speaker, I may not be present when the vote is taken on this conference report, but if present I would vote for the conference report and for the Tennessee Valley Authority, and I shall pair accordingly.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Speaker, we are witnessing a repetition of the same old stereotyped attack on T. V. A. that we have seen carried on during each session of Congress since the T. V. A. was established in 1933. I believe these attacks that are being made today on T. V. A., however, are without justification, more so than at any time since the T. V. A. was authorized.

We have listened to the same doleful predictions today, so far as the coal industry is concerned. I represent a coal district. I have investigated the subject thoroughly and I am convinced that the completion of the Tennessee Valley project will be a great auxiliary to the coal industry. Navigation on the Tennessee to Knoxville will certainly afford a new market to the coal industry of my section. In fact, only a year or two ago I recall that the president of the United Mine Workers of my district made a speech in one of the local hotels in Knoxville, and speaking of the T. V. A., he said that the United Mine Workers were not going to stand in the way of progress, that they believed in the T. V. A. That was a magnanimous position for the president of the United Mine Workers to take for which he is entitled to credit.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I have not the time.

Mr. Speaker, I realize there has been a tremendous prejudice aroused throughout this country, due to a merciless and malicious propaganda which has been carried on by the power companies against the T. V. A. I hope that today you will dismiss from your minds any poison or prejudice you may have toward the T. V. A. and consider the proposition on its merits. That is all we who favor this proposal solicit at your hands.

I concede there was a time when there might have been some justification for my friends on the Republican side, who do not believe in Government operation of business, to oppose the T. V. A., because at that time T. V. A. was producing electric power in competition with local power companies; but that question has been eliminated due to the fact that T. V. A. has recently purchased all the power interests in the Tennessee Valley and there is no longer competition between the T. V. A. and the private power interests.

Mr. DUNN. Will the gentleman yield?

Mr. TAYLOR of Tennessee. I cannot yield.

Mr. Speaker, I concede that perhaps the T. V. A. has made some mistakes. The T. V. A. is not infallible or impeccable any more than any other industry or any other individual. I believe a careful investigation of the activities of the T. V. A. will demonstrate that it has been carried on in a businesslike manner or as much so as any other Government activity that has ever been set up. A careful investigation of T. V. A. by a joint congressional committee has failed to show any material mismanagement and certainly no dishonesty or graft.

This comes to us from the Appropriations Committee. It came first from a subcommittee of the Appropriations Committee, then from the Committee as a whole. The items were struck out in the Committee of the Whole, and due to the parliamentary situation we were denied a roll call. In 1935 we authorized by act of Congress the Tennessee Valley Authority to carry on this development, build these dams, and canalize the Tennessee River from Paducah, Ky., to Knoxville, Tenn. This is one of the dams necessary in order to carry out this mandate of the Congress, which is similar to the mandate which Congress gave several years ago to an Ohio River Authority to make the Ohio River navigable from Cairo up to Pittsburgh. It took several years to carry out this authorization of Congress but it was finally completed after 50 dams had been completed.

Now the Congress of the United States has authorized by solemn act the Tennessee Valley Authority to build these dams. Most of them have been built. There are only two dams that have not been started as yet. The Gilbertsville Dam has been begun and \$5,000,000 has been expended on it. Let us carry out this mandate of the Congress of the United States and complete the program, which will mean in the final analysis the greatest asset, especially from a national-defense standpoint, this country has ever possessed. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN. Mr. Speaker, I represent one of the largest coal-mining districts in the country and I have yet to see one letter opposing the Tennessee Valley Authority. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 7½ minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, perhaps it would be well to get a bird's-eye perspective of what has happened and what is about to happen. In March of 1933 the Tennessee Valley matter was before this House, and it was defeated by some 30 votes. When the conference report came back on the 25th of April it was adopted by only 7 votes in a late afternoon session.

When the present bill came to the floor of the House on the 8th of February this year we struck out Gilbertsville and the dam construction language before it went to the Senate. We struck this language out first by a division vote and later by a teller vote. It has since been restored by the Senate of the United States.

Mr. Speaker, two questions are apparent here today. First, are we going to surrender to the Senate or are we going to reaffirm the independence and dignity of the House and assert the position that we have heretofore taken. [Applause.] That is one matter before us this afternoon.

Secondly, there is more here than meets the eye. If this language is left in the bill, it means an added expenditure for 1940 of \$17,203,000. It virtually commits this Congress to an expenditure of over \$201,000,000 to be expended at Gilbertsville, to be expended at Watts bar, to be expended at Coulter Shoals, and to be expended on tributary streams such as the Little Tennessee.

This matter does not involve a repudiation of what has already been done in the Tennessee Valley, but it does involve the question of whether the Tennessee Valley Authority shall go hog wild and extend a program for which there

is no clear justification and which falls with great weight upon the Public Treasury and upon the taxpayers of the Nation.

But this matter goes even further than that. I am going to use some of the data that were inserted in the CONGRESSIONAL RECORD on the 27th of February by one of the most beloved Members of this House. He is sitting right over here. I refer to the chairman of the Committee on Rivers and Harbors [Mr. MANSFIELD]. He has at one time been a member of the Committee on Flood Control and for 7 or 8 years has been chairman of the Committee on Rivers and Harbors. I know of no student of the problem who equals him insofar as introspection and discernment are concerned. Let me quote from the remarks the gentleman placed in the CONGRESSIONAL RECORD just a day ago:

As soon as Gilbertsville Dam is an assured fact, Congress will be called upon to extend the authority of the T. V. A. to the Cumberland, and nearby section of the Ohio, in order to complete the designated "Gilbertsville-Dog Island project," as described in the T. V. A. booklet entitled, "The Unified Development of the Tennessee River System." That last word, "system," has a significant meaning.

They intend under their unified program to go across the Cumberland, then across the Ohio, and, in the judgment of this very distinguished and lovable Member, who is chairman of the Committee on Rivers and Harbors, that program will cost over \$392,000,000. If you do not vote down this conference report today so we can take a further look at T. V. A., you are inferentially committing yourself to an auxiliary program that will run up to \$392,000,000 or more, in addition to what will be spent in the Tennessee Valley proper.

This is a very edifying report from a man who knows his stuff in the matter of navigation, flood control, rivers, and harbors. If you want to follow authority and expert direction, you can find it from our beloved colleague over here, so you might very well follow the direction he has indicated in the statement which he inserted in the RECORD.

You are going further, then, than the mere expenditure of \$17,000,000. This is going to embrace Gilbertsville, Watts bar, Coulter Shoals, and all the rest of the proposed dams, and there will be an astronomical expenditure asked of this Congress in future years. Under these circumstances, should we not stop and look and listen and get further information on this project before we commit such a huge sum of the taxpayers' money?

In my judgment this appropriation is not necessary at this time. There are in operation by the T. V. A. at the present time 26 generators at the dams that are completed. Eight dams are completed in whole or in part. Mind you, they have built stalls for 26 more generators at these same dams. Why have not these generators been installed? What is the trick? What is the mystery? What is the reason for wanting money to go ahead with the program of construction of dams when they can get all the power they need by filling the empty vacant stalls for which generators might be provided at the present time?

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I should like to have an answer to that question, but not from my friend from Mississippi.

Mr. RANKIN. If the gentleman will yield, I will answer it.

Mr. DIRKSEN. I should like to have an answer from the Tennessee Valley Authority.

Mr. RANKIN. I will answer on their part.

Mr. DIRKSEN. I hold here the Budget estimate which they submitted to the Subcommittee on Appropriations. I am simply quoting their figures. You may go through this and take one dam after another. There they tell you the provision that might be made. But I am curious to know why they want to commit us to another \$201,000,000 of expenditure when they can purchase 26 generators and fill the vacant stalls. We have not had the answer to that yet, and until that time I respectfully suggest that we vote down the conference report so we will have an opportunity for further discussion of the proposed Gilbertsville language that was inserted in the bill by the Senate. Then the House can

determine in regular form and at its leisure what it wants to do.

Finally, I get just a little tired of knocking out something like Gilbertsville here year after year, and then have it restored in the Senate, and then go over and have to surrender. In the name of common sense, is this House ever going to make a response to the mandate that came on the 8th day of November, and stand up on its hind legs and show a little intestinal fortitude? [Applause.] This is the day to do it. Let us vote down the conference report once and for all.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Missouri.

Mr. SHORT. After this House has repeatedly and unmistakably voiced its opposition and registered its protest to the Gilbertsville Dam, what justification under heaven is there for the House conferees to capitulate without first firing a shot and then bringing in a conference report forcing us to swallow the whole hog or none? [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 9 minutes to the gentleman from Alabama [Mr. STARNES].

Mr. STARNES of Alabama. Mr. Speaker, three points have been raised by the opposition in this debate:

First, the question of the effect of the Tennessee Valley Authority program upon the coal industry.

Second, the question of the need for additional power installation; and, third, there has been injected extraneous matter with reference to the so-called Dog Island Dam.

Taking these up in their order, insofar as the effect upon the coal industry is concerned, I wish to give you some statistics which have been furnished by the Federal Power Commission. Before I give you those statistics, however, I want to call to your attention the fact that the ground lost by the coal industry has not been lost in the courts or in the Congress or in the T. V. A. program, because the coal industry was a sick industry long before the T. V. A. program came into being.

With reference to the consumption of coal, I call your attention to this fact. In the seven valley States in the T. V. A. area, in 1937, 2,569,700 tons of coal were used for the production of electricity, an increase of practically 40 percent over the 1,837,500 tons used in 1929, which was the peak year of production in the United States. This increase is all the more remarkable when it is remembered it took 3.20 pounds of coal to produce a kilowatt-hour of electricity in 1919, whereas it took but 1.43 pounds, or less than one-half that much in 1937.

There was no such increase in the rest of the United States; in other words, although there had been an increase of more than 40 percent in the T. V. A. area in the consumption of coal in 1937 over 1929, in 1937, insofar as the rest of the Nation was concerned, the Nation had not reached the 1929 figures of consumption. In 1929 the total for the United States was 44,934,000 tons, in 1937 44,766,000 tons. Therefore there is no foundation in fact for the statement that the T. V. A. program will hinder or hurt the coal industry because that is irrefutably answered by the statistics furnished by the Federal Power Commission.

The Gilbertsville Dam, as presently contemplated, is solely for navigation and flood control. It is the key structure for the interrelated program of navigation and flood control for the whole T. V. A. system, since it will afford a 9-foot channel from just above the mouth of the Tennessee to Pickwick Dam 104 miles above. It is necessary to construct this dam in order to release the products of the upper and middle Tennessee Valley region to the Ohio and Mississippi Valleys and to the Great Lakes region. It would be a waste of funds to stop this project now since we have a 9-foot channel from Pickwick to Chattanooga, and upon the completion of the Chickamauga Dam this year we will have a 9-foot channel to Watts bar. From the standpoint of navigation, therefore, Gilbertsville is absolutely essential to release the upper Tennessee and connect it with the outside world.

The trial court in the recent T. E. P. litigation found—

Boats and barges which are now in general use on the interconnected inland waterways of the Mississippi River system will be able to navigate the Tennessee River where improved by the projects of the Authority without change of design or extent of loading.

This finding of the court was based upon expert testimony given by competent transportation experts and engineers. Colonel Watkins, district engineer in charge of the preparation of House Document 328, stated as follows:

It is my opinion that the winds will interfere with the movement of commerce in the low-dam system much more than the waves in the high-dam system. In my judgment the low dams do not have any advantage for navigation, as compared to the T. V. A.'s high-dam project.

Mr. Brodie further testified that "a deep, long, slack waterpool is much more easy to traverse, much more dependable, than any other kind of inland waters."

With reference to the need for additional power installations, no such installations will be made in Gilbertsville until the need arises and the Congress appropriates money for installing turbines and generators. Your attention is invited to the fact that the use of electricity in the Nation from 1929 to 1937 increased only 22 percent, while such use in the Tennessee Valley area during the same period increased 43 percent. With legal barriers removed, with a market already developed, there will be need for all the power which can be developed in the 10-dam system planned by the T. V. A. With the legal barriers removed, there is no longer any problem disposing of power, but rather the problem of providing capacity to meet the growth and the demand for power. The 10-dam system referred to will have an installed power capacity of 1,400,000 kilowatts. With the completion of the system it is estimated that the annual revenue will exceed \$20,250,000, leaving a margin of \$16,000,000 after deducting operating expenses assignable to power. The rates charged by the T. V. A. will cover all costs. Power operations in the area have caused no unreasonable losses to legitimate investors, and the public will enjoy the benefit of the savings to the tune of more than \$40,000,000 per year in the Tennessee Valley area. The country as a whole will benefit, and has benefited, because of rate reductions already effective throughout the country as the direct result of the T. V. A. power program.

With reference to this Dog Island project which was mentioned in the course of debate by two of the distinguished gentlemen who preceded me, in the very same report from which they quoted, had they read further, they would have found these words—and I quote from the report of the T. V. A.:

Before the Dog Island Dam or any other dam in the Ohio River could be constructed, additional legislation would be necessary, and this may await the development of national policy. It is outside of the scope of this report to recommend construction of any project on the Ohio River.

I hold here a telegram which I received this date from the Honorable John B. Blandford, Jr., general manager of the T. V. A., which I quote in part:

I am instructed by the Board of Directors to state that it has no intention now or at any time in the future of recommending the construction of the so-called Dog Island project. The board bases this statement upon completed investigations made incident to the planning and design of the Gilbertsville Dam.

This is an answer to the contention with reference to that extraneous matter injected in the course of the debate.

Mr. SIROVICH. Mr. Speaker, will the gentleman yield for a question?

Mr. STARNES of Alabama. I yield.

Mr. SIROVICH. I desire to call the attention of the distinguished gentleman from Alabama to the fact that just as you cannot remain horse-minded in an automobile age, so you cannot remain coal-minded in an electrical age; civilization and progress must go on, and I understand that 97 percent of the people of the South who have been the beneficiaries of the T. V. A. insist upon its going on and upon its development for the future.

Mr. STARNES of Alabama. I thank the gentleman for his contribution.

The T. V. A. is a conservation program. The destiny of this Nation lies in the proper utilization and conservation of its natural resources. In these seven States we have the widest variety that may be found anywhere in the whole wide world of those elements of nature necessary for the happiness and welfare of mankind.

The Congress, after due deliberation, embarked upon an interrelated program looking to the proper conservation and utilization of the matchless resources of this region for the benefit of all the people of this great Nation of ours. This program envisions flood control, navigation, the production of cheaper fertilizer, a correlation of the work of the T. V. A. with the national defense of this country, the reforestation of denuded and bleak hillsides, so that they again may become productive. I submit to the Members of the Congress that the T. V. A. has been carrying out that mandate given to it by the highest law-making body of this Nation in a manner unparalleled, despite the fact that it has had to meet opposition in the courts, opposition from the power interests of this Nation, and political opposition throughout the course of its career. Flood control by means of reservoir dams on tributaries and multiple-purpose dams on the main stream have already been of inestimable value to the people in the Tennessee Valley and in the lower Ohio and Mississippi Valleys. The pulse of commerce has been quickened by improved navigation facilities and there is a two-way traffic in the valley reaching out to the Ohio and Mississippi Valley regions and even to Corpus Christi and other points on the Gulf of Mexico. A higher grade and cheaper fertilizer has been developed for the benefit of our farmers. And the power installations are of vital import to our national defense. Millions of trees have been planted in this area, which not only will have a commercial value some day, but which will also help to control floods on land.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. STARNES of Alabama. Yes.

Mr. TAYLOR of Tennessee. The gentleman from Illinois said a moment ago that after the T. V. A. project is completed they would move on to the Cumberland River. Is there any justification for that?

Mr. STARNES of Alabama. Absolutely not, because it would take additional legislation on the part of Congress before T. V. A. could move out of its designated area, the Tennessee Valley Basin.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. STARNES of Alabama. Yes.

Mr. MANSFIELD. I am advised by reliable authority that engineers were there last week making test drillings at Dog Island. They are not representatives of the War Department. Can the gentleman tell me who they are?

Mr. STARNES of Alabama. I cannot. I have read to the House and to the gentleman a telegram from the general manager of the T. V. A. containing the positive declaration on their part that they have no idea of going into that area.

I have had an opportunity to observe this agency in its work, since its inception, and I can state that I do not believe there is a single agency of the Federal Government in all the history of this Nation which has operated in a more economical and efficient manner than has the Tennessee Valley Authority. I believe they have followed clearly and unequivocally the mandate of the Congress, and that this House should sustain the action which it has taken in the years past and sustain the action of the conferees by voting the previous question and the adoption of the conference report. Let me assure the House there has been no surrender on the part of the House conferees from any precedent in this matter. We are merely following the action the House took last year. Insofar as surrendering our prerogatives is concerned, it would be a useless proceeding to call for a conference between the two legislative bodies unless there was some yielding on the part of one or the other in the conference chamber.

The SPEAKER. The time of the gentleman from Alabama has expired.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield one-half minute to the gentleman from Massachusetts [Mr. HEALEY].

Mr. HEALEY. Mr. Speaker, I rise in support of the appropriation for Gilbertsville Dam, which is so necessary to the establishment of a yardstick against which to measure reasonable cost to the consumer of electric power. I feel that such a yardstick is the only way in which reasonable cost can be ascertained and that the determination of reasonable cost would result in substantial savings to consumers of electricity throughout the Nation.

My realization of the need for such a yardstick arose largely from a knowledge of the situation in cities of my district—large, densely populated cities. For many years I have felt strongly that the cost of electric power to consumers in these cities has been excessive. In recent years this feeling has found strong support in the figures published by the Federal Power Commission, which show that charges for electricity to all classes of consumers in Boston and surrounding cities are among the highest in the Nation, and this despite conditions peculiarly favorable to cheap generation and distribution of electric power.

I have supported the establishment of a power yardstick since the inception of my service in Congress, and I support this appropriation for Gilbertsville Dam with increased conviction in the light of the findings of the Federal Power Commission and the statements made in an editorial from the Malden Press, of Malden, Mass., which I ask unanimous consent to include in my remarks.

The SPEAKER. Is there objection?

There was no objection.

The editorial is as follows:

HIGH ELECTRIC RATES—SWOLLEN PROFITS

We do not doubt that the Malden Electric Co., and its gigantic parent, the New England Power Co., hire about the best brains in electrical engineering and accounting to work for them, but for all their brains, these people have never been able to hide the fact that 23 cents on every dollar the electric company takes in is net profit.

These are a lot of pennies, if you realize that in 1937, a "normal" year for the Malden Electric Co., this prosperous local concern took in over three and a quarter millions of dollars and reported a net income, after payment of taxes and other charges, of nearly three-quarters of a million dollars—\$717,871.07 to be exact.

These are a lot of pennies, too, if you consider that this enormous profit was substantially reduced by costs that are puzzling, to speak conservatively, but which poured additional cash into one and the same pocket—the pocket of the New England Power Co.

As simply as any puzzle can be explained, here is the explanation: The New England Power Co. cut into the profits of the Malden Electric Co. four different ways in 1937.

(1) As a power selling agency, it made a profit on the sale of electricity to the Eastern Massachusetts Electric Co., the "middleman" which sells current to the Malden Electric Co. The Eastern Massachusetts paid the New England Power Co., which owns it, some \$880,000 for electricity in 1937 at the rate of slightly more than seven-tenths of 1 cent per kilowatt-hour.

(2) The Eastern Massachusetts Electric Co. made a profit by selling this same power to the Malden Electric Co. at a rate slightly more than 1½ cents per kilowatt-hour. In 1937 the Malden Electric Co. paid the Eastern Massachusetts some \$1,185,000. Since the Eastern Massachusetts is a child of the New England Power, the New England Power also profited in this transaction.

(3) The New England Power Co. owns the New England Power Service Co., and this concern received management fees from the Malden Electric Co. in 1937 to the tune of \$71,248.43.

(4) Since the New England Power Co. owns the majority of the stock in the Malden Electric Co., it also profited to the extent of the 20-percent dividend that was declared by the local company in 1937. This dividend totaled, in cash on all outstanding stock, \$704,880.

The point to remember is that the nearly 50,000 household consumers of electricity in Malden, Melrose, Everett, and Medford are paying for these management fees, middleman's fees, and 20-percent dividends in their monthly electric bills. All these fees and dividends add up to a large piece of the gross business of the Malden Electric Co., and that is why the householders of this district are paying among the highest electric rates in the country.

Only the roar of public disapproval, backing up the efforts of the city government committee which will strive to get lowered rates for consumers, can shatter the present set-up of rates which, in the light of profits made by the Government-protected electric company here, are truly scandalous.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. WOODRUM of Virginia) there were—ayes 171, noes 165.

Mr. FADDIS. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 184, nays 175, answered "present" 1, not voting 73, as follows:

[Roll No. 22]

YEAS—184

Allen, La.	Durham	Kramer	Reece, Tenn.
Arnold	Eberharter	Larrabee	Richards
Barden	Ellis	Leavy	Robinson, Utah
Barry	Evans	Lemke	Rogers, Okla.
Bates, Ky.	Fay	Lesinski	Romjue
Beckworth	Ferguson	Lewis, Colo.	Ryan
Bland	Fernandez	McArdle	Sacks
Bloom	Fitzpatrick	McCormack	Sasser
Boland	Flaherty	McGranery	Schulte
Bradley, Pa.	Flannagan	McMillan, John L.	Schwert
Brooks	Folger	Maciejewski	Scrugham
Brown, Ga.	Ford, Miss.	Magnuson	Secret
Bryson	Ford, Thomas F.	Mahon	Shanley
Buck	Fries	Marcantonio	Sheppard
Buckler, Minn.	Fulmer	Martin, Colo.	Sirovich
Bulwinkle	Gathings	Massingale	Smith, Ill.
Burgin	Gavagan	Merritt	Smith, Wash.
Byrne, N. Y.	Gehrmann	Mills, Ark.	Snyder
Byrns, Tenn.	Geyer, Calif.	Mills, La.	Somers, N. Y.
Byron	Gore	Mitchell	South
Cannon, Mo.	Gossett	Monroney	Sparkman
Cartwright	Grant, Ala.	Mouton	Spence
Chandler	Gregory	Murdoch, Ariz.	Starnes, Ala.
Clark	Hare	Murdoch, Utah	Steagall
Cochran	Harrington	Myers	Summers, Tex.
Coffee, Wash.	Hart	Nelson	Sweeney
Collins	Healey	Nichols	Tarver
Colmer	Hill	Norrell	Taylor, Colo.
Connery	Hinshaw	Norton	Taylor, Tenn.
Cooley	Hobbs	O'Connor	Tenerowicz
Cooper	Hull	O'Day	Terry
Costello	Hunter	Oliver	Thomas, Tex.
Cox	Izac	O'Neal	Thomason
Crosser	Jarman	O'Toole	Thorkelson
Crowe	Johns	Owen	Tolan
Cullen	Johnson, Luther A.	Patman	Turner
Cummings	Johnson, Okla.	Patrick	Voorhis, Calif.
D'Alessandro	Jones, Tex.	Patton	Wallgren
Delaney	Keller	Pearson	Walter
Demsey	Kennedy, Martin	Peterson, Fla.	Warren
DeRoven	Kennedy, Michael	Pierce, Oreg.	Weaver
Dickstein	Keogh	Poage	Whelchel
Dingell	Kerr	Ramspeck	Whittington
Doxey	Kilday	Rankin	Williams, Mo.
Duncan	Kirwan	Rayburn	Woodrum, Va.
Dunn	Kitchens		Zimmerman

NAYS—175

Alexander	Dworshak	Kinzer	Robison, Ky.
Allen, Ill.	Eaton, N. J.	Kleberg	Rockefeller
Andersen, H. Carl	Edmiston	Knutson	Rodgers, Pa.
Anderson, Calif.	Elston	Kunkel	Rogers, Mass.
Anderson, Mo.	Engel	Lambertson	Routzohn
Andresen, A. H.	Eaglebright	Landis	Rutherford
Andrews	Faddis	Lanham	Sandager
Angell	Fenton	LeCompte	Satterfield
Arends	Fish	Lewis, Ohio	Schaefer, Ill.
Ashbrook	Ford, Leland M.	Lord	Schafer, Wis.
Austin	Gamble	Luce	Schiffner
Ball	Gartner	Ludlow	Seccombe
Barnes	Gerlach	McDowell	Shafer, Mich.
Barton	Gifford	McLaughlin	Short
Bell	Gilchrist	McLean	Simpson
Bender	Gillie	McLeod	Smith, Conn.
Blackney	Graham	Mansfield	Smith, Ohio
Boehne	Grant, Ind.	Mapes	Smith, Va.
Bolles	Griswold	Marshall	Smith, W. Va.
Bradley, Mich.	Gross	Martin, Ill.	Springer
Brown, Ohio	Guyar, Kans.	Martin, Iowa	Stearns, N. H.
Carlson	Gwynne	Martin, Mass.	Stefan
Carter	Hall	Mason	Summer, Ill.
Case, S. Dak.	Halleck	May	Taber
Chipherfield	Hancock	Michener	Talle
Church	Harness	Miller	Thill
Clason	Harter, N. Y.	Monkiewicz	Tibbott
Claypool	Harter, Ohio	Moser	Tinkham
Clevenger	Hawks	Mundt	Treadway
Cluett	Heinke	Murray	Van Zandt
Coffee, Nebr.	Hoffman	O'Brien	Vorys, Ohio
Cole, Md.	Holmes	Osmer	Vreeland
Corbett	Hope	Parsons	Wadsworth
Crawford	Horton	Pierce, N. Y.	West
Crowther	Houston	Pittenger	Wheat
Culkin	Jenkins, Ohio	Plumley	White, Ohio
Curtis	Jensen	Polk	Wigglesworth
Darden	Johnson, Ill.	Powers	Williams, Del.
Darrow	Johnson, Ind.	Randolph	Winter
Dirksen	Johnson, W. Va.	Reed, Ill.	Wolcott
Ditter	Jones, Ohio	Reed, N. Y.	Wolfenden, Pa.
Dondero	Kean	Rees, Kans.	Wolverton, N. J.
Dowell	Kee	Rich	Woodruff, Mich.
Drewry	Keefe	Risk	

ANSWERED "PRESENT"—1

Brewster

NOT VOTING—73

Allen, Pa.	Disney	Jarrett	Rabaut
Bates, Mass.	Doughton	Jeffries	Robertson
Beam	Douglas	Jenks, N. H.	Sabath
Bolton	Eaton, Calif.	Johnson, Lyndon	Schuetz
Boren	Elliott	Kelly	Seger
Boykin	Flannery	Kennedy, Md.	Shannon
Buckley, N. Y.	Garrett	Kocialkowski	Smith, Maine
Burch	Gearhart	Lea	Sullivan
Burdick	Gibbs	McAndrews	Sutphin
Caldwell	Goldsborough	McGehee	Thomas, N. J.
Cannon, Fla.	Green	McKeough	Vincent, Ky.
Casey, Mass.	Griffith	McMillan, Thos. S.	Vinson, Ga.
Celler	Hartley	McReynolds	Welch
Chapman	Havener	Maas	White, Idaho
Cole, N. Y.	Hendricks	Maloney	Wood
Creal	Hennings	Mott	Youngdahl
Curley	Hess	O'Leary	
Daly	Hook	Peterson, Ga.	
Dies	Jacobsen	Pfeifer	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Brewster (for) with Mr. Bolton (against).
 Mr. McReynolds (for) with Mr. Robertson (against).
 Mr. Doughton (for) with Mr. Hess (against).
 Mr. Gearhart (for) with Mr. Cole of New York (against).
 Mr. Green (for) with Mr. Eaton of California (against).
 Mr. Pfeifer (for) with Mr. Douglas (against).
 Mr. Elliott (for) with Mr. Youngdahl (against).
 Mr. Celler (for) with Mr. Maas (against).
 Mr. Sullivan (for) with Mr. Jarrett (against).
 Mr. O'Leary (for) with Mr. Thomas of New Jersey (against).
 Mr. Havener (for) with Mr. Hartley (against).
 Mr. Curley (for) with Mr. Jeffries (against).
 Mr. Hennings (for) with Mr. Jenks of New Hampshire (against).
 Mr. Buckley of New York (for) with Mr. Bates of Massachusetts (against).

General pairs:

Mr. Dies with Mr. Seger.
 Mr. Vinson of Georgia with Mr. Mott.
 Mr. Burch with Mr. Smith of Maine.
 Mr. McAndrews with Mr. Welch.
 Mr. Rabaut with Mr. Burdick.
 Mr. Sutphin with Mr. Casey of Massachusetts.
 Mr. Kennedy of Maryland with Mr. Boren.
 Mr. Hook with Mr. Wood.
 Mr. McGehee with Mr. Gibbs.
 Mr. Schuetz with Mr. Jacobsen.
 Mr. Boykin with Mr. Kelly.
 Mr. Kocialkowski with Mr. White of Idaho.
 Mr. Disney with Mr. Beam.
 Mr. McKeough with Mr. Allen of Pennsylvania.
 Mr. Lea with Mr. Griffith.
 Mr. Lyndon B. Johnson with Mr. Creal.
 Mr. Vincent of Kentucky with Mr. Garrett.
 Mr. Peterson of Georgia with Mr. Maloney.
 Mr. Caldwell with Mr. Shannon.
 Mr. Hendricks with Mr. Sabath.
 Mr. Cannon of Florida with Mr. Daly.
 Mr. Thomas S. McMillan with Mr. Chapman.
 Mr. Flannery with Mr. Goldsborough.

Mr. BREWSTER. Mr. Speaker, I voted "aye." I was paired with the gentleman from Ohio, Mr. BOLTON, who, I understand, would vote "no." So I would like to withdraw my vote and be recorded as "present."

Mr. ALLEN of Louisiana changed his vote from "no" to "aye."

Mr. BARNES changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 17: On page 68, beginning in line 1, insert:
 "Sec. 6. No part of any appropriation contained in this or any other act for the fiscal year ending June 30, 1940, shall be available for the payment of enlistment allowance to enlisted men for reenlistment within a period of 3 months from date of discharge as to reenlistments made during the fiscal year ending June 30, 1940, notwithstanding the applicable provisions of sections 9 and 10 of the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service,' approved June 10, 1922 (37 U. S. C. 13, 16)."

Mr. WOODRUM of Virginia. Mr. Speaker, I move to recede and concur with an amendment which I have sent to the Clerk's desk.

The Clerk read as follows:

Mr. WOODRUM of Virginia moves that the House recede from its disagreement to amendment No. 17 and concur therein with an amendment as follows:

"Sec. 6. Hereafter no enlisted man shall be entitled to or be paid an enlistment allowance for reenlistment, notwithstanding the applicable provisions of sections 9 and 10 of the act entitled 'An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service,' approved June 10, 1922 (37 U. S. C. 13, 16)."

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Speaker, 83 years ago we placed in the basic law of this Nation a provision for the payment of reenlistment gratuity amounting to between \$100 and \$200 a year per reenlistment for every enlisted man of the Army, Navy, Marine Corps, Coast and Geodetic Survey, and the Coast Guard, provided within a limited period of time that man would reenlist. We continued this payment of the gratuity all these years until 1933, when, under the Economy Act, we deemed it advisable, apparently, that we should not pay it any more. The Economy Act of 1933 took away from the enlisted man this reenlistment gratuity. If it were being paid at the present time, it would amount to about \$5,000,000 a year for all of the services. That is not as much as we are paying every year for the training of new men, which, as far as the Navy is concerned, amounts to \$256 for the first 3 months of their enlistment. So you can see it is not an economy measure. It is just one of those things that is left over from the Economy Act, for which there is really no good reason.

Let me show you how we have been treating the Regulars in the past. For instance, if a Regular is disabled and has to be retired or pensioned, his pension is \$45 a month, provided he is totally and permanently disabled. A war veteran receives \$100. Let us suppose he does not suffer as much, being only a Regular. Let us look at his mother. If he is killed in action, his mother gets \$15 a month, if you please. If a disabled Regular dies, he is not even awarded the Stars and Stripes for his casket. The war veteran is. We pay him a wage while in service that is far below the standards set up by the Wage and Hour Act passed in the last session, and we work him possibly 24 hours a day, if need be. His pay has not been materially changed since 1908, and since 1922 we have taken it as the basic law of the land that every enlisted man, because of his greater experience, is entitled to his gratuity on reenlistment. As I have pointed out, it amounts to from \$100 to \$200 per reenlistment.

Mr. LUTHER A. JOHNSON. Mr. Speaker, will the gentleman yield?

Mr. IZAC. I yield.

Mr. LUTHER A. JOHNSON. These payments all go to the privates and noncommissioned officers?

Mr. IZAC. These are the lower-paid brackets of the Army, Navy, and Marine Corps.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. IZAC. I yield.

Mr. VOORHIS of California. I take it the gentleman's point is that if we have this reenlistment allowance it will make up, in some degree, for the very poor pay that the regular gets; is that it?

Mr. IZAC. It permits those enlisted men to go home every 4 years and see the old folks. Now you are depriving them of that. They have tried time and again to take this gratuity away from the enlisted men. The Army and Navy Departments have begged them to put it in our bills. Every year this committee of Congress comes here, and by ruse or subterfuge, takes it out.

I believe the time has come when this Congress should assert itself and say it will give to our enlisted men the thing that the law provides, the thing to which they are entitled. It is no more than justice for the enlisted man.

Mr. GEYER of California. Mr. Speaker, will the gentleman yield?

Mr. IZAC. I yield.

Mr. GEYER of California. Is it not the gentleman's opinion that at this time when war is so prevalent we cannot do too much for these boys who are our defense?

Mr. IZAC. I thank the gentleman. We are spending hundreds of millions of dollars—yes, billions of dollars—for guns, planes, and other material of war, but we are not doing anything for the flesh and blood that make it possible for these guns and planes to be properly manned. [Applause.]

Mr. Speaker, I ask that the amendment offered by the gentleman be voted down and that the House insist upon its position.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, this is the sixth year running in which this matter has been brought before the House in a fashion which ought to make every Member of this House sit up and listen. Time and again this same item or its equivalent has been knocked out in the House on a point of order, being legislation on an appropriation bill; but time and again the Senate reinserted the item and it has come back here in a conference report.

Up to this date from 1933 the effort has been made to rob these men of this item of their pay which is provided for in the pay law by doing it year by year with the favorite device of saying that none of the money appropriated in this or any other act shall during the ensuing fiscal year be used to give these men the pay to which they are entitled under the statute. The situation before us today is somewhat different; in fact, it is very, very different; for while the Senate has inserted into this conference report the provision which would keep this pay from these men for 1 year, the gentleman from Virginia now moves that this provision be changed, and as has just been read from the desk, he asked the House to vote for a permanent change in the pay law. Hereafter, he says, these men of the Army, the Navy, and the Marine Corps shall never get this pay. This can be done apparently under the rules. Here on a moment's notice there can be shoved before the House of Representatives in a conference report dealing solely with appropriations, a piece of permanent legislation without any consultation with the standing Committee on Military Affairs, without any consultation with the standing Committee on Naval Affairs, who have jurisdiction over legislation governing the pay of the enlisted men of the armed services. This may be technically within the rule, but it is an outrage as a matter of legislation. [Applause.]

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. SIROVICH. Will the gentleman be kind enough to tell us how we are to vote if we want to do justice to the men who reenlist in the Army, the Navy, and the Marine Corps?

Mr. WADSWORTH. Vote against the amendment offered by the gentleman from Virginia.

Mr. Speaker, the gentleman from California has told you almost all of the story. Let us look at it for a moment; let me review it if I have time. In the Economy Act of 1933 all the servants of the Government took reductions. Members of the House took reductions in their salaries, Members of the Senate, of the Cabinet, all the civil servants, all the enlisted men of the Army, the Navy, and the Marine Corps, all the officers—even disabled veterans—took a cut. Since that time every single cut has been restored except the cut inflicted upon the enlisted men of the Army, the Navy, and the Marine Corps, and this is that cut.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. DINGELL. Is not this the same principle I have been discussing on the floor of the House, objecting to the Appropriations Committee doing something that the legislative committee had probably previously passed upon and come to a different conclusion upon? If this be the case, I say to my friend that he ought to convince his brethren on the right-hand side to vote with him at this time, as I propose to do.

Mr. WADSWORTH. I hope to convince him, whoever he is. I did not catch the gentleman's name.

Mr. Speaker, this is a matter of military policy. This term "gratuity" is not an accurate description. It is not a gratuity that we are giving to these men or should have given to these men for the last 6 years, it is a part of their pay and is an allowance that has been paid for over 80 years in the Navy and for something like 40 years in the Army. It was renewed in the Pay Act of 1922.

As a matter of important military policy we want good men to continue to reenlist in the Army and the Navy; we want them to stay and rise to the grade of sergeant and first sergeant; we want them to stay and rise to the grade of chief petty officer. It is an old, old truism—and every veteran of this House knows it—that the men with 15, 16, 18, and 20 years' service are the most valuable servants in the whole Government. They are the backbone of our military forces. If you discourage reenlistment you will, as the gentleman from California says, have to enlist more recruits each year; and to train a recruit costs far more than to reenlist a sergeant and give him this reenlistment allowance. These men have not been treated fairly. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

The SPEAKER pro tempore (Mr. RAYBURN). The gentleman from Pennsylvania is recognized for 2 minutes.

Mr. VAN ZANDT. Mr. Speaker, we have said a lot during this session concerning national defense, and in that discussion we have mentioned the privileges and benefits that the commissioned personnel of the Army, Navy, and Marine Corps are entitled to. Very little, however, has been said about the soldier, the sailor, and the marine. I want to speak about the man who enlisted in the Army, the Navy, and the Marine Corps prior to the passage of the so-called Economy Act. He entered the armed forces of his country with the understanding that he would make this a profession and, further, with the understanding he would receive upon reenlistment a gratuity. He so planned his life.

Mr. HAWKS. Will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Wisconsin.

Mr. HAWKS. And he never considered it a gratuity, did he?

Mr. VAN ZANDT. He did not. Along came the Economy Act, denying that man who decided to make the Army, Navy, or Marine Corps his profession this reenlistment allowance. If you want to make a contribution to our national defense, I say give to the men of the Army, Navy, or Marine Corps, the enlisted men—the sailor, the private, or the marine—this reenlistment gratuity.

Mr. KELLER. Will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from Illinois. Mr. KELLER. Is it not true that the whole idea of the Economy Act was that it would be temporary?

Mr. VAN ZANDT. Exactly.

Mr. REED of New York. Will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from New York.

Mr. REED of New York. It has been admitted that it cost anywhere from \$6,000 to \$8,000 to train a man in industry.

Mr. VAN ZANDT. Yes.

Mr. REED of New York. To train a man in the Army would undoubtedly cost a figure approaching that amount?

Mr. VAN ZANDT. Yes.

Mr. REED of New York. Then it is not economy at all.

Mr. VAN ZANDT. No.

Mr. Speaker, may I conclude by saying that when a man enters the United States Navy, after getting out of the training station he is an apprentice seaman and receives the grand pay of \$21 a month. Should he reach the rank of first-class petty officer his pay is \$85 a month. After completing 4 years in the Navy he is surely entitled to a reasonable allowance upon reenlisting for another 4 years.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield myself 10 minutes.

Mr. TABER. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from New York.

Mr. TABER. Will the gentleman tell us how much money this means each year?

Mr. WOODRUM of Virginia. Yes; I am going to tell the Members of the House what this involves in the way of an annual charge.

Mr. Speaker, for 6 years we have had this question rise with reference to the payment of a reenlistment gratuity to the enlisted men in the several services affected. Each time the Congress has said there was no justification for continuing this gratuity, and I say "the Congress," because the ultimate act of both bodies is what the Congress does, brushing aside all of our preliminary maneuvers. What finally is accomplished is what the Congress does as a whole.

Mr. IZAC. Will the gentleman yield?

Mr. WOODRUM of Virginia. I should like to speak a little while.

Mr. IZAC. May I direct the gentleman's attention to the fact that in the last session of Congress we passed an act to pay the men of the Army this allowance by a good margin.

Mr. WOODRUM of Virginia. I am speaking about what was finally done. No such proposition was passed by both bodies. This allowance has not been paid for 6 years. There is not an enlisted man in the armed services today who enlisted with the slightest idea he would get this Christmas present from the Government.

Mr. WADSWORTH. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from New York.

Mr. WADSWORTH. Does the gentleman apply the same remark to the enlisted men who have been in the service for more than 6 years?

Mr. WOODRUM of Virginia. Yes.

Mr. WADSWORTH. And who came in with the distinct understanding that the law would give this allowance to them?

Mr. WOODRUM of Virginia. I apply it to them.

Mr. WADSWORTH. And being caught in the service, cannot get out.

Mr. WOODRUM of Virginia. I apply it to them. If he is in the Army, he reenlisted not more than 3 years ago. If he is in the Navy, he reenlisted not more than 4 years ago. So there is not an enlisted man today who can say that when he enlisted under his present enlistment he was promised any gratuity by the Government.

Mr. HOFFMAN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Is it not true that after the Supreme Court declared those contracts we had with the farmers illegal, we went ahead and appropriated money as a matter of honor to pay them?

Mr. WOODRUM of Virginia. We have never appropriated any money to pay these gratuities.

Mr. HOFFMAN. I am referring to the farmers who had contracts with the Government, which the Supreme Court held were illegal.

Mr. WOODRUM of Virginia. I am surprised the gentleman did not say something about sit-down strikes or Attorney General Murphy.

Mr. HOFFMAN. Congress is sitting down so far as these enlisted men are concerned. There is no question about that.

Mr. DINGELL. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Michigan.

Mr. DINGELL. I would like to ask the gentleman how much this maneuver will save?

Mr. WOODRUM of Virginia. It will save between \$5,000,000 and \$6,000,000 a year.

Mr. DINGELL. Will the gentleman answer this question: How much would it cost to send new recruits by rail to take

the place of these men presently in the service? Would it exceed \$6,000,000?

Mr. WOODRUM of Virginia. I do not know what it would cost to send new recruits to take their places. Any figure necessarily would need to be a guess.

Mr. IZAC. If the gentleman will yield, I will give him the exact figures.

Mr. WOODRUM of Virginia. I grant the gentleman may know more about this than I do, but unfortunately I have to make a few remarks.

What was the reason for this gratuity in the beginning? The reason was to try to induce men to reenlist in the Army and Navy, in the days when it was difficult to recruit our armed forces, so that we would have soldiers, sailors, and marines in numbers appropriated for by the Congress.

What is the situation today? Applicants for enlistment are standing in line at every recruiting office in the United States. The Government can pick its men and does pick its men.

There is no justification under the high heavens for offering a bonus, a Christmas present, a little wrapped-up package in tinfoil, to men who enlisted 3 or 4 years ago with no assurance or promise of any kind that this gratuity would be given to them.

Mr. Speaker, there is something like \$6,000,000 involved in this proposition. How are you gentlemen over here going to explain to your relief constituents when you go back home that in order to try to curtail Government expenses you voted to reduce relief money but voted a gratuity—a raise in pay, so to speak—to people already on the pay roll?

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from New York.

Mr. TABER. Did not the gentleman just promote a raise in waste on the T. V. A.? [Applause.]

Mr. SIROVICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield briefly to the gentleman from New York.

Mr. SIROVICH. I understand this gratuity has been given for 40 years in the Army and 80 years in the Navy. Does the gentleman desire to penalize the patriotism of men who are ready to die for their country and who were deprived of this gratuity through the Economy Act?

Mr. WOODRUM of Virginia. No; this gratuity has not been given for 6 years. I do not wish to start it again when there is no reason for it. The original reason for giving these gratuities does not exist today.

Mr. HINSHAW. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from California.

Mr. HINSHAW. What is the comparative rate of pay as between an enlisted man in the Army and a man on W. P. A.?

Mr. WOODRUM of Virginia. Of course, there is no comparison at all between the enlisted service man and the man on W. P. A.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Missouri.

Mr. SHORT. Certainly our good friend from Virginia does not want to penalize these men \$6,000,000 in order to apply it on the \$112,000,000 Gilbertsville Dam?

Mr. WOODRUM of Virginia. No; I should not put it on that.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from New York.

Mr. WADSWORTH. Does the gentleman believe this is the time and place to legislate permanently on this question?

Mr. WOODRUM of Virginia. I do not care what the House does with it. I have no interest in the matter. There has been a joint Army and Navy board engaged upon studying the question of pay and gratuities and allowances of officers and enlisted men of the Army and Navy.

Mr. WADSWORTH. Then why hurry?

Mr. WOODRUM of Virginia. We have been meeting the matter every year in this way.

Mr. WADSWORTH. Not in this way.

Mr. WOODRUM of Virginia. Every year for 6 years we have by parliamentary maneuver suspended the payment of reenlistment gratuities.

Mr. WADSWORTH. Yes; that is just so; parliamentary maneuver.

Mr. WOODRUM of Virginia. I say, let us see whether or not Congress wishes to continue paying these gratuities. If it does, all right; and we shall have to put \$6,000,000 more in the bills affected. If you do not wish to do it, we can vote our views here and now; that is all.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Pennsylvania.

Mr. RICH. In view of all these gratuities and the way we have been spending money in these appropriation bills, where are you going to get the money?

Mr. WOODRUM of Virginia. We are going to save some of it in the Interior Department appropriation bill when the gentleman brings it in here.

Mr. RICH. We will if we can, I promise the gentleman that.

Mr. VORYS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Ohio.

Mr. VORYS of Ohio. Is it not true that in the present statutory law, which an enlisted man can see when he enlists, there is a provision for reenlistment pay?

Mr. WOODRUM of Virginia. Yes; assuming a recruit looks up the statutory law.

Mr. VORYS of Ohio. If he looks at what is posted in the enlistment office, he will find he is promised by laws passed by Congress that he will get this gratuity if he reenlists.

Mr. WOODRUM of Virginia. No such promise could have been posted since this gratuity has been suspended.

Mr. VORYS of Ohio. It is a promise right there in the law, is it not?

Mr. WOODRUM of Virginia. It no doubt appears in the statutory law, but Congress each year has suspended the law.

Mr. VORYS of Ohio. Then how can the gentleman say that the men who reenlisted did not rely upon laws that were passed by the Congress?

Mr. WOODRUM of Virginia. Because Congress for 6 years has refused to provide for the payment of this allowance; that is the reason.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Does the gentleman look at enlistment as a contract with the Government?

Mr. WOODRUM of Virginia. Yes.

Mr. VAN ZANDT. Suppose a man enlisted in the Navy in 1927 expecting to receive a reenlistment gratuity at the end of 4 years, and in 1933 along came the Economy Act voiding the contract. Does the gentleman believe that is fair to the individual concerned?

Mr. WOODRUM of Virginia. If the man reenlisted since the Economy Act, certainly he did it with notice that Congress had withdrawn that gratuity.

Mr. VAN ZANDT. The gentleman said a moment ago men are standing in line to join the Army, Navy, and Marine Corps. Can the gentleman pick out of any line before a recruiting station a radio operator or a man who is an expert on a 16-inch gun or a man who is an expert on signals? It takes years of training to make such men.

Mr. KELLER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Illinois.

Mr. KELLER. I would just like to ask that the gentleman hear the gentleman from California, who really knows the facts regarding the economy in this case.

Mr. WOODRUM of Virginia. I yielded time to the distinguished gentleman from California, and he was the first man to whom I yielded time, but I yield to him again if he wishes to make another contribution.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield myself 2 additional minutes in order to get this information.

Mr. IZAC. I understood the gentleman to say he would like to have the exact figures on the cost to the Government of training these men.

Mr. WOODRUM of Virginia. Yes.

Mr. IZAC. It costs \$256 on the average to train one young bluejacket at a training station for the first 3 months. Multiply that by the number of original enlistments and you have many millions of dollars more than the five to six million dollars you are actually saving by not appropriating it in this bill.

Mr. WOODRUFF of Michigan. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Michigan.

Mr. WOODRUFF of Michigan. Is it not true that the training a young gob gets in the original training camp to which he goes when he enlists does not begin to finish his training, inasmuch as he is under training for not only the next 6 months but the entire year to come?

Mr. IZAC. I should say it would require more than the 4 years of his first enlistment to make a good torpedoman. We have to have them serve more than one enlistment.

Mr. ANDREWS. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from New York.

Mr. ANDREWS. I wonder if the gentleman realizes that this allowance has probably contributed more in the past to the efficiency of our noncommissioned officers than any other thing done in that connection?

Mr. WOODRUM of Virginia. No; and I do not believe there is any foundation whatever for such a statement for this reason: The cold facts show that the percentage of reenlistments now is just as great or greater than it was when we gave this little gratuity to the enlisted man.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore (Mr. RAYBURN). The question is on the motion of the gentleman from Virginia to recede and concur in the Senate amendments with an amendment.

The question was taken; and on a division (demanded by Mr. WOODRUM of Virginia) there were—ayes 29, noes 131.

Mr. WOODRUM of Virginia. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and twenty-nine Members are present, a quorum.

Mr. WOODRUM of Virginia. Mr. Speaker, I ask for the yeas and nays on the motion.

The yeas and nays were refused.

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment and concur in the amendment and on that I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Virginia that the House recede from its disagreement to the Senate amendment and concur in the amendment.

The question was taken; and on a division (demanded by Mr. WOODRUM of Virginia) there were—ayes 21, noes 156.

So the motion was rejected.

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House insist on its disagreement to the amendment of the Senate.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment 18: Page 68, line 13, strike out "Sec. 6" and insert "Sec. 7."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

The motion was agreed to, and a motion to reconsider was laid on the table.

DEFICIENCY APPROPRIATION BILL, 1939

Mr. WOODRUM of Virginia. Mr. Speaker, I call up the conference report on the bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two houses on the amendments of the Senate to the bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 14, 15, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, 35, and 36, and agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: At the end of the matter inserted by said amendment before the period insert the following: "Provided, That the amounts claimed and allowed, respectively, in item numbered 95, page 12, of such document, are hereby changed to \$7, and that the amount allowed in item numbered 5, page 25, of such document, is hereby changed to \$16.15"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 10, 13, 16, 17, 18, and 23.

EDWARD T. TAYLOR,
C. A. WOODRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
THOS. S. McMILLAN,
J. BUELL SNYDER,
EMMET O'NEAL,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

ALVA B. ADAMS,
CARTER GLASS,
KENNETH MCKELLAR,
CARL HAYDEN,
JAMES F. BYRNES,
FREDERICK HALE,
JOHN G. TOWNSEND, Jr.,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended as to each of such amendments in the accompanying conference report, namely:

On amendments Nos. 1 to 6, inclusive, relating to the Senate: Appropriates, as proposed by the Senate, \$10,000 to pay the widow of a deceased Senator, \$15,000 for miscellaneous items, fiscal year 1938, \$150,000 for miscellaneous items, fiscal year 1939, and \$100,000 for expenses of inquiries and investigations.

On amendments Nos. 7, 8, and 9, relating to independent establishments: Appropriates \$75,000, fiscal year 1939, for continuing work on the Mount Rushmore Memorial, and appropriates \$9,000,000 additional, fiscal year 1939, for grants to States for unemployment compensation administration, all as proposed by the Senate.

On amendment No. 11, relating to New England hurricane damage: Extends the matching provision proposed by the House to include besides the States the political subdivisions thereof, as proposed by the Senate.

On amendment No. 12: Strikes out, as proposed by the Senate, specific mention of white fringed beetles in the text of the appropriation relating to the control of insect pests and plant diseases, Department of Agriculture.

On amendments Nos. 14 and 15: Appropriates \$215.47 for payment of damage claims, Federal Bureau of Investigation, Department of Justice, as proposed by the Senate.

On amendments Nos. 19, 20, and 21, relating to the Navy Department: Appropriates \$9,474.92 for payment of damage claims, and \$100,000 for the purchase of land, Dahlgren, Va., as proposed by the Senate.

On amendment No. 22: Appropriates \$549.58 for payment of damage claims growing out of the operation of vessels, Coast Guard and Public Health Service, as proposed by the Senate.

On amendments Nos. 24, 25, 26, and 27: Appropriates \$1,832.22 for the payment of damage claims under the War Department, as proposed by the Senate.

On amendments Nos. 28 and 36: Makes a textual rearrangement, as proposed by the Senate.

On amendments Nos. 29 to 55, inclusive, relating to judgments and authorized claims: Appropriates a total of \$1,323,969.70, as proposed by the Senate, and makes two corrections in one of the supporting documents (S. Doc. No. 9).

The committee of conference report in disagreement amendments Nos. 10, 13, 16, 17, 18, and 23.

EDWARD T. TAYLOR,
C. A. WOODRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
THOS. S. McMILLAN,
J. BUELL SNYDER,
EMMET O'NEAL,
JOHN TABER,
R. B. WIGGLESWORTH,
W. P. LAMBERTSON,

Managers on the part of the House.

Mr. WOODRUM of Virginia. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

The SPEAKER pro tempore. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 10: On page 4, in line 23, strike out "\$3,000,000" and insert in lieu thereof "\$5,000,000."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House insist upon its disagreement to the Senate amendment.

The Clerk read as follows:

Mr. WOODRUM of Virginia moves that the House insist on its disagreement to Senate amendment No. 10.

Mr. McCORMACK. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. McCORMACK moves that the House recede and concur in Senate amendment No. 10.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, my motion brings clearly to the House the question as to whether or not the recommendation of the Bureau of the Budget of an appropriation of \$5,000,000 to meet the New England situation with reference to fire protection which developed as a result of the hurricane that visited that section of the country last year shall be agreed to. The Budget recommendation was in the sum of \$5,000,000. The Department felt it needed, I think, in excess of \$8,000,000. The Budget recommendation was a direct appropriation upon the part of the Federal Government. The House Committee on Appropriations reported out \$3,000,000, provided the States affected matched that money. We have no controversy with that aspect of the recommendation of the Committee on Appropriations, and that is not in dispute between the two Houses. I offered the amendment in the House increasing the amount from \$3,000,000 to \$5,000,000, and it was defeated by a close vote in the Committee of the Whole. The Senate has increased it from \$3,000,000 to \$5,000,000. If ever there was an appropriation of \$5,000,000 warranted to meet an emergency situation, it is this appropriation that is now before the House. If the necessity of appropriating \$3,000,000 is recognized, as the House has recognized it, certainly if the evidence is overwhelming that \$5,000,000 is necessary, I submit we should

appropriate the \$5,000,000, and I submit that my amendment should be acted upon favorably.

The argument that the appropriation of \$3,000,000 for all practical purposes means \$6,000,000 is a weak argument. The amendment also provides that if any one of the States has already appropriated money, and it has been used, that that can be taken into consideration in meeting the matching provisions of the pending bill. Therefore, it necessarily follows that \$6,000,000 is not directly or indirectly available. It is considerably less than that. The fact also remains that New England needs in excess of \$5,000,000, substantially in excess of \$5,000,000, to meet the immediate situation that confronts us. We have over 14,000,000 acres of land with fallen timber in New England, in parts of Maine, in all New Hampshire, and Vermont, Massachusetts, Rhode Island, Connecticut, and Long Island. All of those States have been visited by the worst hurricane that ever visited any section of our country in its history. We have helped those in the Dust Bowl. I voted to help them and the argument was made that this is a precedent. It is not essentially a precedent. That was the main argument made when this matter was before the House, after it was reported out of the Committee on Appropriations. We have helped the victims of other hurricanes by helping the States, and then the States helping private owners.

We have recognized the necessity of making appropriations to help communities that have been visited by some terrible catastrophe, from the angle of fire protection and sanitation. I have never refrained from voting for such an appropriation, and no matter what the outcome may be of my motion at the present time, as long as I am a Member of this honorable body, I will not refrain from voting for appropriations where any community of our country is visited by a great catastrophe, whether it be dust, flood, hurricane, or fire. This is a reasonable appropriation. Five million dollars is necessary. I just voted to help out those concerned with the T. V. A. I question no man who voted otherwise, but from my angle, viewing it as I did, I felt that the national considerations involved warranted my vote. I voted against it last year, and why? Because it was a 100-percent Federal contribution and other sections of the country were not getting 100-percent Federal contributions. I reasoned that if it is right to give Gilbertsville 100-percent Federal contribution, it is right to give California, it is right to give Ohio, the Mississippi Valley, Pennsylvania, or New England a 100-percent Federal contribution on flood control. I have assisted others and I now ask that the case being made out for New England, that the House vote to recede and concur, giving to New England the \$5,000,000 originally recommended by the Bureau of the Budget, and which it so badly needs to meet the fire hazard that constantly exists throughout the area visited by the hurricane. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I rise at this time in support of the motion of my distinguished colleague the gentleman from Massachusetts [Mr. McCORMACK]. I shall be very brief.

First, as to the severity of the storm: I hold in my hand a scientific article appearing in Harper's magazine for the month of January. It is written by a professor of astronomical physics at Princeton University. The article emphasizes the extreme difficulty of anyone appreciating the damage done by this hurricane if he has not come in close contact with it. I quote two sentences from this article:

As regards loss of human life, it (the hurricane) stands apparently fourth among similar storms in the United States. As regards property damage, it was far and away the worst in all history.

What is the purpose of this appropriation? I want to cut away some mental underbrush if I can in that respect, because I think there is much confusion in the minds of many as to just what this sum of money is to be used for.

This money is not asked for hurricane relief. It is asked to eliminate the tremendous hazard of fire which has grown

out of that hurricane. It is asked to minimize, if it cannot eliminate, that great hazard growing out of the September hurricane which swept over New England, smashing down its forests over miles and miles of territory, piling great trees on top of each other like jackstraws.

One quotation from a letter to the President by the Acting Director of the Budget, Mr. Bell:

It is intended by the proposed direct Federal action merely to reduce the worst of the emergency hazards created by the storm to a point affording reasonable insurance against disaster following disaster; to reopen blocked roads; clear roadside strips; restore fire detection and communication facilities; and supply temporary essentials of fire prevention, such as patrols and posting.

That is the purpose, and the sole purpose, of this appropriation which is now in question.

The Forest Service made a very careful survey and recommended a Federal appropriation of \$8,750,000. A hearing was held before the Budget Bureau. The sum recommended was cut by the Bureau of the Budget to \$5,000,000. The matter came to the House. The House further reduced the amount to \$3,000,000 and placed the appropriation on a matching basis. The bill went to the Senate. The Senate restored the Budget figure of \$5,000,000, but left it on a matching basis. Every dollar put up by Uncle Sam must be matched dollar for dollar by one of the six or seven States involved in this appropriation.

All that we ask at this time is the allowance of the Budget figure of \$5,000,000 on a matching basis. We ask it, Mr. Speaker, in the hope of eliminating a fearful fire hazard, which today, with the approach of spring, literally menaces towns and entire communities in the New England States. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Speaker, I am reminded of the advice given to me by the late Honorable Harry Fenn, who was a Member of the House. He said:

When dealing with a problem that involves a certain section of the country, go to the Members from that section of the country and get their advice, and ninety-nine times out of a hundred follow that advice.

For that reason I want to record my part of Connecticut as very much in favor of this increased appropriation and say to you that of all of the New England States we, fortunately, had the least damage.

Visualize New England with its dirt roads leading up into the midst of a wood lot, and in that wood lot in many cases hospitals and sanatoria, one that I vision with 200 crippled children, with acres and acres of down timber surrounding them. I say to the Members of this House that if next summer we have a dry summer and a fire starts in that area the loss of life from that fire will make the loss of life from the hurricane as nothing.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 3 minutes to the gentlewoman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Speaker, first of all, I wish to state to the Members, because there has been some misunderstanding about this appropriation, that not a penny of the appropriation goes to the farmers. It will be used entirely in taking care of the fire hazard, under the direction of the Federal Government with Mr. Silcox, head of the United States Forest Service, in charge. In building fire towers, making fire roads, and lanes in every fire prevention way.

I wish to bring out the fact that while the calamity occurred primarily in New England, it is a national calamity in scope, and if New England is wiped out, or parts of it, by fire, the purchasing power will be tremendously lessened and the whole Nation will suffer. Industries will be injured and thousands will be unemployed.

I also wish to point out to the Members, as the last time some of them did not understand, that there is much more fire hazard when the timber is down. If any of the Members care to look at this picture, they can see by this that the fire

by the down timber is already laid, and only a match or a lighted cigar or intense heat will start the tinderbox, which is New England today.

Mr. Speaker, again I wish to emphasize the fact that the forests are scattered here and there, and if a fire starts in one piece of forest land, it can jump to another, and practically the entire State of Massachusetts might really readily be devastated.

The gentleman from Connecticut [Mr. MILLER] has spoken of the number of sanatoria that are in the midst of woods. It has been said before also that there are many hospitals in those wooded sections. I have them in my own district. I have here an article which appeared in Collier's of June last. The expert is asked in that article how fast can fire travel. He states that he was standing 1 mile away from a fire. It did not look as if that fire would spread. In only a moment's time the fire was where he was standing. With a high wind, with everything dry as it will be in the spring, with Massachusetts a tinderbox, with the timber down and the fire laid, you can well see what will happen.

I wonder how many of you have been near or in a forest fire? Those who have been realize the tremendous heat from that fire. I repeat we are in a very congested area. This is national in scope. It will affect every one of you all over the country. You with farm lands, you with your industries in the West and in the South. We are not pleading alone for New England. We are pleading for the entire United States.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, after the pleas that have been made by my colleagues for the larger amount carried by the Senate amendment, it perhaps is unnecessary for me to add anything to their arguments. All I can do is to repeat the need for the larger sum we are asking as represented by the amount the Senate voted and which the Budget recommended.

We are making this plea, Mr. Speaker, not on the ground of aid to the people who lost money through fallen timber, we are asking it to provide protection against the terrible hazard of fire.

I know of no better authority than the Forest Service. Mr. Silcox and his able assistant, Mr. Tinker, in correspondence with several Members and in their testimony before the Appropriations Committee have been very insistent on the actual need for \$5,000,000. They say that even this amount is not sufficient to obviate the entire fire hazard, but it will suffice to give protection to various affected areas to an extent that will be a material aid. This is the plea that is being made to you today.

The timber actually down in the New England States covers 150,000 acres, and the estimated cost of removing the fire hazard of down timber is \$7,968,000. The area to be protected by this appropriation is 14,000,000. So you see the actual area protected is very great.

Reference has been made to the congested condition of New England. I am sure all of you realize the situation. We have not the broad areas of the West, the area in New England is very congested. Mr. Silcox in his testimony before the committee brought out the fact that he himself saw a children's hospital almost surrounded by this fallen timber. Unless this fallen timber is removed before the fires that may come in the spring dry period, the hazard to hospitals, public institutions, and homes is tremendous. Whole towns may be destroyed with serious loss of life.

The department is absolutely frightened at the prospect of what may happen in the dry period of the late spring.

This money is to be used to cut roadways through these areas, to establish fire towers, and to afford all the protection possible within the limited appropriation. The department at first was figuring on \$8,000,000. They asked for \$7,000,000. This was cut by the Budget to \$5,000,000, and the committee saw fit to reduce it to \$3,000,000. So, if we accept the sum recommended by the House and do not adopt the Senate amendment we will be getting only three-sev-

enths of what was actually asked for by the experts of the department, who know their business. Mr. Silcox has been through forest fires in the West. He knows the possibilities by experience, and certainly we can ask for no better counsel. We should follow the advice of such men as Mr. Silcox and Mr. Tinker.

It is on the ground of humanitarianism that we are asking for this larger sum, even though that itself is too modest. Nevertheless, in cooperation with the States and municipalities directly affected we are going to try to overcome some of the difficulties that have arisen as the result of the hurricane. Those of us who represent the sections through which this hurricane passed, as I do, and as does my colleague, the gentleman from Massachusetts—we represent the directly affected areas—and really we are not exaggerating when we tell this House that unless very definite aid is secured the hazards of the next spring and summer are simply appalling. We are unable to face the situation alone. We ask, therefore, that the House recede from its disagreement to the amendment of the Senate and concur, as moved by the gentleman from Massachusetts [Mr. McCORMACK]. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, I appreciate very deeply the need for this appropriation, but may I call to the attention of the membership at this time the fact that while New England needs this \$5,500,000 to rehabilitate that territory, we out in the Middle West also need something, my friends, that is in the next section of this bill, and that is the item for the control of grasshoppers. I do not care at this time to couple the eradication of grasshoppers with the relief of human misery in New England, but I do ask the Members from the New England area to remember that while I am supporting them, and while other farmers from the Middle West are supporting them in their request, we would like their protection against the gentleman from Virginia [Mr. WOODRUM] in his attempting to strike out the next item that was inserted by the Senate.

Mr. Speaker, up to the present time we are on record in the House as having appropriated in the neighborhood of \$4,000,000,000 so far in this session of Congress. Of that huge sum practically none has been directly appropriated for agriculture, the most important one business in America today. Now we have before us the Senate amendment to give the Department of Agriculture sufficient money with which to combat the grasshopper infestations which do millions of dollars of damage to farm crops every year.

What is the reaction of the administration to this needed help for the farmer of the Nation, and for the first direct appropriation asked for agriculture? We have the answer in the proposed amendment of the gentleman from Virginia [Mr. WOODRUM] in seeking to lower the amount allowed by the Senate by more than 60 percent.

Yes, they can spend money freely in behalf of extra T. V. A. dams, entailing eventually over a hundred millions of the taxpayers' dollars in this very same bill. They can appropriate millions for a new Census Building to add to the vast accumulation of masonry here in Washington, D. C., instead of cutting down on some of the multitude of bureaus that are unnecessary. We have also helped New England to rehabilitate its area destroyed by the hurricane of last fall. But, Mr. Speaker, when we farmers of the Middle West ask for \$5,000,000 to help save a hundred millions in crops this year, we do not even receive the courtesy of a roll call on the floor of the House.

When will the majority in control of this House wake up to the fact that, until agriculture prospers, we will never have lasting prosperity in this Nation? When will the present administration realize that they are selling the American farmer down the river in order to appear good neighbors to the rest of the world?

We see our own people losing their farms by foreclosure simply because no farmer can farm and stay in business unless he has a little profit for his work any more than a

businessman can do so. We cannot compete with products produced by oriental labor earning 25 cents per day and shipped into this country to take away our own American market to which farmers, laboring men, and businessmen of this country, their own country, mind you, should have by all moral rights the first chance in which to sell our goods and not have to rub elbows with coolies while so doing.

What can we do to again put agriculture on its feet and enable the farmer to again purchase the millions, yes, billions of dollars' worth of manufactured products he needs and would buy if he but had his proper share of the national income?

First. We can close our ports to any agricultural commodities or manufactured products that can be grown or produced in sufficiency by our own people.

Second. We can guarantee cost of production to the farmer for that portion of the commodities grown by him consumed in our own country. The bill to accomplish this is before the Agriculture Committee at this time and, with a few minor amendments, can be made to accomplish what the Soil Conservation Act has failed to do, and that is to give us as farmers the same break that today our Nation gives industry and is attempting to give to the laboring man.

Third. Let us give to every farmer an opportunity to own the farm he operates. It is disastrous to the well-being of our Nation to have an annual migration of renters or tenants from one farm to another, often in connected circles.

Fourth. Thousands, yes, tens of thousands, of farmers have hanging around their necks old Federal seed and feed loans, mostly from the drought period. I ask of you Members of the House whether or not it would be best to consider these loans as relief and have them canceled. Many a farmer is still trying to keep off of W. P. A., and a little help right now might help keep a lot of them paying taxes rather than having the taxpayers support them.

You Members of Congress need only to take a trip through the great States of Iowa, Minnesota, Illinois, Indiana, and Ohio to see what is the matter with our great Nation today. Once prosperous farms, now with buildings unpainted, fences run down, and a general appearance of dilapidation, testify mutely that the farmer has his back to the wall. W. P. A. could be wiped out and these men could again get the jobs most of them want if the farmers of America but had the money to buy the paint, fencing, autos, radios, new machinery, new clothes, and every article under the sun that can be thought of which they badly need. The wheels of industry would begin spinning again, our mounting public debt would start the downhill slide it surely needs very shortly, and America would again be America and not the laboratory to cure all the ills of the world, with the farmer being used as the guinea pig for untried experiments in new dealism.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the Committee on Appropriations recommended \$3,000,000 under this item because of the damage occasioned by the New England hurricane. This allowance was recommended by the subcommittee and by the full committee, and was ratified by the House when the bill was under consideration. The Senate increased the amount approved by the House to \$5,000,000. I should like, before we go on record for this increased appropriation, for all of us to understand just what is involved. In the first place, there is involved no question of relieving human misery; nothing of that kind is involved. In the second place, to make any appropriation at all, as we are proposing to do here, is to set a precedent that I am afraid will plague us in the future.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield right there?

Mr. WOODRUM of Virginia. Not right now. In just a few moments I shall yield.

Mr. Speaker, we have had disasters in other parts of the country and the Government has extended aid, but never such aid as is contemplated by this appropriation. We had a great flood out in the Mississippi Valley and in the Ohio

Valley, but in neither instance was the Government ever asked to go in and rehabilitate private property.

That is what we are proposing to do in this pending proposition.

Let us see what has happened. This was a great disaster and there no doubt is need for rehabilitation work in New England. What has the Government done thus far to meet the situation?

In the first place, we provide in this bill \$500,000 for the Forest Service to clean up Government-owned lands up there, and it is appropriate that the Government should remove fire hazards which exist upon its own property. That amount is in the bill as it passed the House and has not been disturbed by the Senate.

In the second place, we have put at the disposal of the damaged area 41 C. C. C. camps, which have been operating up there, and we are told they have done a splendid work and are doing a splendid work in removing the fire hazard and cleaning up the land.

In the third place, we have put at the disposal of that stricken territory more than 15,000 W. P. A. workers, and we are told by these gentlemen representing the New England area that in this instance, at least, the W. P. A. has been doing a swell job.

In the fourth place, through the medium of the Reconstruction Finance Corporation the Government is guaranteeing to the owners of property in that territory, whose timber has been laid upon the ground by the storm, 90 percent of the value of their timber in the form of loans.

No other disaster has occurred in which the Congress has been more liberal and more considerate than it has been in connection with the disaster that has befallen this splendid, fine territory. Further than that, let me say that if a mistake has been made at all it was the mistake of putting into this bill any money for going upon private property at all, whether it be in New England, Virginia, or any other place in the country.

In this bill the House provided \$3,000,000 for cleaning up the debris on private land.

Mr. McCORMACK, Mr. HEALEY, and Mrs. ROGERS of Massachusetts rose.

Mr. WOODRUM of Virginia. I yield to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. May I call the gentleman's attention to the fact that on June 7, 1924, we passed an act, section 2 of which authorized the Congress to appropriate money to the Secretary of Agriculture for the purpose of protecting timber and forest lands against fire.

Last year we appropriated \$2,000,000, which was spent. We have been appropriating many millions of dollars all these years, which is a complete precedent. Certainly this is in line with that.

Mr. HEALEY. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Massachusetts.

Mr. HEALEY. The gentleman has stated that the W. P. A. and C. C. C. enrollees have been used in cleaning away this brush and timber. The Chief of the Forest Service states it is necessary to supplement their work, that there are not enough men in those organizations adequately to take care of the situation. He so told the gentleman's committee.

Mr. WOODRUM of Virginia. He so stated to our committee, and we provided \$3,000,000. We further provided that these funds should be matched by the States. So the \$3,000,000 provided by the House, matched by similar funds put up by the various districts affected, gives \$6,000,000 instead of \$5,000,000, and by putting in this other \$2,000,000, to be matched by the States, you are making available twice the amount the Budget estimated was necessary to take care of the stricken areas.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. Will there not be a great amount of salvaged timber or lumber up there which will be valuable?

Mr. WOODRUM of Virginia. Yes.

Mr. SCHAFER of Wisconsin. Should that not be taken into consideration?

Mr. WOODRUM of Virginia. I should think so.

Mr. HEALEY. May I say to the gentleman it is not the timber itself. It is the brush that is heaped up on acre after acre that constitutes the fire hazard. It is necessary to remove this brush in order to guarantee that there will not be a greater calamity than there was at that time, should a fire occur.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield myself 3 additional minutes.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman did not state that this is to be used for fire towers and roads. In the West you have fire towers and fire lanes in your forests. You have protection. We have no such protection in New England. Also our houses are built in the timber, as well as our hotels and some of our industries. There will be a great loss of employment if we have a big fire up there. This is all under the supervision of Mr. Silcox, of the Forest Service. We have not a thing to say about it, and the farmers do not receive a penny.

Mr. GIFFORD. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Massachusetts.

Mr. GIFFORD. Last year in my section three men lost their lives fighting a fire. There would be human misery up in that country if a fire broke out. May I ask the gentleman this question: Do they grow grasshoppers on private land?

Mr. WOODRUM of Virginia. I think so, and I still think my idea of trying to get grasshoppers up there in New England to eat up this hazardous debris is a good one.

Mr. HULL. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Wisconsin.

Mr. HULL. In answer to the gentleman from Massachusetts, may I say that there may be grasshoppers on private lands, but that is because the breeding places are on the public lands out in the Far West.

Mr. MILLER. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Connecticut.

Mr. MILLER. The gentleman can get thousands of acres of this slash for whatever he may think it is worth, if he will just take it away.

Mr. WOODRUM of Virginia. Mr. Speaker, I feel that the services which the Government has put at the disposal of this fine part of the country in which our friends naturally are so much interested, supplemented by \$3,000,000 out of a depleted Treasury, is certainly very liberal treatment.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Massachusetts to recede and concur.

The question was taken; and on a division (demanded by Mr. WOODRUM of Virginia) there were—ayes 101, noes 41.

Mr. WOODRUM of Virginia. Mr. Speaker, I object to the vote on the ground a quorum is not present.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and nine Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 202, nays 147, not voting 84, as follows:

[Roll No. 23]

YEAS—202

Allen, Ill.	Dworshak	Kennedy, Martin	Poage
Allen, La.	Eaton, N. J.	Kennedy, Michael	Rankin
Andersen, H. Carl	Eberhart	Keogh	Reed, Ill.
Anderson, Mo.	Edmiston	Kirwan	Reed, N. Y.
Andresen, A. H.	Ellis	Kleberg	Risk
Andrews	Englebright	Knutson	Robinson, Utah
Angell	Fay	Kramer	Robson, Ky.
Arends	Fenton	Larrabee	Rogers, Mass.
Austin	Fish	Leavy	Ryan
Ball	Fitzpatrick	Lemke	Sacks
Barry	Flaherty	Lesinski	Sandager
Barton	Flannagan	Lewis, Ohio	Schulte
Bates, Ky.	Ford, Leland M.	Luce	Secrest
Bender	Ford, Miss.	McArdle	Shanley
Bland	Fries	McCormack	Short
Bloom	Gartner	McDowell	Sirovich
Bolles	Gavagan	McGranery	Smith, Conn.
Bradley, Pa.	Gearhart	McLaughlin	Smith, Ohio
Brewster	Gehrmann	Maclejewski	Smith, Wash.
Brooks	Gerlach	Magnuson	Smith, W. Va.
Brown, Ga.	Gifford	Mansfield	Somers, N. Y.
Buck	Gilchrist	Marcantonio	Sparkman
Buckler, Minn.	Gore	Martin, Colo.	Starnes, Ala.
Bulwinkle	Grant, Ind.	Martin, Iowa	Stearns, N. H.
Byrne, N. Y.	Gregory	Martin, Mass.	Stefan
Byrns, Tenn.	Guyer, Kans.	Massingale	Sweeney
Carter	Gwynne	Merritt	Taylor, Tenn.
Cartwright	Harrington	Miller	Tenerowicz
Case, S. Dak.	Hart	Mills, Ark.	Thomas, Tex.
Chandler	Harter, Ohio	Mills, La.	Thorkelson
Clason	Hawks	Monkiewicz	Tibbott
Clevenger	Healey	Monroney	Tinkham
Coffee, Wash.	Hennings	Mouton	Tolan
Connery	Hill	Mundt	Treadway
Cooper	Hinshaw	Murdock, Ariz.	Turner
Cox	Holmes	Murdock, Utah	Van Zandt
Crosser	Hook	Myers	Voorhis, Calif.
Crowe	Hope	Nelson	Wallgren
Crowther	Horton	Norton	Walter
Culkin	Hull	O'Connor	Weaver
Cullen	Hunter	O'Day	Welch
Cummings	Izac	Oliver	West
Curtis	Jenkins, Ohio	Owen	Wheat
D'Alesandro	Jensen	Pace	Whelchel
Darrow	Johnson, Ill.	Patman	Wigglesworth
Delaney	Johnson, Luther A.	Patrick	Wolcott
Dempsey	Johnson, Okla.	Patton	Wolfenden, Pa.
Dickstein	Jones, Tex.	Pearson	Wolverton, N. J.
Dingell	Kee	Peterson, Fla.	Woodruff, Mich.
Duncan	Keefe	Pittenger	
Dunn	Keller	Plumley	

NAYS—147

Alexander	Dondero	Kunkel	Routzohn
Anderson, Calif.	Dowell	Lambertson	Rutherford
Arnold	Doxey	Landis	Satterfield
Ashbrook	Drewry	Lanham	Schaefer, Ill.
Barden	Durham	LeCompte	Schafer, Wis.
Barnes	Elston	Lewis, Colo.	Schiffler
Beckworth	Engel	Lord	Schwert
Bell	Faddis	Ludlow	Scrugham
Blackney	Flannery	McLeod	Secombe
Boehne	Fulmer	McMillan, John L.	Shafer, Mich.
Boland	Gamble	Mahon	Sheppard
Boren	Garrett	Mapes	Simpson
Bradley, Mich.	Gathings	Marshall	Smith, Ill.
Brown, Ohio	Geyer, Calif.	Martin, Ill.	Smith, Va.
Bryson	Gille	Mason	South
Burch	Gossett	May	Spence
Burgin	Graham	Michener	Springer
Caldwell	Grant, Ala.	Mitchell	Steagall
Cannon, Mo.	Hall	Moser	Sumner, Ill.
Carlson	Halleck	Murray	Summers, Tex.
Chapman	Hancock	Norrell	Taber
Church	Hare	O'Brien	Talle
Clark	Harness	O'Neal	Tarver
Claypool	Harter, N. Y.	Parsons	Terry
Cluett	Heinke	Pierce, N. Y.	Thill
Cochran	Hobbs	Polk	Thomason
Coffee, Nebr.	Hoffman	Ramspeck	Vorys, Ohio
Cole, Md.	Houston	Randolph	Vreeland
Collins	Jarman	Rayburn	Wadsworth
Colmer	Johns	Reece, Tenn.	White, Ohio
Cooley	Johnson, Ind.	Rees, Kans.	Whittington
Corbett	Johnson, W. Va.	Rich	Williams, Del.
Costello	Jones, Ohio	Richards	Williams, Mo.
Crawford	Kean	Rockefeller	Winter
Darden	Kilday	Rodgers, Pa.	Woodrum, Va.
Dirksen	Kinzer	Rogers, Okla.	Zimmerman
Ditter	Kitchens	Romjue	

NOT VOTING—84

Allen, Pa.	Celler	Douglas	Green
Bates, Mass.	Chapman	Eaton, Calif.	Griffith
Beam	Cole, N. Y.	Elliott	Griswold
Bolton	Creal	Evans	Gross
Boykin	Curley	Ferguson	Hartley
Buckley, N. Y.	Daly	Fernandez	Havener
Burdick	DeRouen	Folger	Hendricks
Byron	Dies	Ford, Thomas F.	Hess
Cannon, Fla.	Disney	Gibbs	Jacobsen
Casey, Mass.	Doughton	Goldsborough	Jarrett

Jeffries	McLean	Pfeifer	Snyder
Jenks, N. H.	McMillan, Thos. S.	Pierce, Oreg.	Sullivan
Johnson, Lyndon	McReynolds	Powers	Sutphin
Kelly	Maas	Rabaut	Taylor, Colo.
Kennedy, Md.	Maloney	Robertson	Thomas, N. J.
Kerr	Mott	Sabath	Vincent, Ky.
Kocalkowski	Nichols	Sasscer	Vinson, Ga.
Lea	O'Leary	Schuetz	Warren
McAndrews	Osmer	Seger	White, Idaho
McGehee	O'Toole	Shannon	Wood
McKeough	Peterson, Ga.	Smith, Maine	Youngdahl

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Doughton with Mr. Hess.
 Mr. Green with Mr. Eaton of California.
 Mr. Pfeifer with Mr. Douglas.
 Mr. Elliott with Mr. Youngdahl.
 Mr. Celler with Mr. Maas.
 Mr. Sullivan with Mr. Jarrett.
 Mr. O'Leary with Mr. Thomas of New Jersey.
 Mr. Havenner with Mr. Hartley.
 Mr. Curley with Mr. Jeffries.
 Mr. Buckley of New York with Mr. Bates of Massachusetts.
 Mr. Dies with Mr. Seger.
 Mr. Vinson of Georgia with Mr. Mott.
 Mr. Rabaut with Mr. Burdick.
 Mr. Warren with Mr. Bolton.
 Mr. Taylor of Colorado with Mr. Cole of New York.
 Mr. Kerr with Mr. Jenks of New Hampshire.
 Mr. Fernandez with Mr. Griswold.
 Mr. McReynolds with Mr. Smith of Maine.
 Mr. Robertson with Mr. McLean.
 Mr. Boykin with Mr. Gross.
 Mr. McAndrews with Mr. Osmer.
 Mr. Nichols with Mr. Powers.
 Mr. Lea with Mr. Allen of Pennsylvania.
 Mr. Wood with Mr. White of Idaho.
 Mr. Beam with Mr. Evans.
 Mr. Folger with Mr. Casey of Massachusetts.
 Mr. Sutphin with Mr. Gibbs.
 Mr. Maloney with Mr. Snyder.
 Mr. Schuetz with Mr. Jacobsen.
 Mr. Disney with Mr. Byron.
 Mr. Sabath with Mr. Cannon of Florida.
 Mr. Peterson of Georgia with Mr. O'Toole.
 Mr. Chapman with Mr. McGehee.
 Mr. Creal with Mr. Shannon.
 Mr. Griffith with Mr. Vincent of Kentucky.
 Mr. Hendricks with Mr. Daly.
 Mr. Sasscer with Mr. Lyndon B. Johnson.
 Mr. Kelly with Mr. Ferguson.
 Mr. McKeough with Mr. Pierce of Oregon.
 Mr. Kocalkowski with Mr. DeRouen.
 Mr. Kennedy of Maryland with Mr. Thomas F. Ford.
 Mr. Thomas S. McMillan with Mr. Goldsborough.

Mr. SPARKMAN and Mr. ANDERSON of Missouri changed their votes from "nay" to "yea."

Mr. REECE of Tennessee changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 13: On page 5, line 25, strike out "\$2,000,000" and insert "\$5,417,000."

Mr. WOODRUM of Virginia. Mr. Speaker, I offer a motion to recede and concur with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. WOODRUM of Virginia moves that the House recede from its disagreement to amendment No. 13 and concur therein with an amendment as follows: "In lieu of the sum proposed in said amendment insert '\$2,250,000.'"

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I rise in opposition to this amendment.

Mr. Speaker, the history of this matter is as follows: The Bureau of Entomology, which has to do with trying to destroy what is perhaps one of the worst menaces with which the West is confronted, after very careful study, estimated it would require the sum of \$6,000,000 to take care of the situation properly. You must bear in mind that emergencies arise within 24 hours, when thousands of tons of poison have to be secured at once, and the Bureau needs the money available. This Bureau may be trusted with money, as is shown by the past, because they have on hand the sum of

\$700,000 that was unexpended. This shows they used the money only in case of necessity. One can never tell when an emergency may arise.

Some facetious remarks have been made on the floor of the House with reference to grasshoppers and the damage they cause, but if you ever saw a field of grain that was destroyed by pests such as grasshoppers and Mormon crickets you would realize the importance of what I am speaking about. The Bureau of the Budget recommended in excess of \$3,000,000, yet in the face of what seems to me uncontradicted testimony the committee arbitrarily cut this figure down to practically the figure called for by the amendment now offered by the gentleman from Virginia [Mr. WOODRUM]. The Senate of the United States raised that figure to the amount estimated by the Bureau of Entomology to be necessary, and that amount we should have.

This problem is not local to the West but affects every State in the Union.

Mr. MURDOCK of Utah. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. Is it not a fact that the great breeding places for these crickets and grasshoppers are on land owned by the United States in the gentleman's State and in my State?

Mr. O'CONNOR. Yes. Thanks for this contribution. Then when these pests get hungry they come over into our fields and eat our grain and put our farmers on relief. It is just as long as it is short. We had better vote these few millions of dollars and give them to the Bureau of Entomology to take care of an emergency if it arises. In my own State alone, in the eastern end of Montana, because of lack of sufficient funds to buy poison over \$6,000,000 damage was done within 48 hours.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Texas.

Mr. POAGE. Is it not a fact that the Bureau of Entomology has made examinations for the last year or two and, based on the number of eggs it has found, estimates there is going to be a more severe infestation of grasshoppers this year than there has ever been in the history of the Nation?

Mr. O'CONNOR. That is my understanding.

Mr. DEMPSEY. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from New Mexico?

Mr. DEMPSEY. What is the gentleman's suggestion with reference to the motion of the gentleman from Virginia?

Mr. O'CONNOR. I am glad the gentleman mentioned it. If you are in favor of providing this Bureau with sufficient funds to take care of this situation, you will vote down the motion of the gentleman from Virginia.

Mr. DEMPSEY. Is another motion to be offered?

Mr. O'CONNOR. I have here a preferential motion to recede and concur in Senate amendment No. 13.

Mr. DEMPSEY. Is it not true that the amount suggested by the gentleman from Virginia is totally inadequate to do the work the Bureau desires to do, and that we in the West know must be done?

Mr. O'CONNOR. Absolutely; not only that, but you cannot anticipate just exactly what is going to be needed. These grasshoppers come from the public lands into our fields and destroy our grain, then eat up our alfalfa. When they destroy our crops we have to come on our knees to Congress and ask money for relief. I ask the Members of this House who believe in giving us a chance to protect ourselves against menaces such as these crickets and grasshoppers to vote down the motion of the gentleman from Virginia, and then we will take up for consideration the motion I have at the Clerk's desk.

Mr. DEMPSEY. The chairman of the committee made the statement to the Members of the House that one of the reasons for cutting the amount of the appropriation is that all the money provided last year was not used. Nevertheless, on several occasions last summer, I telephoned long distance from New Mexico to the office of the Secretary of Agriculture

and was advised that there was no money available—that it had all been used. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, I take the floor against this increase and I am from the land of grasshoppers. I am a member of the Appropriations Committee and I am here primarily to help save expenditures. I am glad to take this opportunity to make my first speech at this session on reducing on a thing that is right in my back yard. Some economize just on things that apply outside. It is disturbing that this \$5,000,000 went through for New England. I did not like the idea of grasshoppers and New England going together for \$5,000,000 each in the other body. I do not agree that we need this \$5,000,000 for the destruction of grasshoppers as we use it, and I hope it will not be voted. They had \$700,000 last year that was not used. Farmers get the poisoned feed and apply it. That is the only way it is used.

The Senate insisted on their position in our conference and a Member of that body said, "We do not want any of this appropriation if we cannot have \$5,000,000 and exterminate the grasshopper." This shows how unfamiliar he is with the program. Nobody is trying now to extinguish the grasshoppers. Climatic conditions alone will have to do that. All the Government does is to furnish certain feed and the farmers use that and they had \$700,000 for feed that the farmers did not use last year. So what is the use of appropriating \$5,000,000? I am against it, and I think we ought to begin to economize.

Mr. GILCHRIST. Mr. Speaker, will the gentleman yield?

Mr. LAMBERTSON. I am sorry. I am tired of hearing this wild hysteria for extended national defense and every other thing in the 2 months that we have been in session here. There should be economy in the expenditure of Government money. What did the election teach us? Did it not teach us that we should cut down Government expenditures? When are we going to start? Let us start now, whether the menace is at our back door or not. Let us start to save money, especially when we do not need to spend it. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Speaker, there is not much of a grasshopper infestation in my own congressional district, but there is a very distressing condition in two of the adjoining districts, and there must be some relief given these people.

I am surprised at some of the statements made by the last speaker, the gentleman from Kansas, who said that on account of the fact they had not used \$700,000 of the last appropriation we do not need what is asked in the Senate provision. Mr. Speaker, that is the very reason why you can safely vote this \$5,000,000, because under the language of the bill it will not be used unless it is needed. [Applause.] If there is again a \$700,000 excess appropriation, then under the language of this bill itself it will not be spent. Every dollar of the money will be spent with economy and with wisdom and in view of what is actually needed.

Now, what is the condition? For years you have been appropriating small sums of money to take care of grasshoppers and similar infestations. But you have not stamped out the infestation. The proposal now is that you shall try to stamp it out and quit making further appropriations. So then I speak for economy. I speak for those who wish to finally end the threat of a calamity that is destroying the safety and security and happiness of the lives of many farmers in the West. It is cheaper to stop this menace at the source than it is to pay doles and relief and the expense attending economic disaster.

Did you ever see a cloud of grasshoppers spread over a county or a community so wide and so thick and so deep as to obscure the noonday sun? They come like a thief in the night, like the "Assyrian who came down like a wolf on the fold," as you read in your old fifth reader, out in Iowa. They come, apparently, from nowhere and they settle down upon your farms and your homes and they devastate whole communities and counties. In an hour everything is gone

and the fields are as bare and brown as the top of this table. Then the people come back here asking for relief. Oh, go out there, as I have done, and see some of these places. You will see cornstalks no higher than an inch or two because the grasshoppers have eaten every green thing. There are no crops. The poor devils out there, and I use this word as a term of endearment and love, have nothing to live on. Babies, children, old, and young are hungry and ragged and they come down to this Congress and ask it to give them a little dole so that they can get a few crumbs in order that they may eke out a mere existence through the winter, and then hopefully try again next spring to raise a crop.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman.

Mr. HOPE. How much does the gentleman feel this appropriation should be?

Mr. GILCHRIST. Well, the Senate put it in at \$5,417,000, following the advice of the Committee on Agriculture and the Bureau of Entomology. Now, my friend from Montana is proposing that we stand by that figure for the present; and I just wish to say that this \$200,000 that the gentleman from Virginia is raising the present appropriation will amount to nothing at all. The gentleman is proposing to raise the present appropriation from \$2,000,000 to \$2,200,000. Why, that extra \$200,000 will not accomplish anything. We are crying for bread; do not give us a stone. The pending motion ought to be voted down in order that a decent appropriation can be made for this purpose. [Applause.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado [Mr. CUMMINGS].

Mr. CUMMINGS. Mr. Speaker, there have been some statements made here which would lead one to believe that in the minds of some people this matter of grasshopper infestation is something funny. I live in northern Colorado. We were not specially injured in my particular part of the country. However, they had an invasion of crickets in southern Wyoming, about 60 miles from my place. I made a trip over there, and I want to tell you that after these crickets had passed over that grassland it was as bare as this floor, and where you generally would be able to drive from 50 to 60 miles an hour you were compelled to drive down to 20 to 25 miles an hour because the road was filled with crickets, and they made the pavement so slippery that you could hardly drive at all. They say that \$700,000 was left. That is true, and I will tell you why. In the State of Colorado we used all our appropriation plus nearly half a million dollars of the farmers' and the counties' and the State's money, and that money was left because we did not receive it until it was too late to use it. Once the grasshoppers have started to fly it costs from 10 to 15 times as much to kill them as when they are small or not yet hatched.

Mr. DOWELL. Mr. Speaker, will the gentleman yield?

Mr. CUMMINGS. Yes.

Mr. DOWELL. Will it not cost the Government more money for relief if this is not granted than if we allow \$5,000,000?

Mr. CUMMINGS. At an expense of \$500,000 last year in Colorado it is estimated we saved \$10,000,000 worth of crops, and of course when the crops are killed they must go somewhere. I saw grass 6 or 8 inches high, and when these grasshoppers passed over that grass you could see them on the ground just as plainly as you can see the glass on this table. There is nothing left. We are not asking for money to waste, and I venture to say for every million dollars invested there will be fifteen million or twenty million saved. I am not trying to be an alarmist. I am telling what actually exists. Men who know about them dug in the ground and have counted the eggs and say that the infestation this year will be the worst in history.

Mr. DOWELL. The argument of the gentleman from Kansas [Mr. LAMBERTSON] that because there may be a surplus crop we ought to permit the grasshoppers to travel over some sections of the country and take all of it in order to reduce that surplus is not a very safe or sound argument in the interest of the farmer.

Mr. CUMMINGS. I am one-quarter Scotch, but I think the gentleman from Kansas must be about six-quarters Scotch.

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Speaker, in the last session, when this bill was before the House, I spoke for a few minutes. To you people who have seen only the destruction by fire or flood, it may seem that grasshopper destruction does not mean very much; but I say to you, as one who has seen all kinds of destruction by the elements and other malignant forces of nature, that I feel destruction by the grasshopper is the most deadly thing I have ever seen. In New Mexico some 200,000 acres of agricultural land, insofar as crops and grasses were concerned, were totally destroyed last spring. I personally called the Agricultural Department and pleaded with them to give us some additional money in New Mexico. We were spending much more from State and private funds than the Federal Government provided, and I was told by the Secretary of Agriculture's office that there was no money available; that the money had been expended. Now I find that some \$700,000 was unexpended, and the reason they told me it was unavailable was that it could not be used for pests of a known character. In other words, it was held back for some emergency with which they had had no previous experience. That is the information I got from the Department. The Director of the Budget disagrees with the Committee on Appropriations, the Bureau of Entomology and Plant Quarantine disagrees with the Appropriations Committee, and certainly we men, representing the States affected, disagree with the committee. As the gentleman from Connecticut told you here today, we in the States affected by these destructive forces should have more understanding of the problem than someone who has never come in contact with it.

There is not a man from a State affected who is going to use any of this money personally; none of us wants any money wasted; we are not going out and just spread this money around. We will spread poison to eliminate the grasshoppers, and, unless we get a sufficient amount, we will have to come back here next year, the year after, and the year after that, until the Congress recognizes that the battle cannot be won through halfway measures or efforts handicapped by parsimony.

Mr. DOWELL. And is it not true that this pest is worse in some seasons than in others?

Mr. DEMPSEY. Very much worse.

Mr. DOWELL. And it may be a great deal worse this time than when all the money was not expended?

Mr. DEMPSEY. That is true.

Mr. HOPE. Is it not true that the estimates of the Bureau of Entomology in the past have been remarkably accurate as to the amount of grasshopper infestation for each of the last 5 years?

Mr. DEMPSEY. That is true; they are specialists.

Mr. HOPE. Is it not true also that they estimate this year the area of infestation will be greater than in previous years?

Mr. DEMPSEY. Yes; that is the estimate based on observations and surveys made by experts who fully understand this problem.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Speaker, there has been only one argument really advanced against this proposal by the Senate, and that is the argument that there was something left in the fund last year. That is an unfortunate argument, because it would serve notice on the Government departments that if they failed to use money appropriated we will cut them down the next time. As a matter of fact, that kind of argument should never be used against an appropriation which is for the prevention of disaster. Nobody can tell in advance how much money will be needed under the conditions that may develop during the year. Last year

they did not use \$700,000 because some of the anticipated emergencies in some areas cleared up. The fact that they had this money left is the best possible argument that there is a bureau which will not spend money unless it is needed, and if it is developed that they really need the full amount, they will have it. You cannot call a special session on notice of grasshoppers.

Mr. HARRINGTON. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HARRINGTON. Is it not a fact that if the money is appropriated, if the infestation comes it will be there, but if not appropriated there is no other way of getting it?

Mr. CASE of South Dakota. Absolutely. It must be appropriated at this time.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. DINGELL. I am for the gentleman's proposal and I am very much interested in it, but I want to ask the gentleman whether he has noticed that in recent weeks we have been served these Kansas grasshoppers down in the House restaurant as Maine lobsters? [Laughter.]

Mr. CASE of South Dakota. If the gentleman will come where I have been, I can show him some Mormon crickets that will be a better brand for serving.

Mr. HARRINGTON. Will the gentleman yield further?

Mr. CASE of South Dakota. I yield.

Mr. HARRINGTON. Is it not the gentleman's understanding that the Department of Agriculture is in favor of this appropriation?

Mr. CASE of South Dakota. Yes; absolutely. They requested it.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the motion which is pending adds \$250,000 to the amount previously reported by the House, and is supported by a Budget estimate on account of white-fringed beetles. I am not particularly familiar with that form of insect, but that seems to be a new one that has been found, and a Budget estimate has come up for that. So we are proposing funds to combat them.

The gentleman from Iowa [Mr. GILCHRIST], appealing somewhat to our emotions, wanted to know if we had ever seen a dark cloud of grasshoppers flying over. I would like to remind you of a dark cloud hanging over the Treasury of the United States.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield at that point?

Mr. WOODRUM of Virginia. Not right at that point; no.

We are appropriating money that we have not got. Maybe that ought to make a little difference. Not only that, here we would be appropriating money that is not needed.

Now, what are the circumstances? We went all over this thing in the last session of Congress. The grasshoppers, Mormon crickets, and chinch bugs descended upon us just as they have today. We appropriated \$2,000,000. Our beloved friends from the West came back late in the session and got a Budget estimate for \$950,000 more and told us if we did not do something about it the grasshoppers would eat them up entirely. So the heartless Appropriations Committee and the heartless Congress cut that \$950,000 to \$700,000, and we appropriated it. Not one red copper penny of it was needed or used.

I do not know what the Department of Agriculture told the distinguished gentleman from New Mexico [Mr. DEMPSEY] but the money was lying there in the Department of Agriculture, available if they needed it. Two million nine hundred and fifty thousand dollars is available under this bill for the control of these insects. If the Department of Agriculture will take it and use it early in the season they may be able to control them. They cannot exterminate them. They never have made any effort to do that. At least, they never have been able to find anything that really would exterminate them. They say that nothing but adverse weather conditions would do that. This amount of

money in this bill, this early in the season, is all that is needed by the Department of Agriculture.

May I remind you just in passing of another thing. That is, if it is not enough, if the grasshoppers should get by, every bushel of wheat they eat is insured by the United States Government.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. Yes, I yield.

Mr. AUGUST H. ANDRESEN. About 228,000 wheat farmers in this country have their wheat insured and are the only ones who are in the soil-conservation program and are eligible for insurance. So a small fraction of the farmers are insured.

Mr. WOODRUM of Virginia. They will be the lucky ones. Possibly they will encourage others to take advantage of this opportunity the Government has given them.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Virginia to recede and concur with an amendment.

The question was taken; and on a division (demanded by Mr. WOODRUM of Virginia) there were—ayes 118, noes 96.

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Minnesota asks for the yeas and nays. Those who favor taking this question by the yeas and nays will rise and stand until counted. [After counting.] Thirty-four Members have arisen, not a sufficient number.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I demand tellers.

Mr. DOWELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. The gentleman from Iowa makes the point of order that a quorum is not present, which is always a constitutional question. The Chair will count. [After counting.] Two hundred and forty-one Members are present, a quorum.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I demand tellers.

Tellers were refused.

Mr. O'CONNOR. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The yeas and nays have been previously demanded and refused. The demand is out of order.

The Clerk will report the next amendment in disagreement.

Mr. WOODRUM of Virginia. Mr. Speaker, amendments Nos. 16, 17, and 18 relate to the same matter, the administration of the wage-hour law, and I ask unanimous consent that they be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read as follows:

Amendment No. 16: Page 6, line 19, after the word "division", insert "to be expended under the direction of the Administrator."

Amendment No. 17: Page 6, line 21, strike out the word "it" and insert in lieu thereof the word "him."

Amendment No. 18: Page 7, line 2, strike out the words "Secretary of Labor" and insert the word "Administrator."

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House insist upon its disagreement to the amendments of the Senate.

The Clerk read as follows:

Mr. WOODRUM of Virginia moves that the House insist upon its disagreement to amendments of the Senate Nos. 16, 17, and 18.

Mr. COCHRAN. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. COCHRAN moves that the House recede and concur in Senate amendments Nos. 16, 17, and 18.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Speaker, this is one amendment that does not involve money. [Applause.] As the bill left the House the money appropriated for the administration of the wage-hour law was to be controlled by the Secretary of Labor. The Senate amended that provision so that the money would be in charge of the Administrator.

In making this motion I want it distinctly understood I cast no reflection upon the Secretary of Labor.

Last year we were told by the businessmen of the country that if we passed the wage-hour bill we would be further interfering with industry, we would ruin business. The President selected as Administrator a very able man. I had never heard of this man prior to his selection, have never met the gentleman up to this hour, but if ever a man taking charge of a new office conducted himself in a way to win the admiration and confidence of business in this country, it is Mr. Andrews, in charge of the Wage and Hour Act. [Applause.] I say this man is entitled to have charge of the appropriation allocated by Congress to carry out the work of his division.

There is nothing else I can say, but I again want to impress upon you that I am not casting any reflection upon the Secretary of Labor. I am asking that this man who is responsible to the Congress for the conduct of that office, to have charge of the appropriations we vote to run that office.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN. I yield.

Mr. MAY. As I understand the gentleman's motion, it would put the money in the hands of the man who administers the wage-hour law.

Mr. COCHRAN. Yes. The money would be expended subject to the decisions of the Administrator and not subject to the instructions of the Secretary of Labor, if my motion is adopted.

Mr. MAY. Does this appropriation bill leave it in the hands of the Secretary of Labor?

Mr. COCHRAN. The Senate amendment does not. If my motion is agreed to, then the House accepts the Senate amendment, which means the money will be placed in the hands of the Administrator, Mr. Andrews.

Mr. DINGELL. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Michigan.

Mr. DINGELL. Is that not a well-established practice under the law and applicable to other departments as well?

Mr. COCHRAN. There is nothing established in this House. You do something today and change it tomorrow. There is no well-established practice here. [Applause.]

Mr. DINGELL. Is not the same thing applicable to the Bituminous Coal Commission?

Mr. COCHRAN. I do not know. We are dealing with this office, not the Bituminous Coal Commission.

Mrs. NORTON. Will the gentleman yield?

Mr. COCHRAN. I yield to the gentlewoman from New Jersey.

Mrs. NORTON. Is there any good reason why this change should be made with regard to the Wage and Hour Division any more than with any other division under the Labor Department? How about the Immigration Division?

Mr. COCHRAN. The Immigration Bureau is an entirely different set-up.

Mrs. NORTON. In what way?

Mr. COCHRAN. In my opinion, it is an entirely different set-up. I repeat what I said twice before. I am not casting any reflection on the Secretary of Labor, but I do think when a man has a record in this new office such as Mr. Andrews has made, he should be put in charge of administering the funds that we appropriate.

Mrs. NORTON. The Administrator has been in charge of that particular division only a very short time, and while I have the highest regard for Mr. Andrews' ability, nevertheless, I fail to see why his division should be singled out any more than any other division within the Department of Labor. There is no conflict between the Department of Labor and the Wage and Hour Administrator.

Mr. COCHRAN. My answer to the gentlewoman from New Jersey is that he has made such a record that he stands out as a public official, one who has gained the confidence of legitimate business. That is my reason.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I cannot agree with my good friend from Missouri when he says this does not involve some money. We do not do many things here that do not involve the expenditure of money. This does involve the expenditure of funds, but that is not of primary importance.

Mr. Speaker, I hope that the Members may vote upon this in a somewhat impersonal way. May I just put the cards on the table, speaking in the parlance that most people understand. If you wish to take the opportunity here to take a crack at somebody, I cannot stop you from doing that. [Laughter.] My good friends over on this side laugh. If the Senate amendment is concurred in, they are going to laugh louder than that, because it will be construed that our party is repudiating a Cabinet member, the Secretary of Labor.

Mr. RAYBURN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Texas.

Mr. RAYBURN. May I state the way it appears to me? For a great many Members of the House this is a rather embarrassing situation. If the motion of the gentleman from Missouri is agreed to and the bill goes back to conference, does not the gentleman from Virginia [Mr. WOODRUM] believe that in all probability the conferees can agree on language that we may vote up or down, without the embarrassment of having personalities brought into the matter?

Mr. WOODRUM of Virginia. I do not think there is any doubt about that. I wish to follow that by making another statement, if I may. I have before me the Fair Labor Standards Act. If you will read it, you will find that from section 4 on through there is no doubt about the fact it gives complete control of the management of this division to the Administrator of the Fair Labor Standards Act, which is as it should be. For the purpose of budget accounting the funds are carried through the Department of Labor.

I think there is much merit to the proposition that the Wage and Hour Administrator, Mr. Andrews, should have very large if not complete control of the funds under which he operates. I agree with the statement that he has made a fine record. He made a very fine impression on our committee.

Mr. Speaker, if my motion to insist on the House's disagreement to the Senate amendments prevails, I feel very confident that when the conferees go back into conference they will be able to work out language that will give the Wage and Hour Administrator control over his funds, which he should have, and bring the matter back to the House for its consideration. I may say further I will promise that you will be given the same opportunity to vote upon it as you have had to vote upon it today.

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Pennsylvania.

Mr. BRADLEY of Pennsylvania. Is it not true that last year those who opposed the wage and hour bill did so originally on the ground it placed too much authority in the hands of an administrator, and for this reason it was placed under the control of the Department of Labor? Now they are assuming a position in opposition, which is in direct contradiction to their attitude taken when the bill was originally pending before the House.

Mr. WOODRUM of Virginia. I think the gentleman is correct in his statement.

Mr. MURDOCK of Utah. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Utah.

Mr. MURDOCK of Utah. Is not the position of the gentleman from Missouri completely out of line and out of harmony

with his theory of reorganization that we will hear so much about in a few days?

Mr. COX. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Georgia.

Mr. COX. Is the gentleman taking the position that the adoption of the pending motion means a vote of lack of confidence in the Secretary of Labor?

Mr. WOODRUM of Virginia. I do not want to take that position, but the gentleman knows what construction will be placed upon such a vote.

Mr. COX. Has the gentleman in his own mind any doubt but what that would reflect the true attitude of the membership of this House?

Mr. WOODRUM of Virginia. I would not wish to say that; no. I may say to the distinguished gentleman from Georgia that the fact the Secretary of Labor has budgetary control over these funds is because the Congress put it there. It does not lie with very good grace for any Member to come in and cast aspersions on or vilify or censure a Department for doing a thing that the Congress itself has charged it by law with the duty of performing. [Applause.]

Mr. COCHRAN. Will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Missouri.

Mr. COCHRAN. Did I say a word that cast an aspersion upon the Secretary of Labor?

Mr. WOODRUM of Virginia. Of course, the gentleman did not. I was speaking generally, not personally.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Speaker, I yield myself 5 additional minutes.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from West Virginia.

Mr. RANDOLPH. The Administrator of the Division under the Department of Labor, Mr. Andrews, has never asked for this power?

Mr. WOODRUM of Virginia. Not that I ever heard of.

Mr. RANDOLPH. There is no controversy between him and the Secretary of Labor, as far as the gentleman knows?

Mr. WOODRUM of Virginia. I do not know of any, personally.

Mr. RANDOLPH. Further, is it not a fact that although Mr. Andrews, as all of us agree, is doing a good job, there is no necessity in this instance of turning aside from the regular procedure? Does the gentleman believe there is any such necessity?

Mr. WOODRUM of Virginia. I believe it should be done more deliberately. I believe the conferees can work out language that will settle this intradepartmental conflict between the Wage and Hour Division and the Secretary of Labor in a manner, I am confident, that will be satisfactory to those Members of the House who wish to see it settled, because obviously it is not now satisfactory to some.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Kentucky.

Mr. MAY. What I am concerned about is not personalities as between the Secretary of Labor and the Administrator of the Wage and Hour Division but is this a different attitude than we have pursued with respect to all other departments, if we do not give Mr. Andrews control of the funds that are necessary to operate his division?

Mr. WOODRUM of Virginia. The gentleman will find there are many departments in which divisions are given control of their own funds. In some departments they are and in some they are not. In this instance, however, Congress gave the Department of Labor budgetary control of the accounts. One reason for it was that the Department of Labor has an accounting department and a budget department. If you put this all under Mr. Andrews, certainly you will have to set up a division for budgetary control.

Mr. ANDERSON of Missouri. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield to the gentleman from Missouri.

Mr. ANDERSON of Missouri. The Administrator is well qualified and can be trusted with the control of this money?

Mr. WOODRUM of Virginia. Undoubtedly.

Mr. ANDERSON of Missouri. The gentleman sees no reason why he should not have the control of expenditures?

Mr. WOODRUM of Virginia. I believe this can be worked out so both will be satisfied, if the House will give the conferees a chance to do it.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Missouri [Mr. COCHRAN] to recede and concur.

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 122, noes 105.

Mr. WOODRUM of Virginia. Mr. Speaker, I demand tellers.

Tellers were ordered, and the Speaker appointed as tellers Mr. WOODRUM of Virginia and Mr. COCHRAN.

The House again divided; and the tellers reported that there were—ayes 137, noes 93.

So the motion to recede and concur was agreed to.

The SPEAKER pro tempore (Mr. SPARKMAN). The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 23: On page 9, beginning in line 8, strike out all down through line 17.

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House insist on its disagreement to the Senate amendment.

Mr. TABER. Mr. Speaker, I move that the House concur in the Senate amendment.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, the House placed in this bill an item of \$3,500,000 to construct a new census building. It was not necessary, and the matter was debated here in the House at the time. It is apparent that this organization by crowding into buildings that will be open to it by the time it will need them can find space enough to take care of its activities. There is one set of buildings over on Twenty-fifth and C Streets out of which the Public Health Service will move before the Census Bureau will need space for its activities. This space will be larger than the entire space the Census Bureau had in the old buildings over here in the Mall at the time of the 1930 census. Under the circumstances, it seems to me it is absolutely ridiculous for us to spend \$3,500,000 to take care of a temporary activity employing perhaps 7,500 persons for 6 or 7 months, when we could just as well get along without this expenditure.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Could this Census Bureau building be completed in time for the 1940 census?

Mr. TABER. They tell us it will be completed in time for them to put into it some of the overflow in 1941 and 1942, when they are doing their compiling. It would be mostly in 1941.

The idea of this is just to erect another building which there would be a demand to fill with governmental employees after the temporary employees were out of service, and we should not do it.

Mr. AUGUST H. ANDRESEN. It seems to me they are building only another temporary building.

Mr. TABER. It is a cheap type of building. They claim it is more of a permanent building than some of the temporary buildings that were put up at one time. This will be a steel building, I may say. However, I do not see any possible excuse for building it at this time.

I hope the House will today show some evidence of a spirit of economy and accept the Senate amendment. The Senate has shown a disposition on this bill to do one thing

that is right. It has thrown out the appropriation for this \$3,500,000 building. It is absolutely ridiculous for us to try to put it back. I hope my motion to recede and concur in the Senate amendment will be adopted and that we can save this \$3,500,000 for the Treasury.

Mr. WOODRUM of Virginia. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, here is an opportunity for the House to rectify to some little extent some of the mistakes it has made earlier in the day; in fact, it is a chance to save a few of the dollars we have appropriated unnecessarily today. Maybe we all have had a hand in that.

Mr. TABER. Not I. [Laughter.]

Mr. WOODRUM of Virginia. Well, my friend from New York is the only perfect Member here, I am afraid.

The idea of putting up another building in Washington! That is an easy and a trite thing to say, but our friends over here on the left-hand side cannot take any credit for trying to keep buildings out of Washington. All this development on the Mall here started under a Republican administration. I think you deserve credit for it rather than censure. I think this is the greatest Capital of the greatest Nation in the world and I think we ought to have nice buildings and a nice city.

We are renting today in Washington 120 different buildings, for which we pay \$3,432,000 a year rent. Now, I know what the immediate reply to that will be—wipe out all of these unnecessary departments or bureaus and you will have plenty of room, but that is not true. [Applause.]

Now, get a good fill of that applause, because that applause comes from a feeling late in the afternoon of good nature when you are fatigued and not thinking clearly. [Laughter.]

We paid, under the last Republican administration, 25 percent more for rented quarters for Uncle Sam than we pay now. Now, applaud that.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. Certainly.

Mr. RICH. I just figured out here from the Government statement, and you have been going in the red since July 1 at the rate of \$384,114.16 every hour since that time. Now, it is time to stop a lot of these Government propositions, such as constructing buildings and creating bureaus and everything else of that sort. You promised to do it—why do you not do it? [Applause.]

Mr. WOODRUM of Virginia. Now, after this rude interruption I should like to proceed. [Laughter.]

There is not a businessman in this House today who, if confronted with the same proposition the Government is confronted with today, would not go out and put up this building. We have got to have the census. I say we have got to have it; we certainly should have it. It cannot be compiled anywhere except in Washington. It is one of those activities that must be carried on at the seat of government. Social security and railroad retirement, for instance, are dependent upon an accurate census. Space is needed for this purpose. After this work is over, and I hope that we may be able to disband some of these unnecessary independent agencies—and I am ready to vote to cut the unnecessary ones out—but even if that were done, a cheap, utilitarian type of building of this sort is badly needed by the United States Government.

It has been shown in our hearings that we have stored in expensive office space, for which we pay more than \$1.25 a square foot, files of the Government that ought to be moved out of that space and into buildings of this type.

This type of building, to cost three and a half million dollars, is not a monumental building. It is a utilitarian type of building, to be erected down here in southwest Washington, at the back of the Mall, where it will be convenient to the various departments, and when the census gets through with it we shall be able to move other departments into it and stop the payment of some of this expensive rent being paid in the District of Columbia.

Mr. MANSFIELD. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. MANSFIELD. Is not this the first instance within the recollection of the gentleman where the Senate has ever actually reduced an appropriation made by the House?

Mr. WOODRUM of Virginia. Well, they do not do that very often, I will say to the gentleman.

Mr. O'TOOLE. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. O'TOOLE. Is the gentleman aware that due to the fact there is no such space in Washington, it is necessary for the Census Bureau to rent an eight-story building in New York to do this work?

Mr. WOODRUM of Virginia. I am glad the gentleman called my attention to that.

The department has had a careful survey made and they testified before our committee—and no one has challenged this statement—that there is not any space in Washington that can be obtained for this purpose. The only alternative is to build a building of this sort, and I may say that the cheapest bid they could get on furnishing such space was \$400,000 a year.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. TABER. I called attention to the Public Health buildings at Twenty-fifth and C Streets that will be vacant in time for this operation, which would give ample quarters.

Mr. WOODRUM of Virginia. Those old buildings up there are firetraps.

Mr. TABER. They are fireproof.

Mr. WOODRUM of Virginia. Oh, the gentleman knows they will not be available for this purpose and that they would be entirely inadequate, and even if they were available, it was testified before our committee that there was not a foot of space in Washington that could be obtained to augment that space, because the Government has rented so many buildings.

Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from New York to recede and concur in the Senate amendment.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 117, noes 125.

Mr. TABER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 157, nays 172, not voting 104, as follows:

[Roll No. 24]

YEAS—157

Alexander	Dondero	Horton	O'Brien
Allen, Ill.	Dowell	Hull	Oliver
Andersen, H. Carl	Dworshak	Jenkins, Ohio	Pierce, N. Y.
Anderson, Calif.	Eaton, N. J.	Jensen	Pittenger
Anderson, Mo.	Elston	Johns	Poage
Andersen, A. H.	Engel	Johnson, Ill.	Polk
Andrews	Englebright	Johnson, Ind.	Powers
Angell	Fenton	Jones, Ohio	Reed, Ill.
Arends	Fish	Kean	Reed, N. Y.
Austin	Ford, Leland M.	Keefe	Rees, Kans.
Ball	Fulmer	Kinzer	Rich
Barton	Gamble	Knutson	Risk
Bender	Gartner	Kunkel	Rockefeller
Blackney	Gearhart	Lambertson	Rodgers, Pa.
Boehne	Gehrmann	Landis	Rogers, Mass.
Bolles	Gerlach	LeCompte	Routzohn
Bradley, Mich.	Gifford	Lemke	Rutherford
Brewster	Gillie	Lewis, Ohio	Sandager
Brown, Ohio	Gore	Lord	Schafer, Wis.
Bryson	Graham	Luce	Schiffner
Carlson	Grant, Ind.	Ludlow	Seccombe
Carter	Griswold	McDowell	Shaffer, Mich.
Case, S. Dak.	Gross	McLaughlin	Short
Chipfield	Guyer, Kans.	McLean	Simpson
Church	Gwynne	McLeod	Smith, Ohio
Clason	Hall	Mapes	Springer
Clevenger	Halleck	Marshall	Stearns, N. H.
Cluett	Hancock	Martin, Iowa	Steffan
Colmer	Harness	Martin, Mass.	Sumner, Ill.
Corbett	Harter, N. Y.	Mason	Taber
Crawford	Hawks	Massingale	Talle
Culkin	Heinke	Michener	Taylor, Tenn.
Curtis	Hinschaw	Miller	Thill
Darrow	Hoffman	Monkiewicz	Thorkelson
Dirksen	Holmes	Mundt	Tibbott
Ditter	Hope	Murray	Tinkham

Treadway
Van Zandt
Vorys, Ohio
Vreeland

Welch
White, Ohio
Wigglesworth

Williams, Del.
Winter
Wolcott

Wolfenden, Pa.
Wolverton, N. J.
Woodruff, Mich.

NAYS—172

Allen, La.	Dunn	Lanham	Ramspeck
Arnold	Durham	Larrabee	Randolph
Barden	Eberhart	Lea	Rankin
Barnes	Edmiston	Leavy	Rayburn
Barry	Ellis	Lesinski	Richards
Bates, Ky.	Faddis	Lewis, Colo.	Robinson, Utah
Beckworth	Ferguson	McArdle	Rogers, Okla.
Bland	Fiaherly	McCormack	Romjue
Boland	Flannery	McGranery	Ryan
Boren	Ford, Miss.	McMillan, John L.	Sacks
Bradley, Pa.	Ford, Thomas F.	Maclejewski	Schaefer, Ill.
Brooks	Fries	Mahon	Schulte
Brown, Ga.	Garrett	Mansfield	Schwert
Buck	Gathings	Marcantonio	Secrest
Bulwinkle	Gavagan	Martin, Colo.	Sirovich
Burch	Geyer, Calif.	Martin, Ill.	Smith, Conn.
Burgin	Gossett	Merritt	Smith, Ill.
Byrne, N. Y.	Grant, Ala.	Mills, Ark.	Smith, Va.
Byrns, Tenn.	Gregory	Mills, La.	Smith, W. Va.
Cannon, Mo.	Hare	Mitchell	Snyder
Celler	Hart	Monroney	Somers, N. Y.
Chandler	Harter, Ohio	Moser	South
Clark	Healey	Mouton	Sparkman
Claypool	Hill	Murdoch, Ariz.	Spence
Cochran	Hobbs	Murdoch, Utah	Starnes, Ala.
Coffee, Nebr.	Hook	Myers	Steagall
Coffee, Wash.	Houston	Nelson	Sweeney
Cole, Md.	Hunter	Nichols	Tarver
Connery	Izac	Norrell	Tenerowicz
Cooley	Jarman	Norton	Terry
Cooper	Johnson, Luther A.	O'Connor	Thomason
Costello	Johnson, Okla.	O'Day	Tolan
Cox	Johnson, W. Va.	O'Neal	Turner
Crosser	Kee	O'Toole	Voorhis, Calif.
Cullen	Kennedy, Martin	Owen	Wallgren
D'Alessandro	Kennedy, Michael	Pace	Walter
Darden	Keogh	Parsons	Warren
Delaney	Kerr	Patman	Weaver
Dempsey	Kilday	Patrick	Whelchel
Dickstein	Kirwan	Patton	Whittington
Dingell	Kitchens	Pearson	Williams, Mo.
Doxey	Kleberg	Peterson, Fla.	Woodrum, Va.
Drewry	Kramer	Pierce, Oreg.	Zimmerman

NOT VOTING—104

Allen, Pa.	Dies	Jeffries	Robison, Ky.
Ashbrook	Disney	Jenks, N. H.	Sabath
Bates, Mass.	Doughton	Johnson, Lyndon	Sasser
Beam	Douglas	Jones, Tex.	Satterfield
Bell	Duncan	Keller	Schuetz
Bloom	Eaton, Calif.	Kelly	Scruggam
Bolton	Elliott	Kennedy, Md.	Seger
Boykin	Evans	Kocalkowski	Shanley
Buckler, Minn.	Fay	McAndrews	Shannon
Buckley, N. Y.	Fernandez	McGehee	Sheppard
Burdick	Fitzpatrick	McKeough	Smith, Maine
Byron	Flannagan	McMillan, Thos. S.	Smith, Wash.
Caldwell	Folger	McReynolds	Sullivan
Cannon, Fla.	Gibbs	Maas	Summers, Tex.
Cartwright	Gilchrist	Magnuson	Sutphin
Casey, Mass.	Goldsborough	Maloney	Taylor, Colo.
Chapman	Green	May	Thomas, N. J.
Cole, N. Y.	Griffith	Mott	Thomas, Tex.
Collins	Harrington	O'Leary	Vincent, Ky.
Creal	Hartley	Osmer	Vinson, Ga.
Crowe	Havener	Peterson, Ga.	Wadsworth
Crowther	Hendricks	Pfeifer	West
Cummings	Hennings	Plumley	Wheat
Curley	Hess	Rabaut	White, Idaho
Daly	Jacobsen	Reece, Tenn.	Wood
DeRouen	Jarrett	Robertson	Youngdahl

So the motion was rejected.

The Clerk announced the following additional pairs:
On this vote:

Mr. Robison of Kentucky (for) with Mr. Crowe (against).
Mr. Bates of Massachusetts (for) with Mr. O'Leary (against).
Mr. Hess (for) with Mr. Hennings (against).
Mr. Bolton (for) with Mr. Sullivan (against).
Mr. Cole of New York (for) with Mr. Fernandez (against).
Mr. Eaton of California (for) with Mr. Fay (against).
Mr. Douglas (for) with Mr. Rabaut (against).
Mr. Youngdahl (for) with Mr. Bloom (against).
Mr. Maas (for) with Mr. Magnuson (against).
Mr. Jarrett (for) with Mr. Buckley of New York (against).
Mr. Thomas of New Jersey (for) with Mr. Flannagan (against).
Mr. Hartley (for) with Mr. Curley (against).
Mr. Jenks of New Hampshire (for) with Mr. Daly (against).
Mr. Jeffries (for) with Mr. Doughton (against).
Mr. Smith of Maine (for) with Mr. Green (against).
Mr. Seger (for) with Mr. Havener (against).
Mr. Gilchrist (for) with Mr. McAndrews (against).

General pairs:

Mr. McReynolds with Mr. Mott.
Mr. Satterfield with Mr. Osmer.
Mr. Taylor of Colorado with Mr. Burdick.

Mr. Robertson with Mr. Wadsworth.
 Mr. Vinson of Georgia with Mr. Plumley.
 Mr. Sumners of Texas with Mr. Wheat.
 Mr. May with Mr. Reece of Tennessee.
 Mr. Thomas of Texas with Mr. Crowther.
 Mr. West with Mr. Buckler of Minnesota.
 Mr. Sheppard with Mr. Gibbs.
 Mr. McKeough with Mr. Allen of Pennsylvania.
 Mr. Casey of Massachusetts with Mr. Kelly.
 Mr. Evans with Mr. Beam.
 Mr. Boykin with Mr. Wood.
 Mr. Jacobsen with Mr. Byron.
 Mr. Sasser with Mr. White of Idaho.
 Mr. Collins with Mr. Bell.
 Mr. Fitzpatrick with Mr. Jones of Texas.
 Mr. Hendricks with Mr. Shannon.
 Mr. Elliott with Mr. Sutphin.
 Mr. Pfeiffer with Mr. McGehee.
 Mr. Chandler with Mr. Vincent of Kentucky.
 Mr. Schuetz with Mr. Dies.
 Mr. Caldwell with Mr. Disney.
 Mr. Cannon of Florida with Mr. Peterson of Georgia.
 Mr. Thomas S. McMillan with Mr. Lyndon B. Johnson.
 Mr. Creal with Mr. Kennedy of Maryland.
 Mr. Griffith with Mr. Sabath.
 Mr. Maloney with Mr. Kociakowski.
 Mr. DeRouen with Mr. Goldsborough.

Mr. LEMKE changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

The motion to reconsider the vote by which the motion was rejected was laid on the table.

The SPEAKER. The question is on the motion of the gentleman from Virginia that the House insist on its disagreement to the Senate amendment.

The motion was agreed to.

RIVERS AND HARBORS COMMITTEE—PERMISSION TO SIT DURING SESSIONS OF HOUSE

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent that the Committee on Rivers and Harbors may be permitted to sit during the sessions of the House tomorrow and next day.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, Mr. STARNES of Alabama, Mr. SPARKMAN, Mr. THOMAS F. FORD, and Mr. O'TOOLE were granted leave to extend their remarks in the RECORD.

TENNESSEE VALLEY AUTHORITY

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to proceed for a minute and ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, the practical issue involved in the Tennessee Valley Authority, of which this Gilbertsville project would become a part, is as simple as it is tragic to the citizens of my district. But the tragedy of T. V. A. is by no means confined to the people and the industries of my district. The people and the industries of many other congressional districts suffer as a consequence of this uneconomic folly, which is a wholly unjustifiable drain on all the American taxpayers.

Coal and railroads constitute two of the great industries in my district. A majority of my constituents are dependent, either directly or indirectly, on these two great industries. And the T. V. A. is one of the most menacing of the many unequal and economically wasteful competitors of these industries, which already are confronted with a desperate situation.

Through the T. V. A. the Federal Government is deliberately destroying the property and the jobs of thousands of citizens of my district and many other districts in Pennsylvania and other States. Under the guise of doing a public service, the Federal Government, through T. V. A., not only is destroying properties valued at millions of dollars without compensation of any kind but is destroying thousands of jobs without any compensatory benefits to the men and women made jobless in consequence of this short-sighted policy.

The T. V. A. is just another example—a glaring and tragic example—of the cockeyed New Deal policies which have knocked the Nation's economy galley-west and crooked.

There can be no justification for the destruction of an industry and the jobs dependent upon it, in one section of the country, for the benefit of the citizens of another section. And to make matters worse, this is being done at the expense of the taxpayers in every section of the country. Such a proposition is so fantastic that it seems almost unbelievable. Yet that is exactly what you propose to promote by this provision for another costly extension of T. V. A.

Something far worse than insult is added to injury. In destroying the properties of the bituminous coal mine owners and the investments of the security holders, the Federal Government, through T. V. A. naturally is destroying the jobs of thousands of miners. Jobless miners and their families, in want and privation, are being thrown on the relief rolls in increasing numbers. That imposes an uneconomic and unnecessary burden not alone on the citizens of my district but on the citizens of the other 434 congressional districts in the United States. The same thing applies in a lesser degree to the railroad properties, the investors in railroad securities, and the railroad workers as well as the American public generally.

It is beyond my comprehension that Democrats, whose districts are just as dependent upon the coal and railroad industries as my own, should stand on this floor and not only defend T. V. A. but vote for this proposal. And that statement applies especially to the Democratic Members from Pennsylvania, whose districts and whose people are so adversely affected by T. V. A.

I trust these gentlemen realize that the taxes paid into the Federal Treasury by their constituents will be used to destroy the industries upon which they depend for a living. When Democratic Members of Congress vote to use the money of their own people to destroy themselves, I believe we have reached the height of absurdity. In view of that, I believe we can very well ask, Do these gentlemen represent the people of their own districts, or are they merely "rubber stamps"? We will have an answer to that question when the next election rolls around.

Thus, in the name of so-called cheap power, is it proposed to destroy an aggregate of hundreds of millions of dollars in invested capital and wages. It is proposed to threaten the very existence of thousands of workers on the railroads and in the mines in order to make this present to the citizens of a few Southern States. There is no justification for such procedure.

This new business venture of the Federal Government in generating and distributing cheap electricity began with Boulder Dam. Then came T. V. A. These were followed by a trio of immense hydroelectric power projects in the Pacific Northwest and scores of lesser publicized hydro power schemes, either promoted or financed by the Government.

The Federal Treasury—which means the American taxpayers—has been tapped to the tune of a thousand million dollars, paid out or promised, in pursuit of the New Deal's spectacular experiment of putting the Government into business. It is called cheap electricity, because half, and often more than half, the capital cost is written off the books under the pretense that it is for navigation, national defense, flood control, or fertilizer. It is called cheap because the project managers do not have to reckon the interest, and little, if anything, in lieu of taxes.

When it comes to a question of the national defense, the railroad and the coal industries form a far more vital part of that than T. V. A. and the rest of these hydroelectric projects combined. And yet, if the Federal Government continues to foster the unequal and economically wasteful competitors, through direct appropriation or subsidies of some sort not enjoyed by the coal and railroad industries, these industries will be weakened, if not destroyed, when this country is confronted with a war emergency, of which we hear so much now. Looking at the T. V. A., which is the question before us today, we find that when Congress launched this experiment in 1933 it turned over to this new agency properties which have cost more than \$127,000,000. The T. V. A. was given \$50,000,000 out of the Treasury. Many in Congress and the

country thought that fund was to be T. V. A.'s working capital and T. V. A.'s total cost to the taxpayers. It was then presented as a self-supporting and self-liquidating enterprise.

But year by year, the President and Congress have added to this huge outlay. Now Congress is called on again to thrust its hand into the taxpayers' pockets for T. V. A. The pending conference report carries \$39,000,000 more for T. V. A.

If the House accepts this conference report, it will make T. V. A.'s total cash from the Treasury to date \$270,000,000, over and above the Wilson Dam and the other property at Muscle Shoals, which had been built and paid for before T. V. A. was ever conceived by the New Deal.

But the end of tapping the Treasury for T. V. A. is nowhere in sight. If we agree to the \$17,000,000 now at issue, to proceed with the Gilbertsville Dam, to commence the Watts bar dam, and to initiate a dam at Coulter Shoals, we do so with the full knowledge that T. V. A. will require \$150,000,000 of additional funds in the years to come to carry these dams to completion.

This additional \$150,000,000 will be over and above the money Congress will be called upon to appropriate for T. V. A. next year and more and more every year for a program to which no end is in sight, and for activities outside its electric-power division.

T. V. A.'s profits from its electric-power division are like this administration's balanced Federal Budget—it is just around the corner, always next year.

The T. V. A.'s power system, according to T. V. A.'s own figures, has operated at a loss from the beginning down to date. T. V. A. now claims it will be out of the "red" this year, but it arrives at that happy conclusion through book-keeping and hocus-pecus that would do credit to Insull.

T. V. A. writes down its investment in electric-power facilities to something less than 50 percent of their true cost. Then it omits entirely any charge for interest on the investment. Its allowance for depreciation would be a joke, if this were a laughing matter.

T. V. A. figures its electric-power business operated at a loss of \$310,172 in the 12 months to last June 30, and a cumulative total loss of \$748,665 since it commenced operations.

T. V. A. figures its electric plan investment as of last June 30 at \$68,000,000. Interest at the rate of 3½ percent would be \$2,383,441, so with interest added, the operating loss last year was roundly \$2,700,000.

T. V. A. projects an operating profit this year of \$1,361,000, without interest. But the moment you include the interest, this profit disappears, and instead there is a loss of nearly \$2,000,000.

So much for this "noble" experiment for the benefit of one section of the country at the cost of another and at the expense of all the American taxpayers.

I wish to present this data. In a memorandum in opposition to further funds for additional hydropower dams, presented to Chairman WOODRUM, of the House Appropriations Subcommittee, it was stated:

The extent of this displacement of coal by T. V. A. hydropower and the resulting loss in jobs and in wages is a matter of very simple arithmetic. The coal equivalent of 1,000,000 kilowatt-hours of electricity is 710 tons. That is the quantity of bituminous coal (at the rate of 1.42 pounds per kilowatt-hour) required to generate that quantity of electricity.

T. V. A. reports that it sold 806,000,000 kilowatt-hours of electric energy in the last 6 months of 1938. But that is only a starter. It projects its annual output upon the completion of what it describes as its 10-dam system at 8,100 kilowatt-hours. Simple multiplication, 8,100 times 710 is 5,751,000 tons of coal prospectively displaced by T. V. A. hydropower.

It has been estimated—and the estimate never challenged—that 1 ton of bituminous coal, by the time it reaches its final destination, represents 1 day's work and wages for one man. At that rate, T. V. A.'s complete electric output in terms of coal will destroy 5,751,000 man-days of employment annually.

At all events, we know for a certainty that the coal tonnage, as above stated, represents more than \$11,000,000 to the producers, of which 60 percent is labor pay rolls, and almost \$13,000,000 in railroad freight revenues, of which 44 percent is labor pay rolls. So

what we are dealing with in this situation is a potential direct wage loss of more than \$12,000,000 annually in the mines and on the railroads.

In a supplemental statement on T. V. A. to the Senate Appropriations Committee it was said:

We wish to point out also that T. V. A.'s prospective \$80,000,000 purchase of the facilities of the Tennessee Electric Power Co., as currently reported in the press (February 14, 1939), adds to T. V. A.'s system five hydropower dams and three steam generating plants heretofore owned and operated by the private company.

In the light of this development, there would appear to be less reason than ever for the construction by T. V. A. of the three additional hydropower dams which are at issue in the present appropriation.

A little further along, this memorandum continues:

So far as the bituminous-coal industry is concerned, it stands to lose a quarter of a million tons annually, at a minimum, in consequence of T. V. A.'s acquisition and prospective shut-down of these steam plants in Tennessee. This is something over which we have no control, but the fact remains that if more T. V. A. hydropower dams are hereafter constructed it will aggravate a situation that, from the standpoint of the coal industry, is already tragic.

The victims of this situation are the thousands of coal miners and railroad employees in Pennsylvania, Ohio, Illinois, and West Virginia, whose jobs will be permanently destroyed by the permanent displacement of this coal tonnage. But the whole country suffers through the resulting loss in purchasing power and the intensification of the pressure upon the unemployment relief rolls.

The people of my district are too well aware of the "intensification of the pressure upon the unemployment relief rolls." That states the case altogether too mildly. In one of the counties in my district in which coal is the chief industry, 40 percent of the people are on relief because of the depressed conditions in the coal industry—conditions which have been brought about and aggravated in consequence of unregulated, subsidized, and Government-owned competition.

These miners have no jobs because the markets that made them jobs have been destroyed by Federal-fostered projects, such as T. V. A. These miners have no money to buy food, much less power generated by T. V. A. or other projects.

And sadder still is the fact that many of these miners find it next to impossible to fill other jobs than the one they were trained for since their youth. It is difficult to transplant the bituminous coal miner and start him in another industry. I would be shirking my duty to the men, women, and children of my district if I failed to oppose this provision with all the vigor at my command.

God knows the plight of the coal miner and the railroader is desperate enough now. Let us not further aggravate this condition by pouring more millions into T. V. A. and similar projects until the coal industry and miners' jobs are utterly destroyed. Let us call a halt on this program to destroy the industries and the jobs in one section for the benefit of another section. Let us end these subsidies which result in unequal and economically wasteful competition, which have brought about a crisis in the coal and railroad industries. Let us give these industries what opportunity they have left to stand on their own feet and give jobs to American citizens whose greatest desire is honest work that will make them self-supporting.

EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BENDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, 3 days ago each Member of Congress received a copy of the book *Secret Armies*, by John L. Spivak. In the same mail each Member received a letter from Walter Winchell, columnist and

radio commentator, under a New York Mirror letterhead, which read as follows:

DEAR CONGRESSMAN —: In my column of Thursday, February 16, I said: "Orchids to Secret Armies (Modern Age is the publisher). * * * Every Congressman and Senator should read it—and wake up!"

Upon reading parts of it again, I decided, as part of my effort to preserve our American form of democracy, that I should send a copy to you. It is going forward to you under separate cover.

On a broadcast recently I said: "If you have fascism or communism on your mind, you cannot have Americanism in your heart." If only all of us felt like that!

Good wishes.

WALTER WINCHELL.

Now, Mr. Speaker, I have read Secret Armies and find it full of distortions and fabrications. In short, it is filled with Communist trash. I am surprised that Walter Winchell would lend himself to the spreading of such propaganda in America.

I do not doubt Mr. Winchell's patriotism or his intentions in placing Secret Armies in the hands of this Nation's legislators. In fact, I confidently believe him to be a splendid citizen who has used his talents and facilities to promote patriotism and Americanism in the past. Therefore, it is amazing to me that he would distribute such a document as Secret Armies. I can hardly imagine Mr. Winchell becoming a messenger for "red" propaganda.

My purpose in taking the floor today is not to spank Walter Winchell, but to inform Members of Congress regarding the author and publishers of this book. The gentleman from California [Mr. GEYER] on Monday suggested that the Congress "should find out a little bit more about the matter," meaning, of course, the distribution of the book Secret Armies. I have undertaken to obtain this information, which I herewith place in the hands of Congress.

John L. Spivak is a writer for the Daily Worker, official organ of the Communist Party in America. He is a writer for the New Masses, another Communist publication; writer for the South Today, Communist publication; writer for Sunday Worker, Communist organ. Spivak is also listed as contributing editor of Negro Liberator, a Communist publication, the editorial board of which is made up of James Ford, Communist Party candidate for Vice President in 1936, Harry Haywood, William Patterson, and Robert Minor, all notorious Communists.

Spivak is notorious for his attacks on all patriotic societies. He is a member of the Communist Party and served as a member of the so-called Committee of Professionals to support Browder and Ford, Presidential and Vice Presidential candidates, respectively, on the Communist ticket in 1936. He is a member of the National Committee for Defense of Political Prisoners—defenders of "red" aliens ordered deported from the United States.

Spivak is a sponsor of the Jewish People's Committee, organized by Mike Gold, Communist leader in New York City, supporter of the National Committee to Aid Victims of German Fascism in 1934, members of which included Alfred Wagenecht, Henri Barbusse, and Robert Dunn, in addition to other notorious Communists.

Spivak once toured the country as a lecturer, his subject being Europe Faces the Barricades. He traveled with William Browder, Communist, and Ben Myers, Chicago secretary of New Masses. Tickets for his Chicago lecture were advertised for sale at the Communist bookstores in that city.

Spivak wrote Georgia Nigger, which was challenged by the members of the Georgia State Prison Commission. The Atlanta (Ga.) Constitution, leading newspaper of the South, in its issue of November 22, 1932, carried a statement by Judge Vivian L. Stanley, secretary of the Georgia Prison Commission, charging that Spivak bribed "a Seminole County prisoner to pose for the photographers" in order to "portray allegedly inhuman treatment to Georgia convicts." Judge Stanley also charged, according to that newspaper, that "Spivak posed as an agent of the Federal Government to obtain a blanket pass to all our convict camps."

February 17, 1937, Spivak lectured in Chicago under the auspices of the Communist movement. His subject was the Significance of Violence in Industry.

Among Spivak's diatribes against patriotic societies was an article in the American Mercury magazine in which he attacked the American Red Cross. The charges made by Spivak were denounced as absolute lies by officials of that organization. He also attacked the American Legion in several of his lectures, claiming that the Legion would be found in the front ranks of the Fascists.

Some of Spivak's lecture subjects were Plotting America's Programs and Rich Jews Who Finance Anti-Semitic Organizations. The information used in these lectures was published in the Daily Worker and New Masses, with Spivak as the author. These lectures were delivered before Communist audiences and the funds raised at the lectures went to New Masses.

Spivak will begin another lecture tour tomorrow, March 2, for the Communist International Workers' Order, which has been denounced by the Dies committee. The lectures will continue through March 19. Spivak's schedule will take him to Allentown, Philadelphia, West Brownsville, New Kensington, Scranton, and Pittsburgh, Pa.; Youngstown, Cleveland, Akron, Toledo, and Canton, Ohio; Newark, N. J.; Brooklyn, Buffalo, and Rochester, N. Y.; and Detroit, Mich. The title of his lectures will be "Secret Armies." His tour is being widely advertised in the Daily Worker, beginning with the February 21 issue. His schedule appears in a large space in the issue of February 21.

Last year Spivak appeared before a special commission named by the Massachusetts State Legislature to investigate un-Americanism. At that time he posed as an international correspondent and a representative of religious, labor, and fraternal groups. During his appearance before the commission Spivak made similar charges to those printed in his book, Secret Armies. Among those attacked were Henry Ford, who was described as being in the pay of Hitler; Walter S. Steele, of the National Republic magazine, and others.

The Massachusetts commission reported, however, that "when pressed for sources," Spivak "fell back upon the privilege of a 'newspaper man' to protect his sources," and "from the quality of his testimony, and considering his background as a Communist propagandist for years past, there is no doubt in the minds of this commission—Massachusetts legislative committee—that he was brought here—Boston—specifically to make statements he could not support."

The report also accused Spivak of appearing before the committee "to create a definite break to divert attention from investigation of communism and to provide sensational publicity." It further charged that "sometime ago Spivak went to Cuba and wrote for Communist publications a series of articles concerning Communist organization and activity in the Caribbean."

The commission's report further stated that—

Probably as scurrilous a thing as Spivak has yet written was an article on the American Red Cross, which appeared in a nationally circulated magazine, the American Mercury. By suppression of material facts and by distortion he sought to prove this great humanitarian organization to be other than it is, and to be a form of money-getting racket. The charges and insinuations which Spivak made in the article have been disproved.

Now, Mr. Speaker, I desire to enlighten those Members of Congress who have read Secret Armies on Modern Age books and their publishers.

Modern Age books are advertised in all Communist publications and find a wide market among the "reds" in America. The official organ of the Young Communist Pioneers, the New Pioneer, contained a page advertisement of Modern Age books in its issue of May 1938. In that issue an appeal was made to the Communist International Workers' Order to obtain subscriptions to the Modern Age book service. The advertisement states that the "Modern Age book service has become a sensation."

Another advertisement for Modern Age books is found in the Communist publication Soviet Russia Today, December

1938. Among the books advertised are those by John Strachey, the British "red," who was recently halted at the gates of America by the Department of Labor; *School of Barbarians*, by Erika Mann; *I Like America*, by the avowed Communist, Prof. Granville Hicks; *One-fifth of Mankind*, by Anna Louise Strong, editor of the *Moscow News*, a Communist publication printed in Moscow, Russia; *Japanese Terror in China*; *Practical Birth Control Methods*; *From Spanish Trenches*, the *Wall of Man*, favoring the Spanish "red" front. *Labor Spy Racket*; *Red Feather*; and *Adventure in Steel*.

Ersine Caldwell, who has openly supported Communist candidates for public office in the United States, author of *Tobacco Road*, is now trying his luck with *Modern Age* books in *Have You Seen Their Faces?* an insult to the South.

Now, Mr. Speaker, this book, *Secret Armies*, which Mr. Winchell has so willingly and solicitously placed in the hands of Members of Congress, is an attack on the Nazis. I have no objection to anyone reading it, but I believe that when they do they should know the background of the author and publishers.

In fact, I believe we should get all the facts as to what the Nazis and Communists and all other un-American organizations are doing in America. I feel the same as Winchell:

If you have fascism or communism on your mind, you cannot have Americanism in your heart.

The gentleman from New York [Mr. Fish] has introduced in this Congress a bill to prohibit the arming, drilling, and disciplining of all foreign groups. It should have the support of every Member of Congress.

This legislation should also have the valuable support of Walter Winchell and other radio and newspaper commentators.

It is to be regretted that Walter Winchell has become a ballyhooer of "red" propaganda in advertising *Secret Armies* over the radio and in his newspaper column. He should withdraw his endorsement of "red" Spivak's latest book and should inspire support of the bill offered by the gentleman from New York [Mr. Fish] instead. With Walter Winchell's assistance, directed in the right channel, Members of the Congress can be "awakened" by the folks back home.

EXTENSION OF REMARKS

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a resolution on the war debts adopted at a mass meeting held in Philadelphia, Pa., on February 19, 1939, under the auspices of the Irish Republican War Veterans of the United States.

The SPEAKER. Is there objection?

There was no objection.

THE CENSUS BUILDING APPROPRIATION

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the *RECORD* and include therein an editorial from the *Chicago Daily News*.

The SPEAKER. Is there objection?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, as stated in my remarks on this appropriation of \$3,500,000 for a census building in Washington which I made in this House on January 20 last, I am opposed to the appropriation not only for the reasons then stated, but also for these additional facts as follows: This is a matter of dollars and cents and should also be one of common sense. There are some interesting and incontrovertible elements which, although technical, we should all keep in mind in considering this measure.

If Uncle Sam goes ahead with the construction of a census building—overlooking for the moment the questionable wisdom of providing a permanent structure for a temporary need—this is how we would come out in the matter of operating and maintenance costs.

The total cost of the building—\$3,500,000—included \$330,000 for the land; cube, 7,190,000 cubic feet; gross area, 540,248 square feet; net, 417,000 square feet.

Computations—similar to the Experience Exchange Report of the National Association—on total operations for

the census building, give us a figure of \$1.486 per square foot of net rentable area. In arriving at the total for this building, it is kept in mind that the Federal Government pays no direct local taxes, so an estimated figure is used. Congress appropriates \$5,000,000 per annum toward the expenses of the District of Columbia or at the rate of 38 cents per square foot on the 13,121,738 square feet of office space which the Government owns here. This figure is therefore used for the tax.

Water is not included as the District of Columbia supplies it without charge to Federal buildings. Insurance is carried by the Government itself, so allowing for commissions, the estimate is computed on two-thirds of the cost of such insurance to privately owned office buildings in the District of Columbia.

Now \$1.486 a square foot multiplied by 417,000 feet of rentable area is a lot of money to spend year after year when there are 36,000,000 feet of vacant office space around the country.

According to the hearings in the committee's report on page 23, Mr. Guthridge stated for the Government that they had received bids and that the low bid was in the amount of 93 cents per square foot. In other words, private capital here in Washington could build and rent to the Government for 55.6 cents per foot less than the Government's cost, as shown by the above figures. Furthermore, on page 26 of the hearings, the witness stated that our average cost for rented space here in Washington is 95 cents, although further on he states that office space costs the Government about \$1.50 per square foot.

However, and this is important, the Government figures show their average cost for space rented outside of Washington from private parties costs only 74 cents per square foot. Why not avail ourselves of this space, of which there is now nearly 36,000,000 square feet available in the larger cities throughout the country?

Under leave to print in the *RECORD*, I wish to insert an editorial from Col. Frank Knox's *Chicago Daily News*, under date of January 31, 1939, as follows:

HOUSE THE CENSUS HERE

Because an expanding bureaucracy has exhausted all Washington housing facilities, Congress is asked by the New Deal to appropriate \$3,500,000 for a new building to accommodate 7,500 temporary census employees. These workers are needed to compile the reports turned in by 150,000 field workers in next year's decennial census.

The Capital's housing situation has long been acute. Despite the administration's \$100,000,000 building program, emergency agencies are now quartered in private buildings of all description, from banks to garages. There is no denying that, if 7,500 additional employees are to be quartered in Washington, new facilities are necessary.

But, of course, it is equally undeniable that these employees could be housed elsewhere. There are plenty of cities in which no such acute housing shortage exists; cities which, like Chicago, could fit 7,500, or for that matter, 75,000, Government employees into their population structures and housing facilities without ever noticing their existence.

In fact, Chicago would make an ideal headquarters for the census. It is close to the country's population center. It is easily accessible by every modern means of travel and communication. It has ample office space available at much lower rentals than prevail in Washington. Owners of such properties, burdened as they are by heavy tax loads, would welcome tenants whose credit was guaranteed by the Federal Treasury. It would be particularly fitting that the New Deal, which has been so largely responsible for these increased tax burdens, should thus help to ease them a bit.

Best of all, it would establish a desirable precedent in the direction of Federal decentralization. The anomaly of preserving all our Government departments at a remote eastern outpost like Washington has grown steadily more apparent since the day our western frontier was extended beyond the Mississippi. Why do not some of our Midwestern legislators get behind this suggestion? Not a single convincing argument can be summoned against it.

PERMISSION TO ADDRESS THE HOUSE

The SPEAKER. Under special order of the House, the gentleman from Georgia [Mr. PETERSON] is entitled to recognition at this time. [After a pause.] The gentleman does not appear to be in the Chamber.

Under previous order of the House, the gentleman from New York [Mr. CULKIN] is recognized for 20 minutes.

THE LEA BILL IS A CONSPIRACY AGAINST THE AMERICAN PEOPLE

Mr. CULKIN. Mr. Speaker, adequate low-cost transportation is essential to the continued development of the United States and the well-being of our people. In some sections of our country we have great surpluses of the products of agriculture and industry for which there is no sale. In other sections there is suffering because of the unsatisfied demand for these products which cannot be carried to the section where they are needed because of the prohibitive, and I may say excessive, costs of transportation. Distances in the United States are so great that transportation costs are now, and always will be, a highly important problem of the Congress.

It is my honestly considered opinion that the development of our internal waterways and our coastal harbors is now helping solve this acute and distressing problem. A feature in this solution is the 3,000,000 miles of public roads and highways which the States and Federal Government have improved. Over these the transportation development of trucking is helping solve this problem. For this privilege, be it said, the trucks are paying \$417,510,000 annually in taxes. This is 47 percent of the value of the truck property. The railroads pay in taxes \$328,240,000, or 1.8 percent of the value of their property.

America owes much to the railroads, for the railroads have played an important and essential part in our national development. I am not going to discuss the mismanagement and financial sins of the railroads, nor the oceans of water poured into their financial set-up by the Jay Goulds and Jim Fisks of the past. The average Member of Congress is fully aware of that performance. My purpose in getting this time is to call the attention of the House to the Lea bill, H. R. 2531, now before the Interstate and Foreign Commerce Committee.

RAILROADS ASKING MONOPOLY

This bill, if it becomes law, will create a monopoly of transportation in America by placing the complete control of all types of transportation under the Interstate Commerce Commission. This body is railroad minded, and is not concerned with the transportation problems of the farmer or the industrialist. Its chief concern is to enable the railroads to continue to pay dividends and interest on their bonds and stock which represent the railroads' swollen capitalization on physical assets, much of which is obsolescent.

The Lea bill proposes legislation which will destroy waterways and trucks and, in the long run, the very railroads themselves. Transportation is not a conventional nor minor problem to be passed up lightly by the Members of Congress. It vitally concerns the well-being of the man in industry, both the employer and the employee, and the farmer who tills the fields. Both of these groups have been forgotten men under the auspices of the I. C. C., which, in my judgment, has shown neither vision nor courage in the handling of this great problem.

GREATEST LOBBY IN HISTORY

I am not going to review in detail what has led up to the present situation of the railroads. I am going to prove to the House and the country that the stories that have filled the press concerning the horrible financial plight of the railroads are propaganda put forth by the greatest organized lobby in the history of the country. I urge the Members to steel themselves against such propaganda and to consider carefully the effect upon the American people of the enactment of this pending bill.

RAILROAD EARNINGS

I desire to call the attention of the House to the net earnings of the railroads during the past decade and ask the Members to judge for themselves whether the real facts justify the depressing effect which railroad propaganda has made on the public mind. During the last 10 years we have had years of prosperity and years of depression. Let us examine the facts and see whether the railroads have not fared as well, and in most cases better, than other industries. To do this we must determine the basis upon which railroad income should be calculated. The railroads, in their

propaganda, use the inflated book value of the roads. This, according to the report of the President's Committee of Six, was \$26,063,943,472 in the year 1937—see table 13, page 81, Report of the President's Committee of Six.

The House should remember that the President's Committee of Six was entirely made up of railroad men, with three representing the managers and three representing the brotherhoods. The railroad management and their employees were back from the wars, but neither the public, waterway, nor truck transportation had any representation on that committee. This, of course, negatives the influence and standing of that committee, for a committee composed entirely of railroad men should be expected to make a report as favorable to the railroads as possible. However, it is significant to note that even upon the inflated value of railroad properties the report of this hand-picked committee shows—see table above cited—that the railroads made a very substantial net profit after taxes and all other expenses were paid, even during the deepest years of the depression.

THE APPRAISED VALUE

It might be contended that the net profit should be calculated upon the appraised value of the railroad property. For years the I. C. C. has had a large force of experts at work to make an appraisal of the real value of the properties of the railways. In a recent proceeding the I. C. C. found the value of railway properties, as of January 1, 1937, to be \$20,340,000,000—see 226 I. C. C. 41, 163.

I want the House to note that the net operating income of the railroads for the year 1936 was \$673,160,477. Based upon the appraised value of the properties, and not upon the face value of their bonds nor the par value of their stocks, the railroads yielded a net return during that year of 3.1 percent. What industry did better than that during that year? Did agriculture yield a better percentage of profit? The House knows that agriculture in that year had its back to the wall, facing inevitable bankruptcy.

Did business do better? Bank deposits paid but 2 percent. In comparison with this rate of return, the steel industry lagged. The fact is that commerce and industry generally during that depression year of 1936 showed no such earnings.

The House should remember that the railroads do not pay dividends upon the book value of their property. They do not pay dividends upon the appraised value of their property, nor do they pay dividends upon the market value of their stocks. The fact is that the railroads pay interest only upon the face value of their bonds and dividends upon the par value of their stocks, no more and no less, and hence the percentage yield of their income should be calculated upon that basis.

THE PROSPEROUS YEARS

What was the report of the President's Committee of Six? If you will look at table 18, page 86, you will find that the railroads had a total amount of stocks and bonds in the hands of the public in the year 1937 as follows:

Bonds	\$11,250,140,000
Stocks	7,068,863,000
Total	\$18,319,003,000

In order to understand how the railroads fared during the early part of the last decade, let us examine the annual reports of the Interstate Commerce Commission and see what the net earnings were. They were as follows—see Statistics of Railways of the United States, published annually by the I. C. C., statement 34 less statement 40 for each year; also statements 17 and 21 for each year:

Year	Stocks and bonds outstanding	Net operating income	Rate of return
			Percent
1926	\$18,234,312,000	\$1,252,642,640	6.9
1927	18,136,691,000	1,101,037,627	6.1
1928	18,510,583,000	1,206,005,358	6.5
1929	18,679,707,000	1,286,396,721	6.8

AVERAGE 4 YEARS 6.6 PERCENT

The term "net operating income" is naturally confusing to the layman. Net operating income, when understood, is the income left over in the railway treasury after all the operating expenses of the railway have been paid. In other words, it is the income from railway operations which is available for the payment of interest on bonds and dividends on stocks. This, however, does not include all the railway income from which interest and dividends may be paid. Many of the class 1 railroads have substantial incomes from investments. The report of the Interstate Commerce Commission for 1936 shows that 5.55 percent of the net income of the railways came from investments and sources other than operating income.

The years 1926 to 1929, inclusive, were 4 prosperous years. During these 4 years the combined class 1 railroads made a net operating income of \$4,846,052,346. Out of this enormous net income during these 4 years the railroads earned enough to pay the interest upon their bonded indebtedness, and in addition enough to pay cash dividends to their stockholders, as follows—see table 19, page 87, Report of the President's Committee of Six:

Year:	Cash dividends	
1926	-----	\$399, 243, 963
1927	-----	411, 581, 093
1928	-----	430, 677, 138
1929	-----	490, 125, 673
Total	-----	\$1, 731, 627, 867

It is interesting to note that after the payment of interest on their bonds during these 4 years the railroads, out of their earnings, paid cash dividends on their common stocks averaging 6.2 percent annually on the par value of their stocks, and it is curious to note that the bonded indebtedness of the railroads during these 4 years increased by \$63,274,000, and during the same period they increased their capital stock by \$382,121,000. Would it not have been better if the railroads had taken some of that one and three-quarters of a billion of cash dividends and paid some of their bonded indebtedness? No one present here today can remember when a railroad has paid off a bond. Under the gentle auspices of the bankers and the I. C. C. that wholesome practice has been suspended.

I have shown the net operating income of the railroads during 4 normal years at the beginning of the last decade. I now wish to call to your attention the net earnings of the railroads during the two depression years of 1936 and 1937—see Statistics of the Railways of the United States, I. C. C., 1936 and 1937. They are as follows:

Year	Stocks and bonds in hands of the public	Net operating income	Rate of return
1936	\$18, 335, 887, 000	\$673, 160, 477	Percent 3.7
1937	18, 319, 003, 000	594, 299, 972	3.2
Average, 2 depression years	-----	-----	3.45

The average return for these 2 years of 1936 and 1937, as can be readily computed, was 3.45 percent. However, the House will find from table 17, page 86, of the Report of the President's Committee of Six, that 32 percent of the class 1 railroads of the United States were in the hands of the receivers in 1937. This table further indicates that 68 percent of the class 1 railroads of the United States at that time were prosperous, and that the annual rate of return shown in the above table is much lower than it would be if calculated upon the bonds and stocks of the solvent railroads. This is true because of the fact that the stocks and bonds of the insolvent railroads, which did not earn a return, are lumped in with the stocks and bonds of the solvent and prosperous railroads.

I have shown you that the net operating income of the railroads on an average in 1936 and 1937 was 3.45 percent, and that this is calculated upon the stocks and bonds of the solvent, plus the insolvent, roads. If, however, the bankrupt mileage of the class 1 railroads is eliminated, and the income of the 68 percent of the class 1 railroads is calculated upon the face value of the bonds and the par value of the stocks of

the solvent roads, the House can readily see that the percentage rate of net income of the prosperous roads during these depression years was not 3.45 percent, but that in fact the percentage of the return on these prosperous roads would be very much higher than 3.45 percent.

COMPARE AGRICULTURE AND INDUSTRY

I ask the House again whether agriculture or average investment in industry did not lag way behind these earnings during those depression years? What the railroads need is not the destruction of low-cost transportation furnished by waterways, or trucks, or pipe lines. Even an amateur dabbler in national economics knows that such a program would inevitably have the effect of increasing the cost of living to the hard-pressed consumer. It would inevitably lower the standard of living of every American. The fact is that in common with the rest of the country, including agriculture, the railroads need only a return to normal business prosperity. Upon this point I wish to quote from the last report of the Interstate Commerce Commission, page 20, as follows:

Improvement in general business conditions can do more than anything else to increase railroad revenues. Recently there has been such an improvement, with benefits to many of the railroads, and it may be hoped that this will continue and grow.

DIVIDENDS ON INFLATED VALUES

The railroads do not pay either interest or dividends upon the inflated book values of their properties, so that the basis of this calculation is unsound. However, a calculation upon that basis is impressive. I call the attention of the House to the following table from the report of the President's Committee of Six—see table 13, page 81:

Rate of return of investment, railways of class I in the United States

Year	Investment in railway property used in transportation	Net operating income	
		Amount	Rate of return
			Percent
1929	\$26, 039, 558, 344	\$1, 251, 697, 938	4.81
1930	26, 529, 742, 889	868, 878, 773	3.28
1931	26, 405, 685, 824	525, 627, 852	1.99
1932	26, 324, 022, 378	326, 298, 008	1.24
1933	26, 124, 835, 882	474, 295, 613	1.82
1934	25, 978, 114, 445	462, 652, 379	1.78
1935	25, 919, 335, 950	499, 819, 118	1.93
1936	25, 988, 789, 704	667, 347, 115	2.57
1937	25, 063, 943, 472	590, 203, 925	2.26

The annual earnings during these depression years is amazing when you consider that the percentage was figured on the inflated book value of the railroads' property. The income during the depression years would be more impressive if the interest had been calculated upon the basis of the face value of the bonds and the par value of the stocks upon which the railroads are required to pay a return. During the depression years the return would be equal to the average conservative investment, even if it were calculated upon the appraised value of the railroad properties as fixed by the I. C. C.

It is most interesting to note that while in the aggregate, between the years 1926 and 1937, inclusive, railroad stocks increased by \$238,398,000, that during that same period the railroads abandoned 15,277 miles of railroad track—see Statistics of Railways of the United States, I. C. C., 1937, page S-6.

DIVIDENDS IN DEPRESSION YEARS

I now wish to call attention to the payments by railroads on cash dividends during the past 8 depression years. They are as follows (table 19, p. 87, Report of the President's Committee of Six):

Year:	Cash dividends declared	
1930	-----	\$497, 024, 912
1931	-----	330, 150, 873
1932	-----	92, 354, 322
1933	-----	95, 725, 783
1934	-----	133, 418, 896
1935	-----	126, 282, 306
1936	-----	169, 829, 290
1937	-----	167, 902, 034
Total	-----	\$1, 612, 688, 416

SEEK TO DESTROY WATER AND TRUCK TRANSPORT

The railroads under the Lea bill, or similar legislation, seek to destroy waterways, truck, and pipe-line transportation. This is for the plain but unnamed purpose of destroying competing forms of transportation and making the American public, the farmer, and the industrialist pay through the nose. In considering this procedure the House should bear in mind that during the last 8 years of the depression the railroads have paid a sum total of dividends amounting to more than \$1,600,000,000.

Of course, the railroad proponents will say that those dividends were dividends paid by the more prosperous roads, but the President's Committee of Six, made up entirely of railroad men, did not in their report segregate the more prosperous from the less prosperous roads. Before the railroads come pleading to Congress and spend millions of dollars in propaganda throughout the country asking for drastic measures of relief they should consolidate their various properties in accordance with existing law so the less fortunate ones could share in the prosperity of those who are enjoying a more lucrative business.

I. C. C. WITHOUT NATIONAL VISION

In the good old days, the railroads controlled and corrupted legislatures of entire States. They are now seeking to browbeat Congress, and through this legislation to control all transportation within the United States. I warn the House that that is what will happen if this vicious legislation becomes law. The Interstate Commerce Commission, which will be in command, has shown no compassion for the hard-pressed farmer or the consuming public. This Commission was created at the instance of the Grange for the purpose of protecting the western farmer from the rapacity of the railroads. But they have forgotten the farmer and the consuming public, and are intent only on giving the railroads what they ask for. For years the railroads have made an annual pilgrimage to the Commission, and have asked for and received an increase in rates. Except for the outlet afforded by waterways and trucks, the farmer could not, during these years, have brought his produce to market, and the consuming public would have found it impossible to make both ends meet.

The vast lobby created by the railroads, on which more than \$100,000,000 has been spent, now proposes to destroy water and truck transportation by driving it off the rivers and roads by increased rates. The Members of the House, in whose aggregate wisdom and patriotism I have the greatest confidence, will, I am sure, stand between the public and the railroad lobby, and prevent the consummation of this conspiracy against the well-being of the American people.

SAVINGS ON WATER TRANSPORTATION

Vast savings are made by water transportation, all of which is reflected back to the public. I wish to cite several instances of these savings. In the field of gasoline, now an essential commodity in American life, it has been authoritatively stated, and has never been denied, that except for the intervention of waterways and pipelines, the American people would be paying 38 cents a gallon for gas at the pump. (See p. 138, pt. 1, hearings before Merchant Marine and Fisheries Committee of the House on H. R. 3615 of the 75th Cong.) They are now paying about 18 cents a gallon. I have computed these savings in this particular commodity, based upon the national consumption of gasoline. The results show that the savings to the consumer on gasoline alone amount to more than \$4,000,000,000 annually. Great savings are now made on other bulk commodities, including coal and other necessities, and passed on to the public. Assuming the Lea bill, or similar legislation, is passed, the I. C. C. will, if it runs true to form, regard it as a mandate to increase the cost of gas per gallon to the public to 38 cents to the end that the railroads may make a killing.

As the House knows, the best authority on waterways in the United States Chairman MANSFIELD, of the Rivers and Harbors Committee. Judge MANSFIELD comes from the State of Texas, where cotton is one of the principal commodities. The hard-pressed cotton farmer needs to get his cotton to

market at the lowest possible transportation cost. Speaking in the House February 5, 1935, on this question, Judge MANSFIELD said:

I am advised by the Interstate Commerce Commission that the rail rate from Galveston and Houston to Fall River, New Bedford, and Taunton, Mass., and to Willimantic and Danielson, Conn., the great cotton-milling cities, is \$1.54 per hundred pounds, or \$7.70 per bale.

The United States Shipping Board informs me that the water rate from the ports of Galveston and Houston to Fall River and New Bedford is 35 cents per hundred pounds, or \$1.75 per bale. The combined water and rail rate from Texas ports to Taunton is 47½ cents per hundred pounds, or \$2.37½ per bale. The combined water and rail rate to Danielson is 52½ cents per hundred, or \$2.62½ per bale.

Simple arithmetic shows savings to the cotton farmer on a bale of cotton from Texas to New England by water amounting to \$5.09½ per bale. Based on past performances, it is safe to say that all, or most all, of this saving will be wiped out if the water carriers are turned over to the Interstate Commerce Commission.

In conclusion, let me say that I make no war on the railroads. I am willing to give them their place in the sun, but their place in the sun will not be gained by the destruction of waterways and other types of transportation, with resulting distress to the farmer and the consumer. They should put their financial house in order, cut themselves loose from the banker management, and, if need be, buttress their temporary crisis with additional loans from the R. F. C. They already know that trail.

Even if it is conceded that a little less than one-third of the mileage of the class 1 railroads of the United States need relief, why increase the traffic burden upon all the people in order to relieve this insolvent minority? Why burden the public in order to increase the revenues of the 68 percent of the prosperous class 1 railroads who, as has been established without a doubt, need no assistance? The prosperous roads are doing well. Why not leave them alone, or better still, why not require the consolidation of all the class 1 railroads as the law now permits, since it has been shown that the yield of the prosperous roads is now sufficient to make an adequate return on all the roads. Or why not put the bankrupt roads through the wringer, eliminate their inflation, pump out their water, and reorganize them as is being done in every other line of commerce, industry, and agriculture in America. Why give the railroads preferred status? In any event, they should take potluck with industry and agriculture.

This proposed legislation has for its avowed and unholy purposes the destruction of water and truck transportation so that the railroads may again have a monopoly. This procedure would maroon large sections of the country by reason of greatly increased cost of transportation to the farmer and the consuming public. I am speaking for the economic freedom of the people of America when I urge the House to defeat the Lea bill, or legislation with a similar purpose, if it comes to the floor. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include in the extension certain extracts from reports and certain tables for reports.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. ALLEN of Pennsylvania, for 2 days, on account of important business.

To Mr. CALDWELL, for 2 days, on account of official business.

To Mr. THOMAS of New Jersey (at the request of Mr. POWERS), for 1 week, on account of illness in his family.

To Mr. SCRUGHAM, for 2 days, on account of official business.

EXTENSION OF REMARKS

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a memorial from the Michigan State Senate.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p. m.) the House adjourned until tomorrow, Thursday, March 2, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Thursday, March 2, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Thursday, March 2, 1939. Business to be considered: Railroad-rate differentials.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Thursday, March 2, 1939, at 10:30 a. m., to continue hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

The Committee on Rivers and Harbors will meet Friday, March 3, 1939, at 10:30 a. m., to hold hearings on H. R. 295, H. R. 922, H. R. 2890, H. R. 4170, and H. R. 4314, all bills for the control of water pollution.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

The Committee on Coinage, Weights, and Measures, will meet on Friday, March 3, 1939, at 9:30 a. m., in room 115, House Office Building.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Monday, March 6, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

Beginning at 10 a. m. on Wednesday, March 22, 1939, there will be a hearing held before the Subcommittee No. 4 of the Committee on the Judiciary on House Joint Resolution 176, declaring the conservation of petroleum deposits underlying submerged lands adjacent to and along the coast of California, below low-water mark and under the territorial waters of the United States of America, essential for national defense, maintenance of the Navy, and regulation and protection of interstate and foreign commerce; reserving the same as a naval petroleum reserve, subject to any superior vested right, title or interest; and authorizing appropriate judicial proceedings to assert, ascertain, establish, and maintain the right and interest of the United States of America in such reserve, and to eject trespassers.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the fol-

lowing bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

473. A letter from the Acting Postmaster General, transmitting a proposed amendment to the act approved April 27, 1937 (Public, No. 57), relating to the charges for metered commodities or services; to the Committee on Expenditures in the Executive Departments.

474. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the legislative establishment, Architect of the Capitol, for the fiscal year 1939, in the amount of \$16,474 (H. Doc. No. 184); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SNYDER: Committee on Appropriations. H. R. 4630. A bill making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes; without amendment (Rept. No. 112). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 136. A bill to authorize contingent expenditures, United States Coast Guard Academy; without amendment (Rept. No. 113). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 138. A bill to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes; without amendment (Rept. No. 114). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLOOM: Committee on Foreign Affairs. H. J. Res. 150. Joint resolution to amend the joint resolution entitled "Joint resolution to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology to be held in the United States during the calendar year 1939"; without amendment (Rept. No. 115). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 899. A bill to provide for the establishment of a Coast Guard station on Grand Traverse Bay, Mich.; with amendment (Rept. No. 116). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 1776. A bill to provide for the assignment of medical officers of the Public Health Service for duty on vessels of the Coast and Geodetic Survey, and for other purposes; with amendment (Rept. No. 117). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SNYDER:

H. R. 4630. A bill making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes; to the Committee on Appropriations.

By Mr. DARROW:

H. R. 4631. A bill to continue the 44-hour maximum work-week for employees engaged in certain wholesaling or distributing establishments; to the Committee on Labor.

By Mr. ANDERSON of Missouri:

H. R. 4632. A bill to give the Supreme Court of the United States authority to prescribe rules of pleading, practice, and procedure with respect to all proceedings in criminal cases, including matters dealing with evidence; to the Committee on the Judiciary.

By Mr. BECKWORTH:

H. R. 4633. A bill to authorize an appropriation for an experiment station; to the Committee on Agriculture.

By Mr. CARTER:

H. R. 4634. A bill holding members of the telephone-operating units, Signal Corps, American Expeditionary Forces, to have served in the military service of the United States; to the Committee on Military Affairs.

By Mr. ENGLEBRIGHT:

H. R. 4635. A bill to transfer certain lands from the Sierra National Forest to the Yosemite National Park, in the State of California, and for other purposes; to the Committee on the Public Lands.

By Mr. HART:

H. R. 4636. A bill to provide for the appointment of an additional district judge for the district of New Jersey; to the Committee on the Judiciary.

By Mr. KLEBERG:

H. R. 4637. A bill to amend section 243 of the Penal Code of the United States, as amended by the act of June 15, 1935 (49 Stat. 378), relating to the marking of packages containing wild animals and birds and parts thereof; to the Committee on Agriculture.

H. R. 4638. A bill authorizing the Secretary of Agriculture to prepare plans for the eradication and control of the pink bollworm, and for other purposes; to the Committee on Agriculture.

By Mrs. ROGERS of Massachusetts:

H. R. 4639. A bill to provide prosthetic appliances to certain veterans suffering from non-service-connected disabilities, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. WEAVER:

H. R. 4640. A bill to amend an act approved May 18, 1933, entitled "An act to improve the navigability and to provide for flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals, in the State of Alabama; and for other purposes"; to the Committee on Military Affairs.

By Mr. GAVAGAN:

H. R. 4641. A bill prohibiting the use of uniforms or arms by political committees; to the Committee on the Judiciary.

By Mr. IZAC:

H. R. 4642. A bill to amend the act of June 23, 1938, relating to the distribution, promotion, and retirement of officers of the line of the Navy; to the Committee on Naval Affairs.

By Mr. KILDAY:

H. R. 4643. A bill to amend the act entitled "An act to give wartime commissioned rank to retired warrant officers and enlisted men," approved May 7, 1932; to the Committee on Military Affairs.

By Mr. MASON:

H. R. 4644. A bill to provide for civil-service appointment of substitute rural letter carriers; to the Committee on the Post Office and Post Roads.

By Mr. THOMAS of Texas:

H. R. 4645. A bill to amend section 13 of the Fair Labor Standards Act of 1938 by adding subsection (d) to provide for the exemption of clerical employees, and all other office help,

and writers and reporters, from the provisions of sections 6 and 7 of the act; to the Committee on Labor.

By Mr. WELCH:

H. R. 4646. A bill to provide means by which certain Filipinos can emigrate from the United States; to the Committee on Immigration and Naturalization.

By Mr. IZAC:

H. R. 4647. A bill to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States; to the Committee on Military Affairs.

By Mr. GEYER of California:

H. R. 4648. A bill to establish a Free National Conservatory of Music for the education of pupils in music in all its branches, vocal and instrumental, and for other purposes; to the Committee on Education.

By Mr. DEROUEN:

H. R. 4649. A bill to empower and authorize special agents and such other employees of the Division of Investigations, Department of the Interior, as are designated by the Secretary of the Interior for that purpose, to administer oaths in the performance of their official duties; to the Committee on the Public Lands.

By Mr. HART:

H. R. 4650. A bill to make electricians licensed officers after an examination; to the Committee on Merchant Marine and Fisheries.

By Mr. MILLS of Arkansas:

H. R. 4651. A bill to increase the Federal contribution to States for old-age assistance by amending section 3, of the Social Security Act, approved August 14, 1935, and for other purposes; to the Committee on Ways and Means.

By Mr. VOORHIS of California:

H. R. 4652. A bill to provide hospitalization and domiciliary care to retired enlisted men of the Army, Navy, Marine Corps, and Coast Guard who are war veterans, on parity with other war veterans; to the Committee on World War Veterans' Legislation.

By Mr. SCHULTE:

H. R. 4653. A bill to amend an act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes," approved July 8, 1932; to the Committee on the District of Columbia.

H. R. 4654. A bill to amend an act entitled "An act for the establishment of a probation system for the District of Columbia," approved June 25, 1910; to the Committee on the District of Columbia.

By Mr. PETERSON of Florida:

H. R. 4655. A bill to liberalize the definition of permanent total disability for compensation and pension purposes, as to laws administered by the Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. KING:

H. J. Res. 191. Joint resolution authorizing a preliminary examination or survey of Port Allen, island of Kauai, T. H.; to the Committee on Rivers and Harbors.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of Puerto Rico, memorializing the President and the Congress of the United States to consider their resolution concerning House bill 3317 and Senate bill 1095, referring to vocational schools; to the Committee on Education.

Also, memorial of the Legislature of the State of Michigan, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution No. 5, concerning adequate home defense; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKLEY of New York:

H. R. 4656. A bill to record the lawful admission to the United States for permanent residence of Esther Klein; to the Committee on Immigration and Naturalization.

By Mr. CARTER:

H. R. 4657. A bill for the relief of Thomas O. Garrett; to the Committee on Military Affairs.

H. R. 4658. A bill granting a pension to Catherine J. Talbot; to the Committee on Invalid Pensions.

By Mr. CRAWFORD:

H. R. 4659. A bill granting an increase of pension to Floyd L. Green; to the Committee on Pensions.

H. R. 4660. A bill granting a pension to Josephine Ham-montree; to the Committee on Pensions.

H. R. 4661. A bill granting a pension to Philip Conley; to the Committee on Pensions.

By Mr. COLE of Maryland:

H. R. 4662. A bill for the relief of Clifton C. King; to the Committee on Claims.

By Mr. DEMPSEY:

H. R. 4663. A bill for the relief of C. F. Gautt and Mattie Miller; to the Committee on Claims.

By Mr. HEALEY:

H. R. 4664. A bill granting a pension to Julia Agnes Silva; to the Committee on Invalid Pensions.

By Mr. KEOGH:

H. R. 4665. A bill for the relief of Michael Silvestri; to the Committee on Claims.

By Mr. MILLS of Arkansas:

H. R. 4666. A bill for the relief of Wade H. Erwin and Vonnie Erwin; to the Committee on Claims.

By Mr. O'NEAL:

H. R. 4667. A bill for the relief of James W. Myers; to the Committee on Military Affairs.

H. R. 4668. A bill for the relief of the Household Finance Corporation, of Louisville, Ky.; to the Committee on Claims.

By Mr. REES of Kansas:

H. R. 4669. A bill granting a pension to Cora B. Henderson; to the Committee on Invalid Pensions.

By Mr. SNYDER:

H. R. 4670. A bill granting a pension to Paul Frederick Churns; to the Committee on Invalid Pensions.

By Mr. VAN ZANDT:

H. R. 4671. A bill granting a pension to Vincenzo Damiano; to the Committee on Invalid Pensions.

H. R. 4672. A bill granting a pension to Adelaide Damiano; to the Committee on Invalid Pensions.

By Mr. WADSWORTH:

H. R. 4673. A bill for the relief of the Wilson Co., a New Mexico corporation; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1448. By Mr. BARRY: Resolution of the Queens Citizens Committee on Americanism, of Long Island City, N. Y., urging Congress to oppose legislation which would permit the lifting of the embargo on Spain, entering into any secret agreements with foreign powers, increasing of the immigration quotas which would provide a haven for foreign refugees without regard to their communistic ideals; to the Committee on Foreign Affairs.

1449. By Mr. CRAWFORD: Petition of F. J. Hulburt and 27 other residents of Stanton, Mich., asking early enactment of House bill 2; to the Committee on Ways and Means.

1450. By Mr. CURLEY: Petition of the S. H. Pomeroy Co., Bronx, New York City, protesting against House bill 188, for reclassification of freight rates; to the Committee on Interstate and Foreign Commerce.

1451. Also, petition of the Shippers Conference of Greater New York, protesting against the passage of Senate bills 126

and 153 and House bill 188, for establishment of preferential freight rates to the Southern States; to the Committee on Interstate and Foreign Commerce.

1452. Also, petition of M. Ewing Fox Co., Bronx, New York City, protesting against the passage of House bill 188; to the Committee on the Civil Service.

1453. By Mr. FITZPATRICK: Resolution adopted by the Common Council of the City of Mount Vernon, N. Y., on February 23, 1939, and approved by the mayor on February 24, 1939, protesting against the enactment of legislation providing for Federal taxation of municipal bonds; to the Committee on Ways and Means.

1454. By Mr. HART: Petition of B. N. Aab, clerk, First Baptist Church, Hoboken, N. J., opposing the amendment to the Social Security Act to include churches in its provisions; to the Committee on Ways and Means.

1455. Also, petition of Frank H. Jamison, clerk, the First Church of Orange, Orange, N. J., opposing the amendment to the Social Security Act to include churches in its provisions; to the Committee on Ways and Means.

1456. Also, petition of the Calvary Baptist Church, Union City, N. J., opposing the proposed amendment to the Social Security Act so as to include religious bodies; to the Committee on Ways and Means.

1457. Also, petition of Rev. Frederick W. Johnson, D. C., Newark, N. J., opposing the proposed amendment to the Social Security Act so as to include religious bodies; to the Committee on Ways and Means.

1458. Also, petition of the One Hundred and Sixty-third Legislature of the State of New Jersey, commending the House of Representatives of the United States on their recent action in continuing the activities of the Dies committee to investigate un-American practices; to the Committee on Rules.

1459. By Mr. MARTIN J. KENNEDY: Resolution approved at a citizens' mass meeting held at Philadelphia on February 19, 1939, under the auspices of the Clan-na-Gael and Irish Republican War Veterans of the United States calling on European debtors of America to pay World War debts to relieve present conditions in this country; to the Committee on Ways and Means.

1460. Also, resolution of the Allied Patriotic Societies, Inc., of New York City, opposing the passage of Senate Joint Resolution 64 and House Joint Resolution 165, concerning the admission into the United States of 20,000 children of 14 years and under who reside, or who have within the last 6 years resided, in Germany in addition to those authorized by existing law (i. e., outside of the immigration quotas); to the Committee on Immigration and Naturalization.

1461. By Mr. KEOGH: Petition of the American Committee for Protection of Foreign Born, New York City, concerning pending immigration legislation; to the Committee on Immigration and Naturalization.

1462. Also, petition of Westchester Teachers' Association, art section, concerning House bill 2319; to the Committee on Education.

1463. Also, petition of the United Fresh Fruit and Vegetable Association, Chicago; to the Committee on Ways and Means.

1464. Also, petition of the Belle Grade Chamber of Commerce, Belle Grade, Fla., regarding sugar legislation; to the Committee on Ways and Means.

1465. By Mr. LAMBERTSON: Petition of J. F. Ayers and 30 other citizens, of Greenleaf, Kans., urging the passage of House bill 3842, exempting telephone exchanges having less than 1,000 subscribers from compliance with the Wage-Hour Act; to the Committee on Labor.

1466. By Mr. LEAVY: Petition of the Inland Empire Philatelic Association, requesting issuance of a suitable 3-cent stamp depicting some early history of the State of Washington, to commemorate its 50 years of statehood and to coincide with Washington State's observance of the occasion by having designated 1939 as "golden jubilee year"; to the Committee on the Library.

1467. By Mr. LEWIS of Colorado: Senate Joint Memorial No. 9 of the Thirty-second General Assembly of the State of

Colorado, concerning House bills 2662 and 2663, requesting favorable consideration of this legislation by the Congress; to the Committee on the Public Lands.

1468. By Mr. MERRITT: Resolution of the Queens County committee of the American Legion, endorsing House bill 3760, making the provisions of section 500 of the act entitled "An act to liberalize the provisions of Public Law No. 484, Seventy-third Congress," etc., applicable to those veterans attached in camps known as Veterans' Camps Nos. 1, 3, and 5, or their dependents who shall make application for compensation prior to July 1, 1941; to the Committee on World War Veterans' Legislation.

1469. Also, resolution of the Central Civic Association of Hollis, Inc., petitioning the Congress of the United States to eliminate the injustice and discrimination so long endured by the people of the county of Queens, N. Y., and impel the enactment into law of the bill known as H. R. 2552; to the Committee on the Post Office and Post Roads.

1470. By Mr. PFEIFFER: Petition of the American Manufacturing Co., Brooklyn, N. Y., opposing the passage of House bill 188; to the Committee on Interstate and Foreign Commerce.

1471. Also, petition of the Eastern Tube & Tool Co., Inc., Brooklyn, N. Y., opposing House bill 188; to the Committee on Interstate and Foreign Commerce.

1472. By Mr. RISK: Memorial of the Rhode Island Society of the Sons of the American Revolution passed at the annual meeting on February 22, 1939, requesting that the armed forces of the United States be maintained and used for the sole defense of our own national interests, and that our national defense forces be further developed as recommended by the War and Navy Departments; to the Committee on Foreign Affairs.

1473. Also, memorial of the General Assembly of the State of Rhode Island, protesting against a Federal gasoline and lubricating oil sales tax, and urging the abolishing of such taxes; to the Committee on Ways and Means.

1474. Also, resolution of the General Assembly of the State of Rhode Island and Providence Plantations, protesting against the removal of the U. S. S. *Constellation* from its present site at Newport, R. I., and urging that this frigate be permanently stationed at its present port; to the Committee on Naval Affairs.

1475. Also, resolution of the Rhode Island Agriculture Conference, protesting against the enactment of legislation proposing a 3-cent per gallon tax on fuel oil; to the Committee on Ways and Means.

1476. Also, resolution of the General Welfare Club, No. 1, of Providence, R. I., for the enactment of the General Welfare Act (H. R. 11); to the Committee on Ways and Means.

1477. By Mr. SANDAGER: Memorial of the General Assembly of the State of Rhode Island, favoring the elimination of taxation on gasoline and lubrication oil by the Federal Government; to the Committee on Ways and Means.

1478. By Mr. SCHAEFER of Illinois: Petition of the United Packing House Workers Industrial Union, No. 527, M. Brandt, secretary, East St. Louis, Ill., opposing amendment of the Wagner Labor Relations Act; to the Committee on Labor.

1479. Also, petition of Federal Labor Union, No. 18980, Robert Pulley, secretary, East St. Louis, Ill., favoring passage of House bill 97 to repeal the long-and-short-haul provisions of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1480. Also, petition of the Building Trades Council, Harold Cheesman, secretary, Alton, Ill., supporting the amendment of the National Labor Relations Act as recommended by the American Federation of Labor; to the Committee on Labor.

1481. Also, petition of Alton (Ill.) Local Union, No. 377, United Brotherhood of Carpenters and Joiners of America, Harold Cheesman, secretary, supporting House Joint Resolution 97, which would prevent use of equipment supplied by the Federal Government to State National Guard units when such units are assigned to duty in labor disputes, except with the approval of the Secretary of War; to the Committee on Military Affairs.

1482. Also, petition of East St. Louis (Ill.) Lodge 121, International Association of Machinists, R. J. Ripplinger, secretary, favoring passage of House bill 97, to repeal the long-and-short-haul provisions of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1483. Also, petition of William G. Wiegand and other persons, of Prairie du Long Township, Monroe County, Ill., urging support of legislation proposed by Senator JOSH LEE, of Oklahoma, establishing a minimum price of \$1.25 per bushel for wheat with definite domestic market allotment control and without acreage control; to the Committee on Agriculture.

1484. By Mr. SCHIFFLER: Petition of Samuel Rees and a number of other postal clerks and carriers of Weirton, W. Va., urging the passage of House bill 3812, for the relief of postal employees; to the Committee on the Post Office and Post Roads.

1485. Also, petition of H. L. Moran, president, Townsend Club, No. 2, Fairmont, W. Va., urging early action on the Townsend bill (H. R. 2); to the Committee on Ways and Means.

SENATE

THURSDAY, MARCH 2, 1939

(Legislative day of Monday, February 27, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty and eternal God, whose artistry in creation hath been wrought by law subtler than music, quieter than light, revealing Nature's pageantry in leaf and flower, in star and moon-drawn wave, and, lastly, uttering life in the soul of man: Speak to us through the silence, as we bow before Thee, concerning our immortal destiny and the wonders of Thy world, wherein Thou hast made man but little lower than the angels to crown him with glory and worship.

Help us, therefore, to live as sons of God, sharing in Thy new creation; direct the work of this day, we humbly ask, and, though at eventide many of its purposes be unfulfilled, nevertheless do Thou sustain us with the knowledge that if we are honest and true and trust in Thee our souls are beyond the reach of all adversity. We ask it in the name of Him who said to His disciples, "Lo, I am with you alway, even to the end of the world." Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, March 1, 1939, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 2868) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1939, to provide supplemental appropriations for the fiscal year ending June 30, 1939, and for other purposes; that the House receded from its disagreement to the amendments of the Senate Nos. 10, 16, 17, and 18 to the bill, and concurred therein; that the House receded from its disagreement to the amendment of the Senate No. 13 to the said bill and concurred therein with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendment of the Senate No. 23 to the bill.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Reed
Andrews	Davis	La Follette	Reynolds
Ashurst	Donahay	Lee	Russell
Austin	Ellender	Lewis	Schwartz
Bailey	Frazier	Lodge	Sheppard
Bankhead	George	Logan	Shipstead
Barbour	Gerry	Lucas	Smathers
Barkley	Gibson	Lundeen	Smith
Bilbo	Gillette	McKellar	Stewart
Bone	Glass	McNary	Taft
Borah	Green	Maloney	Thomas, Okla.
Bridges	Guffey	Mead	Thomas, Utah
Brown	Gurney	Miller	Tobey
Bulow	Harrison	Minton	Townsend
Burke	Hatch	Murray	Truman
Byrd	Hayden	Neely	Tydings
Byrnes	Herring	Norris	Vandenberg
Capper	Hill	Nye	Van Nuys
Caraway	Holman	O'Mahoney	Wagner
Chavez	Holt	Overton	Walsh
Clark, Idaho	Hughes	Pepper	Wheeler
Clark, Mo.	Johnson, Calif.	Pittman	White
Connally	Johnson, Colo.	Radcliffe	Wiley

Mr. MINTON. I announce that the Senator from California [Mr. DOWNEY], the Senator from Washington [Mr. SCHWELLENBACH], and the Senator from Montana [Mr. WHEELER] are detained from the Senate because of illness.

The Senator from Nevada [Mr. McCARRAN] is detained on important public business.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

ANNIVERSARY OF TEXAS DECLARATION OF INDEPENDENCE

Mr. CONNALLY. Mr. President and Senators, on today, 103 years ago, March 2, 1836, a little band of Texas patriots gathered at a frontier village known as Washington on the Brazos and gave to the world the Texas declaration of independence. A few days following, the same convention adopted a constitution for the Republic of Texas, and a little more than a month thereafter, on April 21, 1836, Gen. Sam Houston, with his army of frontiersmen, composed in part of volunteers from most of the then existing State, fought the Battle of San Jacinto and in triumph brought to reality the great declaration which had been made at Washington on the Brazos.

The Battle of San Jacinto, judged by its consequences, was one of the outstanding events in the history of Anglo-Saxon civilization. If measured purely by the number of men involved, the battle was one of small consequence; but when it is remembered that, as the result of the declaration, and the subsequent victory of the Texas forces, a new republic was created in the Southwest, and that, following the admission of Texas to the Union, there ensued the Mexican War, which brought into the Union that great territory stretching all the way to the distant sea and embracing within its boundaries what are now the States of New Mexico, Arizona, Colorado, Nevada, California, Utah, and parts of Wyoming and Idaho, carrying Anglo-Saxon civilization into the great Southwest and securing the future safety of the Nation by causing its boundaries to be extended from ocean to ocean—judged by these consequences, the declaration of Texas independence, the war of revolution and liberation, and achievement of these great ends by the Battle of San Jacinto mark an outstanding era in the history of Anglo-Saxon civilization on this hemisphere.

So, Mr. President, as a Texan, I desire to pay a brief tribute in veneration of this great day in our history; to speak of March 2, 1836, and the Battle of San Jacinto, as I repeat here some words which I submitted in this Chamber on a former occasion.

How great is the poverty of phrase and the feebleness of tongue to bring to you a message of the majesty of Washington on the Brazos and the Battle of San Jacinto! Where is bronze stout enough, where is granite firm enough, where is marble white enough in chiseled figure or molded form to portray their grandeur? Where can literature find a pen powerful enough, where can oratory find a tongue eloquent enough, where can the poet find lines lofty enough, where can history find a page bright enough to tell the story of the heroic declaration of independence by a band of pioneers at

Washington on the Brazos March 2, 1836, and the titanic triumph of Houston and his hardy and gallant army on the banks of the San Jacinto?

Mr. NORRIS. Mr. President, may I ask the Senator from Texas a question?

The VICE PRESIDENT. Does the Senator from Texas yield to the Senator from Nebraska?

Mr. CONNALLY. I shall be glad to yield.

Mr. NORRIS. The Senator referred to the adoption of the Texas Declaration of Independence. Will the Senator be kind enough to have it inserted in the RECORD as part of his remarks?

Mr. CONNALLY. I shall be very glad to do so. I thank the Senator from Nebraska. I ask leave to have that done.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

THE UNANIMOUS DECLARATION OF INDEPENDENCE MADE BY THE DELEGATES OF THE PEOPLE OF TEXAS IN GENERAL CONVENTION AT THE TOWN OF WASHINGTON ON THE 2D OF MARCH 1836

When a government has ceased to protect the lives, liberty, and property of the people, from whom its legitimate powers are derived, and for the advancement of whose happiness it was instituted; and, so far from being a guaranty for the enjoyment of those inestimable and inalienable rights, becomes an instrument in the hands of evil rulers for their oppression: When the federal republican constitution of their country, which they have sworn to support, no longer has a substantial existence, and the whole nature of their Government has been forcibly changed, without their consent, from a restricted federative republic, composed of sovereign states, to a consolidated, central, military despotism in which every interest is disregarded but that of the army and the priesthood—both the eternal enemies of civil liberty, the ever-ready minions of power, and the usual instruments of tyrants: When, long after the spirit of the constitution has departed, moderation is, at length, so far lost, by those in power that even the semblance of freedom is removed, and the forms themselves, of the constitution discontinued; and so far from their petitions and remonstrances being regarded the agents who bear them are thrown into dungeons; and mercenary armies sent forth to force a new government upon them at the point of the bayonet: When in consequence of such acts of malfeasance and abdication, on the part of the government, anarchy prevails, and civil society is dissolved into its original elements: In such a crisis, the first law of nature, the right of self-preservation—the inherent and inalienable right of the people to appeal to first principles and take their political affairs into their own hands in extreme cases—enjoins it as a right towards themselves and a sacred obligation to their posterity to abolish such government and create another, in its stead, calculated to rescue them from impending dangers, and to secure their future welfare and happiness.

Nations, as well as individuals, are amenable for their acts to the public opinion of mankind. A statement of a part of our grievances is, therefore, submitted to an impartial world, in justification of the hazardous but unavoidable step now taken of severing our political connection with the Mexican people, and assuming an independent attitude among the nations of the earth.

The Mexican Government, by its colonization laws, invited and induced the Anglo-American population of Texas to colonize its wilderness under the pledged faith of a written constitution that they should continue to enjoy that constitutional liberty and republican government to which they had been habituated in the land of their birth, the United States of America. In this expectation they have been cruelly disappointed, inasmuch as the Mexican nation has acquiesced in the late changes made in the government by General Antonio Lopez de Santa Ana, who, having overthrown the constitution of his country, now offers us the cruel alternative either to abandon our homes, acquired by so many privations, or submit to the most intolerable of all tyranny, the combined despotism of the sword and the priesthood.

It has sacrificed our welfare to the state of Coahuila, by which our interests have been continually depressed through a jealous and partial course of legislation carried on at a far distant seat of government, by a hostile majority, in an unknown tongue; and this too, notwithstanding we have petitioned in the humblest terms, for the establishment of a separate state government, and have, in accordance with the provisions of the national constitution, presented to the general congress a republican constitution which was, without just cause, contemptuously rejected.

It incarcerated in a dungeon, for a long time, one of our citizens, for no other cause but a zealous endeavor to procure the acceptance of our constitution and the establishment of a state government.

It has failed and refused to secure on a firm basis the right of trial by jury; that palladium of civil liberty, and only safe guarantee for the life, liberty, and property of the citizen.

It has failed to establish any public system of education, although possessed of almost boundless resources (the public domain) and, although, it is an axiom, in political science, that unless a people are educated and enlightened it is idle to expect the continuance of civil liberty, or the capacity for self-government.

It has suffered the military commandants stationed among us to exercise arbitrary acts of oppression and tyranny; thus trampling upon the most sacred rights of the citizens and rendering the military superior to the civil power.

It has dissolved by force of arms, the State Congress of Coahuila and Texas, and obliged our representatives to fly for their lives from the seat of government, thus depriving us of the fundamental political right of representation.

It has demanded the surrender of a number of our citizens and ordered military detachments to seize and carry them into the interior for trial, in contempt of the civil authorities and in defiance of the laws and the constitution.

It has made piratical attacks upon our commerce, by commissioning foreign desperadoes, and authorizing them to seize our vessels and convey the property of our citizens to far-distant ports for confiscation.

It denies us the right of worshipping the Almighty according to the dictates of our own conscience; by the support of a national religion calculated to promote the temporal interest of its human functionaries rather than the glory of the true and living God.

It has demanded us to deliver up our arms, which are essential to our defense, the rightful property of freemen, and formidable only to tyrannical governments.

It has invaded our country, both by sea and by land, with intent to lay waste our territory and drive us from our homes; and has now a large mercenary army advancing to carry on against us a war of extermination.

It has, through its emissaries, incited the merciless savage, with the tomahawk and scalping knife, to massacre the inhabitants of our defenseless frontiers.

It hath been, during the whole time of our connection with it, the contemptible sport and victim of successive military revolutions; and hath continually exhibited every characteristic of a weak, corrupt, and tyrannical government.

These, and other grievances, were patiently borne by the people of Texas until they reached that point at which forbearance ceased to be a virtue. We then took up arms in defense of the national constitution. We appealed to our Mexican brethren for assistance. Our appeal has been made in vain. Though months have elapsed, no sympathetic response has yet been heard from the interior. We are, therefore, forced to the melancholy conclusion that the Mexican people have acquiesced in the destruction of their liberty and the substitution therefor of a military government—that they are unfit to be free and incapable of self-government.

The necessity of self-preservation, therefore, now decrees our eternal political separation.

We, therefore, the delegates, with plenary powers, of the people of Texas, in solemn convention assembled, appealing to a candid world for the necessities of our condition, do hereby resolve and declare that our political connection with the Mexican nation has forever ended; and that the people of Texas do now constitute a free sovereign and independent republic, and are fully invested with all the rights and attributes which properly belong to independent nations; and, conscious of the rectitude of our intentions, we fearlessly and confidently commit the issue to the decision of the Supreme Arbiter of the destinies of nations.

RICHARD ELLIS,

*Prevost of the Convention and Delegate from Red River,
(and other signers).*

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint resolution of the Legislature of Minnesota, which was referred to the Committee on Commerce:

Whereas the Federal Civil Aeronautical Authority has heretofore announced a proposed plan whereby certain localities in the several States are to be designated as air bases for the schooling and education of young men and women of the land who are desirous of acquiring aviation training; and

Whereas various sites in the State of Minnesota have been considered in connection with a possible air base for such operation; and

Whereas such a program would be a direct benefit to the State of Minnesota and particularly to the youth thereof: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota in regular session assembled, That we memorialize the Federal Civil Aeronautical Authority and the Congress of the United States to provide for the establishment of an air base in the State of Minnesota for the purposes above set forth, and that their plans be carried out expeditiously; be it further

Resolved, That the secretary of state of the State of Minnesota be, and he is hereby, instructed to transmit a copy of this joint resolution to the Federal Civil Aeronautical Authority and to the Senate and House of Representatives of the United States.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of Minnesota, which was referred to the Committee on Interstate Commerce:

Whereas the average interstate railroad rate level in the western trunk-line territory in which Minnesota is located, is 47 percent higher than in official territory, or the area east of the Mississippi and north of the Ohio Rivers; and

Whereas the actual cost to the railroad based on a loaded car-mile or a gross ton-mile basis is lower in the western trunk-line territory; and

Whereas railroad rates on wheat from Noyes, Minn., to Minneapolis, a distance of 380 miles, is 75 percent higher than the rate applied on like commodities from Minneapolis to Chicago, a distance of 419 miles; and

Whereas these rates as established by the Interstate Commerce Commission are discriminatory against agriculture, industry, and the consuming public of the western trunk-line territory: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota in regular session assembled, That we memorialize the Interstate Commerce Commission, the President of the United States, and the Congress of the United States to establish fair and equitable freight rates for the western trunk-line territory; be it further

Resolved, That the secretary of state of the State of Minnesota be, and he is hereby, instructed to transmit a copy of this resolution to the Interstate Commerce Commission at Washington, D. C., the President of the United States, and to the Congress of the United States.

The VICE PRESIDENT also laid before the Senate resolutions adopted by the San Francisco (Calif.) District Industrial Union Council; Local Union No. 12036 of District No. 50, United Mine Workers of America, of Fairmont, W. Va.; and the Baltimore (Md.) Industrial Union Council, affiliated with the C. I. O., protesting against amendment of the National Labor Relations Act, which were referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of the Board of Port Commissioners of Oakland, Calif., protesting against the enactment of the joint resolution (S. J. Res. 24) relative to the establishment of title of the United States to certain submerged lands containing petroleum deposits, which was referred to the Committee on Public Lands and Surveys.

He also laid before the Senate a resolution of the Associated Puerto Rican Press, adopted by a meeting at San Juan, P. R., protesting against alleged restrictive Federal legislation and lack of coordination between the several Federal agencies and departments having jurisdiction in the affairs of Puerto Rico, which was referred to the Committee on Territories and Insular Affairs.

Mr. CAPPER presented a memorial, numerous signed, of members of the First Baptist Church and sundry citizens of Salina, Kans., remonstrating against the enactment of legislation to include religious bodies within the operation of the social-security system, which was referred to the Committee on Finance.

Mr. WALSH presented a resolution adopted by the trustees of the World Peace Foundation, Boston, Mass., relative to world peace, foreign relations, and the national defense, which was referred to the Committee on Foreign Relations.

Mr. MEAD presented petitions of sundry citizens of the State of New York, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. GREEN presented the following joint resolution of the General Assembly of Rhode Island, which was referred to the Special Committee on Taxation of Governmental Securities and Salaries:

Joint resolution requesting the Senators and Representatives from Rhode Island in the Congress of the United States to oppose the movement for a Federal tax on State bonds, which in definite form is now pending before the Committee on Intergovernmental Taxation at Washington, D. C.

Whereas there is now pending for immediate consideration before the Committee on Intergovernmental Taxation at Washington, D. C., a matter relating to Federal tax on State bonds: Now, therefore, be it

Resolved, That the General Assembly of Rhode Island does hereby express its disapproval of the proposed plan for Federal tax on State bonds and urges and requests the Senators and Representatives from Rhode Island in the Congress of the United States to make every effort to oppose the establishment of any said Federal tax on State bonds; and be it further

Resolved, That His Excellency the Governor be, and he hereby is, respectfully requested to transmit a copy of this resolution, under the seal of the State, to the Senators and Representatives from Rhode Island in Congress.

Mr. GERRY presented a resolution identical with the foregoing, which was referred to the Special Committee on Taxation of Governmental Securities and Salaries.

PAYMENTS TO STATE AND TERRITORIAL HOMES FOR VETERANS

Mr. WALSH. Mr. President, I present several letters which I have received in connection with Senate bill 1495, to increase annual payments to State and Territorial homes for veterans, which I ask be treated as in the nature of petitions, referred to the Committee on Military Affairs, and printed in the RECORD.

There being no objection, the letters were referred to the Committee on Military Affairs and ordered to be printed in the RECORD, as follows:

VETERANS' ADMINISTRATION,
February 2, 1939.

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: I desire to acknowledge receipt of your letter of January 25, 1939, to which was attached a letter dated January 17, 1939, from the commandant of the Soldiers' Home at Chelsea, Mass., regarding an increase in the amount of Federal-aid payments to the various States.

Under the provisions of section 134, title 24, United States Code, and Public, No. 171, Seventy-fifth Congress, there may be paid to States maintaining State soldiers' homes an amount at the rate of \$120 per annum for each veteran cared for in such homes who is eligible for admission to a Veterans' Administration facility for domiciliary care. There are 29 State soldiers' homes maintained by 26 States. Payments of Federal aid to these 26 States resulted in an obligation of approximately \$684,640 on the part of the Federal Government during the fiscal year ending June 30, 1938.

A bill (H. R. 9071) was introduced during the last session of Congress to increase the payments of Federal aid to the States to a rate of \$240 per annum. A bill (H. R. 2287) for a similar purpose was introduced by Mr. RANKIN, of Mississippi, in the present session and was referred to the Committee on Military Affairs. Passage of this proposed legislation would result in doubling the amount of payments of Federal aid to the various States maintaining State soldiers' homes, and no provision has been made in the current appropriation act or in the Budget proposal for the fiscal year ending June 30, 1940, for such an increase.

Very truly yours,

FRANK T. HINES, Administrator.

THE COMMONWEALTH OF MASSACHUSETTS
SOLDIERS' HOME,
Chelsea, February 17, 1939.

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

DEAR SENATOR: Last Monday JOHN MCCORMACK introduced a measure identical to the one attached, H. R. 2287, substituting \$365 in lieu of Mr. RANKIN's proposal, namely, \$240.

At this time may I suggest that you introduce in the Senate a similar bill, using the \$365 rate? I am asking this because it may be remotely possible that we can get earlier action in the Senate than we might get in the House. The responses which I have had from the delegations of the 27 States concerned have been uniformly favorable. Many of them have expressed the thought similar to your own—that is, they were surprised that the original act of 1888, which allowed \$120 per annum, had not been amended in the 50 years of its existence. We think today that \$1 per diem is a more equitable proportion of the maintenance cost than the lesser amount suggested by Congressman RANKIN.

I trust that you will introduce the bill, as requested, and in due course will you kindly send me some copies.

Sincerely yours,

LAWRENCE F. QUIGLEY,
Commandant.

THE COMMONWEALTH OF MASSACHUSETTS,
SOLDIERS' HOME,
Chelsea, February 27, 1939.

Hon. DAVID I. WALSH,

United States Senate, Washington, D. C.

DEAR SENATOR WALSH: Your letter of February 24, containing report of General Hines with reference to payments of Federal aid to States which operate soldiers' homes, has been received.

That which General Hines has stated in his report is, insofar as I know, correct. The report furnished you is identical to that which he has furnished to Members of both Houses from the other 25 States which operate homes. The law which governs the present payment was, as you know, passed in 1888, and has not been revised since. Heretofore the Confederate bloc made such impossible unless grants were made to Confederate homes. This situation is materially different now, as evidenced by the fact that a southern Member, Mr. RANKIN, introduced the original measure, which allows but \$240. The American Legion has passed resolutions at several conventions on this subject, but up to now no definitive action has been taken.

Our argument for the \$365 per annum is based upon the fact that it costs that much money to maintain a soldier in a Federal home for shelter, food, and personnel costs only. When a domiciliary case, such as your measure contemplates, is transferred from domiciliary status to hospital status, the cost is three and one-half to four times as much per diem.

Congress in 1888 allowed 33½ cents per diem, which, based upon the then existing cost, represented more than 60 percent of the

maintenance cost. This is based upon the history of the cost at the Massachusetts State home, which disclosed that during those early years that the average per diem cost per veteran was 51 cents only. With the passing of years this cost has ascended to the sum of \$2.07 per diem to the State of Massachusetts.

It will be noted that when Congress passed the original legislation it laid down a yardstick of apparent liberality. With 50 years this liberality has not been maintained, perhaps due to inertia on the parts of the States concerned.

You are familiar with the circumstances here in Massachusetts probably better than any other person in Washington. We have been spending \$350,000 per annum on this State soldiers' home, of which we have been reimbursed but one-seventh, or \$50,000 per annum, by the Federal Government.

The bill that you have introduced, then, would attempt to pick up some of the difference existing between 60 percent of the cost in 1888 and 14½ percent existing today.

Even though your bill becomes a law, you will observe that the State government must still expend not less than \$200,000 per annum to maintain this State soldiers' home.

Much of the grave difficulties confronting the board of trustees and myself in continuing to get appropriations for this home will be overcome if your measure is successful. With the present problem of hospitalizing veterans in and around the metropolitan district of Boston, you will appreciate just how grave the problem will be if we are forced to curtail the expenditures and, by the same token, refuse admission of ill and disabled veterans to our institutions.

It goes without saying that the Budget measure will have to be increased from approximately \$700,000 to approximately \$2,000,000 if the Walsh bill is enacted. Let me say in respect to that that the Federal Government has been saved many times that amount of money by the States maintaining these homes. Last year the 25 States took care of 7,000 veterans, at a cost to the Federal Government of \$684,640. According to the statistics of the Veterans' Administration itself, had these same 7,000 veterans been cared for in the various national homes, the expense would have been considerably in excess of \$2,000,000. To refute another possible argument, it cannot be said that the Federal Government has ample beds to absorb these cases, because there are but 16,000 such beds in the various homes throughout the country; and during the month of July 1938, the month when the population of the homes is at ebb tide, there were then a net of only 2,000 beds scattered throughout the country. It will be seen, then, that if the State homes should end up their business—and there is no desire on the part of the various States to do so, of course—it would entail construction to house at the present time not less than 5,000 veterans. Of course, the demand for these beds is constantly increasing.

With the foregoing facts—and I will be glad to amplify them in as much detail as you would care to have me—I trust that it will be practicable for your Military Affairs Committee to grant an early hearing on your bill.

A communication has just been received by me from your colleague, Senator LODGE, and in response to an inquiry made by him I am taking the liberty of enclosing a copy of this letter for his information.

With kindest personal regards, I am,

Sincerely yours,

LAWRENCE F. QUIGLEY,
Commandant.

IMPOSITION OF TAXES ON CHAIN STORES

Mr. HOLT presented a letter from the Mercer County (W. Va.) Association of Retail Grocers, which was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

BLUEFIELD, W. VA.

Senator RUSH D. HOLT,
Washington, D. C.

DEAR SENATOR HOLT: The independent merchants of West Virginia, as well as those in all other States, are very much interested in seeing bill H. R. 1 passed, and in view of the fact your past record indicates you have worked for the best interest of the many thousands of small-business men and wage earners, we feel assured and have the utmost confidence that you will use your influence in the passage of this bill.

Yours very truly,

MERCER COUNTY ASSOCIATION OF RETAIL GROCERS,
PAUL COLE, Secretary-Treasurer.

PROHIBITION OF MANUFACTURE AND SALE OF RUM IN VIRGIN ISLANDS

Mr. HOLT presented a resolution of the Keyser (W. Va.) Woman's Christian Temperance Union, which was referred to the Committee on Territories and Insular Affairs and ordered to be printed in the RECORD, as follows:

KEYSER, W. VA., February 28, 1939.

Hon. RUSH D. HOLT,
Washington, D. C.

DEAR Mr. HOLT: We, the members of the Keyser Woman's Christian Temperance Union, 62 in number, implore you to support the following bill:

"Resolved, etc., That the manufacture and sale of rum by the Virgin Islands Co. or by any other activity that is financed in

whole or in part by funds from the United States is hereby prohibited."

Very sincerely,

OLLIE E. SECRIST,
Corresponding Secretary.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 270) for the relief of Lofts & Son, reported it without amendment and submitted a report (No. 124) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 1517) for the relief of F. E. Perkins, reported it without amendment and submitted a report (No. 125) thereon.

Mr. ELLENDER, from the Committee on Claims, to which was referred the bill (S. 793) for the relief of Worth Galaher, reported it with an amendment and submitted a report (No. 126) thereon.

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 421) for the relief of the estate of O. K. Himley, reported it with an amendment and submitted a report (No. 127) thereon.

Mr. GREEN, from the Committee on Foreign Relations, to which was referred the bill (S. 902) to amend the act entitled "An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American Republics and the Philippines, and for other purposes," approved May 25, 1938, reported it with an amendment and submitted a report (No. 128) thereon.

Mr. CONNALLY, from the Committee on Foreign Relations, to which was referred the joint resolution (S. J. Res. 46) authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9-12, 1938, between the two Governments providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927, reported it without amendment and submitted a report (No. 129) thereon.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 1, 1939, that committee presented to the President of the United States the following enrolled bills:

S. 494. An act to name the bridge to be erected over the Anacostia River in the District of Columbia after the late "March King," John Philip Sousa, composer of the Stars and Stripes Forever; and

S. 1294. A bill to authorize the Commissioners of the District of Columbia to regulate the hours during which streets, alleys, etc., shall be lighted.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mrs. CARAWAY:

S. 1673. A bill for the relief of Charles Boothe Amis; to the Committee on Military Affairs.

S. 1674. A bill granting a pension to J. H. McGhehey; to the Committee on Pensions.

(Mr. LEE introduced Senate bill 1675, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

Mr. HATCH. I ask consent to introduce a bill in behalf of my colleague from New Mexico [Mr. CHAVEZ] and myself, and request that it be referred to the appropriate committee.

The VICE PRESIDENT. Without objection, the bill will be received and properly referred.

By Mr. HATCH and Mr. CHAVEZ:

S. 1676. A bill relating to certain payments in connection with the 1937 range program under the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture and Forestry.

(Mr. WALSH introduced Senate bill 1677, which was referred to the Committee on Naval Affairs, and appears under a separate heading.)

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By Mr. MEAD:

S. 1678. A bill for the relief of Charles B. Chrystal; to the Committee on Claims.

By Mr. ASHURST:

S. 1679 (by request). A bill to amend the law limiting the operation of statutes of limitations in certain cases; to the Committee on the Judiciary.

By Mr. KING:

S. 1680. A bill relating to benefit assessments from condemnation proceedings for the opening, extension, widening, or straightening of alleys or minor streets; to the Committee on the District of Columbia.

By Mr. McKELLAR:

S. 1681. A bill to amend section 107 of the Judicial Code to create a mountain district in the State of Tennessee, and for other purposes; to the Committee on the Judiciary.

REAMORTIZATION OF CERTAIN LAND BANK COMMISSIONER LOANS

Mr. LEE. Mr. President, in Oklahoma there are 13,020 so-called Commissioner loans, made under the provisions of the Emergency Farm Act of 1933. At the present time 3,977 of these loans are delinquent and the farmers to whom the loans were made are subject to having their farms taken away from them. The bill which I am about to introduce and which proposes to amend the law makes it mandatory for the Federal Farm Mortgage Corporation, which now owns all Commissioner loans, upon request of the mortgagor, to extend in whole or in part any unpaid obligations under the terms of any mortgage for a period of from 20 to 40 years.

At this point I ask consent to introduce a bill which I request be referred to the Committee on Agriculture and Forestry. The purpose of the bill is to give relief in the premises. I ask unanimous consent, as the bill is very short, that it may be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. Without objection, the bill of the Senator from Oklahoma will be received and referred as requested by him and also printed in the RECORD.

The bill (S. 1675) to provide reamortization of Land Bank Commissioner loans which have heretofore been made by the Land Bank Commissioner and which provide for liquidation of principal and interest in a 10- or 13-year period was read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Land Bank Commissioner, upon application by any person owing a Land Bank Commissioner loan which is amortized so as to become due and payable in full in 10 or 13 years from date loan was made, shall extend said loan and provide for reamortization of the loan over a period not less than 20 years and not more than 40 years at the same rates of interest and upon the same basis of amortization which is now available to Federal land-bank borrowers.

INCITATION TO DISOBEDIENCE IN THE ARMY AND NAVY

Mr. WALSH. Mr. President, I ask consent to introduce a bill, and request that two letters from the Acting Secretary of the Navy be printed in the RECORD in connection with the bill.

The VICE PRESIDENT. Without objection, the bill of the Senator from Massachusetts will be received and properly referred, and the letters referred to will be printed in the RECORD.

The bill (S. 1677) to make better provision for the government of the Army and the Navy of the United States by the suppression of attempts to incite the members thereof to disobedience, was read twice by its title and referred to the Committee on Naval Affairs.

The letters presented by Mr. WALSH are as follows:

DEPARTMENT OF THE NAVY,
Washington, February 27, 1939.

The CHAIRMAN, COMMITTEE ON NAVAL AFFAIRS,

United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: There is enclosed herewith a copy of a letter, together with a copy of a proposed bill "To make better provision for the government of the Army and the Navy of the United States by the suppression of attempts to incite the members thereof to disobedience," this day forwarded to the Speaker of the House of Representatives.

Sincerely yours,

CHARLES EDISON, Acting.

DEPARTMENT OF THE NAVY,
Washington, February 27, 1939.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

MY DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill "To make better provision for the government of the Army and the Navy of the United States by the suppression of attempts to incite the members thereof to disobedience."

The purpose of this bill is indicated in its title.

Literature of a nature subversive to the Government has been distributed in increasing quantities in recent years to the personnel of the Army and the Navy. The literature, apparently emanating from Communist organizations, seeks to undermine the morale of the services by urging disloyalty and disobedience of laws and regulations for the government of the armed forces.

Existing law is inadequate to curb this propaganda. The pamphlets and leaflets are carefully worded to avoid the insurrection and seditious provisions of the Criminal Code (U. S. C., title 18, secs. 4 and 6), and the publishers likewise escape the penalties of sections 344 and 345 of title 18, United States Code, by avoiding the use of the mails.

The proposed legislation, it is believed, will protect the military and naval forces of the United States from the contaminating influences of propaganda which has as its ultimate object the overthrow of our Government by force. It does not infringe upon the rights of free speech or of a free press. It does not prevent any person from advocating a change in existing laws by lawful means. It does, however, prevent persons from urging members of the armed forces to violate the laws and regulations by which they are governed.

Enactment of the proposed legislation would result in no increase of cost to the Government.

The Navy Department recommends enactment of the proposed legislation.

Sincerely yours,

CHARLES EDISON, Acting.

SURVEY OF COAST LINE AT EAST PROVIDENCE, R. I.—AMENDMENT

Mr. GREEN submitted an amendment intended to be proposed by him to the bill (S. 1443) to authorize the Secretary of War to make a survey of the coast line at East Providence, R. I., which was damaged by the hurricane and flood of September 21, 1938, which was referred to the Committee on Commerce and ordered to be printed.

COLUMN BY SENATOR TAFT IN WASHINGTON POST

[Mr. ASHURST asked and obtained leave to have printed in the RECORD a column appearing in the Washington Post of March 2, 1939, written by Senator TAFT, which appears in the Appendix.]

STATEMENT BY SENATOR TRUMAN ON THE AGRICULTURAL SITUATION

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD a statement by himself on the agricultural situation, which appears in the Appendix.]

THE FEDERAL TRADE COMMISSION—ADDRESS BY COMMISSIONER MARCH

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD an address on the subject of the Federal Trade Commission delivered by Hon. Charles H. March, member of the Commission, before the annual meeting of the Minnesota Bar Association, Duluth, Minn., July 12, 1938, which appears in the Appendix.]

THE PHILIPPINE PROBLEM—ARTICLE BY MAJ. GEN. W. C. RIVERS

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article by Maj. Gen. William Cannon Rivers, United States Army (retired), published in the New York Times Book Review of February 26, 1939, entitled "Bold Realities Concerning the Philippine Problem," which appears in the Appendix.]

WEEKLY REPORT OF GERMAN INSTITUTE FOR BUSINESS RESEARCH

[Mr. LOGAN asked and obtained leave to have printed in the RECORD a letter from former Senator Robert L. Owen relative to the January 26, 1939, weekly report of the German Institute for Business Research and the report referred to in the letter, which appear in the Appendix.]

COMMENT OF LEXINGTON (KY.) HERALD ON RECENT ADDRESS BY SECRETARY HOPKINS

[Mr. LOGAN asked and obtained leave to have printed in the RECORD an editorial from the Lexington (Ky.) Herald of February 28, 1939, commenting on the address recently delivered by Secretary Hopkins, which appears in the Appendix.]

"FIRST 6 YEARS OF THE ROOSEVELT ADMINISTRATION"—ADDRESS BY JAY FRANKLIN

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD a radio address delivered by Jay Franklin on March 1, 1939, on the subject "The First 6 Years of the Roosevelt Administration," which appears in the Appendix.]

THE INFLUENCE OF THE WRIGHT BROTHERS ON HISTORY

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD an editorial entitled "The Influence of the Wright Brothers on History," printed in the Washington (D. C.) Times-Herald of February 13, 1939, which appears in the Appendix.]

THE NATIONAL DEFENSE

The Senate resumed the consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

The VICE PRESIDENT. When the Senate took a recess yesterday, the first committee amendment was pending.

Mr. LOGAN. Mr. President, by reason of the very able speech made yesterday by the Senator from Vermont [Mr. AUSTIN], I find it unnecessary for me to deal with the facts in detail or at all. The Senator from Vermont covered everything I could say on that point.

The views which I shall briefly express today are views which I publicly expressed last September, prior to the Munich agreement, and the moving finger of destiny since that date has shown me no reason to change my formerly expressed views. I say that because a newspaper account the other day said that I undoubtedly was expressing thoughts that were suggested in the famous conference of the Military Affairs Committee with the President; but that is not true. I gave public utterance to these thoughts, or similar thoughts, last fall.

I do not desire to discuss any of the secret meetings we have had. I only take occasion to say that in the conference between the President of the United States and the Military Affairs Committee I heard nothing startling, I understood nothing startling, and it is entirely beyond my comprehension why some of my good friends who are Members of this body say the country would be shocked if it knew what took place. They have never said they questioned the truth of any statement they heard; and, as for me, I can truthfully say that I do not recall having heard anything at all which was particularly new. While different accounts have been given of what was said, and I never keep notes—I never kept a note on anything in my life—I think, if called upon to do so, I could repeat almost verbatim all that was said on that occasion.

I desire to state my position relative to the bill now under consideration. It will not require many words.

I believe in neutrality at times, but not in neutrality predetermined by law. I have said before, and I say again, that such neutrality is a snare and a delusion. Our relationship to other nations, either in time of war or in time of peace, is something that must be improvised as occasions arise.

In my judgment, the effect of our Neutrality Act was to give the green light to the nations ruled by dictators to move against democracies. When we served notice on the world by that act that it was our purpose to refrain from favoring one nation at war over another, and that we would hold the balances even, it was the information that Japan, Germany, and Italy needed to begin their aggressions.

If it be true—and I believe on good authority that it is true—that Germany, Italy, and Japan have entered into a pact mutually to assist each other in aggressions until Europe and Asia are dominated by them, our attitude expressed in the Neutrality Act may have given much encouragement to them in their desire to destroy democracies.

If the democracies in Europe are destroyed, the necessity for our protecting this Nation through an adequate Army and Navy becomes obvious to everyone. It may not happen that France and England will be defeated, but we cannot await preparations until the result can be certainly known.

If so, it may be too late for us to repel attacks on our Nation if they should be made. No one can say that attacks will be made, but we cannot take it for granted that they will not be. So, to be on the safe side, we must be prepared not only to fight if we must but to win; and the time to make such preparations is now, because, if war comes, it will be too late.

Much has been said in the debate on this bill about entangling alliances with other nations. If I could make the foreign policy of the United States, there would not, at this time or ever, be any entangling alliances with any nation on earth. I do not believe the United States of America should agree with any nation, either directly or indirectly, that, in case of war or threat of war, it will follow any particular course. This Nation should ever be free to determine its own course at any time as the people, through the legal machinery of our Government, may decide. We should be free to remain at peace, go to war, or remain neutral without consulting any nation on earth. This would be my policy, and it would forever keep our Nation free from entangling alliances.

The reason for my desire to see the Neutrality Act repealed is that, in my opinion, it constitutes something approaching entangling alliances. The very fact that the United States has served notice on all nations that it will provide an adequate Army and Navy for the common defense has eased the tension in Europe, and the dictators do not seem nearly so anxious to attack the democracies as they appeared to be a few days ago. The bare suspicion on the part of the dictators that the United States is not as strong for neutrality as they had been led to believe has caused them to pause.

I do not believe in going to war any more than I believe in one individual fighting another individual; but there are times when a man must fight because he cannot run, and at such a time I believe he should always be ready to win the battle. I do not expect the United States to attack any nation; but when the time comes, if ever, that the United States sees danger approaching, from whatever source, I think it will strike in self-defense and only in self-defense.

It has been said that the President remarked on a recent occasion that France and England were our first line of defense in case of attack on democracies by the dictators in Europe. Whether he said it or not, we know that it is true. We cannot be attacked by any nation in Europe without the fall of England and France. It is important, therefore, that we do what we can to see that England and France do not fall a prey to the dictators. England has a great Navy, which could be used by Germany if she should conquer England as easily as England may use it herself. I do not want to see that Navy in the hands of an enemy of democracies. England has many places where naval bases and air bases could be established near our own shores, and so has France. We can well understand the price that France and England would have to pay if Germany and Italy should conquer them. We do not want air bases and naval bases near our shores in the hands of any nation that is an enemy to democracies. Therefore, it seems to me that we cannot avoid having a very acute interest in any war with England and France on one side and Italy and Germany on the other.

Further, if I were making the foreign policy of this Nation, as matters stand now I would furnish to England and France everything they need to fight a defensive war. If they needed food, clothing, munitions of war, or any other thing that might be necessary, I would try to see that they obtained it from the people of the United States, and the quantity that was furnished should be sufficient to insure victory for France and England. On the other hand, I would seek to avoid to the fullest extent the furnishing of anything to Germany or Italy that would enable them to carry on a war of aggression. I sincerely believe that would be the surest way to keep us out of war. Even that might not be enough. Therefore we cannot take a chance. Our Nation is worth too much for us to take more than a moderate chance of being overcome by those who do not believe in democracies.

There was a time in the history of our Nation when we were well protected by the oceans. No nation could reach us, at least with a large force. But that condition does not exist any longer. Unless we believe that 1 American can always whip 10 foreigners we are not safe if we do not have a better Army and a better Navy than we have today. At this time I do not believe that any nation in Europe could successfully attack us. We are out of range of their navies and their airplanes, although their navies might attack some of our coast cities and escape before we could do anything about it. A few bombs might be dropped on our coast cities from bombing planes, but under present conditions these things would not constitute a serious menace to our national life.

In the past the rivalries in Europe have contributed very largely to our security. That is so today, but when there are no rivalries in Europe the situation may be very materially changed.

I agree with those who say that we should consider the question of national defense calmly. There should be no excitement about it. Fantastic schemes and unrestrained language cannot help. We must keep our feet on the ground and think the question through. There are those who sincerely believe that money spent for national defense is wasted. On the same basis of reasoning we might well say that money spent for insurance against fire is wasted. The bill now under consideration contains nothing that need excite any of us. We are considering the realities and not the fantastic. I doubt whether there are a dozen votes in the Senate in opposition to the pending bill. In fact, I do not believe that I know of more than one or two. The question rises above politics, and no politics has or will enter into the consideration of our national-defense program. We are but trustees for the future, and as such it is our duty to pass on to those who come after us all the blessings which we have enjoyed, and among those blessings is the right to live under a democratic form of government.

Mr. President, one reason why it is not necessary for me to go very deeply into this question is that some years ago, about 20 years ago, to be exact, there was a statesman, a man who is still distinguished in public affairs, and who knows more about foreign affairs and many other affairs than any other man in the United States. He has made many great speeches in the course of his career. I hope that he may make many more. But among them all perhaps the greatest speech he ever made was the one which was delivered in the United States Senate on March 18, 1918, and as expressive of my own views I wish to read some quotations from that great speech. I may say that the book which I hold in my hand has a subtitle which indicates that the address was not only a speech but a prophecy, because the selections are said to be "Speeches and Prophecies."

In the course of that address this great statesman said:

And when we reflect further on some of the issues which are involved in the war, we are again led to understand how conclusively this is a contest between the two systems of government, two civilizations. We ought to get away, if we can, from the idea that it is a conflict over national lines in Europe; that it is a question of the redistribution of territory in Europe; that it is a question of securing compensation for injuries which have been done us; and understand that, whatever the cause was in the beginning, we have now arrived at a point where it is distinctly a conflict between two systems of government, between peoples and nations, and that one or the other will have to go down.

That war has not ended, I may say, the contest is still going on, and the approaching war, if there is to be one—and unless our actions here in providing an adequate national defense for this country will prevent it there certainly will be a war in Europe—will be exactly the same type of war described in this quotation, a war over systems of government.

But there is even stronger language. I quote again:

In other words, whatever may have been our opinion in the beginning of the war, both sides realize now that this is not only a war between great nations, involving the interests of all their citizens, but that it is distinctly a war between systems of government, and it is so recognized.

Again, further along in the speech we find this language:

We now see and understand clearly and unmistakably the cause at all times lying back of these things. Upon the one hand is Magna Carta, the Bill of Rights, the Declaration of Independence, the Constitution of the United States, and the principles of human liberty which they embody and preserve. Upon the other hand is that peculiar form of state organization which, in the language of the emperor, rests alone upon the strength of the army and whose highest creed finds expression in the words of one of its greatest advocates that war is a part of the eternal order instituted by God. We go back to Runnymede, where fearless men wrenched from the hands of power habeas corpus and the trial by jury. They point us to Breslau and Molwitz, where Frederick the Great, in violation of his plighted word, inaugurated the rule of fraud and force and laid the foundation for that mighty structure whose central and dominating principle is that of power.

I may say that the issue is more squarely drawn today than it was on the 18th of March 1918, when this great speech was made. But I desire to read for the RECORD more of it:

It is that power with which we are at war today. Shall men, shall the people, be governed by some remorseless and soulless entity softly called the state or shall the instrumentalities of government yield alone and at all times to the wants and necessities, the hopes and aspirations of the masses? That is now the issue. Nothing should longer conceal it. It is but another and more stupendous phase of the old struggle, a struggle as ancient and as inevitable as the thirst for power and the love of liberty, a struggle in which men have fought and sacrificed all the way from Marathon to Verdun.

It seems strange now, and it will seem more extraordinary to those who come after us, that we did not recognize from the beginning that this was the issue. But, obscured by the debris of European life, confused with the dynastic quarrels and racial bitterness of the Old World, it was difficult to discern, and still more difficult to realize, that the very life of our institutions was at stake, that the scheme of the enemy, amazing and astounding, was not alone to control territory and dominate commerce, but to change the drift of human progress and to readjust the standards of the world's civilization. Perhaps, too, our love of peace, our traditional friendship for all nations lulled suspicion and discouraged inquiry. Be that as it may, there can be no doubt now. Whatever the cause, however perverse the fate which brings us to this crisis, we are called upon not to settle questions of territory or establish new spheres of national activity, but to defend the institutions under which we live. Who doubts should we fail that the whole theory and system of government for which we have labored and struggled, our whole conception of civilization would be discredited utterly?

This great orator on that occasion was pointing out that if one of the nations in Europe, now under a dictator, should be successful in conquering France and England, our institutions would be in danger; that our civilization would be in danger. I wish to read how far he said we should go to defend that civilization.

But what we have determined in this crisis, as I understand it, is that we will keep the road of democracy open.

That is a strong sentence.

No one shall close it—

Said that great orator on that occasion. He said in effect, to paraphrase Kipling, "Ours is the gate to open and ours is the gate to close."

It cannot be handed whole and complete to any people, though every member of the community were a Socrates. But what we have determined in this crisis, as I understand it, is that we will keep the road of democracy open. No one shall close it. If any nation shall hereafter rise to the sublime requirement of self-government and choose to go that way it shall have the right to do so. Above all things we have determined, cost what it may in treasure and blood, that this experiment here upon this western continent shall justify the faith of its builders, that there shall remain here in all the integrity of its powers neither wrenched nor marred by the passions of war from within nor humbled nor dishonored by military power from without the Republic of the fathers. That since the challenge has been thrown down that this is a war unto death between two opposing theories of government we are determined that whatever else happens as a result of this war this form of organization, this theory of state, this last great hope, this fruition of 130 years of struggle and toil "shall not perish from the earth."

It was said by this great orator in the course of his speech that in the beginning we did not clearly see what was involved, and that is true. And even when this speech was made on March 18, 1918, we still did not clearly see what was involved. But we see it now. With Italy and Germany preparing to conquer the world, and knowing that the conflict

will destroy the democracies of Europe, we know that we will have to fight the dictator nations alone, and how anyone can object to preparing to meet such a situation which might come to us—though it might not, and, of course, I do not know that it will come to us—I cannot understand.

I now desire to read something which the great orator, from whose speech I have been quoting, said on the same occasion about George Washington's Farewell Address. The Farewell Address has been referred to in the Senate frequently. It has been read over and over again. It has been quoted from. Here is the language of the distinguished statesman to whom I refer:

A republic can make war. It can make war successfully and triumphantly and remain a republic every hour of the conflict. The genius who presided over the organization of this Republic, whose impressive force was knit into every fiber of our national organization, was the greatest soldier, save one, of the modern world, and the most far-visioned leader and statesman of all time. He knew that though devoted to peace the time would come when the Republic would have to make war. Over and over again he solemnly warned his countrymen to be ever ready and always prepared. He intended, therefore, that this Republic should make war and make war effectively, and the Republic which Washington framed and baptized with his love can make war. Let these faithless recreants cease to preach their pernicious doctrine.

I do not believe that anyone has said on the floor of the Senate, or will say anything as impressive as the quotations I have read. I am quite sure that all Senators will recognize the author of that speech. The speech was made by one of our own honored colleagues, who sits with us today, a man whom we all reverence and love, the Honorable WILLIAM E. BORAH. It comes from a little book entitled "American Problems." In the book is a subtitle, "A selection of speeches and prophecies by WILLIAM E. BORAH."

I doubt whether Isaiah or Jeremiah ever pictured the future as clearly as it is pictured in this speech. It will appear that, looking down the corridors of time, the Senator from Idaho then saw that this war between systems of government was to be fought to a conclusion.

Let me now say in conclusion, because I do not have any desire to take up any more of the time of the Senate, that I think that by passing the bill which we are considering, and going as far as we reasonably can in national defense, we shall not only protect ourselves from a war to come at some time in the future, but, in my judgment, we shall do much toward preventing war between other countries.

I believe that Italy is going to exercise her right under what appears to be an understanding, to take more territory in the next few months, or within less than a year. Senators will recall that Italy took Abyssinia. Nothing was said. Japan takes China, or a part of it. Nothing is said. Hitler takes Austria and the Sudetenland. Now they are starting in again, and this time it is Italy's move. We do not know where Japan will go next. But next Germany will move eastward, taking in the Ukraine, beyond all question, in my judgment. With all these activities going on, there may be no signs of war on our own Nation. Certainly we are not going out to make war upon another nation. But the situation is such that we cannot afford to wait.

Mr. CLARK of Missouri. Mr. President—

The PRESIDING OFFICER (Mr. CONNALLY in the chair). Does the Senator from Kentucky yield to the Senator from Missouri?

Mr. LOGAN. I yield.

Mr. CLARK of Missouri. I should like to ask the Senator from Kentucky if what he is proposing is that American boys be sent to fight in Europe or Africa or any other part of the world to protect France in her right to Tunisia, which France holds by precisely the same title by which Italy holds Ethiopia, or to protect Great Britain in her right to Hong Kong, which Great Britain acquired by precisely the same methods against the Chinese that the Japanese have been using in the last year and a half? Exactly what is the meaning of all this talk of our owing an obligation to democracies such as France and Great Britain, which, while their internal governments may be very much more agreeable to our ideas and our practice, in their foreign policy have

been as imperialistic as any nations in the history of the world?

Mr. LOGAN. Evidently the Senator did not hear the beginning of what I said.

Mr. CLARK of Missouri. I am sorry to say that I came in after the Senator had started his remarks.

Mr. LOGAN. I said then, and I will repeat, that I do not believe in sending our soldiers to any foreign country under any circumstances unless it be in self-defense. I do not believe in attempting to protect Great Britain in her colonial possessions, or France, or any other nation. That is none of our business. But if they are a part of our protection against the aggressions of the dictators, I did say that it is my present opinion that I would furnish them the things they need, so they could whip the dictators and take the job off our hands. But that is as far as I would go. If my good friend the Senator from California [Mr. JOHNSON] would let me, I might be willing to loan them some money so they could pay for munitions of war. But I do not believe in attempting to protect Great Britain or France in their colonial possessions. We are not concerned with the internal affairs of any nation. Any nation can have any kind of government it wants to have. That is not our business. The sole reason why I believe in our present program is that it is a program of self-defense, and the only reason why I would ship munitions of war to any nation would be in furtherance of that plan; that is, in self-defense of the United States. Otherwise, if I had the power, I would see to it that no munitions of war were shipped to any country on earth.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. LOGAN. I yield.

Mr. WALSH. Am I correct in understanding the Senator to say that he would confine the interest of our own self-defense—our position in the event of war between the dictator countries of Europe and the so-called democracies of Europe—to financial aid, and to moral support, and would not favor entry by the United States into a war or participation in a war between the so-called democracies and the totalitarian States? Is that the Senator's position?

Mr. LOGAN. The Senator states my position.

Mr. WALSH. Is that not exactly the position this country took in 1918 when it declared war? Is it not a fact that hardly a Member of the House or Senate in April 1918 thought that American youths would be required to go to Europe to fight? How can we avoid taking that step again, if war comes again, if we take the step the Senator suggests? If we take that first step we will most certainly take the second step, namely, take up arms.

Mr. LOGAN. I am stating only what I hope will occur. I see no parallel between 1918 and the present time. The world is altogether a different place from what it was 20 years ago. England, France, and no other nation, so far as I know, have need for our manpower. They do not need that.

Mr. WALSH. In the event we take sides and give moral support and financial aid to one group of nations fighting another group of nations, is it not inevitable, if the group to which we are lending money and supplying munitions is losing in the contest, that as a matter of self-interest we are impelled to go in and fight alongside of that group?

Mr. LOGAN. I will say to the Senator that war is an improvisation. The Government has to act as occasion arises. I do not know what may happen. Neither does anyone else. But I do know that if there is a contest between dictator states, totalitarian states, on one side, and democracies on the other that I am not neutral, I do not expect to be neutral, and I do not want any citizen of the United States to be neutral. I am for the democracies.

Mr. WALSH. Do I correctly understand the Senator to state that, in his opinion, the sharp differences existing between the countries of Europe at the present time, which point in the direction of war, are basically differences over forms of government?

Mr. LOGAN. That is correct.

Mr. WALSH. Does the Senator think there are no controversies between those countries over possessions, giving

up what they have gotten in the past, or obtaining in the future something they desire and do not now possess?

Mr. LOGAN. I really do not know.

Mr. WALSH. In other words, is it not a fact that the present threats of war and resort to force in Europe arise from quarrels over territorial possessions rather than over forms of government?

Mr. LOGAN. Of course all those things are involved; but, as was ably pointed out by the Senator from Idaho [Mr. BORAH] 20 years ago in his speech from which I read extracts, whatever one might think about its being a warfare over boundary lines, over possessions, or over economic conditions which had entered into it, after all, the difficulties in the world today are caused by a conflict between the nations which believe in the democratic principle of government and those which say that democracy is a failure.

Perhaps we can avoid all trouble by selecting a dictator and becoming a totalitarian state. However, I would rather have a war on every battlefield of Europe, I would rather see every young man in this Nation fighting in other nations, than to have here such a nation as we see in Germany, where one man speaks and controls the actions of a great people. I do not know what may arise in the future; but if the struggle is to be fought out between democracies and dictators then I am on the side of the democracies. This being the greatest and richest democracy of them all, it ought to lend its moral support. Let me say to the Senator that after war comes there is not going to be time to help anybody.

Mr. WALSH. The Senator's position is that the present perilous situation in Europe is a fight between forms of government?

Mr. LOGAN. That is correct.

Mr. WALSH. The totalitarian states against the democracies?

Mr. LOGAN. That is correct.

Mr. WALSH. And that we, being a democracy, are in danger if the dictatorial governments triumph; and therefore we ought to get busy and become interested in what is going on in Europe, lend financial aid to the democracies, and be ready to go to war, if necessary, in order to safeguard our own democracy?

Mr. LOGAN. If that be necessary, I should say that is correct; but that is not what I had in mind. In my opinion, if we have a war, it will not last 60 days. We should not have time to get over there before the war would be over and the people destroyed.

My theory of the whole matter, as I have stated in the speech I delivered, is that if I were now to determine the foreign policy of the United States, seeing the storm coming and the billows raging, I should afford such assistance as I could to France and England, so that they might prepare to repel the attack; and I should not furnish one thing to the totalitarian states. Japan, Germany, and Italy could obtain nothing which would aid them or any of them to enter into an offensive war against anyone. On the other hand, I should lend all the moral encouragement I could to democracies which must fight a defensive war.

In connection with the neutrality law, I said that I was against it. The neutrality law will get us into trouble, and it can do no good. Let me say to the Senator that if there is a robber on the street, and an exceedingly good citizen goes down there, and the robber jumps on the good citizen, if I gave the good citizen a gun or a club, I should not feel that I had to extend the same courtesy to the robber. I do not believe in that kind of neutrality. I do not believe it is ever going to help us. It will get us into trouble.

As I said in the beginning, I believe in neutrality, but it is a neutrality which must be improvised as occasions arise, and not a hard and fast rule saying what we are going to do or what we are not going to do if we become involved in war.

Mr. WALSH. If, as the Senator indicated, there is involved in the troubles of Europe an ambition upon the part of Germany, for instance, to extend its territory, and also on the part of Italy; if that is their state of mind, and that is one of the purposes actuating them in the direction of

war with France and Great Britain, does the Senator argue that this country ought to accept the status quo in the world so far as territorial possessions are concerned, and say: "Whatever you now have is all right. Whatever any country in the world now has is all right; but from now on we are going to resist any attempt by any government to extend its territory and take control of any more subject peoples?"

Mr. LOGAN. No; I do not take that position. I do not care anything about possessions, or who has them. I am not particularly interested in them. What I care about is the United States of America. I do not want to see France and England conquered, because that would weaken our defense. I do not want to see a pistol held to the head of either of them, compelling them to cede air bases, naval bases, or territory near our shores. The only way I can see for us to protect ourselves, short of war itself, is to lend encouragement to the democracies, which are our first line of defense, regardless of what anybody may say or think about it. I think we are serving our people, and I want to do the thing which satisfies my own conscience first, and which squares with the best interests of this Government.

If it should be necessary to fight to preserve the life of our Nation, let me say that I am not one of those who are afraid to go to foreign countries. I would prefer to have our battles fought in some other nation, that it should be their cities that should be burned and their women and children who should be destroyed, than to have the battles fought here, among our own people. I am not afraid of a war in a foreign country; but there is no occasion for us ever to have one except as a matter of self-defense.

Mr. WALSH. I thank the Senator for indulging me for these questions. I wanted to get his viewpoint.

Does the Senator think that if England and France turned to dictatorships, Germany and Italy would abandon their ambitions for additional possessions, and peace would prevail in Europe?

Mr. LOGAN. I do not know. I think perhaps one of the greatest mistakes ever made was in the Versailles Treaty, when it was attempted to despoil Germany of everything, and place upon her burdens that she could not carry. I have no sympathy with the present German Government; but injustices were done to Germany. Perhaps if the rule of fairness had prevailed, and the treaty had been more considerate of Germany and what Germany could do, instead of imposing impossible terms, there might not be a dictator in Germany today.

Mr. WALSH. I thank the Senator for permitting me to have the opportunity of making these inquiries of him.

If the Senator will indulge me, I should like to say that in my opinion—and I hope I am as conscientious in that opinion as I know the Senator is in his opinion—there is no quarrel in Europe over forms of government. The root of the trouble in Europe is over possessions, over lands, over control of subject peoples, and over the material resources of the world. In my opinion, it is no business of this country, blessed by the Almighty and occupying an isolated position in a hemisphere of its own, to undertake to determine where justice or injustice lies in any corner of the world except in the 48 States of the United States. I am absolutely convinced that when and if war is raging all about us, there is one certain, sure, and absolute way to keep out of war. That way is not to try to administer justice, because we cannot do it; is not to mix in the affairs of other governments; but it is to mind our own business; to be neutral—honestly, truthfully, directly, and positively neutral.

We should mind our own business, attend to our own affairs, and let the world know that we intend to continue to mind our own business, mind our own affairs, and let the world know it more than by words, but by actions and by deeds. If we do so, then as surely as I am standing here we shall avoid involvement in whatever wars may come. We shall enjoy peace, and we shall enjoy a reign of happiness and prosperity for the American people. If we do not follow a strict course of neutrality and detachment from European

quarrels, then it is equally certain that when war comes in Europe, we shall find ourselves in it, as we were in 1918.

Mr. LOGAN. The Senator from Massachusetts has very clearly stated his views. Of course, the state of neutrality is a phantasy. There is no such thing. Besides, this thing of attending to our own business is much more difficult than the Senator expresses it. Our business ramifies throughout the world. If the speech of the Senator had been made 100 years ago, I could have agreed with it fully; but conditions have changed. That which affects one nation, however far away it may be from us, affects us. If there is a contest over possessions in Europe, the greed of some of the nations concerned could very easily be satisfied by allowing them to come over here on our side and take something. To that we could not agree.

I am not in favor of war. I hate war. I have reasons to hate war; but there are many things that are worse than war, because there are many things that are worse than death.

If I see danger approaching this Nation, when I have reasonable grounds on which to base my opinion that there is danger to this Nation, in my judgment, we should not sit quietly and wait until armies land on our shores or until battle planes drop bombs on our citizens or until foreign navies bombard our cities. I believe in protecting ourselves by taking advantage of the first opportunity. Where that will lead to, no one can know. That is the danger of trying to determine policies in advance; that is the danger of neutrality policies. We do not know what 24 hours may bring forth; we do not know what a few hours may bring forth.

So, as I have said, I do not believe that this Nation should enter into an alliance or agreement with any other nation on earth that it will do or not do anything. I say that this Nation ought to be ready at all times to do what it pleases, in a legal way, and that it ought not to be bound to be neutral as between any other nations but that it ought to stand on the watchtower looking over the world to find whether there is danger of America becoming involved or being destroyed or our form of government being destroyed because of anything that may arise anywhere in the world.

Mr. BARBOUR. Mr. President, I shall be very brief, but I feel I should like to go on record now that I am in favor of the measure before us. I am for it because, despite any misgivings which I might have had before the last few days were given over to debate, I am now convinced that the enactment of this measure is absolutely necessary to provide for the adequate defense of our country. I am convinced, also, that the pending measure has no other purpose and is not in any sense provocative or entangling or intended to be so.

In recognizing the proposal under discussion as being justified as a measure of national defense, and only that, I do not mean that I am unmindful of the warning that has been sounded by many Senators since the bill came before the Senate. No one has been more faithful in his attendance during this debate or more interested than myself. It would be difficult for me or any other Member of this body to add much to the thorough discussion which has taken place during the past several days. These discussions have covered the whole gamut of foreign policy, entangling alliances, embroilments in the disputes of others, the extent of our own military and naval preparedness, and this Nation's ability to organize quickly in the event of war.

Personally, I am convinced that there are no subjects on which the citizenry of this country is more united, regardless of racial extraction or religious belief, than that of an adequate national defense, on the one hand, and the conviction, the determination, on the other hand, that this country should mind its own business and refrain from participation in any wars of any kind on any foreign soil. Nothing that has been said in the debate so far has shaken my conviction with respect to these two principles. They both are my own convictions, convictions I will adhere to always. I am convinced, moreover, that the hours we have spent in debate have been well spent, for certainly no Senator or Member of the House of Representatives or official of the Government, however high or low, can escape recognition of the fact that this meas-

ure is designed and intended for defense and defense alone, and that nothing in connection with it or in any other connection should be allowed even to make a start toward drawing us into any conflict of any sort other than one to protect our own shores.

I should like to add in conclusion, that New Jersey is extremely anxious and concerned—insistent, in fact—that the Nation have a complete and wholly adequate national defense in every sense of the word. I do not mean to be sectional; but I want to emphasize, nonetheless, that we in New Jersey recognize that if the United States were ever attacked, in all probability the Atlantic seaboard and the Jersey coast itself would be one of the major theaters of war. This is not mere speculation or conjecture on my part. It is a recognized fact. And if I am right that the demand of New Jersey for a completely adequate national defense is justified, then, by the same token, this defense is just as necessary for the Nation itself, of which New Jersey is such an important part.

Mr. REED obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Oregon?

Mr. REED. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Reed
Andrews	Davis	La Follette	Reynolds
Ashurst	Donahay	Lee	Russell
Austin	Ellender	Lewis	Schwartz
Bailey	Frazier	Lodge	Sheppard
Bankhead	George	Logan	Shipstead
Barbour	Gerry	Lucas	Smathers
Barkley	Gibson	Lundeen	Smith
Bilbo	Gillette	McKellar	Stewart
Bone	Glass	McNary	Stewart
Borah	Green	Maloney	Thomas, Okla.
Bridges	Guffey	Mead	Thomas, Utah
Brown	Gurney	Miller	Tobey
Bulow	Harrison	Minton	Townsend
Burke	Hatch	Murray	Truman
Byrd	Hayden	Neely	Tydings
Byrnes	Herring	Norris	Vandenberg
Capper	Hill	Nye	Van Nuys
Caraway	Holman	O'Mahoney	Wagner
Chavez	Holt	Overton	Walsh
Clark, Idaho	Hughes	Pepper	Wheeler
Clark, Mo.	Johnson, Calif.	Pittman	White
Connally	Johnson, Colo.	Radcliffe	White

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, there is a quorum present.

Mr. REED. Mr. President, I am for adequate national defense. I am prepared to vote for any reasonable appropriations necessary for national defense. But national defense may mean one of several things.

In my own mind I am confused about the policy of the United States with reference to other countries and to world affairs. I find the same confusion reflected in conversations with all sorts of people. The mail which I daily receive, not only from my own constituents but from other States, reflects this uncertainty.

What is national defense? What are we to defend? What is to be our relation to, and possible participation in, the policies of other nations? Are we to attend to our own business on the Western Hemisphere, or are we to undertake to influence or direct affairs in Europe, Asia, and Africa? Are we going to tell other people what kind of a government they should adopt? And if they do not agree with the suggestions we make and the advice we give, what are we going to do about it?

All these questions are involved in the so-called policy of national defense.

The confusion existing has resulted from acts not only of the present but of previous administrations which were not consistent during different periods. It is, I think, not unfair to say that the extreme degree of confusion existing today begins with an address in which the highest authority of the land suggested a quarantine against certain influences in other countries of the world, and was emphasized by a mes-

sage to this body which, taken by itself and at its face value, would have indicated a degree of immediate danger that would naturally alarm people.

If I do not share that view, it may be because I am not fully informed as to these matters; but certainly my judgment is an honest one, based upon my conception of the duty of the United States in relation to the rest of the world.

I feel that before we map out a national-defense program and appropriate the hundreds of millions and billions of dollars necessary to make that program effective, I should like to have answers to these questions:

In the first place, what is it that the United States proposes to defend?

In the second place, against whom may we logically expect to be called upon to defend ourselves?

If we are to defend continental United States, Hawaii, the Panama Canal Zone, and the nations of Central and South America against outside aggression, that calls for one kind of a national-defense program.

If we are to include the Philippines within the area of national defense of the United States, that calls for a more extensive program and brings in a number of factors that complicate our entire foreign policy.

If national defense is to be stretched to include the defense of certain European nations against other nations, if our eastern lines of defense include, say, the boundaries of France or Britain, that is still another problem.

My own feeling is that the foreign policy of the United States should include defense of our own territories, of course; it should include the defense of Central and South American countries against aggression from other continents, but certainly not interference in the internal affairs of the countries of Latin America. But I am unalterably opposed to formulating a national-defense program upon the basis that we have any destiny, or any duty, or any business at all in attempting to settle the boundary disputes of Europe, or Asia, or Africa.

I did not agree with the policy of the Hoover administration that it was the duty of the United States to take the lead in preventing the rape of Manchuria by Japan. With virtually every other citizen of this country I emphatically disapprove of that act and the acts of barbarism in China that have followed. But to me the United States is not a world policeman to keep world peace, to act as a judge or arbiter, to settle differences between or boundary lines of countries on another continent.

I do not undertake to say what element of truth or lack thereof there may have been in the published reports that the President of the United States indicated to a committee of this body that our boundary line was on the Rhine or in France. I hope there is no truth in it. However, I cannot but feel that something must have been said to give Members of this body the impression that we have a deep concern in and a duty as to boundary-line questions in Europe. I am impelled to the conclusion that the proposed and much-discussed national-defense program is predicated upon some conception of that kind.

The boundary lines of the peoples and nations of Europe have been shifting and shifting for 2,500 years. Europe gives every indication of fighting over boundary lines and spheres of influence for centuries to come. Take a look at Europe. Go back a few years. Go back a few centuries. Go back more than 2,000 years.

Wars and threats of wars are not new to Europe. Dictators are not new to Europe. Look back to the time of Greece, the Greek wars, and Alexander the Great. Move up a few centuries to the Roman wars and Caesar, who was so great that he was not even called "the great," but was just called Caesar.

There were wars during the Middle Ages. Remember Charlemagne the Great. There was a whole series of dynastic wars—Spain, Austria, France, England, Holland, Prussia, Sweden, Russia. Remember Frederick the Great, Peter the Great, and a swarm of lesser figures that flit across the pages of history.

Then came Napoleon, whom also historians do not deem it necessary to call the great. We still remember the World War, which Stuart Chase rightly observed produced nobody the great.

In the current debate, which has occupied the attention of the Senate this week, we have heard occasional references to the disruption of Czechoslovakia. With other American citizens, I deplore that result; but it was not a new thing in Europe. Certainly the able Senators who figuratively shed tears over the rough treatment of that country could not have been so ignorant of history as to have forgotten that only 153 years ago an even greater country was "partitioned." Once upon a time the monarchs—dictators to all intents and purposes—of Russia, Austria, and Prussia agreed between themselves, and without asking leave of anybody else, to partition Poland, and did so. Not until after the World War was Poland restored as a national entity.

No student of history could fail to recall that at the height of his power Napoleon brought under his will the governments and peoples of most of the countries of western Europe. After triumphant campaigns by his army he annexed these countries to France, or placed upon their thrones members of his own family or pawns of his own creation.

We have become alarmed about the growth of dictatorships in Europe. We especially do not like Dictator Hitler; at least, I do not. But certainly nothing in the accomplishments of Dictator Hitler in the past several years even remotely approaches the scope of power attained by Napoleon at the peak of his career.

All through thousands of years the winners of Europe's wars have tried to fix boundaries and make those boundaries permanent. Napoleon failed. The edifice erected through his great genius crumbled with his defeat.

Metternich attempted to strait jacket Europe after the Napoleonic wars, and failed. England and France—who wanted us to help, but we wisely refused to join the League of Nations—attempted to strait jacket Europe again after the World War. The attempt was doomed to failure.

During several hundred years England, with considerable success, has worked for a balance of power in Europe. What that really means is to have the nations of continental Europe fight each other and weaken each other. When necessary, England has joined forces against the strong men who have arisen, one after another, and has torn them down. But such a policy means one war after another, and with each war, and even between wars, a constant succession of shifting boundaries.

Great Britain follows the policy which it deems is to its own interest. It refused to become excited when Secretary Stimson, under the Hoover administration, took the lead in trying to stop Japan in Manchuria. Great Britain was not interested, at least, not to the extent of taking any action.

Great Britain became greatly excited when Italy undertook to do and did do in Ethiopia what Japan had done in China. There was no difference in principle in these two events. The difference lay in Great Britain's foreign policy. The life line of the British Empire runs through the Mediterranean Sea and down the Suez Canal. Italy is the one formidable power that might threaten this life line. Great Britain did not want Italy to obtain control of a country adjoining its own territories and contiguous to its own life line. On the other hand, France, the partner of Great Britain, was not greatly concerned about the Italian threat to Ethiopia. If reports current at the time were to be accepted, France had a private understanding with Italy that it could go ahead.

When the Spanish civil war arose, France realized that it could not afford to have a country south of the Pyrenees under the influence of the Fascist powers, one of which, Germany, also bordered France on the northeast, and was the power which France most greatly feared. On the other hand, Great Britain was not excited over the possible success of the Spanish revolutionists; in fact, their sympathy generally ran to the Franco side, and Britain restrained France from giving aid to the Loyalist government. Both France and Great Britain, as a result of these cross purposes,

are now in an uncertain and anxious situation with regard to the policy that the Franco government will follow.

I mention these things only to show that the two so-called "great democracies," which in some quarters are described as the first line of defense for the democracies of the world, including the United States of America, do not agree on foreign policies between themselves and cannot always adjust their varying interests to common action. If these two great powers of Europe having an immediate and vital concern in world political policies cannot agree, how can the United States undertake to interfere in any way, or give any suggestions on European affairs, without being absurd, and without opening the way to entanglements which would inevitably lead us into war?

It is a nice phrasing for American spokesmen to discuss what we can do short of war. I do not think we can do much, if anything, without considering the remote and ultimate consequences. Europe, I repeat, has warred over boundaries for more than a thousand years, and will continue to war over boundaries a thousand years to come, so far as I can tell. The point I desire to make is that even if we wished to do it, even if it were wise for us to try to settle these European boundary disputes, it would be suicidal folly for us to attempt to do it.

It would be equally futile for us to inject ourselves into the Orient and take up a nebulous but very real white man's burden there. For that reason, I am opposed to extending our line of defense to Guam. Our national-defense policy should be confined to defense of the Western Hemisphere. Our program should confine itself within the bounds of that policy.

This policy was first defined by President Monroe. I shall not indulge in any discussion as to whether there is any inconsistency between the Farewell Address of the first President, George Washington, and the Monroe Doctrine. That has been touched upon in debate this week, and I think fully covered. As for myself, I do not think so. I shall refer, however, to an interpretation of this document by a great Democratic Secretary of State during the second Cleveland administration. I now quote an extract from a letter from Richard Olney, Secretary of State, dated July 20, 1895, to Thomas F. Bayard, then Ambassador to Great Britain:

There is, then, a doctrine of American public law, well founded in principle and abundantly sanctioned by precedent, which entitles and requires the United States to treat as an injury to itself the forcible assumption by a European power of political control over an American State.

This is found on page 559 of Papers Relating to the Foreign Relations of the United States, published in 1896.

Secretary Olney, being a forthright and vigorous man, was not content with a general statement. A controversy between Great Britain and Venezuela was pending. In a note to Great Britain, Secretary Olney said:

Today the United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition.

I was a young man when President Cleveland's Secretary of State sent this message, but it has rung in my ears from that day to this. I do not interpret this declaration as meaning an interference with the political, social, or commercial affairs of any other nation on the Western Hemisphere. I do interpret it, and accept it today, as a declaration of policy of the United States to the effect that we will not tolerate any political interference on this hemisphere from any European, and, I may add, any Asiatic nation.

In the light of what I have said, in the light of our history, in the light of our experience, my belief is that the United States cannot and should not interfere directly or indirectly in affairs peculiar to Europe or to Asia. What form of government the peoples of those continents have, what their social customs may be, are none of our affair. If they are unable to agree upon boundary lines and minority questions, that is none of our business. To make it our business is to step outside of our proper sphere, and that can only result in trouble.

It is a sufficient job for a nation even as great as ours to guard a hemisphere. It is my belief that in our own interest, and in the interest of other countries on this side of the globe, it is the duty of the United States to assume that degree of guardianship which will protect our political institutions from threat and danger from outside this continent.

To me a proper policy of national defense is confined to this hemisphere. Whatever is necessary to that end, I desire that my Government shall do. Whatever means of defense are required should be provided, and I shall vote to provide them. But no more. Take Guam again, for example. By no stretch of the imagination can the fortification of Guam be considered as a national-defense matter from the standpoint either of the United States or of the Western Hemisphere. Its fortification would be useful only in an aggressive war against an Asiatic nation. I do not contemplate any such war, and shall not vote for any appropriation of money which even remotely contemplates that end. If we wish to improve a harbor at Guam for purely air-transportation and water-navigation purposes, I have no objection, but our policy should be clearly defined.

I am no pacifist. I can conceive of circumstances and conditions in which the United States of America may need to defend not only itself, but the hemisphere upon which we are placed. Whatever is necessary to that end should be done. Loose talk about forms of government on other continents, however distasteful they may be, should be stopped. If it be assumed that the United States is to consider the Rhine or France as our frontier, then by the same line of logic, Germany and Italy may fairly consider the Panama Canal as their frontiers. I do not agree with either. I do not like dictatorships. I especially detest Hitler, but the affairs of Germany are their own affairs, not mine, and not the affairs of this country. As I said in the beginning, I do not contemplate making the United States a "policeman" for the world.

While we confine ourselves to such a national defense policy as I have outlined, the answer to the question, against whom will we have to defend ourselves, will be very simple—no nation in the world for as many years as those now living may see into the future.

Mr. DAVIS. Mr. President, in any well-considered plan of national defense it is not possible to exaggerate the importance of economic efficiency. The workman back of the guardsman is of equal importance, and without his unfailing support all plans of military, naval, or aerial strategy will fail. We have given too little thought to the maintenance of labor standards in behalf of national defense. One of the original provisions in this bill as reported from the committee, but now by common consent withdrawn, as I understand, had the effect of exempting factories accepting educational orders from compliance with the Davis-Bacon Act, the Walsh-Healey Act, and the "kick-back" law. I mention this not because it is now subject to debate but simply as an illustration of the need for more careful thought in these matters.

I cannot conceive that any plan of national defense based on the violation of well-recognized standards of labor efficiency can ever succeed. When these standards go down we might as well admit that we have already lost our battles, for we shall then soon reach the point where we shall have but little worth defending. We shall have found the enemies within our gates more to be feared than those without.

Mr. JOHNSON of Colorado. Mr. President—

The PRESIDING OFFICER (Mr. Bone in the chair). Does the Senator from Pennsylvania yield to the Senator from Colorado?

Mr. DAVIS. I yield.

Mr. JOHNSON of Colorado. Does the Senator know that the amendment to which he objects has been withdrawn and will not be introduced?

Mr. DAVIS. I am aware of that. I have already pointed out in my remarks that the amendment has been withdrawn. Had the Senator been listening attentively to what I have said he would have noticed that point. I called the attention of the Senate to the fact that the amendment had been with-

drawn by the distinguished chairman of the committee, the Senator from Texas [Mr. SHEPPARD].

Mr. JOHNSON of Colorado. I thank the Senator. I was listening attentively, but I did not understand the Senator's statement to be as he said it was. I thank the Senator.

Mr. DAVIS. Mr. President, we have come to a fair measure of understanding of the close relationship which exists between economic and military combat. We know that the two are inseparably connected and that a war of economic standards may easily prove as destructive as the carnage of battle, and may, in fact, frequently lead on to actual hostilities. In a majority of instances war is fought for the protection of economic objectives considered valuable from a national point of view. If our American standards of labor protection are broken down in the name of national defense we shall have but little reason to stand by our national colors, for already they will have been dishonored. The policy represented in this bill on that point was both short-sighted and illogical, for it had no justification either from the standpoint of economic need or military strategy. It would be difficult to imagine how anyone could find genuine reasons for the admission of this policy into our national defense program. In fact, I am at a loss to explain how this antieconomic proposal was ever included in the bill and I am gratified to learn that it has been withdrawn.

Mr. President, no imagination is required to realize that had the proposed exemption been maintained as originally provided in the bill, the extension of the principle implied could speedily, in time of military emergency, be carried over into the entire range of military procurement. It is obvious from the wording of the statement sent down by the War Department in defense of this outrageous proposal that it was intended, for the sole justification given was to "procure the machinery necessary to commence production without delay in time of emergency." If war should come next week or next month this is the sort of emergency psychology which would be thrown into operation, if that provision had remained in the bill, and in the name of an emergency anything closely or remotely related to this principle could be ordered. Have we not already suffered enough under the guise of recurring emergencies during the last few years to make us unwilling to be beguiled by another one of these unwarranted pleas? This time it is called national defense.

Mr. President, the dangers which confront the American people and which occasion the legislation now before us are neither imaginary nor distant. They are very real, and they demand a genuine measure of national defense such as we now propose to advance. The perils arising from conflicting ideological standards abroad have already had their fateful repercussions in our own midst. In this time of growing national need we can ill afford to tamper with the basic foundations of our economic welfare. The difficulties of the present hour call for an increasing faith in our national standards of labor and industry. Any partisan attack on these standards in the name of national defense will quickly be repulsed by the American people, who are now in no mood to allow selfish partisanship to rob them of their precious heritage.

Mr. President, if the provision to which I have referred had been allowed to stand, it would have been a blow both at the freedom and justice which American workmen have striven so long to achieve under the protection of significant laws. If the Davis-Bacon Act, the Walsh-Healey Act, or the "kick-back" law are unsound or in need of amendment, I would be the first to ask that hearings be called to consider their improvement; but I shall be unwilling to accept a complete destruction of these wage and industrial standards without the advancement of one substantial reason against them.

Mr. President, if an amendment be needed to the Davis-Bacon law to permit of the letting of a contract without delay, such an amendment can be secured in an orderly way. It has been suggested by students of this law that the officer in charge of the emergency project would be authorized immediately to set the wages he thought to be prevailing. The

successful bidder could then proceed while the Labor Department made the necessary investigation. If the Department found higher wages to be prevailing, the Government would pay the workers the difference between the wages received and the amounts they would have been paid by the contractor had the Department's findings been set as the required scale. Compensation of the workers would be based upon the theory that they should not suffer because the supervisor of construction had set the minimum scale too low. In this way emergencies can be met by the existing Davis-Bacon law or amended if it shall be found to be necessary. The power of supervisors of construction to take exceptions to the usual process of predetermination, of course, would have to be governed strictly by regulations which would precisely define the scope of an emergency. Surely there is some better way to meet the problem than by this extreme proposal to wipe out our national wage standards overnight in the name of national defense.

Mr. President, I wish to speak no word which would convey to anyone a belief in war as a desirable way of settling international differences. I wish to have no part in the spirit of hate and name calling, which is altogether dangerous on both sides of the Atlantic. The issue of peace and war is fundamental to all we hold dear, and I have no desire other than a fervent desire for peace.

I believe in the principles of sound national defense in our day as a basis of peace. My belief in national defense and peace has led me and shall continue to lead me in the conviction that the economic welfare of the American people is of first importance as a safeguard against war. The nations which today have suffered a break-down of their internal standards of sound economic principles are the nations which, because of their grave and widespread needs, hold the greatest threat of war. If the American people are to be kept safe, we must preserve the basic standards of labor and industry which make for peace and prosperity within our own borders. The seeds of war are first to be found within a nation rather than beyond its boundary lines. If this provision had been retained in the bill we should have been started on the road to war, for we should have started war within ourselves.

Mr. LEWIS. Mr. President, will the Senator yield?

Mr. DAVIS. I yield.

Mr. LEWIS. I apologize to the able Senator from Pennsylvania. I have been busy before the Supreme Court and did not hear the opening portion of the address of the Senator. However, his latter remarks attract me. Is it possible that there is a provision in the bill which has to do with changes in what are referred to as the Walsh-Healy Act and the Davis-Bacon Act?

Mr. DAVIS. There is a provision in the bill which would have that effect. However, the distinguished chairman of the Military Affairs Committee, the Senator from Texas [Mr. SHEPPARD], has informed me that it is agreed all around that that amendment will be withdrawn.

Mr. LEWIS. Therefore the amendment will be taken out of the bill, leaving the bill as a defense measure?

Mr. DAVIS. Yes. I am now speaking of what would have happened if that particular amendment from the committee had remained in the bill.

Mr. LEWIS. I appreciate the information given by the Senator.

Mr. DAVIS. I desire to take this opportunity to congratulate the able senior Senator from Texas [Mr. SHEPPARD] on the way in which he has handled this matter to the satisfaction of every Member of the Senate.

If these basic labor and industrial laws require amendment, I repeat, I shall cooperate with those who seek to strengthen and improve them. I shall favor hearings open to all, at which all sides may be fairly heard; but I shall not consent to wrecking these laws under the false guise of national defense.

Mr. President, yesterday was observed as St. David's day in many places all over the world and in our own land. Our citizens of Welsh descent gathered together in remembrance of this patron saint of the Cymric tradition, and once again

renewed our loyalty to the sterling qualities of character associated with his name. The Welsh are known everywhere for their loyalty to the flags under which they live and serve. It is a tradition with us which we have sought ever to uphold. The Welsh in America have sought to follow the heroic example of that distinguished Welshman, Robert Morris, who was first to offer up his life, his fortune, and his all to meet the call of this country.

The Welsh are a liberty-loving, peace-minded people. We receive this as a priceless heritage learned at our mothers' knees. This is the principle of peace and freedom which I now seek to protect. I believe in national defense only insofar as it shall bring us a strong guaranty of peace and freedom. By preference I should desire to vote an appropriation for materials to be used in schools, hospitals, housing, and highways rather than in battleships or bombing planes. With world conditions as they are today, this is not now the choice which confronts us. I shall vote for this bill as a patriotic duty. I regard it as necessary. However, I wish to scrutinize the measure closely with a view to holding it strictly to the needs of the defense it is intended to give. I do not want to vote one unnecessary dollar which shall ultimately be regarded as waste. I do want to vote for the amount necessary to provide a proper defense for the great United States of America.

Mr. BARBOUR. Mr. President, I realize that it would indeed be an anticlimax for me to enlarge on the remarks of the distinguished Senator from Pennsylvania [Mr. DAVIS]. I realize that this is especially so in view of the fact that the chairman of the Military Affairs Committee, of which committee I was formerly a member, has withdrawn the provision in question from the measure. However, I cannot refrain from at least declaring my alarm and deep concern over the fact that a provision of this kind could have found its way at all into this or any other measure.

Like the Senator from Pennsylvania, I noticed the provision as soon as the bill was printed. Together we agreed to stand shoulder to shoulder to protect labor's just rights and interests. I then made up my mind, as I always have done in the past and as I always shall do in the future, to guard against such encroachments on labor's just rights.

I consider the remarks of the distinguished Senator from Pennsylvania a very valuable contribution, and I am very glad to take this opportunity briefly to say not only in what complete agreement I am with them, but how, like him, I was prepared to fight to the very end any threat to the high standard of living of labor, any threat to the protection of prevailing rates of wages in respect to all governmental undertakings, or any threat to the Walsh-Healey Act or the Davis-Bacon Act.

I am very glad and greatly relieved that the provision of the pending measure found on page 14, lines 7 to 10, inclusive, has been eliminated. It never should have been included in the bill at all.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment to the bill.

Mr. JOHNSON of California obtained the floor.

Mr. NYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Chavez	Hayden	Mead
Andrews	Clark, Idaho	Herring	Miller
Ashurst	Clark, Mo.	Hill	Minton
Austin	Connally	Holman	Murray
Bailey	Danaher	Holt	Neely
Bankhead	Davis	Hughes	Norris
Barbour	Donahay	Johnson, Calif.	Nye
Barkley	Ellender	Johnson, Colo.	O'Mahoney
Bilbo	Frazier	King	Overton
Bone	George	La Follette	Pepper
Borah	Gerry	Lee	Pittman
Bridges	Gibson	Lewis	Radcliffe
Brown	Gillette	Lodge	Reed
Bulow	Glass	Logan	Reynolds
Burke	Green	Lucas	Russell
Byrd	Guffey	Lundeen	Schwartz
Byrnes	Gurney	McKellar	Sheppard
Capper	Harrison	McNary	Shipstead
Caraway	Hatch	Maloney	Smathers

Smith
Stewart
Taft
Thomas, Okla.

Thomas, Utah
Tobey
Townsend
Truman

Tydings
Vandenberg
Van Nuys
Wagner

Walsh
Wheeler
White
Wiley

The PRESIDING OFFICER. Ninety-two Senators having answered to their names, a quorum is present.

Mr. JOHNSON of California. Mr. President—

Such subtle covenants shall be made,
Till peace itself is war in masquerade.

I read that couplet of Dryden because of the singular propaganda that now afflicts our country. On a bill of the kind now pending there has arisen a propaganda within the United States dealing with the subject of what we shall do and how we shall fight that has never seen its equal except twenty-odd years ago when we were confronting the great World War.

This propaganda, Mr. President, has made of certain devoted gentlemen all sorts of ugly monsters; it has led the trigger men of the administration—outside the Chamber, of course—to call everybody who does not agree with what has been said or who does not agree with exactly what is written, in the way that it is written, names, rather invidious names, and to apply to them epithets such as no other discussion than that of war could bring to pass.

At the outset, Mr. President, I wish to say I am not a Nazi-ist, I am not a Fascist, thank God, I am not a Communist, and I do not believe, to employ a much misused word, in the ideology of any one of those particular groups. I belong to nothing of that sort; I abhor them all. I detest dictators, whether they are actual or potential, and wherever they may be. But, sir, as a humble American, as a little American, if you please, I claim the right to speak my mind upon the question of this Nation's entry into war and upon the question of what the foreign policy of this Nation may be. I may be utterly wrong and wholly mistaken; there may not be in what I utter a single atom of sense; but I claim the right to utter it, and in uttering it leave it to be determined whether or not there is anything in what I may thus approach.

In this bill which, of course, none oppose in reality, a bill which is designed for the public defense, there is, in my opinion, very little to quarrel about except certain small amendments here and there; but, because of its magnitude, because, presumably, it is intended to last for a long period of time, there is that involved in it that deals with the policy of the Nation, in fact, the foreign policy of the Nation is involved inextricably in the measure. The war policy of this Nation, the foreign policy of this Nation, are the subjects, therefore, to which I address myself.

I wish to make plain again that I am not here in opposition to the major purposes of the pending bill at all. I will endeavor to demonstrate before I have finished that there is not any reason that a logical mind cannot dispose of in the fear that is sought to be engendered in behalf of the bill, the fear that drives our people into doing something that perhaps they would not do under any other impetus. I will endeavor to show, sir, that there is not any danger to this Nation from airplanes; there is not any danger of this Nation being bombarded by airplanes from across the sea; and that all the fears that are built upon such a premise are wholly misleading, and are misleading for some purpose that we do not know and for some reason that will not be told to us.

Mr. President, in that behalf I desire to state the exact words of the President of the United States on our foreign policy, because I recognize, after all, he is the spokesman of the Nation and that what he says may lead us into war whether we want to go or not. I will resist going into war at his dictation or that of anybody else unless my conscience be satisfied; but I recognize the power that is his and the power that he may use at some time to do something which might not be in accord with that in which I myself believe.

We take the President's words as to the foreign policy of this Nation. We start with the President's speech in San Diego in 1935. We find there the President speaking in a fashion that my friend the Senator from Idaho [Mr. BORAH]

or I might speak; the President then held views very similar to those that are held by us. He then said:

In the face of this apprehension the American people can have but one concern and speak but one sentiment; despite what happens in continents overseas, the United States of America shall and must remain, as long ago the Father of Our Country prayed that it might remain, unentangled and free.

This country seeks no conquest. We have no imperial designs. From day to day, and year to year, we are establishing more perfect assurance of peace with our neighbors. We rejoice especially in the prosperity, the stability, and the independence of all the American republics. We not only earnestly desire peace, but we are moved by a stern determination to avoid those perils that will endanger our peace with the world.

That was the position of the United States of America, concurred in by all our people, in 1935. From that expression there may be formulated a foreign policy for the United States concerning which no man could cavil and none could deny. From that speech and that speech alone there may be written chapter after chapter upon the designs of this country and upon its purposes, too, and in writing thus one may read the word of Mr. Roosevelt, the President, and the hearts of the people of this country.

So I tried my hand, Mr. President, at endeavoring to write a very brief and a very small policy for our country to follow, and I think, sir, with all my care, I have lost it. [Laughter.] Nevertheless, I will endeavor to recite it.

First, Mr. President, that America wants no war; America will fight a defensive war, but it wants no war.

Secondly, America, by a policy that should fit all occasions, will have no entangling alliances; but also, Mr. President, America will have no commitments, understandings, or agreements by which it might be taken into the vortex of war or by which it could be taken into the controversies of Europe.

Those two propositions, Mr. President, I lay down as fundamental, as propositions upon which this country has rested and this country will rest in the future. I do not care how many Members of this body may talk of fighting all sorts of wars with all sorts of governments. I do not care if those persons are endeavoring to put us upon the road of going forward like a Sir Galahad—or more like a Don Quixote—to reform every bit of the world and try to write our Government into the minds of every people. I do not care how many are in that category. I do not care who advocates it. The people of the United States, sir—and I think I speak advisedly—want nothing of that sort, and they will not have it in the days to come.

So those two fundamental principles I lay down, and they are in accordance with what the President stated first at San Diego.

I read again the San Diego speech, for it was a delightful speech, and warmed the cockles of my heart; for all these years I have been supporting and talking and preaching that doctrine, and I felt that at last, at last we had a President of the United States who stood for what I stood for and who would go through with this sort of foreign policy.

I read this language again:

In the face of this apprehension the American people can have but one concern and speak but one sentiment; despite what happens in continents overseas, the United States of America shall and must remain, as long ago the Father of his Country prayed that it might remain, unentangled and free.

What language for today! What language now, in 1939! But; oh, how glorious it was in 1935!

I touch only the high places in regard to this subject, Mr. President, because time will not permit and I do not care to tire with repetition often; but the President followed this with the enunciation at Chatauqua in 1937 of a principle that was quite similar:

We are not isolationists except insofar as we seek to isolate ourselves completely from war.

That is the kind of isolation in which we believe. "Isolationists" was an epithet applied to us during the period after the Great War when the endeavor was made to put over upon the people of the United States the infamous League of Nations. "Isolationists" then became a word of reproach in the

mouths of many people in this country; but in this address the President takes up the cudgels for those who held that belief and says:

We are not isolationists except insofar as we seek to isolate ourselves completely from war.

Have you any quarrel with that? I thought I heard the statement made upon the floor of the Senate today that on all occasions this country ought to be ready to go forth and to make every other country on earth bow to its will. Not that that is an exact quotation, but that was the meaning of it—the significance of it to me. I deny it, and I deny it because this Nation has not such mission, and none such will our people tolerate.

Yet we must remember that so long as war exists on earth there will be some danger that even the nation which most ardently desires peace may be drawn into war.

He says:

I have seen war. I have seen war on land and sea. I have seen blood running from the wounded. I have seen men coughing out their gassed lungs. I have seen the dead in the mud. I have seen cities destroyed. I have seen 200 limping, exhausted men come out of line—the survivors of a regiment of 1,000 that went forward 48 hours before. I have seen children starving. I have seen the agony of mothers and of wives. I hate war.

Oh, what a glorious peroration! What a word painting was there! The President hated war. I hate war, and I think most of those within the sound of my voice hate war. Yet it is now being rammed down our throats, day after day, that war is the appropriate part for any nation to play in the world, particularly if we go to a limping democracy and help it in its desire to obtain for itself some other spoil from some other country.

Those were the two expressions, one on October 2, 1935, and the other on August 14, 1936. Then a change came over the spirit of our dreams. What caused it I do not know. Why it was that the President changed so suddenly from a statement of one sort to a statement of another is far beyond me. I do not question his motives. I do not question the motives of any man in this body. I learned long ago that I could not quarrel with any man on account of his vote here, no matter how wrong I thought it to be. I learned then, and have learned since, that to question any man's motives was something that was not appropriate for anyone in this body or elsewhere.

August 14, 1936, was the date of the last utterance. Were they not glorious utterances? Do you not think they were fine? I showed to my brother SHEPPARD a few moments ago a photograph that I highly prize, taken in the last war, of the Military Affairs Committee of the United States Senate. There are only two faces on that photograph that can be recognized here—his and mine. No other member of that committee today sits upon the Military Affairs Committee of the United States Senate.

Time makes wondrous changes in us. It teaches us many things. Time has taught me not to question motives, and not to abuse men because of their votes, however peculiar I may believe them to be.

Youth has its adventures; age its memories. I preserve my memories, and I want to preserve them until I die, without rancor, without malice, without ill feeling of any kind or any character.

But in 1937 a change came o'er the spirit of the dreams of the distinguished gentleman whose words I have read. He then said:

It seems to be unfortunately true that the epidemic of world lawlessness is spreading.

When an epidemic of physical disease starts to spread, the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease.

That was the celebrated "quarantine" speech, made in 1937 in Chicago. Then the President was going to quarantine certain nations of the earth who had become of a sort that he did not like, and I did not like, and you did not like. He was going to quarantine them; and when he made that speech, all of the glorious feeling I had prior to that time

evaporated. He was going to quarantine other nations; and "quarantining" them meant whipping them. You cannot gainsay that, and you cannot attach any other meaning to the word than just exactly that meaning.

The result of the speech upon the people of this country was such that it gave the President pause, and he did not then do anything in regard to his quarantining problem.

We find very lately that the President says:

Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people.

That was in his opening message, given to the Congress of the United States this year.

"There are methods stronger than wars which will make the other nations do their duty." That is about the size of it, methods stronger than war, and stronger than anything that may be suggested as to war. That could mean only one thing, sanctions—sanctions—the favorite word of the League of Nations people, some of whom even yet infest this Government. But there are not many of them left, thank heaven, there are very few; but he was going to levy sanctions, sanctions!

Talk about bombing communities, and killing little children with bullets sent from the air; talk about bombing cities, and having the innocent die with the guilty in those cities; talk about the horrors of bombing, bombing from the air! There is not any horror on earth that is like the levying of sanctions, resulting in the daily denial of food to little babes, and children, and mothers, to those who have not done a wrong to anybody on earth.

Apply sanctions! The chairman of the Foreign Relations Committee, I regret to say, says just that thing in his speech, and that speech, I imagine, would not have been uttered without knowledge on the part of the President. But sanctions they have in mind—sanctions! I would rather see my grandsons go out and, with guns upon their shoulders, take their chance and fight than to be a party to levying sanctions upon an innocent people, and upon children, the weak, the sick, the lame, the halt—those who never did a wrong.

So we see how far we have traveled, and how far apart we have become. He may be right in what he says and I may be entirely wrong. You may hold that view if you desire. I have no objection if you all think that I am wrong and that he alone was right. But I still insist that to levy sanctions upon an unarmed people, an unprotected people, is worse than the bombing of a city or the killing of little children by the missiles which come from airplanes.

Since that time we have had various addresses. I shall not take time to go into them and I shall not take time to speak of them. I will draw the veil over the speeches which have been made in the House and in the Senate, by the head of the Naval Affairs Committee in the House and by the head of the Foreign Relations Committee in the Senate. I draw the veil. I would rather forget them. I would rather forget those speeches, that they had been made, because I do not believe in provocative speeches which may stir up war, and I do not believe in war.

Do not misunderstand me when I say that I do not believe in war and that I hate war. If war has to come, if we have to defend our homes, if we have to defend those institutions which are dear to us, we can fight, and we can all fight till the last man is gone, but it is a different proposition trying to impress our ideas upon somebody else, to tell a foreign people that they must have a government of a certain character or they will be put to the hazard of war.

Thus far we have heard enough to know what the foreign policy of this Nation is from one standpoint and what it is from another. I would not have the pending bill give to the War Department, outside of some small matters which we do not need to consider, any less than it does give. I would give them full measure of what is intended by this bill to be given, and I would give it, not that it is absolutely necessary,

but that we might be absolutely sure so far as we ourselves are concerned.

I would not give it upon the theory that we are going to protect England or France or Russia or any other so-called democracy. I would not give it upon the theory of helping any other nation in the world but our own, and I would give it only to make assurance doubly sure, so we would not hereafter be plagued by the regret that we did not do what we might have done when the time was propitious, and the time for doing it was before us.

Yesterday some things were said about the French mission and about the sale of planes to the French mission. A clever defense was made for the President of the United States, a clever defense which was all right, and to which I did not object particularly. Everything that has been done by the Committee on Military Affairs for the purpose of enabling it and enabling us to know what was going on was, as I understood it, is held in part to be in confidence. I say that the French mission and the sale of planes to the French under the circumstances was done in secrecy and in stealth. I have no hesitancy in saying that, and if I do not prove it by the record, I hope I may be able to apologize to the Senate for thus saying.

Secrecy? The Senator from Vermont [Mr. AUSTIN], who sits next me here, stated yesterday that there was no secrecy, that there was nothing that was inappropriate in that sale, and he tried to demonstrate it by various parts of the testimony given. I have not time to do more than run over some of that testimony. The attitude of the Army was—and this is unquestioned—that they did not know that a sale was to be made until they were ordered to give the right to the French to investigate. They did not know that the sale was to be made, and they were the ones primarily who should have known it. They had rules concerning planes. They had rules concerning the inspection of planes. Those rules were ruthlessly broken, and the French were accorded the right to go ahead.

Let us see what happened on the day of the accident. The Army yielded only because ordered to do so. Major Wolfe was on the ground, and he was attending to the matter, apparently, for the United States Government.

Before I forget it, let me just pay a tribute to one who has been forgotten. Let us stop long enough to shed a tear for the American pilot who was killed. No one thinks of him. The Frenchman who was with these people, under the name of Smithson, and who was dressed in overalls, so that he might be more disguised, fortunately, thank Heaven, escaped, but the poor pilot in the plane lost his life. Let us pause for just a moment and say a word in his behalf.

This man was an American pilot, that is all. In these parlous days what difference does it make if an American loses his life? That is nothing for us to talk about, nothing for us to say anything concerning—just an American, that is all. The Frenchman was saved, and that is enough. We can thank God for that, and we can feel that the other was a matter of little consequence, but let us in passing shed a tear for him.

We find General Craig saying in regard to this matter:

Airplane manufacturers cannot export military airplanes without the authority of the State Department, which does not grant such permission unless approved by the War Department.

Mind you, they do not permit the export of military planes by the manufacturer unless the State Department grants permission and the War Department visas it.

The War Department does not approve such action except in the case of planes which have been superseded by later and more effective models.

That is it. There was a model out there in the Douglas airplane factory, a model by which I assume the United States set some store, a model which was to serve the United States of America in case the War Department bought it or the War Department dealt with it.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. JOHNSON of California. I yield; and let me say to the Senator that I am very glad to have the Senator interrupt me if I am in error in anything.

Mr. MINTON. Did not the Senator discover that the airplane which crashed in California was one owned entirely by the corporation which produced it and was a plane in which the United States Government had no interest at all?

Mr. JOHNSON of California. Yes; that is so; that is, it was said to be so afterwards.

Mr. MINTON. Was it not so?

Mr. JOHNSON of California. Wait a moment. I will show in a moment that the United States Government was exercising jurisdiction over that plane on the day when it was taken up in the air.

Mr. MINTON. Will the Senator yield further?

Mr. JOHNSON of California. Certainly.

Mr. MINTON. Was that because the United States Government had any interest in the plane or merely because they had a working agreement with the manufacturer of the plane that they would not reveal that plane to anyone unless the United States War Department agreed to it?

Mr. JOHNSON of California. I do not know.

Mr. MINTON. The record shows.

Mr. JOHNSON of California. I do not know whether it was one reason or the other.

Mr. MINTON. The record shows.

Mr. JOHNSON of California. If the record shows it, very well.

Mr. CLARK of Missouri. Mr. President, will the Senator from California yield?

Mr. JOHNSON of California. I yield.

Mr. CLARK of Missouri. So far as that is concerned, I think the record is perfectly clear that the United States Government had no investment in this plane, except insofar as the research of the War Department had gone into the drawing of the specifications. Nevertheless that this plane was such that whether as a matter of law or by common consent it was subject to the regulations of the War Department, to which the Senator from California has just referred, to the extent that that plane could not have been inspected except on the order of the War Department, and could not have been exported except on the approval of the State Department, which was contingent on the order of the War Department.

The fact also remains that the War Department did protest against the inspection of this plane by the French mission, and the showing of our plans to the French mission, and that our War Department was overruled.

So far as the strictly legal proposition that is involved is concerned, the Senator from Indiana [Mr. MINTON] is probably correct to the extent that if the Douglas Co. had insisted upon the export of these planes to France or any other country, probably no restraint could have been placed upon it by the Government of the United States, except under one construction of the Espionage Act dating back to the World War. But the fact remains that these regulations were in force; that they had been observed by the airplane manufacturing companies; that the plane was in preparation for entry into the Army competition; that it was considered, as General Arnold testified, the very latest word in the airplane development of the United States, and that on the order of the War Department this inspection was finally permitted, and as the result of that the plane crashed, and the American pilot was killed, as the Senator from California has read.

Mr. MINTON. Mr. President, will the Senator yield to me so that I may read from the record?

Mr. JOHNSON of California. I yield.

Mr. MINTON. I wish to read what General Craig said on page 130 of the hearings, as follows:

The Government has no interest whatever in this plane, Senator. It might never have been supplied. The Government did not have one cent in it.

The only reason the Government entered any objection, as I understand, to the French mission viewing this plane, was simply in keeping with the policy of release which it had always adhered to. That was the only reason. It was a pro forma objection. There had to be an exception to that

rule. They could not approve such action unless it was an exception to what it considered to be its own rule.

Mr. JOHNSON of California. I do not care what the reason was. The War Department would not give its consent until it had its authority from the President to give that consent.

Mr. MINTON. Will the Senator point in the record to anything to that effect?

Mr. JOHNSON of California. Does the Senator from Indiana deny it? I have a recollection of three "chits" being spoken of; one of them was for the War Department, one was for the Navy Department, and the other one was for the Treasury. Does the Senator deny that they did not give their consent until they received word from the President that he wished them to do so?

Mr. MINTON. I deny that there is anything in the record that the War Department did not give its consent until the President told it to. The only thing that I find in the record, as I read the record—

Mr. JOHNSON of California. I am treating the Senator with fairness, and I am treating the Senator in the best manner I know. The Senator ought to treat me with like fairness, and not ring the changes on it being in the record. If the Senator knows it, let him say so. If he does not know it, let him say so.

Mr. MINTON. I will say to the Senator that I do not know.

Mr. JOHNSON of California. All right.

Mr. MINTON. I have nothing to go by except the record.

Mr. JOHNSON of California. The Senator does not know it?

Mr. MINTON. No; I do not know it.

Mr. JOHNSON of California. All right. We will leave it at that stage.

Mr. MINTON. And I am satisfied there is not anything in the record that will support any such statement.

Mr. JOHNSON of California. All right.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. JOHNSON of California. I yield.

Mr. CLARK of Missouri. Since that question has been raised, I desire to make a statement as a member of the Military Affairs Committee. I do not have the particular reference to the record. The record has been changed and reprinted so many times that I cannot lay my finger on it at the moment, but I will no doubt be able to do so in a few moments. I will say as a member of the Military Affairs Committee, and on my responsibility as a Senator, that the testimony was to the effect that the War Department objected to the sale of this plane, and that they were ordered by higher authority to make the inspection with the view to the sale.

Mr. JOHNSON of California. Of course I know that, and you know it. I admit that the Senator from Indiana does not know it, but you know it, and I know it, and all the people of the United States know it. [Laughter.]

After a discussion off the record between the Senator from Missouri, Mr. CLARK, and General Craig, General Craig made the remark:

So far as I know, there is no legal restriction to such action, but there is one in fact.

One in fact. General Arnold further said:

We do not know what planes were released for foreign sale. We never release any of our newer planes for foreign sale under existing policy. The planes that we release are only those that have been in production for at least a year. By that time we feel that there are so many newer developments that we are warranted in releasing the older types for sale.

That is, they held them for a year when there was any reason to believe that they would answer perfectly the purpose of the War Department, and after the year, then they released them for sale. If I am not correct, please correct me.

The testimony proceeds:

Senator THOMAS. Then it would be right to make this deduction, that our Government should not allow anything to go out

until we had something better, if we happen to be a little bit ahead of other countries?

General ARNOLD. That has been our policy right along.

Senator THOMAS. I hope we are getting all that they have got, but I am more interested in just how carefully we are guarding those things that are ours.

General ARNOLD. We are guarding them to that extent. We have a definite policy which will prevent any of our later developments being cleared for sale.

So all through this testimony, without reading more of it, runs the theme—it runs like a thread through it all—that these were planes upon which the Army had its eyes. That it believed possibly there might be something of merit in them. That it did believe; in fact, that there was merit in the planes. And during all of this time they were holding onto the planes.

And it is said there was no secrecy about this transaction. No secrecy at all. The Senator from Vermont [Mr. AUSTIN] yesterday, in his solemn voice and in stentorian tones, said that there was no secrecy in this transaction. Let us read the instructions to Major Wolfe. Major Wolfe was an Army officer at the Douglas aircraft plant. He was in charge of planes that were desired by the United States Government. Major Wolfe was there as the watchdog, as it were. General Arnold wired him thus:

Inform Maj. K. B. Wolfe that he is to arrange demonstration of attacking bomber Sunday to three members of a French mission and Captain Kraus, United States Navy, who are expected to arrive at either San Monica or Mines Field Sunday night. They are to inspect attacking bomber, secret accessories, fly in it, and negotiate for purchase. All of these negotiations must be made through Major Wolfe, Army representative, and the Douglas Co. Major Wolfe is to keep this information confidential and keep the Chief of the Air Corps informed as to actions taken.

No secrecy at all. It was just to keep it confidential. Just the same as you gentlemen of the Military Affairs Committee went down to the White House, and there was no secrecy at all, no secrecy in what is told you, but you are to keep it confidential, and if you do not you will all be given fits.

And thus it was with the airplane. Major Wolfe was to keep this information confidential, and keep the Chief of the Air Corps informed as to actions taken. That is signed "Arnold."

How was the message sent? Sent in his own private code, or in the Government code. I do not know which it was. It was sent in code, however, to Major Wolfe. Just another thing, so that it would not show any secrecy in the matter, the message was sent in code so that Major Wolfe would receive it in code, and therefore there would be no secrecy in connection with the transaction at all.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. JOHNSON of California. I yield.

Mr. CLARK of Missouri. In respect to the matter of secrecy in connection with the code, I should like to direct the attention of the Senator to the fact that not only was this message sent in code but that two separate copies of the message were produced before the Military Affairs Committee, one coming from the Navy Department and the other from the War Department, which copies were not identical, and the explanation was that there may have been a mistake in the decoding of the message; but the omission changes the whole purpose and effect of the message.

In the copy of the order produced by the Navy Department the secret accessories were included as being demonstrated to the French mission, but in the copy produced by the War Department the secret accessories were not included. So, the matter of the code message seems to me to be of great importance in connection with this matter.

Mr. MINTON. Mr. President, will the Senator yield at this point?

Mr. JOHNSON of California. I yield.

Mr. MINTON. There is no dispute in the evidence before the Military Affairs Committee that a message was sent by General Arnold to Major Wolfe in California that this exhibition was to be made exclusive of secret accessories.

Mr. JOHNSON of California. I beg the Senator's pardon?

Mr. MINTON. Exclusive of secret accessories. Captain Kraus, when he was getting ready to leave California to come back, in order to have for his file the authority under which this exhibition was made to the French mission, asked Major Wolfe to furnish him a copy of the authority. Major Wolfe called his office, and the order was telephoned to Major Wolfe and copied off on the typewriter somewhere at Major Wolfe's directions. The word "less" was left out of the copy which Captain Kraus brought back. So there should be no inference drawn that the Navy Department had one kind of an order and the War Department had another, because the only persons who had the order, who were authorized to act and to be directed by it, had identically the same kind of order. In that order they were directed to exhibit the plane less secret accessories.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. JOHNSON of California. I yield.

Mr. CLARK of Missouri. I mentioned the differentiation in the order only in connection with what the Senator from California had said about the use of a code as demonstrating the essential secretiveness of the whole transaction. It seems to me to go essentially to the fact of the secretiveness of the transaction, that an order was issued in a code so complicated that the responsible officer of the War Department on the ground who received the order was not able to decode it without giving a copy to his confrere of the Navy Department, which not only essentially changed but completely reversed the effect of the order as to secret accessories on the airplanes.

Mr. MINTON. If the Senator will pardon an interruption at this point, there was no evidence at all that there was a mistake in the decoding. The only evidence was that there must have been a mistake when Major Wolfe had the decoded message telephoned back to him, and in the copying of what came to him over the telephone.

Mr. JOHNSON of California. But the message was sent out in code.

Mr. MINTON. That is correct.

Mr. JOHNSON of California. We are agreed on that.

Mr. MINTON. The confusion came not because of any code but because of some mistake in the telephoned message.

Mr. JOHNSON of California. No; that was to give publicity to it. [Laughter.] I have not mentioned the difference which has been suggested. It is in the record, and I hope that the Senator from Missouri [Mr. CLARK] will go through the record.

Mr. CLARK of Missouri. If the Senator will yield for just a moment, in connection with the discussion which took place among the Senator from California, the Senator from Indiana, and myself as to what is in the record with regard to the protest of the War Department and the instructions of the President of the United States, I should like to direct the attention of the Senator from Indiana, the Senator from California, and the Senate, to page 212 of the public record of the Military Affairs Committee, in which Secretary Morgenthau says, near the top of the page:

I thought I had made it plain that we did it at the request of the President.

Senator REYNOLDS. The President himself requested it?

Secretary MORGENTHAU. The President himself requested it.

Senator REYNOLDS. The President had never before requested it. All right.

Secretary MORGENTHAU. The President asked us to do it.

Mr. MINTON. To do what?

Mr. CLARK of Missouri. To permit the French mission to go to Los Angeles and inspect the plane with a view to purchase.

Mr. MINTON. That is quite a different thing from the President ordering the Secretary of War to give his approval to the sale of the planes.

Mr. CLARK of Missouri. The Senator may recall that the Secretary of War testified that he did it under instructions of the President of the United States.

Mr. MINTON. I challenge that statement, and appeal to the record.

Mr. JOHNSON of California. If I have time I shall furnish the record. I am not sure that I shall have the time, so I will let the point go by.

However, the question arises in connection with the three little chits. Does the Senator remember the reference by the President to the three little chits that he had? That is what he called them. Never mind. It does not make any difference one way or the other. In order that there may be no misunderstanding about the question, I will say that by "chits" I mean three little pieces of paper, similar to those upon which the President is accustomed to write to different persons. We have all seen them in the course of our long service. My recollection is that the President called attention to the fact that he had given these chits out to the people who were entitled to them.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. JOHNSON of California. I yield.

Mr. LA FOLLETTE. May I suggest to the Senator from California that they are probably to be found in the asterisks which appear on page 212 between the question by the Senator from North Carolina [Mr. REYNOLDS] and Secretary Morgenthau's answer.

Mr. JOHNSON of California. I see. [Laughter.]

Mr. MINTON. Mr. President, will the Senator yield?

Mr. JOHNSON of California. I yield.

Mr. MINTON. Many things took place in the Military Affairs Committee which were off the record. Probably one of them is represented by the asterisks. Many things which had no sinister purpose to them at all took place off the record. I can assure the Senator from Wisconsin that the asterisks to which he refers probably represent a very innocent observation or conversation of some kind, which was probably not to the point.

Mr. LA FOLLETTE. Mr. President, if the Senator from California will yield further, I will say that I am not a member of the Senate Committee on Military Affairs. I did not have the privilege of hearing the original testimony, all of which, as I understand, was taken down. As I understand, the excerpts which appear on page 212 of the hearings available to Senators not privileged to sit on the Military Affairs Committee are taken from the first transcript of the original hearing; and I take it that the asterisks which appear in the print on page 212 represent deletions from the original testimony, as prepared for the consumption of Senators not on the committee and the public. I merely wished to say that I thought—I did not state it as a fact, but I thought perhaps the three little slips of paper might be represented by the asterisks which appear between the question asked by the Senator from North Carolina [Mr. REYNOLDS] and Secretary Morgenthau's answer.

Mr. CLARK of Missouri. If the Senator will permit me to interrupt him for the purpose of explaining to the Senator from Wisconsin what the procedure has been, the Senator from Wisconsin is in error in assuming that all the testimony of witnesses was even taken down. Several different procedures were followed. Sometimes the testimony of all the witnesses would be taken down, and then the transcript would be submitted to the witnesses for such deletions as they might be pleased to make. In other cases the witness would say, "I think this whole discussion ought to be off the record." In that case the stenographer would not even take down what might have been very pertinent testimony. Sometimes, from the time the witness thought it was very important matter which ought not to have been taken down, we would wander off into a different field and an entire line of questions would be asked before it occurred to somebody to inquire whether or not the proceedings were on the record; and we would have to go back and recast it, and put on the record the testimony to which the particular witness at that time did not object. So, referring to the record, it is very difficult to know exactly what the record does represent, except that the last printed record contains nothing which did not actually take place. Much of what did take place is not in this record or any other record.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. JOHNSON of California. I yield.

Mr. REYNOLDS. I understand that the Senator is protesting against the action taken by this Government in making disposition of planes to France. In connection therewith, regardless of the fact that he is protesting, I wish to state that the Minister of Air in France evidently approved the action. In substantiation of that statement I should like to read something to the Senator from California in which he will probably be interested. Here is a statement published in the New York Times of February 1, 1939, shortly after the airplane transaction in California. It is dated Paris, France, January 31:

Guy La Chambre, Air Minister, speaking to the Chamber today, assumed full responsibility for the purchase of airplanes in the United States. He won applause for President Roosevelt when he said, in answer to critics of the policy of buying aircraft abroad—

At that time the Air Minister was being criticized for making purchases of airplanes in this country. The article continues:

I cannot permit this deal in America to be attacked. Our contracts in America are meeting our entire satisfaction. And I take this opportunity of thanking the great American democracy and its leader, President Roosevelt, for the way they have shown that they are thinking of only one thing in this matter—how best to serve France.

The entire Chamber cheered the Air Minister's statement and there were cries of "Long live Roosevelt."

Mr. JOHNSON of California. Did the Senator read that correctly? Did it not say, "How best to serve America?"

Mr. REYNOLDS. How best to serve America?

Mr. JOHNSON of California. Yes.

Mr. REYNOLDS. No; how best to serve France. There is another statement by the French air minister which I should like to read, as follows:

And I take this opportunity of thanking the great American democracy and its leader, President Roosevelt, who has realized that in serving France he is serving peace.

Mr. NYE. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from North Dakota?

Mr. JOHNSON of California. I yield.

Mr. NYE. I think, for the purpose of keeping the RECORD clear respecting the question the Senator from North Carolina raises, I should call his attention to the fact that day before yesterday, during the course of my remarks, I offered the same information. I then undertook to reveal the occasion for the changed language as between the two editions of the same issue of the newspaper, and inserted in the RECORD a letter from the editor of the New York Times, which clearly revealed that the change was occasioned by the fact that their correspondent in Paris had wired a correction of the original dispatch. I think the RECORD ought to be kept clear.

Mr. REYNOLDS. I had that in mind. I thank the Senator from California.

Mr. JOHNSON of California. Mr. President, if I may proceed, I should like to do so and conclude, if that be possible.

When we read this dispatch to Maj. K. B. Wolfe it is perfect folly to say there was no secrecy connected with this transaction. It is crippling to a man's intellect to discuss a suggestion of that kind. It was secret from the beginning to the end; there never was anything else; there never was sought to be anything else.

After Major Wolfe received his instructions, was told to keep the information confidential, to keep the Chief of the Air Corps informed as to the actions taken, and that he was to make all the negotiations in relation to the sale, we come to the time when the men got into the airplane. There was an American pilot and there was a poor Frenchman dressed in overalls who got into the plane. Nobody knew who he was. His name upon the records was Smithson. Off they took in the plane, then the plane crashed, and it was learned, only after he was at the hospital, that he was one of the French mission and that his name was not Smithson, but that he had been traveling in the plane under the name of Smithson. Then, talk to me about secrecy in this matter. Those handling the matter wanted to let the whole world know about it, of course, and that is the reason the French-

man took the name Smithson. That is the reason he dressed in the fashion he did; that is the reason he kept himself anonymous; that is the reason Wolfe got his telegram of instructions in cipher, and that is the reason Wolfe, representing the American Government, was told to negotiate the sale. Oh, of course, the transaction was to be conducted in the most open manner so that everybody would know of it. Groups, no doubt, were down there on that Sunday looking at the French mission in their beautiful uniforms. A drum corps, doubtless, was in attendance as the French mission came marching along with the Marseillaise played behind them. Of course, everybody knew it. The fact remains, however, that nobody knew it; it was kept from the people of the United States. That is the sin of it; that is the wrong of it. As a Senator of the United States, I have a right to know what transpired there; the Senate has a right to know. We do not know and we cannot know, and they would not tell us a single thing about it. It was kept secret from the people of the United States.

Mr. MINTON. Mr. President, will the Senator yield on that point?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Indiana?

Mr. JOHNSON of California. I yield.

Mr. MINTON. On the point he has been discussing, will the Senator permit me to read into the RECORD a portion of the testimony of Captain Kraus as to whether or not there were instructions as to secrecy being maintained?

Mr. JOHNSON of California. I do not wish to take the Senator off his feet; I desire to be courteous to him; but could the Senator indicate the portions of the testimony he desires to note and have them read?

Mr. MINTON. Does the Senator mean to have them read at the desk?

Mr. JOHNSON of California. I will not insist on it. The Senator may go ahead.

Mr. MINTON. I wanted to point out what Captain Kraus, the Navy representative with the French mission in California, had to say about secrecy and whether or not anybody was instructed by anybody else to keep the matter secret. That question was asked Captain Kraus.

Mr. JOHNSON of California. Very well; what did Captain Kraus say?

Mr. MINTON. In the record, on page 195, he says:

The CHAIRMAN. Did you have any instructions regarding giving it out to the press?

Captain KRAUS. I would not under any condition have given it out to the press.

Senator NYE. Were there any requests for pledges to secrecy about the existence of this mission?

Captain KRAUS. It seemed to me that the mission, by its character and by its activities, would naturally not be displayed as a matter of general public knowledge, at least at the stage in which the project then stood.

The CHAIRMAN. That is all.

Senator MINTON. That impression grew, not out of any instructions but out of your training as a military man?

Captain KRAUS. Well, out of the training as a military man and out of the general feeling that neither the Government nor businessmen do their business in a goldfish bowl.

Senator MINTON. But you had no instructions about secrecy?

Captain KRAUS. I am quite certain it was well understood. It was not any direct instruction, but I think it was quite well understood that the matter was to be kept secret.

Senator NYE. That it was to be kept secret?

Captain KRAUS. That it was to be kept secret.

Senator MINTON. But nobody gave you any such specific instruction?

Captain KRAUS. No; I had no specific instruction.

Mr. JOHNSON of California. I thank the Senator from Indiana. I am very much obliged to him for reading the testimony. He has proved the case absolutely. When we take that testimony of Captain Kraus in connection with the telegram to Major Wolfe we cannot reach any other conclusion than that they were to keep the transaction secret. Major Wolfe was "to keep the information confidential and to keep the Chief of the Air Corps informed as to the actions taken." All these negotiations must be made through Major Wolfe. Talk to me of secrecy, secrecy, secrecy. Why, there it is bigger than life in what the Senator read, and here it is in black and white in the telegram that was sent to Major Wolfe.

So we run across the same thing all the time. Secrecy? Of course there was secrecy. It was not intended to let us know a single thing about it; and we would not have known anything at all about it if the plane had not crashed and the Frenchman had not been injured. It is impossible to get away from that. There is a circumstance that is bigger than anything else in this whole matter. The plane crashed. What was it people asked about it out there? The Frenchman was pulled out of the plane after the poor American was found dead and taken to the hospital, and it was asked, "Who is this?" Then, after wrangling a while, his name was obtained. Then the matter became public, but it would not have been public at all except for what happened and for the interposition thus of fate.

That is enough of that. I could speak for hours on this question and the testimony that has been adduced before the Military Affairs Committee, and I am just as clear as that I am of anything on earth that it can be shown that the whole transaction was shrouded in mystery and carried out in stealth, so that we would not know what was happening and would never know the difference until everything had been done. That is my great objection to it; that is the reason I have spoken concerning it and have indulged in animadversions in reference to it.

When the Senator from Indiana was calling my attention to the testimony of Captain Kraus I noticed somewhere along the line that the Secretary of the Treasury said he did not know anything about it. The Treasury Department knew nothing about it until Bill Bullitt first told them concerning it. Does the Senator remember that?

Mr. PEPPER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Florida?

Mr. JOHNSON of California. I yield.

Mr. PEPPER. If a plan that contemplated the sale of certain airplanes to France had been carried out, under the existing law would it not have been required before the exportation of the planes actually occurred that permission should have been obtained from some department for such exportation, and would not that have been a matter of public knowledge?

Mr. JOHNSON of California. I do not know.

Mr. BARKLEY. Mr. President, will the Senator from California yield to me there?

Mr. JOHNSON of California. I yield.

Mr. BARKLEY. Under the Neutrality Act a license must be issued by the State Department, or by what is called the Munitions Control Board, before airplanes or any other war munitions may be exported; but such a license is not issued until it is made certain that the company in this country manufacturing the product desires to make the exportation. I understand that in this particular case it had not reached that stage, but, assuming that the contract would be entered into between the French Government and the Douglas Co., or any other American manufacturer, before there could be actually an export of the product, the Munitions Control Board in the State Department would have to give its consent and issue a license.

Mr. CLARK of Missouri. Mr. President, will the Senator from California yield at that point?

Mr. JOHNSON of California. I yield.

Mr. CLARK of Missouri. I think both the Senator from Florida and the Senator from Kentucky are in error as to the requirements of the law. Assuming that a nation is not engaged in war, there is absolutely nothing whatever in the law at this time to prohibit the export of an airplane by a company in the United States to any foreign country unless the President has issued a proclamation under the Neutrality Act. That condition did not exist in this case. There has been a sort of gentleman's agreement between the manufacturers of airplanes and the manufacturers of some other munitions by which the permission of the State Department is necessary, but recently one airplane company chose to flout the instructions of the State Department and export planes

to Japan. It was necessary for the State Department to go right on exercising moral suasion and not legal suasion on that company to induce it to cease exporting planes to Japan.

So there is nothing in the law, as the Senator from Florida suggested, to require the permission of the State Department or anybody else.

Mr. BARKLEY. Will the Senator yield at that point? I do not want to go astray, but subsection (d) of section 5 of the laws and regulations, and so forth, following the joint resolution, with respect to the exportation of arms, provides—

Mr. CLARK of Missouri. That is after a state of war has been found to exist.

Mr. BARKLEY. No; I do not think that is correct, because the State Department, through this Board, has been exercising the right to issue these licenses.

Mr. CLARK of Missouri. Does not the Senator recall that one airplane company deliberately flouted the State Department for months by exporting planes to Japan within the past year?

Mr. BARKLEY. Yes; that is true. It did so; but, according to the interpretation of many, it did so in violation of the laws and the regulations.

There is one provision here which I want to read:

It shall be unlawful for any person to export, or attempt to export, from the United States to any other state, any of the arms, ammunition, or implements of war referred to in this act, or to import, or attempt to import, to the United States from any other state, any of the arms, ammunition, or implements of war referred to in this act, without first having obtained a license therefor.

The act goes on in several other sections; and I have here the reports of the Board for 1936, 1937, and 1938, showing the extent to which licenses were issued for the exportation of war materials to other nations of the world.

Mr. JOHNSON of California. I have one of them, too.

Now, we will proceed, if we may. I desire to step aside for just a moment to speak of the Neutrality Act. I do not think the Senator from Kentucky was shaking his gory locks at me in relation to the Neutrality Act.

Mr. BARKLEY. I will say to the Senator that if I had any gory locks—which I have not—I should not shake them at the Senator, because I am sure I should receive in return a more gory shake than that which I might deliver to him. [Laughter.]

Mr. JOHNSON of California. No; no gore with me. I am peaceable.

Do you remember what the Neutrality Act was? Do you remember that it was hammered through the Congress of the United States by the administration? Do you remember that there were only five votes against the act when it came to a vote on the floor of the Senate, and that my vote was one of them? Do you remember that I told you at that time as best I could—I was unable to speak for any great length of time—that you were making yourselves an ally of Japan in the Pacific and an ally of Great Britain in the Atlantic? Do you recall that? That is your neutrality law. You passed it. You gentlemen who represent the administration passed it. It was passed over the votes of a very few very interested men who thought they understood the subject better than you of the majority.

But that is the Neutrality Act. I see now that all the administration, and everybody connected with it—all its "trigger men" outside this Chamber—are talking of the neutrality law, and what a terrible thing it is, and how awful it is in its restrictions against doing anything that ought to be done for suffering nations. They passed it. They shoved it through here during the time it was before this body.

Now, I want to hasten through. I said to you that this stuff that was being talked about bombing the towns of this country, and the great damage that would be done the cities of this country, was all moonshine. If I were to adopt the language of a greater man, and one whom we all respect, I should say it was "bunk," and I should repeat that it was "bunk," and repeat that it was "bunk," because every authority is alike in that regard.

Why, do you know what it would be necessary to do in order to make that sort of thing effective for us and to scare us? We are told, "Why, the great institutions of Europe will collect their bombing planes. They will cross the Atlantic Ocean down there from Africa to where they can land in South America. There they will fit out a base, and from that base they will begin operations against us up here."

Who will fit out a base? They will. What—in these "good neighbor" countries in South America, to whom we have been saying so much, and whom we have been coddling for many months? Will they set up a base? Why, if they attempted to set up a base down in any of those countries of South America, at once there would be revolution, and the South American country would run them into the sea, as a good neighbor should do. But they could not get their base started, and they could not begin to do anything in respect to it, without our Navy being there, and our Navy being on hand.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. JOHNSON of California. Excuse me.

The PRESIDING OFFICER. The Senator from California does not yield.

Mr. JOHNSON of California. I ask the Senator to talk to me after I am through. I am tired. I have yielded repeatedly. I am very glad to yield to all Senators; but I am getting weary, and I want to stop as soon as I can. Go on, though; ask the question. I dislike exceedingly to decline to yield.

Mr. PEPPER. I promise the Senator that I certainly shall not interrupt him any more, in view of what he has just said.

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Florida?

Mr. JOHNSON of California. Yes; I yield.

Mr. PEPPER. I wish to ask the Senator if he has observed, on the part of all the South American countries, the apparent hostility which he just spoke of toward the totalitarian states of Europe.

Mr. JOHNSON of California. Why, of course. We should not be their "good neighbor" if they had not had that hostility.

Mr. PEPPER. Does the recent Lima Conference indicate that?

Mr. JOHNSON of California. Oh, yes. That conference did great work.

Mr. PEPPER. No sympathy was exhibited at the Lima Conference by any South American country for any of the totalitarian states of Europe?

Mr. JOHNSON of California. Oh, no; there could not have been, or we would not have stayed there. We would not have stayed there 5 minutes if that had been so. [Laughter.]

I have been greatly interested in a little book by Stuart Chase. I do not agree, of course, with all that he said; but he paints his picture with such deft touches that he is very, very easy to read and very easy to understand.

He says:

We are free from the administrative difficulties of the British Empire, sprawled over the seven seas and threaded together by precarious "life lines." When Mussolini threatened the line to India in 1935, over the matter of oil sanctions, the British had to fight or back down. They backed down, I suppose, because the "rights of small nations," as exemplified by Ethiopia, were not worth the risk of cutting the life line in the Mediterranean. English statesmen have to look at least 10 ways at once. No wonder they get cross-eyed. Our only remote possession of importance is the Philippine Islands. They cost us more than we got out of them. We are wisely arranging to let them go.

Do you see what I am driving at?

Says this author.

It is bound up in that term United—the United States, the United Nations, of America. I am not boasting about how big we are—any tin-pot patriot can do that. I am trying to emphasize with all my strength the idea that our 48 States should not be compared with a single nation in Europe. Iowa cannot go to war with Nebraska. New York cannot raise a tariff wall against Connecticut. In Europe there are 28 sovereign states, some of them equipped to go to war at the drop of a hat, every one of them

with a double-decked, streamlined, copper-riveted tariff wall around it. Everyone has a different money system; most have different languages; many have a full complement of armies, navies, generals, ambassadors, bombers, big berthas, tanks, torpedoes, and unpaid war debts. In the night you can hear the shish of paper, as solemn obligations and treaties are torn up.

Mr. Chase is very clever, I think, in his use of language, and he shows the difference in—I will use a word that I detest—ideologies. It ought never to be used. It ought not to be used in the sense in which it is used every day now, and it is utterly inappropriate; but everybody likes to use it, I presume because it has four syllables, so I will do so, too. The ideologies of Europe and ourselves are very different.

In *The Ramparts We Watch*, by George Fielding Elliot, there are some things concerning airplanes which we ought to know.

Is this force of 2,320 planes really sufficient for our needs? For dealing with raids, the answer must be yes. It will provide a striking force of about 1,000 planes, under a single command and capable of rapid concentration on either coast (for which additional bases must be made available); this can do all that can be done against raiding aircraft from ships, if supported in local defense by sufficient antiaircraft artillery. It can direct a powerful attack against any enemy air base which may be established in the territory of our neighbors, or our own, before the enemy base can begin to function.

The question of whether we shall within the foreseeable future be liable to air attack by direct flight across the oceans may be answered by a decided negative, as far as anything more than tip-and-run raids are concerned.

Then he goes into an analysis of that, which I will not read. Sufficient unto the day.

I have talked to the Senate longer than I had intended, and I beg the pardon of my colleagues for doing so. If I have been in the slightest degree discourteous to anyone, I beg his pardon for that; I have not intended to be. But this is a subject, after all, which is very near and very dear to our hearts.

Mr. President, I was here 21 years ago. I saw then men of stern judgment forced into a position they did not care to take. I saw then men who oftentimes had been in the forefront of fights—fights for human rights, for liberty; I saw them sadly and solemnly go the way they thought they ought not to go. That was 21 years ago. Today I showed a picture of the Committee on Military Affairs of the United States at that time to the present chairman of that committee. The only ones in that picture who are still in the Senate were himself and myself.

I am no longer a member of the Committee on Military Affairs, but 21 years ago it was that I used to listen from my seat over here—I have kept the same seat practically ever since—to a distinguished gentleman who then was United States Senator and has since passed away, who preached almost every day the Berlin-to-Baghdad axis, and who would show, absolutely and without the question of a doubt, how the Germans would go from Berlin to Baghdad and down into India, and how they would take India and then would take us—I could never quite understand why. So he preached to us. So he preached to us day in and day out concerning that terrible calamity.

We have now the same sort of calamity preached to us, are told that if we do not do something and do something enormous they will treat us in just the same fashion, by coming across all this water with their airships and bombing every city we have.

I cannot imagine that that will be so. I am ready to do whatever may be necessary to insure that it shall not be so. But do not let yourselves be run off your feet by that sort of propaganda. Do not permit yourselves in this day to be taken from those things which you love and those things you desire and driven into a position you will regret in years to come having taken. Remember, remember, those of us of the older day who were driven into a fight during 1917 and 1918, and we wish it had never occurred and had never been forced upon us. We wish we had never had to do that. I say to those now here: Do not be led off by this insidious propaganda. It is abroad in every miserable newspaper which owes its allegiance to the administration. Do not be

led away from your own judgment, your own conscience, and the right of the matter.

Here is a question which you can solve as well as anyone else. In this book from which I have just read that question is solved, and solved well. I cannot read you all the excerpts from it this day, but you may have it for the asking, and you may be able to come to a conclusion for yourselves which will better satisfy your consciences than if you are run into a position you do not want to be driven to concerning any future war.

Some here do not know what war is; some do. War is a terrible thing. War is an awful thing. War is something with which you do not want anything to do, unless it is necessary. Stand up, do your duty here, give what may be necessary to the United States Government with which it may be able to insure you in the future, and until this crisis is past. Stand up, and do not let yourselves be frightened into war.

Oh, it would mean for you not only war abroad; it would mean for you at home what you do not want and do not like, but which you will have. It will mean for you dictatorship as surely as that we stand here; and we must avoid that, we must prevent it, we want to fight against it, and, if necessary, we want to die to prevent it.

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. GLASS submitted the following report:

The committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$557,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 17 and 18.

CARTER GLASS,
JAMES F. BYRNES,
RICHARD B. RUSSELL,
ALVA B. ADAMS,
JOHN G. TOWNSEND, Jr.,
Managers on the part of the Senate.
C. A. WOODRUM,
JED JOHNSON,
JAMES M. FITZPATRICK,
JOHN M. HOUSTON,
JOE STARNES,
Managers on the part of the House.

Mr. GLASS. Mr. President, I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the report.

Mr. GLASS. Mr. President, there is still disagreement as to one important item in the bill. I move that the Senate agree to the report I have presented, ask for a further conference with the House on the amendments still in disagreement, and that the same conferees be appointed.

Mr. NORRIS. Mr. President, will not the Senator explain to the Senate the nature of the amendment or amendments still in disagreement?

Mr. GLASS. The amendment which has been agreed to is the Gilbertsville Dam and Watts bar dam amendment.

Mr. NORRIS. I understand that, but what is the one in disagreement?

Mr. GLASS. The one important amendment in disagreement is the amendment proposed by the Senator from South Carolina [Mr. BYRNES] relating to reenlistment allowances.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. GLASS. Mr. President, I move that the Senate insist upon amendments numbered 17 and 18, and ask for a further

conference thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. ADAMS, and Mr. TOWNSEND conferees on the part of the Senate.

THE "YANKEE CLIPPER"—FLAGSHIP OF THE AIR

Mr. WALSH. Mr. President, I should like to speak briefly about an event of great public interest which will take place in this city tomorrow. I think the ceremony should not pass without a word being said with reference to it in the regular proceedings of the Senate.

Congress and our Nation have for many months now been faced with issues concerning the vital defense of our Nation, rumors of wars and near wars, and of conflict and troubled times throughout the world. There are other forces than these—forces of peace and civilized progress—which should merit our full consideration as well.

Tomorrow, here in the Nation's Capital, a symbol of one of these great forces for peace—a great aircraft produced by our industry for the peaceful pursuit of our commerce across the world seas—is to be dedicated to the Nation's service. Linked so fittingly with the glory we once enjoyed in world commerce in the days of the sailing clippers this, the outstanding product of our aviation industry to date, is to be named the *Yankee Clipper*, in tribute to this heritage. The *Yankee Clipper* and her new sister ships now building will bring prestige and glory to our Nation on the great ocean trade routes of the world.

I am advised by the Civil Aeronautics Authority that this great aircraft is the largest ever developed in America, and the largest, from point of size of any aircraft, either military or commercial, any nation has yet produced. It has just completed a remarkable flight from Seattle, Wash., where it was designed and constructed, to our eastern seaboard. Tomorrow, here on the Potomac, it is to be christened by the First Lady of the Land, Mrs. Franklin D. Roosevelt, in the name of the American people, the new flagship of our merchant marine of the air. Shortly thereafter, I am advised, it will lead the establishment of an American air service across the Atlantic linking this Nation, by closer and peaceful bonds, to the Old World.

Certainly this great product of American genius and courageous pioneering is a symbol of the will of the American people for peaceful pursuit of commerce and a sharing of such benefits with the people of our neighboring nations. It reflects at the same time the superior ability of our aircraft engineers to design, of our pioneers of air transport to operate a service which no other nation is as yet prepared to duplicate. In the not distant future this date, and the dedication of this aerial flagship of our merchant marine of the air may well stand out as the beginning of a new era of greater commerce, of closer friendship between our country and those beyond the seas.

I am further advised that my colleagues in the Senate, as well as the Members of the House of Representatives, have been invited to witness the dedication of this new flagship to the public service and to inspect at first hand this outstanding product of our aeronautical genius.

I therefore suggest, Mr. President, that the leader of the majority, the Senator from Kentucky [Mr. BARKLEY] find it possible to have the Senate adjourn early tomorrow afternoon, if that is not incompatible with the work of the Senate, so that Senators who so desire may be present at the dedication of the *Yankee Clipper*.

Mr. REYNOLDS. Mr. President, I have listened with great interest to what the senior Senator from Massachusetts [Mr. WALSH] has stated as to the plane which is to be christened tomorrow afternoon by the First Lady of the Land. I had the opportunity to view that plane when I was on the Pacific coast sometime ago. In that connection, I was interested to know that in 1492, when Columbus sailed from the shores of the Old World upon the waters of the blue Atlantic to the beautiful shores of America, the journey took 72 days. The planes which is to be christened tomorrow will be able to span the Atlantic in less than 16 hours, I believe. I was told by those who were interested

in the construction of the plane that the plane itself is even larger than the ship which Columbus used when he came over in 1492.

In view of the statement made by the Senator from Massachusetts in regard to the plane which is to be christened here, and in further view of the fact that the debate of the last several days has centered largely around airplanes, I ask unanimous consent to have printed in the Appendix of the RECORD an extremely illuminating and unusually interesting article in the form of an editorial which on February 13 last was published in the editorial column of the Washington Daily Times-Herald. It seems to be a reprint from an editorial which was published in the New York News, entitled "The Influence of the Wright Brothers on History."

There being no objection, the editorial was ordered to be printed in the RECORD, and it appears in the Appendix.

THE FLAXSEED SITUATION IN THE UNITED STATES

Mr. LUNDEEN. Mr. President, there are certain strategic and critical materials which have a relation to our national security. In January 1939 the Army and Navy Munitions Board supplemented its previous report issued only last November, concerning flaxseed as being 1 of the 20 critical materials. "Critical materials," it is explained, are those essential to the national defense. If flaxseed is a "critical material" because it can be produced domestically, when we are importing three-quarters of our requirements, when we are displacing American acres with the produce of alien acres, when we are sending American dollars abroad for deficiency farm produce which, when grown here will tend to replace some of our surplus farm products, what possible reason is there to delay in correcting this unnecessary and intolerable situation? The American farmer wants the American market, and here is an American market that needs, and badly needs, an American farmer to supply it.

Mr. President, I have here other material and data concerning the growth and domestic production of flax in the United States. It is 1 of the 20 essential war materials named by the Munitions Board. I ask unanimous consent that my statement on the subject of the flaxseed situation in the United States be printed in the RECORD at this point as part of my remarks. I have no desire to read the statement to the Senate at this time.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Without objection, it is so ordered.

The statement is as follows:

THE FLAXSEED SITUATION IN THE UNITED STATES

In all the hustle and bustle of the administration to help the farmers, it has consistently been inconsistent about its stand in regard to flaxseed and the production of drying oils in this country. There is so much concern over surpluses and how to dispose of them that there seems to be little time to look at the reverse side of the picture and point out to the American farmer the advantages of growing a deficiency crop on land which, according to the regulations of the A. A. A., the farmer must take out of surpluses' crop acreage. Notable in the list of deficiency crops in the United States is flaxseed. Since 1912 this country has failed to produce a sufficient amount of flaxseed for the needs of the consumers. Lack of support of this very essential crop on the part of the A. A. A.—in fact, actual restriction of the growth of flaxseed by Government regulation—has resulted in a steady decline in the acreage sown to flax in the United States, until from a high harvested acreage of 4,389,000 in 1930 the extent of the harvested acreage in 1938 was only 954,000. Under the present regulations of the A. A. A., flaxseed is considered a soil-depleting crop and its acreage must be restricted along with acreages of other grains, practically all of which produce surpluses in this country.

FLAX MAY BE USED AS A ROTATION CROP

The term "soil depleting" crop is used because it is classified with wheat and barley. The idea that flax is hard on the soil is an erroneous opinion which originated when wilt was prevalent. A resistant variety to wilt has now been bred and solved the problem. Flax may be used as a rotation crop. The usual procedure is to plant flax, a legume such as clover, and then a season of corn. Two seasons of flax may be planted, but the only difficulty is that there are many weeds which crop up. Flax takes out about the same fertilization element from the soil as wheat and barley.

LINSEED OIL PRINCIPAL PRODUCT OF FLAXSEED

Looked at in another way, we find that the principal product of flaxseed, namely, linseed oil, is the most important of the drying oils used in the United States. To quote from the United States Department of Agriculture's Report F. O. S. 15 of May 17, 1938, on the facts and oils situation:

"Consumption of fats and oils in the drying industry (paints and varnishes, linoleum, oil cloth, and printing ink) has increased steadily from a post-war low of 475,000,000 pounds in 1932 to 834,000,000 pounds in 1937 concurrently with increased building activity."

In 1937, of the 834,000,000 pounds of drying oils used, linseed oil represented 571,000,000 pounds, or 69 percent. Of the 571,000,000 pounds of linseed oil consumed in 1937, less than 150,000,000 pounds were produced from domestically grown flaxseed.

DRYING OILS

What are these so-called drying oils and how are they to be distinguished from other oils and fats consumed in the United States? The term "drying oils" is applied to all oils used in the manufacture of paints, varnish, linoleum, printers' ink, and other types of protective coating for surfaces, in which oils are used. The quality which distinguishes drying oils from other types of fats is the ability to dry or oxidize when exposed to the air. The speed, completeness, and efficiency with which an oil will dry depends upon a number of factors, but principally upon the amount of unsaturated fatty acids which that particular oil contains. The unsaturated fatty acids, in other words, those subject to oxidation, are largely linoleic and linolenic acids. Of all the oils in the drying oil field, linseed oil contains the largest quantity of these unsaturated fatty acids in the most favorable combination. China-wood oil is probably next on the scale of the drying oils, with perilla oil running it a close second. Soyabean oil, refined fish oils, hempseed oil, and sesame oil are substitutes for linseed oil and China-wood oil, and are known as semidrying oils since their ability to dry when exposed to air is considerably less than that of linseed oil or China-wood oil.

TUNG OIL OR CHINA-WOOD OIL

Following along on this subject of drying oils in the United States, I wish to point out that the next most important oil to linseed oil is tung oil, or China-wood oil, of which approximately 155,000,000 pounds were consumed in 1937. If we take tung oil and linseed oil together, we find that they account for over 86 percent of the entire consumption in this field. Now, allow me to point out that at the moment the amount of China-wood oil available has been drastically reduced. Only 4,000,000 pounds of tung oil, or China-wood oil, are at present being produced from domestic groves of trees; the balance all comes from China. Formerly the principal outlet of this oil was the Yangtze River, and the principal collection point for the oil was Hankow. As Hankow has now fallen into the hands of the Japanese and as the Chinese who hold the principal producing areas of China-wood oil are unwilling to ship their oil into Hankow, a practical blockade of exportation from this source has taken place. A small amount of oil is coming out from Hong Kong, but the amount is only negligible.

WE MUST NOT BE DEPENDENT ON FOREIGN SOURCES

How replace in this country the drastic curtailment which is now occurring in China-wood oil? It is generally agreed that the principal substitute for China-wood oil in paints and varnishes is linseed oil; hence we find ourselves still more dependent on the principal product of flaxseed—namely, linseed oil. And yet during the year of 1937 not over 25 percent of our linseed oil was produced from domestically grown flaxseed. To put it another way, this country is about 70 percent dependent on two principal foreign sources of supplies for drying oils which form the protective coating of most surfaces. The two countries are China, which is now in the hands of Japan, and for this reason will be unable to supply the needs of the China-wood oil trade in this country; and (2) the Argentine, which is at present supplying the bulk of the flaxseed crushed in the United States.

FLAXSEED PART OF OUR NATIONAL-DEFENSE PROGRAM

From the point of view of our national-defense problem, we consider that the United States is in a most vulnerable position, being dependent on the Argentine and China for the bulk of its supply of drying oils. On the other hand, we have in this country a fine opportunity to grow flaxseed and from the flaxseed to produce linseed oil sufficient for our needs in the drying-oil field. Should we be as slow and lax in our preparedness in the drying-oil field as we have been in that of military training? A number of years of intensive research has proved conclusively to the authorities in the Department of Agriculture as well as to experts in the National Paint, Varnish and Lacquer Association and to other authorities investigating this subject that the most practical source of drying oil domestically produced is from flaxseed.

FARM COMMUNITIES WILL PROSPER WITH PROPER ROTATION

It seems to me that we have our own farm communities to consider, and if we can insure our farmers raising a good cash crop such as flaxseed, why should we hold back for the Argentine, Japan, or China?

You will then ask whether there are any obstacles to growing flaxseed at present in the United States. The interesting part of the situation is that not only the Department of Agriculture and the National Paint, Varnish and Lacquer Association find flaxseed the most practical crop from which to derive our drying oils but also a number of State agricultural colleges (and the number is increasing all the time) are recommending flaxseed as a logical crop rotation. The fact is that great States like California, Washington, Oregon, and Texas are just beginning to awaken to the advantage of planting flaxseed and you are beginning to see a great enthusiasm coming in those States. However,

the amount of acreage which they may plant is going to be definitely limited under the A. A. A. restrictions.

IMPORTATION OF FLAXSEED NOT GOOD BUSINESS

In 1937, while we struggled with crop surpluses, we imported 1,569,778,280 pounds of flaxseed. With 56 pounds per bushel and an average of 8 bushels per acre, these imports for American industry represented the output of three and a half million acres. The American market is looking for the American farmer to produce its requirements. Of late years we have given much thought to the problem of surpluses, the reduction of acreage, and to the development of the American market for the American farmer. We have spent millions of dollars to attain these ends, with questionable results; and we have neglected one phase of agriculture that promises, with but a small expenditure, to contribute materially to the solution of this difficult problem. We have neglected a crop for which there is a ready cash market, which is a vital need of American industry, which is one of our critical military requirements, and from which there is never a surplus but, on the contrary, a progressively increasing shortage supplied only by heavy importations from overseas.

FLAX IS A DEFICIENCY CROP

There is so much concern over surpluses, and how to dispose of them, that we have not taken time to look at the reverse side of the picture and point out to the American farmer that flax is a deficiency crop, badly needed by American industry, and that we import, not because we wish to but because we must, the equivalent of millions of acres; and that, on the one hand, the American farmer is attempting to preserve the American market, while, on the other hand, the American market is looking for the American farmer to supply its needs.

WHY NOT CONSIDER A LITTLE REAL HELP FOR OUR AMERICAN FARMERS

The principal product of flax is linseed oil, made from flaxseed; and linseed oil is the most important drying oil used in the United States. The interests of the farmer alone are sufficient to justify this appropriation, but the results to be expected from the program will affect not only the farm but the factory and the man on the street. Because of our dependence on foreign countries for drying oils, this matter is one of grave national concern. It has given us no anxiety in the past merely because we have taken drying oils for granted. We have always had them, and we assume that we always will. That may be a serious error. Let us face the facts and attempt to appraise them.

WHY IMPORT 75 PERCENT OF OUR FLAXSEED

The principal drying oils are linseed oil, China-wood oil or tung oil, and perilla oil. All three are necessary, but linseed oil is by far the most important from the standpoint of the American farmer, American industry, and the American public. We have had to import about 75 percent of our flaxseed. Every pound of perilla is imported, and we produce only a negligible portion of our China-wood oil in a comparatively restricted area in the Gulf States.

MAGAZINES, NEWSPAPERS, AND BOOKS REQUIRE DRYING OILS

Our daily newspapers and magazines, our books and reports of our legislative proceedings require drying oils. That small industry required over 20,000,000 pounds of linseed oil and four and one-half million pounds of perilla and China-wood oil in 1937. A small industry indeed, but no one can do more than speculate on the importance of printers' ink in our modern civilization.

Oilcloths and linoleum depend for their very existence on drying oils. The word "linoleum" itself is formed from "linum" (flax) and "oleum" (oil). That industry consumed nearly 70,000,000 pounds of linseed oil in 1937, and some 15,000,000 pounds of other drying oils.

PAINT AND VARNISH INDUSTRY IMPORTANT

The paint and varnish industry consumed over 267,000,000 pounds of linseed oil in 1937. That industry cannot exist without its drying oils and that is only a part of the sorry picture of our dependence on foreign supplies of material that can be and should be grown by the American farmer. Every industry that uses protective or decorative coatings depends in turn on the paint and varnish industry for such materials. There is no satisfactory method of computing the value of the billions of dollars worth of property owned by the public, which is dependent on paint to resist the ravages of the elements.

FLAXSEED 1 OF 20 CRITICAL WAR MATERIALS

In January 1939 the Army and Navy Munitions Board supplemented its previous report issued only last November, entitled "Strategic and Critical Materials—Their Relation to Our National Security. Flaxseed appears in a list of 20 critical materials.

FLAXSEED ESSENTIAL TO NATIONAL DEFENSE

Critical materials, it is explained, are those essential to the national defense. If flaxseed is a critical material because it can be produced domestically, when we are importing three-quarters of our requirements, when we are displacing American acres with the produce of alien acres, when we are sending American dollars abroad for a deficiency farm produce that when grown here will tend to replace some of our surplus farm products, what possible reason is there to delay in correcting this unnecessary and intolerable situation? The American farmer wants the American market, and here is an American market that needs, and badly needs, an American farmer to supply it.

HIGH RETURN ON FLAX

The returns to the farmer are to be considered. In the first place, he is not fighting a surplus. With this country producing about a quarter of the flaxseed required, and importing all its requirements of other drying oils, the surplus problem does not exist. We wish to point out that at the present time, flaxseed is selling at Minneapolis and Duluth at \$1.96 per bushel, whereas wheat (No. 1 Dark Northern) totaled 79½ cents per bushel. Last year's average yield per acre for flaxseed amounted to 8.6 bushels, and for wheat, 12 bushels. The farmers, therefore, who got an average yield of flaxseed last year received a considerably better cash price for flax than for wheat.

HISTORY OF FLAX GROWING IN AMERICA

Although flax is grown mainly in the Northwest, it should be remembered that it has been grown in America since Colonial times. In 1853, Ohio and Kentucky were the leading flaxseed producing States. Later, Indiana, Illinois, and Wisconsin led in flax production, and this was followed by production in Minnesota, Iowa, and South Dakota. Now California, Washington, Oregon, and Texas are beginning to awaken to the value of the flaxseed crop.

SENATE FILE 846 PROVIDES \$100,000 FOR FLAXSEED INVESTIGATIONS

Senate File 846 would provide an appropriation of \$100,000 for seed-flax investigations in Minnesota, North Dakota, Iowa, Kansas, California, Washington, Oregon, and Texas. These investigations would include plant breeding, crop rotation, suitable areas, wider use of linseed meal, plant physiology, chemistry, and biology of oil formation, industrial utilization of flax straw, linseed-meal proteins and carbohydrates, and the possible place of linseed oil in human nutrition.

A SOUND FLAXSEED PROGRAM

We do spend money for flaxseed investigations. The Bureau of Plant Industry was allowed \$16,500, out of which the University of Minnesota is receiving at this moment an allotment of \$300 to carry on this important work. Senate bill 846 calls for a national expenditure of \$100,000 for a program that is calculated to make this country self-sufficient in the production of critical material to assist the American farmer to supply the requirements of American industry and the American public, and in the shortest possible time to employ millions more of American acres and to some extent reduce the disastrous effects of our farm surpluses.

NEW VARIETIES OF FLAXSEED

It will be well at this point to go over a list of those who at the moment are striving to produce new varieties of flax of commercial value and capable of competing successfully with the Argentine linseed, which for a number of years has had a higher oil content and a better quality of oil than our domestically produced seed from present varieties grown in the United States.

EXPERIMENTAL WORK CONTINUES

A. C. Dillman, in charge of seed-flax investigation for the Bureau of Plant Industry, has for a great many years carried on experimental work at numerous experiment stations scattered over the United States. Some of these data-collecting activities have been carried on through funds supplied out of the Bureau and some have been financed by funds out of the colleges and institutions.

SELECTION OF FLAXSEED

J. C. Brinsmade, Jr., at the Northern Great Plains Field Station, United States Department of Agriculture, Mandan, N. Dak. He is breeding and selecting for added wilt and rust resistance and a better drying quality of oil. His developments so far include flaxes brought to the eighth and ninth generation and are selections from Buda crosses. At least 25 of these are ready for test plotting and are within a few years of introduction.

IMMUNITY TO RUST

H. H. Flor, North Dakota Agricultural Experiment Station, Fargo, N. Dak., is making selections from seventh and eighth generation plants derived from Bison, Buda, Rio, and other resistant varieties aiming at an immunity to rust and added resistance to wilt. These selections are about a year farther away from introduction than Brinsmade's.

TEST PLOTS WITH STANDARD CHECKS

A. C. Arny, agricultural experiment station, University of Minnesota Farm School, St. Paul, Minn., is selecting seventh and eighth generation plants derived from Bison, Redwing, Ottawa 770B, Abyssinian, etc., that are already in test plots with standard checks. Some 25 of these selections, all of high wilt and rust resistance, high yield per acre, and better quantity and quality of oil than Bison flax, are only about 2 years from introduction.

R. L. Waldron, Agricultural Experiment Station, Fargo, N. Dak., is studying the inheritance of resistance to wilt and rust in breeding, and thereby is developing some 50 cross-breeds that are almost ready for test plot and therefore 3 or 4 years from introduction.

L. G. Goar, University Farm, Davis, Calif., is developing hybrids that will be suited to California climate and yet be disease resistant. These hybrids are still many years from introduction.

MANY NEW VARIETIES OF FLAX

As is indicated by this list many new varieties of flax are just around the corner. It is much more expensive to develop and introduce varieties than to do the original breeding. If all the desirable varieties being developed are to be introduced and distributed,

the Department of Agriculture will need much more money than they have ever needed in the past.

AGRICULTURAL COLLEGES HELPFUL

One other man, T. H. Hopper, North Dakota Agricultural College, chemist, has cooperated extensively with Mr. Dillman. These two men have collected data on many phases of flax culture. The material covers about 300 crop-years and most of it is ready for compiling, editing, and publishing. This work is of utmost importance to everyone connected with the flax-breeding program, but will take the combined efforts of these two men to complete. There is grave danger that one or both of these men may be shifted to other work before another year is out. If this should become a fact most, if not all, of the material and work would be wasted. The expense connected with this project is probably beyond the means of the Bureau of Plant Industry unless they receive added funds.

DEPARTMENT OF AGRICULTURE CONDUCTING IMPORTANT WORK

In order to take care of this seed-flax investigation work the Bureau of Plant Industry in the Department of Agriculture has only been allowed \$16,500 annually. Out of this fund the work at the University of Minnesota, for example, is receiving at the moment the magnificent allotment of \$300 with which to carry on this important work. It is becoming increasingly evident that we must have special varieties of flaxseed adapted to special soils and climates if we are to get the best results and if we are to compete successfully with seed grown in Argentina, which is our principal source of import supply. In view of the fact that so many of these Federal and State officials are so near to the completion of their varietal work on flaxseed, it seems highly important at the moment that the work they are doing should be financially backed and encouraged. It is for this reason that on January 19 last I introduced S. 846, making an appropriation of \$100,000 for these flaxseed investigations.

HARD ON THE LAND FLAX GONE

To those who will object to the encouragement of the flaxseed crop in the United States, I would point out first of all that the old objection that flax was hard on the land has been definitely disproved by recent experiments and researches performed by State and Federal officials. The table given below shows the removal of plant nutrients on the basis of average yields per acre of flax, wheat, and oats in North Dakota, South Dakota, Montana, and Minnesota:

Crop	Average yield per acre	Fertility removed		
		Nitrogen	Phosphoric acid	Potash
	Bushels	Pounds	Pounds	Pounds
Flax.....	7.7	34.7	9.6	21.5
Spring wheat.....	11.9	30.1	10.9	35.3
Oats.....	27.8	30.4	12.9	38.1

FLAXSEED SELLING AT MINNEAPOLIS AND DULUTH AT \$1.96

The second point brought up by objectors to the planting of a larger acreage of flax has been the fact that the returns have not been satisfactory. We wish to point out that at the present time flaxseed is selling at Minneapolis and Duluth at \$1.96 per bushel, whereas wheat (No. 1 Dark Northern) totaled 79½ cents per bushel. Both of these quotations were made as of January 26, 1939. Last year's average yield per acre for flaxseed amounted to 8.6 bushels and for wheat 12 bushels. It only takes a little arithmetic to figure out that the farmer who got an average yield of flaxseed last year would receive a considerably better cash price for flax than for his wheat. There is no doubt but that flax was the banner cash crop of the country last year. With ordinary weather conditions, the same situation might well prevail during the present year.

AMERICAN FARMERS FIRST

As far as the objections to an increase in the domestic acreage of flaxseed are concerned with our relations with Argentina, it strikes me most forcibly that the needs of our own farmers throughout the United States should have a prior consideration. The Government has chosen drastically to reduce acreages of surplus crops, and here is one deficiency crop which might very well be substituted at a great gain to the farmers and no loss to this country. What is principally needed, however, to develop larger flax acreages in areas which are well suited to flax is a good variety for each particular section. These new varieties cannot be achieved without the expenditure of funds to bring the work now in progress to completion in the various schools and Federal Department of Agriculture proving grounds.

In order that this country may be self-sufficient and well prepared and in order that it may take advantage of the logical development of a deficiency crop to replace surplus farm crops, I would urge you most strongly to give consideration to this appropriation for the production of new flax varieties.

THE NATIONAL DEFENSE

The Senate resumed the consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

Mr. NYE. Mr. President, in the debate day before yesterday I had occasion to use the following language, which can be found recorded at page 2003 of the CONGRESSIONAL RECORD:

I am more and more convinced that there will be no war in Europe this spring, this year, or next year, unless the United States encourages, urges, and eggs Europe on to it. There will be no war in Europe unless the United States shows a definite will to help out when war comes, and an inclination to finance it. There will surely be a war in Europe when the United States gives the word "go" and gives Europe reason to anticipate that the United States will be standing by and ready to go on when the hour comes.

The able junior Senator from Illinois [Mr. Lucas] yesterday commented upon the seriousness of such a statement, and requested information from anyone, from any source, as to just how the United States of America or the present administration is going to give the word "go."

I was quite necessarily absent from the floor of the Senate late yesterday afternoon when the Senator from Illinois in what reads as one of the most able addresses recently recorded, again challenged me to bring forward evidence that there is in this country a man, or a group of men, or a sinister influence that so controls the destinies of nations as to be able to dictate war.

Mr. President, Congress may have power to declare war, but a far greater power to invite war lies in the making and in the shaping of America's foreign policy. About that I shall have more to say a little later.

I am most sorry and unhappy if the remark made by me which I have just quoted may be considered a blot upon the integrity and the national honor of my country. I know, too, that by reason of this utterance of mine the question has been raised as to my wisdom and the motive which may be mine. Both wisdom and motive are challenged.

My remark of yesterday is called all manner of things. It seems to some minds or to a mind to be "palaver," "irresponsible," "careless," "flippant," "childish," "loose," "prejudiced," "alarming," and "unsubstantial."

Again there is challenge for foundation for any such charge as was involved in that utterance of mine which I have quoted. It is also maintained that there is a very definite trend of public sentiment which is giving approval to what some are alleging to be our direction in an international way today. There are those who would like to have us believe that there is thorough approval of the sale of planes to France, of the sale of planes to any other nation upon this earth, without the consent of the War Department. There are those also who insist that the direction being pursued today by the national administration is one wholly devoid of any tendency which might ease this country into war.

In that connection I call attention to a poll recently conducted dealing with these two very specific questions. The poll is conducted by the Capitol Daily, a publication here in Washington, given to a day-to-day account of progress of legislation. This journal undertook one of its several polls upon the two questions which I have just raised, the first question being, "Are we being eased into war?" the second question being, "Should the President promote sale of military aircraft without approval?"

It may be of interest to the Senate to know how this particular poll by the Capitol Daily is conducted. I have here a few cards returned by those who were asked to participate in the poll. Solicitation to participate goes to every newspaper publisher, every known daily newspaper published in the United States, and approximately 10,000 country editors, weekly publishers, triweekly publishers, magazine publishers, are asked to participate in this poll.

With that explanation I think the Senate would find to be very interesting information as to the last totals recorded as a result of that poll. Out of a total of 1,633 votes recorded in the manner indicated by the cards which I have, 1,060 say "Yes" to the question, "Are we being eased into war?" In answer to that same question 594 say, "No."

Three hundred and twenty-three of those polled in answer to the question, "Should President promote sale of military aircraft without approval?" answered "Yes" and 1,305, on the other hand, responded "No," representing a vote of approximately 4 to 1 in the one instance and 2 to 1 in the other.

There is no doubt in my mind as to the fear which the people as a whole are entertaining in these days concerning the direction which the administration is pursuing in its conduct of foreign affairs.

Mr. President, I ask unanimous consent that there may be printed at this point in the RECORD the tabulation which I have before me, which shows the vote. I have concerned myself only with the totals recorded for all the States in the Union.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Without objection, the tabulation may be printed in the RECORD.

The tabulation is as follows:

Congress of Editors, 10,000 editors of country newspapers "voted" on 2 questions. Almost 2,000, including every State, are now tabulated.

	Total	Are we being eased into war?		Should President promote sale of military aircraft without approval?	
		Yes	No	Yes	No
Alabama	15	10	5	4	11
Arizona	8	3	5	5	3
Arkansas	13	8	5	1	12
California	84	57	27	12	72
Colorado	43	27	16	9	34
Connecticut	5	4	1	1	4
Delaware	1	0	1	0	1
Florida	22	12	10	6	15
Georgia	12	2	10	4	8
Idaho	19	11	8	3	16
Illinois	100	65	35	19	81
Indiana	57	35	22	14	41
Iowa	80	56	24	12	68
Kansas	77	57	18	8	69
Kentucky	20	8	12	6	14
Louisiana	8	4	4	0	8
Maine	3	2	1	1	2
Maryland	8	5	3	1	7
Massachusetts	22	16	6	5	17
Michigan	54	41	12	5	49
Minnesota	94	63	28	21	73
Mississippi	13	6	7	6	7
Missouri	77	49	28	22	55
Montana	21	12	9	5	16
Nebraska	57	39	18	4	52
Nevada	1	0	1	0	1
New Hampshire	7	0	2	2	5
New Jersey	40	20	20	10	30
New Mexico	13	9	4	3	10
New York	87	52	35	18	69
North Carolina	19	8	11	4	15
North Dakota	27	17	10	2	25
Ohio	52	35	17	13	39
Oklahoma	25	12	13	7	18
Oregon	25	12	13	7	18
Pennsylvania	60	42	16	7	52
Rhode Island					
South Carolina	5	3	2	1	4
South Dakota	40	25	13	8	32
Tennessee	18	11	7	4	14
Texas	68	34	34	22	46
Utah	9	4	5	2	7
Vermont	3	2	1	0	3
Virginia	12	5	7	4	8
West Virginia	18	11	7	2	16
Wisconsin	50	35	13	6	43
Wyoming	9	4	5	3	6
Washington	31	18	13	9	22
Miscellaneous	101	71	30	15	86
Total	1,633	1,060	594	323	1,305

These totals, tabulated for each State, are complete with the exception of a few hundred straggling returns from voting editors all over the country. These untabulated returns, bringing the total vote to approximately 2,000, are running in similar percentages to those votes shown above, varying only a fraction of a percent.

Mr. NYE. Mr. President, is there no foundation at all for my statement of day before yesterday which has more recently been challenged in the Senate? Was my statement wholly irresponsible, only so much palaver, a very careless utterance on my part? Was it flippant? Was it childish? Was it loose? Was it prejudicial? Was it uttered

for the purpose of making myself an alarmist? Can it be said that my statement is unsubstantiated, as has been charged?

If that be true, then I wish to say that many, oh, so many, Americans are likewise childish, likewise flippant, likewise irresponsible, careless, loose, and prejudicial. During the past few weeks our newspapers have been filled, at times to overflowing, with the expression given by men and women to their thought of what the direction being pursued by the United States might lead to. I have before me an expression by Gen. Hugh S. Johnson, who says:

To the precise extent that we stick out our necks to support France and England is there less chance for some peaceful and reasonable settlement of the European mess. France would undoubtedly continue to resist any "appeasement" and continue to hold on to all her World War plunder if it took the last dollar in the United States Treasury—and she could get it.

Surely we want to protect democracy. But it would be a swell idea to know precisely what the threat to democracy is and just what measures short of war are necessary to protect it. If there are ranking injustices growing out of Versailles that could be righted, if there are legitimate—or at least understandable—national hopes and needs that could be taken care of, it would be a lot better to consider them peacefully than to get into another war over them.

In another column, which seemed to revolve around the question, Who makes our foreign policy? General Johnson gave splendid expression to a thought that is prevalent in many American minds. I ask unanimous consent that the article may be printed in the RECORD at this point in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE MAN'S OPINION

(By Hugh S. Johnson)

NEW YORK CITY.—What the hell's going on here anyway? It is too early to try to weigh the astonishing hourly news developments, but that question is first in the mind of every able person who has talked to me.

Neville Chamberlain's speech before a British jewelers' trade association started off like a Babbitt pep talk to a Sauk Center rotary club and wound up suggesting English military support to what he at least hinted is President Roosevelt's policy to oppose the dictators with force. Depending on point of view, this is a great cleverness or sheer cheek. England and France are clearly on the spot so far as the "hit or miss" dictatorships are concerned; and we are, at the worst, on the sidelines. Mr. Chamberlain makes it appear that it is we who are in the ring socking, with England and France graciously holding the waterbucket in our corner? Where did he get that idea?

What about this secret monkey business of military assistance to France over the protest of our General Staff? It is clear also that Ambassador Bill Bullitt didn't come home from Paris just for a rest. Bill will bear watching. There are rumors that, in the State Department, so far as the White House is concerned, he has more influence than the conservative Secretary Hull. Like Mr. Louis Johnson, in the War Department, he is a member of the Corcoran-Cohen janissariat. Like Mr. Johnson, also, he seems to think and to have reason to think that he is destined to head his department in a further Cabinet purge of all except red or pinkish extremists. With no knowledge of Mr. Hull, he is supposed to have influenced the President's remarkable Chicago outburst about "quarantining" the dictator nations—a trial balloon which exploded. During the World War he got in very bad because of supposed support of the Russian Bolsheviks whose revolution cracked up the Allies and brought us into the World War.

Why is he dictating military policy? How about Mr. Morgenthau's Treasury Department overruling the General Staff on military aid to France? To what extent is the secret and mysterious \$2,000,000,000 stabilization fund being used to support busted French credit in this matter? By some slick trick, are we again beginning to finance a European alliance—this time in violation of the spirit if not the letter of both the Johnson Act and the Neutrality Act? What could be so "profoundly confidential" in General Craig's testimony about all this that the public cannot be trusted with even a paraphrase of it?

I have known General Craig since boyhood. Of one thing I am sure. He couldn't be forced to shade the truth. He is absolutely fearless. No amount of political or official pressure could make him say what he does not think. Some of these decisions are reported to have been made at a White House conference where Mr. Bullitt and Mr. Louis Johnson were present and General Craig wasn't.

To every question asked here, there may be a perfectly good answer. They are not based on official statements but only upon gossip, rumor, or conjecture leading out from "executive" sessions of the congressional committees. But why does the air have to be so murky, that such conjectures seem so well justified on the basis of the few known facts? This is war that we are talking

about—and our possible part in it. It might be a war that would leave the world in anarchy. Without the mandate of our people based on the knowledge of the facts, nobody has any right to put us in a position where we can't avoid it.

Once in a war, there are military secrets about troop movements and strategic plans that it is treason to reveal. Before a war there are similar secrets about equipment. But there is no justification for secret diplomacy that may suddenly confront a nation with a war against its will.

Mr. NYE. Only last night or this morning there came another evidence. I suppose some will call it childish, careless, prejudicial, alarming, and unsubstantiated. The article to which I refer contends precisely as I contend, that the greatest danger of war coming to Europe this year or next year lies with the United States of America. The article to which I refer is that of Mr. Mark Sullivan. I ask unanimous consent that the article may be printed in the RECORD in connection with my remarks, in order that it may be shown that I have company, that I am not alone in the opinion that our policy has become a very reckless one.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROOSEVELT "DRAMATICS" STIR FEARS—LATEST MANIFESTATION DEPLORED HERE AND ABROAD
(By Mark Sullivan)

As President Roosevelt returns to Washington on Saturday, there is a rule of conduct that he could impose upon himself and which, if he imposes it, might add to the general peace of mind.

While Mr. Roosevelt was on his way to his vacation, when he was at Key West, Fla., February 18, he said, as he described in one of many news dispatches, "that he might return sooner than he expected because of continued reports of a disturbing nature from abroad * * *. Through his demeanor as well as by his remarks, the President displayed an obvious concern over the possibility of a new international crisis."

That report, coming when Mr. Roosevelt was only 2 days on his way and had not yet reached his destination, made a sensation, naturally. It was telegraphed back to Washington. There, newsmen hurriedly made inquiry of the State Department. The State Department had no knowledge of any alarming developments in Europe. Newsmen turned to Senator BORAH, who is well informed on foreign relations. Senator BORAH had no knowledge, either.

MR. ROOSEVELT FOND OF BEING DRAMATIC

The report about the President was cabled to Europe. Newspapers in London printed big headlines saying President Roosevelt had "ominous reports" about conditions in Europe. Europe did not know what the reports could be but the European public was disturbed. Newsmen queried European statesmen. They had no more knowledge of any new developments than our own State Department had. At London it was stated that authorities were "completely in the dark" regarding what President Roosevelt meant. At Paris, authorities were described as saying they had "no idea what information President Roosevelt" could have received. Berlin had no knowledge of anything ominous. Rome had no knowledge.

So far as could be discovered, nobody had any knowledge. Still, Mr. Roosevelt may have known something. A caustic explanation, as put in words by one European observer, was that Mr. Roosevelt is fond of being dramatic.

And Mr. Roosevelt does like to be dramatic. His arrival in Washington next Saturday, after a 2 weeks' absence, offers opportunity for doing something dramatic. We shall expect something dramatic—but hope we will be disappointed. If Mr. Roosevelt just can't help being dramatic, let's hope he finds something other than foreign relations to be dramatic about. One more blast at our domestic "economic Tories," for example, wouldn't hurt them any more than they have already been hurt and would not make the rest of us jittery about war.

CALLED STIRRER-UP OF FOREIGN JITTERS

Some Europeans have come to think of Mr. Roosevelt as being, in spite of good intentions, a stirrer-up of international jitters. A distinguished English journalist said the other day, "We in England believe that the incipient war fires can be quenched. But you in America are making our task difficult. Your public men, with the mistaken idea of helping us, are always hurling insults at the dictatorship countries and always talking about the inevitable war between the democracies and the dictatorships. That keeps the dictators irritated, and when they are irritated they don't think. So your Government is not helping us; it is only making war more probable."

And a correspondent of the Saturday Evening Post, writing from Switzerland, reports: "I have made one discovery that probably will shock Americans. A surprising number of Europeans * * * are more apprehensive today about the foreign policy of one particular country than of any other. That country is our own United States. * * * They have become fearful that the United States may precipitate that general war in Europe which Europeans have paid so dearly to prevent."

This deploring of American actions and utterances reflects one view that Europeans hold about Europe's present difficulties. It

may be a mistaken view. There are many who think America's attitude has a salutary effect on the dictatorships. But the other view is tenable, and it is held by serious persons.

SILENCE AND CALM WANTED FROM UNITED STATES

This view holds that what Europe is doing just now is something they have done again and again over the centuries. They are rectifying some boundaries and possessions that have become maladjusted through disproportionate growth of population and other causes. The process, as always, includes much threatening and blustering and bluffing and sword rattling and face making, and also face saving. Some European statesmen think they can manage it without actual war. What these most want from America is silence and calm.

For Mr. Roosevelt the role of silence is not easy. As Mr. Arthur Krock puts it in the New York Times: "Restiveness is of the essence of this administration from the President down. * * * Probably never in Mr. Roosevelt's time will there be quiet along the Potomac."

In the present European situation restraint by American exponents of opinion, including especially the President, can do no harm and might help. If Mr. Roosevelt has any restraint left over after using what he needs for himself, he might donate some to Secretary of the Interior Ickes.

Mr. NYE. Mr. President, if I were to spend from now until the end of the current year in undertaking to substantiate the position I took and to which I gave expression day before yesterday, I could not possibly hope to do as good a job as has been done in the Saturday Evening Post by a writer by the name of Demaree Bess, under the title "Uncle Sam Scares Europe." The issue of the Saturday Evening Post to which I refer is that of February 25 of this year. The article is well illustrated by a lone cartoon. I wish I might be able to lay a copy on every desk in the Senate. The cartoon shows the personifications of Germany, Italy, Britain, and France gathered around a table loaded with poker chips. Standing behind Mr. Chamberlain the cartoon depicts poor Uncle Sam, all interest in the game before him, his nose reaching into the game itself. The article would not need a title. A pretty good knowledge of what the article was about would be possible if only the picture were to be its title.

Mr. President, is there no foundation for my statement that the question of war and peace in Europe is in America's hands at this time? Is there nothing to substantiate it?

Was it only a reckless, careless, meaningless expression? I shall have to read from the article by Mr. Demaree Bess; but lest there be those who doubt the background of Mr. Bess, his purpose and his integrity, let me say that he was born and educated in the Middle West. For a number of years he was the far eastern correspondent of the United Press, serving in China and Japan. In 1930 he became a member of the staff of the Christian Science Monitor and served that journal in Japan until he was assigned to service for the same publication in Moscow, where he served from 1932 to 1937. After that he wrote a book which made his return to Moscow not to be desired. Since that time he has been serving the Christian Science Monitor as a so-called roving correspondent, with headquarters primarily in Geneva, Switzerland.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. SHIPSTEAD. There is just one trouble with Mr. Bess' qualifications, and that is that he was born in the Middle West. Therefore he has a provincial mind and cannot understand these great international questions.

Mr. NYE. Appreciating as I do the fine line the Senator has drawn, I am sure I can well appreciate the point he makes.

In this article Mr. Demaree Bess goes so directly home that not even the junior Senator from Illinois [Mr. Lucas] can misunderstand. I read:

GENEVA, SWITZERLAND.

In the months which have passed since the so-called peace of Munich, I have been traveling over a considerable part of Europe, studying the effects of the Munich settlement upon several European countries. In the course of these travels I have made one discovery which probably will shock most Americans. I have found that a surprising number of Europeans, little people and big people, in little countries and big countries, are more apprehensive today about the foreign policy of one particular country than of any other. That country is not, as you might suspect, Hitler's Germany. It is our own United States.

That may sound like a bad joke to Americans, but it is no joke to these Europeans. There is one thing that the majority of Europeans want more than anything else at the present moment, and that thing is peace. They don't believe, since the Munich settlement, that their peace is immediately threatened from Germany or from any other European country. But they have become fearful that the United States may precipitate that general war in Europe which Europeans have paid so dearly to prevent.

I suppose that statement, left standing by itself without any substantiation, would be called flippant, careless, and prejudicial, the statement of an alarmist. So I read on:

Nonsense? Well, maybe. But if you go around now in different countries in Europe and talk to different kinds of people, you will find that many Europeans have some such thoughts as I have described. They may be wrong, but that is what they are thinking.

Their arguments go like this: For the first time in several generations, Europe, today, has a chance to compose its quarrels. Great Britain has been compelled, not so much by the strength of Germany as by the weakening of her own empire, to abdicate her traditional role as the arbiter of Europe. She has been forced to abandon her effort to dominate Europe by a policy of "divide and rule," by throwing her weight always on the weaker side to prevent any country from becoming predominant on the European Continent. She has finally agreed that one country—Germany—may be allowed to dominate Europe, and England has embarked upon a new policy of coming to terms with Europe's new master.

Since the European show-down last September many Europeans believe that the prospects of general war have been reduced. All the European nations have begun a frantic effort to make the best possible terms with powerful neighbors. They believe that if the British and the French couldn't risk a general war last September, then they certainly can't risk one now, after they have given away so much, strategically and morally. The readjustment to a new distribution of power in Europe is bound to be difficult and disagreeable. A lengthy period of bluffing and threats from both camps in Europe is inevitable. But Europe is accustomed to diplomatic poker games. Europe has played such games for centuries.

The majority of Europeans are thus hopeful that, if they are left to their own devices, they can compose all their present quarrels without resorting to general war. But will Europeans be left to their own devices? That is what worries them most just now. From across the Atlantic they hear a confused murmur of voices, a swelling volume which at times resembles a roar. The American people have become all excited again about Europe. And the American people, as Europeans know by experience, are unpredictable.

UNCERTAINTY DISPELLED AT MUNICH

There is one blow which the present highly explosive situation in Europe can hardly endure without disaster, and that is any large addition to the element of uncertainty. In Europe itself, uncertainty was reduced by the Munich settlement. There is nothing uncertain about Adolf Hitler's foreign policy; he wrote it all down in a book long ago, and still makes that book compulsory reading for every German. But American foreign policy is altogether another matter.

At the present time, as Europeans are vaguely aware, the United States has a New Deal government, a government dominated by men who believe in scrapping old traditions and policies of every kind. These men have suggested, by things they have done and by things they have said, that they contemplate also the possibility of scrapping the traditional American policy of isolation from European power politics.

Which causes me, Mr. President, at this point to remark that any Senator who is interested further in an expression by Demaree Bess of his slant on European affairs would do well to obtain a copy of the Saturday Evening Post of the issue of December 3, 1938, which is rather devoted to the question of power politics in Europe.

I read on:

They have said enough and done enough to set Europeans worrying again about the danger to European peace which might result from a new balance of power—the intervention of the United States in the tangled affairs of Europe.

Mr. President, I ask unanimous consent that any portion of this article which I may choose not to read, by reason of not desiring to take more of the time of the Senate than is necessary, may be incorporated in its proper place in the Record.

The PRESIDING OFFICER. Without objection—

Mr. CONNALLY. Mr. President, reserving the right to object, let me inquire does the Senator mean the whole article?

Mr. NYE. I desire to put the entire article into the Record. I hope I may not have to read it all.

Mr. CONNALLY. I shall not object; but it is a very good advertisement for the Saturday Evening Post to publish the whole article at Government expense. However, I presume that is not a matter of interest to the Senator from North Dakota.

Mr. NYE. No; I am not interested in advertising the Saturday Evening Post; but the Senator from Texas seems to be very keen about doing so. Do I understand the Senator has objected to the insertion of the article in the Record?

Mr. CONNALLY. No; I do not object. I said it was certainly a very good way of advertising the Saturday Evening Post and the article from which the Senator is reading. He seems to base his whole idea of foreign policy on this article in the Saturday Evening Post, and I am wondering what his foreign policy would have been if the article had not been printed.

Mr. NYE. Mr. President, has my request been granted?

The PRESIDING OFFICER. Without objection, the request is granted.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Indiana.

Mr. MINTON. The Senator said something about there being somebody who was taking us into the affairs of Europe. Who was that?

Mr. NYE. I am coming to that.

Since the British and French Prime Ministers signed the Munich agreement last September, their peoples have proved, on several different occasions that the majority of them support what was done at Munich. The British and French people have shown their approval by numerous parliamentary votes and electoral votes. Of course, there is an active and vocal minority which did not approve the Munich settlement or subsequent efforts to appease the dictators. But there can no longer be any doubt that the majority did approve.

The Munich settlement promised to keep the United States out of Europe definitely and for a long time. To some Europeans that was one of its most satisfactory results. The settlement made at Munich was orthodox power politics. It showed, as clearly as could be, that European statesmen in the so-called democracies were prepared to sacrifice much, including their principles, to avoid going to war. The majority of Americans didn't like the Munich settlement, but it wasn't an American affair. The majority of Europeans did like it. They liked it because they believed it brought them peace, and peace is what they wanted, and still want, more than anything else.

The present European policy of appeasement, however, depends upon Europe being left to solve its own problems. Those responsible for this policy left out of account the possibility of American intervention in European power politics. They were justified in assuming, after the Munich settlement, that Americans would have sense enough to mind their own business for a while. The British Prime Minister wasn't thinking about the United States when he declared that the Munich settlement had brought "peace in our time." Mr. Chamberlain seems to understand his own people better than he does Americans. Still we can pardon him for not foreseeing when he signed the Munich agreement that within a few months the American people would be more deeply involved, both emotionally and diplomatically, in the affairs of Europe than they have been since 1919. It does seem rather incredible when you come to think about it.

A SYMBOLIC SUBSTITUTION

Last September 30, the day the Munich agreement was signed, the London Times published a leading editorial which was perhaps overlooked in the excitement of the moment. The Times, which is much more influential in England than is any newspaper in the United States, practically offered up thanks in this editorial that American influence was being "liquidated" from Europe. That editorial still makes instructive reading.

It is quoted in the article.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. SHIPSTEAD. By the way, the London Times is a supporter of the Government, a Government newspaper, and conservative, is it not?

Mr. NYE. Quite so.

Mr. SHIPSTEAD. And it speaks for the Chamberlain policies?

Mr. NYE. Quite so. I read from the article the editorial referred to:

The nickname of the "Big Four," which is already being given to the statesmen gathered in Munich, stirs a chord of significant memory. It carries the mind back to those negotiations in Paris which are now being partly undone. Three of the countries whose negotiators were so designated were then, as now, France, Great Britain, and Italy. The substitution of a German for an American leader in the fourth place is symbolic of much. President Wilson projected his ideas and his ideals into the peace conference; but his successors have taken no part in putting them into practice in Europe, and many were in fact still-born. Instead of an American, the fourth is now the representative of Germany, whose absence from the actual negotiations in Paris is largely responsible for the fact that Germany

has been left to press revision on the rest. If the present negotiations can be regarded as at least a step toward substituting an agreed peace for an imposed peace, then they may yet come in time to be regarded as heralding the emergency of a more normally stabilized Europe.

That, Mr. President, is a quotation from a British newspaper which is spokesman for the Government. It reveals how perfectly satisfied the British Government is to mind its own business and how perfectly willing it is to try to avoid, perhaps with success, war in Europe if only the United States will keep hands out and off. Yet we are caused day after day to believe that poor France and poor England are pleading with us and urging with all the might and main they possess that we give them the helping hand which they need and which they are beseeching us to give in the name of democracy. France and England today are not one small part as much concerned about the danger of war as we in the United States are.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Florida.

Mr. PEPPER. I wonder if the Senator noted the constant presence of our American Ambassador at the Court of St. James's, Mr. Kennedy, during the period immediately preceding and during the crisis in the latter part of September of last year?

Mr. NYE. We all noted it.

Mr. PEPPER. I wonder if the Senator thinks it was due to the aggressiveness and the excessive curiosity of the American Ambassador that he was kept so closely and so intimately concerned and informed about what was going on.

Mr. NYE. It does not seem to me that that applies to the question in hand at all.

Mr. PEPPER. I was wondering if the Senator thought that the British were relatively unconcerned about the attitude of America and, if he did so think, how he would reconcile the fact that there was hardly ever a conference of members of the British Government in September last year but that the newspapers, at least, conspicuously pointed out that the American Ambassador, Mr. Kennedy, was near at hand, and many nights in the week was to be found at No. 10 Downing Street.

Mr. NYE. Yes.

Mr. PEPPER. I wonder if the Senator thinks that was some more of our "nose poking in," or whether they were very vitally concerned not only about informing us but letting us be thoroughly aware of the tragic circumstances that might result to us.

Mr. NYE. I cannot know, and do not pretend to know, what has been the occasion, what has been the cause of the invitation and pressure upon Mr. Kennedy to do whatever he has done during all the months he has been at his post in London. The suggestion of the Senator from Florida, however, does not distract me. It does not alter the situation that is presented by this editorial from the London Times, revealing that England was perfectly ready to take her own chance, without any help from the United States, in avoiding a recurrence of war in Europe.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield.

Mr. BARKLEY. The Senator a moment ago made the statement that we in the United States were more concerned over war than those in France and England were last September.

Mr. NYE. No; I have not said that.

Mr. BARKLEY. I gathered that from the Senator's statement.

Mr. NYE. I said that there is more concern in the United States today about war in Europe than there is in France and England.

Mr. BARKLEY. I do not know how much concern there is now in France and England; but it would be very inaccurate to say that during last September, and for several months before that time, there was more concern in the United States in regard to war than there was in England or France.

Mr. NYE. No; I have not said that.

Mr. BARKLEY. The Senator knows that in England people were already taking steps to live underground. They were digging cellars in Hyde Park and making provision to protect themselves from air raids. The same thing was true in Paris to a certain extent. People were even considering leaving the city and had engaged passage on ships, those arrangements being canceled after the so-called "peace of Munich."

Mr. NYE. Yes. Not so many weeks ago we had a number of Americans seeking cellars, too, after they had listened to a radio program.

Mr. BARKLEY. Of course, there have always been Americans seeking cellars, but not always from the standpoint of war. [Laughter.]

Mr. NYE. For a quite different reason. There may be other reasons than one.

Going back to the article by Mr. Bess:

The United States intervened once before in the affairs of Europe, in 1917. The result, as the London Times pointed out, was "an imposed peace." We threw our immense weight into the European scale, and thus contributed handsomely to creating the mess which resulted in Europe for the following 20 years. Now, says the Times, Europe is getting down to clearing up the mess, and would like Americans please to keep out of it. Of course, that won't prevent the Times, if it suits its purpose on another occasion, from declaring, as it has done in the past, that the great democracies must stand together.

After that editorial was published, and after the Munich agreement was reached, German Nazis began the latest, and worst, of their long series of anti-Jewish pogroms. Decent people everywhere were outraged by this savagery. The policy of appeasement in Europe was seriously weakened. But the British and French people still wanted peace more than they wanted anything else, and they still supported the statesmen responsible for the appeasement policy. Decent Europeans expressed their sympathy for victims of the German outrages by such practical measures as raising money to help them and looking for some place to harbor the refugees.

At a distance, over across the Atlantic, we Americans became much more excited about the German pogroms than the people of any European country. We indulged ourselves in an emotional orgy such as European peoples no longer can afford. Americans are accustomed to express their feelings strongly on such occasions. But to those who watched our country from across the Atlantic at this time, as I did, our emotional orgy did not seem to be entirely spontaneous. There was evidence that the feelings of the American people were being whipped up, and prolonged, by interested groups and individuals, for purposes of their own. It is this phase of American reaction to the German pogroms which has excited intense interest, and much apprehension, among Europeans.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. CONNALLY. Is it the idea of the Senator from North Dakota, in line with his argument, that there will be perfect peace and harmony in Europe if the United States will just let Europe alone?

Mr. NYE. It is my argument that there is large hope in Europe of maintaining peace there if only the United States will keep its hands out and off.

Mr. CONNALLY. That is what I was getting at. In other words, the view of the Senator from North Dakota is that the peaceful and God-fearing and God-loving nations of Europe, who are seeking and bending all their efforts to maintain and bring about peace, will really realize peace unless this monster of North America intervenes and brings on a bloody war in Europe? Is that the attitude of the Senator?

Mr. NYE. Mr. President, I do not have to confirm anything the writer of this article has said. I am only reciting it as an excellent example to substantiate my position when I contend that I am not alone, that I am not flippant or careless or prejudiced, when I declare it to be my opinion that the largest chance for peace in Europe lies in the United States keeping its hands out of the difficulties that exist there at this very moment.

Mr. CONNALLY. Mr. President, will the Senator yield for another question?

Mr. NYE. I yield.

Mr. CONNALLY. I am very much concerned about this matter. I want to see peace just as much as does the Senator from North Dakota. I sometimes think I have a greater desire for peace than he has.

If what has just been said is true, will the Senator from North Dakota tell the rest of us Senators—we who do not know about these international questions, we who do not have access to avenues of secret influence which some Senators seem to possess—what anybody in this Government is doing to bring about war in Europe? If the Senator will help point him out, I will—

Mr. NYE. Why, Mr. President, we have seen officials of the United States Government stand up on this side of the Atlantic and, with their thumbs to their noses, seemingly twiddle their fingers and apply names to those on the other side of the Atlantic. We have seen examples of that kind again and again and again. We have seen men rise and heard them say, "We dislike this government and we dislike that government. We do not want anything to do with it. We will not tolerate its theories." Then the Senator from Texas asks, "What is our Government doing to make more difficult the accomplishment of peace in Europe?" when Europe, since the experience at Munich, is obviously settling down to the task of ironing out its difficulties without resort to war.

Mr. CONNALLY. If the Senator will permit me to continue, I did not quite finish my question.

If the Senator will point out anybody in a responsible position—I am not talking about lecturers on Chautauqua circuits, and things like that, who express an opinion, but I mean any responsible officer of the United States Government—any officer of the State Department, President, Senator, Representative, anybody who has any authority and whose word carries any weight, who is seeking to meddle in the political affairs of Europe, seeking to bring about a war, seeking to interject America into a war or to foment a war, I shall be the first man to assist in pillorying him and arraigning him before the bar of his country for these unworthy, improper actions.

I should love to know who is doing anything of that kind. I should love to have the Senator tell us who it is. I do not know. Who is it?

Mr. NYE. It is very strange that the Senator from Texas does not know. He seemingly has not read the addresses of Members of the Cabinet in this administration, addresses by men who hold high positions, ranking positions in congressional circles, who have given vent to feelings of displeasure and distrust that can have no other effect than to provoke a misunderstanding and a lack of understanding that is not going to be to the advantage of Europe, or, more than that, to the advantage of the people of the United States.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Florida.

Mr. PEPPER. In a civil society, we protect what we call the privilege of free speech; that is to say, the right of the individual citizen to get up and say that he is opposed in principle to a certain course of action. I hope there is no prohibition in the mind of the Senator from North Dakota against American citizens, or even American officials, saying in the world forum, as it were, that they do not approve the course of a nation that makes force an instrument of national policy; that they do not approve any nation that literally makes a scrap of paper out of a sacred treaty; that they do not approve a people who destroy the privilege of freedom of religious worship; that they do not approve the policy of a government that obliterates the principle of self-determination, which we know as the right of the individual citizen to have something like freedom in his individual life. The Senator is not shocked that American citizens should express opinions such as that in the world forum, is he?

Mr. NYE. No. What does shock me is that men who occupy positions that are high in the administration, those who more directly shape its foreign policies, give themselves over to utterances of that kind, and are not challenged, are not in anywise interfered with by the administration. There is no word of protest against such utterances.

Mr. PEPPER. Mr. President, will the Senator yield only once more?

Mr. NYE. I yield.

Mr. PEPPER. At least contemporaneously with utterances that have emanated from this country, if not prior to utterances from this country, did not the dictators of Europe sneer at the "weak, inefficient, impotent" democracies of the world?

Mr. NYE. I do not know. We have had reports to the effect that they have done so. It would not surprise me if they have. They certainly have been invited upon endless occasions to pay their disrespects to some particular democracies.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator from Indiana.

Mr. MINTON. Does not the Senator think the things he has been pointing out are evidences of antagonism toward a government rather than expressions of a policy to intervene in the affairs of a government?

Mr. NYE. Antagonism toward a government?

Mr. MINTON. Antagonism toward a government; yes, or policies of a government, by individuals, rather than the advocacy of any policy of intervention.

Mr. NYE. The language has not always taken on that hue at all.

Mr. MINTON. Has anybody, so far as the Senator knows, advocated our intervention in the affairs of Europe? That is what the Senator has been talking about. I have been listening, trying to find out who it is.

Mr. NYE. No; I have not argued that anyone was calling for intervention in Europe on the part of the United States.

Mr. MINTON. I asked the Senator awhile ago that very question; I had it written out; and he told me to postpone the question for a few minutes and he would tell me. I am listening, and the Senator has not yet told us.

Mr. NYE. I am placing this article by Mr. Bess in the RECORD for the purpose of substantiating the belief, the fear that exists in Europe that the United States is getting ready to push Europe into something that Europe herself does not want to be moved into.

Yesterday I was challenged on the floor of the Senate because I had made a statement that it was my opinion that there would not be any war in Europe this spring, this year, or next year, unless and until the United States was ready to give the word "go", or until Europe was ready to assume that the United States would be ready to pitch in and lend a hand when the time came.

I want to show, contrary to the contention which has been offered in the Senate, that I am not the only one who is entertaining that kind of conviction; but that if I am dealing in palaver, in irresponsible language, careless language, flip-pant language, loose, prejudicial, alarming, and unsubstantiated language, there are others who are doing likewise.

It has been argued that there was not foundation for the statement that was mine. I am offering this article by Mr. Bess as convincing evidence that there is foundation upon which one may build a declaration that the future of Europe, its immediate future, is very largely in America's hands today.

Mr. MINTON. Mr. President, did I misunderstand the Senator a while ago? When I asked him the question, Who in America is advocating our intervention in the affairs of Europe? did I misunderstand the Senator when I thought he said that somebody in America was advocating our intervention in Europe, somebody in official position?

Mr. NYE. My undertaking was to declare that there were those who were saying things and doing things which had a tendency to carry us off in the direction of intervention in Europe, and by word of mouth there is a degree of intervention; yes. Certainly, through the mouths of some of our spokesmen in this country, we are not conducting a mind-our-own-business policy, as Europe is evidently hoping and wishing so much we would.

Mr. MINTON. What I am trying to ascertain is whether or not someone in this country is advocating our intervention in the affairs of Europe.

Mr. NYE. I have heard no such advocacy.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. NYE. Gladly.

Mr. CLARK of Missouri. Has the Senator read the repeated statements in the columns of some of the columnists who may be taken as almost professional boosters of the present American Ambassador to France, Mr. William Bullitt, in which they repeatedly boast that Mr. Bullitt is an unofficial member of the French Cabinet, just as the boosters of Mr. Walter Hines Page, after he had participated in the involvement of the United States in the World War, said he had been an unofficial member of the British Cabinet during the time he was accredited to that Government?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NYE. In answer to the Senator from Missouri, later on I shall read from Mr. Bess' article a reference to how Europe looks upon the utterances of Mr. Jay Franklin as those of an American writer who is presumed to be very close to the throne here in America.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. BARKLEY. I do not happen to know much about Mr. Demaree Bess, which may be an indictment of my general fund of knowledge; but I have no doubt that, if given a little time, any of us here could produce an article in some other magazine taking exactly the opposite course from that which is being taken by this particular writer in the Saturday Evening Post. It will take more than the opinion of any writer in any magazine to convince me that Europe is becoming impatient with anything we are doing or saying in the United States.

I do not know who began this face-making business, whether it was somebody in Europe or somebody in the United States, the expressions of opinion not approving certain forms of government. I remember that for a long time we did not accord recognition to the Government of Russia because we did not approve the form of government they had, the policies they advocated. That might have been regarded as sticking our nose into the internal affairs of Russia, and a good many people took the position that we had no right to withhold recognition because we did not approve their form of government.

I remember that when I was a much younger man there were Armenian troubles across the seas, and men in public places, distinguished men whose word carried weight, spoke and wrote against the atrocities which were being visited upon the Armenians.

We have not always kept our tongues when something was in progress somewhere in the world which we regarded as an invasion of the rights of the people or as an act of injustice or brutality.

I did not hear the speeches, and probably would not have understood them if I had heard them unless I had had an interpreter, but I have heard of speeches being made in certain countries of Europe by the responsible heads of the governments referring to congresses and parliaments as "gab-fests," as indulging in parliamentary gabble and prattle, and heaping opprobrium upon the democratic theory. That was just as much an injection of their opinions into our domestic affairs as it is to take the opposite course when defending democracy—which is under widespread attack all over the world from insidious invasions—mental, physical, or otherwise, of the theory which we hold dear, and for which our Nation is supposed to stand.

I do not think it is quite fair to say that because outstanding citizens, or even members of the Cabinet in delivering addresses, express their views as to a preference between democracy and dictatorship, between the right of all the people to participate in their government and the right of only one or a small group to dictate to them, that is necessarily an injection of themselves into the internal affairs of any other nation. It is a defense of the theory upon which our Government is based. It is an intellectual defense, it is a defense in reason and in morality, and when it is tendered in language which is appropriate, I think it is worthy of our institutions.

It seems to me it would be a sad world, indeed, if anyone who had the capacity to discuss these principles and these policies, and the difference between democracy and autocracy, should have his mouth closed for fear he might offend someone in some other country who did not agree with him.

Mr. NYE. Mr. President, I wish to restate the purpose which is mine in offering this informative article for the RECORD, for the information of the Senate. I should not be undertaking it, I should not be taking the time of the Senate, except for the fact that the record as it stands today indicates that my declaration that Europe's peace was so largely dependent upon the United States keeping its hands off was justified, more than justified; that there are others, many others, who are entertaining a like conviction, and that it is not a matter of recklessness, it is not a matter of palaver, it is not a matter of flippancy, which prompts me, any more than it is such a thing that prompts others to give voice and vent to their feeling as to the direction that is being pursued in an international way today.

Mr. WALSH. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield.

Mr. WALSH. Has not the Senator heard on the floor of the Senate, and has he not read in the press and heard from many sources, including, perhaps, innumerable letters, statements, and arguments, to the effect that it would be the duty of this country, in the event of war or threatened war in Europe between Germany and Italy on the one side and Great Britain and France on the other, to lend aid, to lend money, as one Senator said today, to give our moral support, and be prepared to go to war, if necessary, to defend our democracy?

Mr. NYE. We have heard that.

Mr. WALSH. How can anyone expect the Senator from North Dakota and others who feel that that is a dangerous and destructive and war-provoking attitude to remain silent and not raise their voices in protest against such propaganda?

Mr. NYE. I thank the Senator. Of course, I cannot remain silent when, as has been done by some in this country, my motives have been questioned in my expression of the belief to which I gave utterance day before yesterday.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. NYE. Most happily do I yield.

Mr. CLARK of Missouri. When we have heard in the Senate, or as American citizens read in the newspapers, and seen an officer of the President's Cabinet, as did Secretary Ickes last fall, indulge in terms of billingsgate against a nation with which we are at peace; when we hear the chairman of the Foreign Relations Committee of the Senate of the United States on every possible occasion make the most provocative possible statements with regard to nations with which we are at peace; when we hear a Senator respected by everyone in this body rise here, as he did today, and with great intrepidity ride through blood up to his bridle bits in this Chamber and gallantly say he was not afraid to send every American boy to die on foreign fields—if that statement and that succession of statements are not challenged in this body, would not every other nation in the world be entitled to take them as expressive of the undivided opinion of the American people?

Mr. NYE. I thank the Senator.

Mr. BARKLEY. Mr. President, if the Senator will yield to me on another matter—the Senator from Massachusetts [Mr. WALSH] has left the Chamber, but he suggested earlier in the day that he hoped the Senate might adjourn early tomorrow in order to permit Senators to attend the dedication of the *Yankee Clipper* at Bolling Field in the District of Columbia. I had shared in that hope earlier, but I wish to say at this time that in the absence of the possibility of concluding the consideration of the pending bill today I do not think we would be justified in recessing or adjourning early tomorrow in order to permit Senators to attend some function while we are still working on the bill with the hope that we may pass it tomorrow. It is perfectly obvious that we can do very little on Saturday because of the joint cele-

bration of the one hundred and fiftieth anniversary of the beginning of Congress. Therefore I hope we may devote ourselves diligently to the bill tomorrow in an effort to conclude its consideration.

I hope to secure an agreement later for a limitation of debate tomorrow after some hour which may be agreed upon.

Mr. WILEY. Mr. President, will the Senator from North Dakota yield for a question?

Mr. NYE. I yield.

Mr. WILEY. The Senator made the remark, "If America would keep her hands off." In the exchange of remarks which has taken place just now has that phrase, "If America would keep her hands off," been satisfactorily explained, or clarified, or is there something else in the picture which we do not understand?

Mr. NYE. Mr. President, a keep-hands-off policy can mean so much that separate consideration is owing to that subject alone. This afternoon I am trying to confine myself to a picture of those things which are taking place, which have the result in Europe of causing people to question what are the American motives. What is America's interest? What is America going to do in the present emergency? There are those who are giving testimony upon testimony that Europe is praying for us to keep our hands off, and keep out, and let them settle the thing now, as they think they can do it, without resort to war.

Mr. WILEY. I thank the Senator.

Mr. NYE. I wish greatly that the Senator from California [Mr. JOHNSON] were now present, if for no other purpose than to hear the one paragraph I am about to read:

This apprehension might well extend also to every American who wants to prevent his country from getting into, or even actually precipitating, a European and a World War. I believe that the events of the past few months, since the Munich settlement, can be woven into a strong argument to support the thesis that uncertainties and shifts in American foreign policy are more dangerous today to world peace than any other factor in the world situation.

"What a loose, flippant statement," I suppose some would say.

Unless the American people understand and exercise control over individuals and forces which are impelling them today into the thick of power politics, we may find ourselves not only participating in a European war, as we did in 1917, but actually starting one.

There are three elements which are contributing largely to the creation of this new and dangerous American foreign policy. The first of these is an immense increase of popular interest in foreign affairs, due to the perfection of such new mediums of communication as radio broadcasting and talking newsreels. This popular interest is, naturally, not yet well informed, because these new mediums, so far, have generated more heat than light. In the hands of unscrupulous agitators, our new emotional attitude toward Europe can be exploited for sinister purposes.

One of my American acquaintances, who has worked in Europe for years, told me about an experience he had a few months ago when he went back on a visit to his home in Kansas. The last time he was in Kansas, he said, the people hardly knew Europe existed, and certainly it had never entered their heads that it was their business to do anything about the nonsense which goes on over there.

But Kansas has been transformed, our exile reported. The Kansans have discovered Europe, and are taking their discovery very seriously. My American acquaintance visited his aged grandmother in a small Kansas town, and found her very much wrought up indeed. She had acquired a tremendous hate for Benito Mussolini. The old lady has always been contrary, her grandson declared, so she picked out Mussolini as her pet hate, because all the other Kansans in that little town were engaged in hating Adolf Hitler.

POLITICIAN'S FIELD DAY

"Grandma still has a very active mind, despite her age," her devoted grandson told me. "She was thinking about organizing some kind of crusade to rescue the poor Italians from Mussolini. I said to her: 'But, grandma, I don't believe you ever saw an Italian. Why are you so excited about them?' And she replied: 'I don't like that man Mussolini. I don't like the way he talks on the radio, and I don't like the way he acts in newsreels. I get mad every time I see his picture. I don't like the way he picks on those poor Italians, turning them into his slaves.'"

This old lady in Kansas might have gone on cheerfully all her life without worrying about Mussolini and the Italians if the radio and talking newsreel had not come along to stir her up.

But the old lady in Kansas, and millions like her, are being aroused by something more than new mediums for making Europe vivid to them. All sorts of persons, sincere and insincere, organ-

ized and unorganized, are exploiting the new feelings of our people for all they are worth. The activities of these individuals and groups constitute the second element influencing our foreign policy.

The intense emotional reaction of our people to German anti-Jewish outrages has provided a field day for our politicians, local and national. Naturally, they are not going to overlook such an opportunity to win easy applause, whether or not they really have any feelings about the matter. Only responsible politicians worry about the future of their country; irresponsible ones are thinking only about their own present.

And our country, like every other country, possesses its full share of irresponsible politicians. They are feeding the violent popular prejudices and passions in every part of our country. Some of them act like this simply because they want to achieve a little easy popularity; some give way to their personal emotions without any thought of the consequences to their country. There is nothing new about this; irresponsible politicians have always acted this way. But such action is more dangerous now, because of the critical world situation, than it has been in the past. Prof. Tyler Dennett once summed up American foreign policy in a single sentence, "If we are asked to put up or shut up, we do neither." We have been able to apply such a policy in the past, but it is a question whether we can still do so in the future. Lack of restraint is never an admirable quality; in an emergency it may prove disastrous.

In addition to politicians, whose actions usually are more irresponsible than calculated, the United States is honeycombed with organized minorities and interests which seek, for one reason or another, to involve our country in European politics. Several of these minorities have intensified their activities since the Munich settlement, because that settlement represented for them a disastrous defeat. The sincerity of most of these groups is not questioned; their sincerity makes them all the more effective in persuading the American people that it is their duty to intervene in the affairs of Europe.

The largest of these minorities is that rather unwieldy mass known as anti-Fascists. This group includes a little bit of everything, but its hard core is the Communist Party. To the Communists the peace of Munich was a crushing blow. European Communists have been playing a central role in European power politics for years as the pawn of Soviet Russia. The Munich settlement smashed them flatter than a pancake and pushed Russia out of Europe. Even worse, the peace of Munich granted Germany a free hand in eastern Europe and practically invited her to carve a piece out of Russia if she could.

Communists in the United States and everywhere else naturally are going to do everything possible to head off Germany before she gets her hands on the Soviet Ukraine. To Communists Russia is the "Socialist fatherland," more dear to them than their own countries. They are internationalists in theory, but in practice they are Soviet Russian patriots of the most chauvinistic type. A convinced Communist would never hesitate to do anything possible to drag his own country into any war anywhere on the side of Russia. American Communists have built up a whole flock of subsidiary organizations, camouflaged so as not to scare off timid people, but all designed to swing sentiment in our country behind Soviet Russia and against Russia's actual or potential enemies.

BELLIGERENT PEACEMAKERS

Another large and even more unwieldy minority which wants the United States to play an active part in European power politics is that which believes in preventive war of one kind or another. The center of this group at present is the belligerent wing of our so-called peace societies. These good people were bewildered for a time, after the peace of Munich, but now they are once again in full cry. The German outrages have given them another chance. Most of these societies have international affiliations, and one can, perhaps, see what they are doing more clearly in Europe than in the United States, because their central committees are located in Europe.

The majority of members in their European branches belong to political parties which oppose the present governments in France and Great Britain, and disapprove the whole policy of appeasement. For that reason, they are eager to convince their own people that the United States will line up with European democracies against Germany, Italy, and Japan if only the European democracies drop their appeasement policy. The actions of the American groups, whether they are aware of it or not, are tending to bring us not only into European international politics but also into the domestic politics of the European democracies. We Americans, who are resentful of the slightest hint of European interference in our own domestic politics, are now being persuaded that we should take sides in the domestic politics of European democracies.

Many other American groups have an interest, emotional or calculated, in pushing our country into European politics. Our large Jewish population, naturally, cannot remain neutral in questions involving National Socialist Germany, which has dubbed itself the "anti-Semitic fatherland." They would be more than human if they remained aloof from European disputes, at least in spirit. Our population is compounded of racial groups which have their roots in Europe, and the influence of such groups must inevitably be felt in times of flux and emergency.

MINIONS OF MARS

Our politicians and reformers have persistently warned us in the past of the pernicious influence of munitions interests. We

haven't heard much about that influence recently. But does anyone imagine that munitions interests are anxious to throw oil on the troubled waters at a time when the majority of Americans have been persuaded that we need more of every kind of defensive weapon—ships and guns and airplanes, submarines, and tanks? And will our big Navy people, our preparedness people of every kind, miss such an opportunity to play upon our fears and our wrath? These people assure us that they are doing it all for our own good, and thus justify to themselves preposterous exaggeration of imminent perils from abroad.

But the widening sympathies of the American people for Europeans and their problems, and the persistent insidious efforts of organized minorities to use those sympathies to lure us into other people's quarrels, might still not be a menace to the peace of our country if a third element did not exist which, combined with the other two, seems to constitute a high explosive of incalculable danger. That third element is the gradual development in the minds of some of our influential political leaders of a messianic complex. Evidence accumulates that a notion is gaining ground in Washington that the American people are destined to inspire and assist one group of European nations to fight with another group.

Last December a Paris newspaper quoted Jay Franklin, described as "spokesman for President Roosevelt's New Deal advisers," as portraying an amazing picture of the foreign policy being worked out at Washington since Munich. The forthcoming visit of the British King and Queen to the United States, said Mr. Franklin, is the first development in a duel between the United States and Germany for influence over the British Empire. He added: "American success in this duel will realign British policy with that of the democratic nations of the western world. Failure may well result in the disguised partition of the Empire into two spheres of influence—with the self-governing Dominions following the lead of Washington and relying on America for defense, and the Asiatic and African possessions of Britain drifting under joint Anglo-German hegemony." He then added this almost incredible statement:

"The object of Roosevelt diplomacy is to use the common sentiments and free institutions of England, the Dominions, and the United States to resolidify the Empire as a major political institution, and so to reestablish the United Kingdom as our 'buffer state' against European aggression."

This pronouncement of some of our master minds in Washington was read with bewilderment and concern by those Europeans who still hope for peace. Knowing their own history, Europeans were better equipped than most Americans to understand what such an American policy would mean. It would mean that the United States would assume a dominant role in European power politics. It would mean that the United States would step into the role of arbiter of Europe, so recently vacated by Great Britain at the Munich conference. It would mean the United States would presume to interfere in the domestic politics of certain European countries to compel them to change their foreign policies to suit the wishes of the United States. In the end, of course, it would mean war.

No wonder that Europeans, reading such pronouncements from Washington are becoming increasingly alarmed by the prospects of another American intervention in Europe's affairs. No wonder that the minority parties in Great Britain and France, who resist the policy of appeasement, are beginning to turn with renewed hope toward the United States. After the Munich settlement, those minority parties thought that their countries had forfeited any chance of assistance from the United States. In those days, British and French Socialist and liberal parties turned hopefully toward Soviet Russia, and never mentioned us. But now we have come back into their political picture again. Last December, the leader of the French Socialist Party, M. Léon Blum, successfully urged a majority of his followers to approve a resolution calling for an alliance with the United States and Soviet Russia, and to turn down a resolution calling for bargaining with Germany. The rumors about our new foreign policy became so disturbing to the British statesmen responsible for the appeasement scheme that they sent Capt. Anthony Eden, former British Foreign Secretary, on a hurried visit to the United States to report just how matters stood. It would be interesting to know what Captain Eden reported to Neville Chamberlain when he returned from America.

THE MESSIANIC COMPLEX

Messianic complexes can get a powerful hold upon nations as well as upon individuals. And history shows us that the results invariably are disagreeable, if not disastrous. Skimming recently through H. G. Wells' Outline of History, I came upon a passage dealing with the conception of the "white man's burden," which seemed peculiarly appropriate to some of the present American tendencies in foreign policy.

In the closing years of the nineteenth century, Mr. Wells recalls, the peoples of Europe got the idea that they were somehow superior to all other peoples, and it was, therefore, assumed to be a natural and inevitable thing that all the world should fall under European domination. Mr. Wells then quoted the passage which seems relevant to our own situation today: "With a reluctant benevolent effort the European mind prepared itself to take up what Rudyard Kipling called 'the white man's burden'—that is to say, the lordship of the earth. The powers set themselves to this enterprise * * * with half-educated or illiterate populations at home, with a mere handful of men, a few thousand at most, engaged in scien-

tific research, with their internal political systems in a state of tension or convulsive change, with a creaking economic system of the most provisional sort, and with their religions far gone in decay."

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. LUCAS. For fear that they may be some misunderstanding, in view of some of the remarks which have just been made in debate between certain Senators on the floor as to why I made the speech on the floor of the Senate yesterday, and in view of the fact that I think part of the argument has gone far afield of the inquiry I made in my speech of yesterday, and in view of the fact that I do not disagree with the Senator from Missouri [Mr. CLARK] or the Senator from Massachusetts [Mr. WALSH] with respect to what should be done on the part of the United States of America to avoid the possibility of sending American boys into foreign fields, I again, Mr. President, want to refer to the statement made by the junior Senator from North Dakota on the floor of the Senate day before yesterday. This is the statement which provoked the speech made by the junior Senator from the State of Illinois.

Up to this time that statement has not been explained sufficiently to convince me. The statement which was made then is as follows:

I am more and more convinced that there will be no war in Europe this spring, this year, or next year, unless the United States encourages, urges, and eggs Europe on to it. There will be no war in Europe unless the United States shows a definite will to help out when war comes, and an inclination to finance it. There will surely be a war in Europe—

So the junior Senator from North Dakota says:

when the United States gives the word "go" and gives Europe reason to anticipate that the United States will be standing by and ready to go on when the hour comes.

The question I asked, to which I desire an answer, as other Senators on the floor would like an answer, is: Who is it in the United States Government at the present time who is going to give that word "go"? It seems as though the Senator from North Dakota has the answer, and if he has it, I am interested, and he is interested, the Senate is interested, the people of the United States of America are interested to know if some sinister influence exists in this country which is ready to give the word "go" and which controls the destiny of Europe so far as a world war is concerned.

Mr. NYE. I would, if there were call for it, reiterate my statement of day before yesterday, which has just been quoted. Every hour there comes to me a stronger conviction that today peace in Europe is very, very largely dependent upon the ability of the United States to keep its hands out and its nose out of European affairs, and I say that without undertaking to indicate that there might not arise circumstances abroad which would find us wanting to alter that kind of a position. But I want to have the question weighed long and carefully before ever we permit ourselves to do what we were made to do some 20 years ago, with no good result that we can point to today as a consequence of our action.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. NYE. I yield.

Mr. LUCAS. I agree with the last statement made by the Senator from North Dakota; but that does not answer the question.

Mr. NYE. The Senator is going to get an answer, and a very direct answer, to his question before this day is over.

Mr. LUCAS. Very well. I think the Senate of the United States and the people of the country are entitled to a full explanation of that statement; for, if there are any officials in this Government, from the President down, who are at this time ready to say the word "go," so far as involving America in a European war is concerned, certainly the junior Senator from Illinois, as well as the junior Senator from North Dakota and everyone else, want to know about that.

As I said in my speech yesterday, insofar as I am concerned, I will vote billions of dollars if necessary for an

adequate national defense of this country to the end that no foreign intruder, whether he be from England or France or Germany or Italy or any other nation, shall ever step his belligerent foot upon American soil, but I will not vote one dime to send American boys across the sea to pull the chestnuts of any nation out of the fire. Because of my views and because I considered that the Senator from North Dakota made a most serious and grave statement, I felt that it was my duty to challenge his position, and I still call at this hour for an explanation of the statement made by him.

Mr. NYE. Mr. President, I wish to hurry so I may get to my more direct answer to the Senator from Illinois. I read the concluding paragraphs:

Mr. Wells, the historian, finds it hard to believe that men could be so naive as his fellow Europeans were in the late nineteenth century. He shows that a few men had selfish interests in encouraging the conception of the white man's burden, but that the European peoples as a whole sincerely believed that they were entrusted by destiny with an obligation to manage the affairs of the races of Africa and Asia for the good of the Africans and Asiatics.

MINDING OUR OWN BUSINESS

Perhaps some future historian will find equal difficulty in understanding the similar belief which has got hold recently in the United States, the belief that Americans are destined to rescue some of these same European nations from their enemies, to uphold one set of European nations against another set because one set is labeled "democracies" and the other set is labeled "dictatorships." Some of our leaders and some of our organized minorities are urging us to take up the burden of saving democracy by invading Europe again.

That is a pretty careless remark on the part of this eminent author.

We are being urged to do this when our domestic situation offers all sorts of complications; when we have enough uncompleted work at home to keep us busy for generations, just as the European nations had when they assumed the "white man's burden."

The majority of men and women in European democracies have made it clear since the peace of Munich that they don't want to be rescued from their own statesmen by the American people or any other outsiders. They do desire, if it is possible, to make a peaceful deal with the "have not" powers, which happen also to be dictatorships. They are endeavoring frantically to make such a deal without giving up too large a share of the spoils in the World War of which the "have not" powers now demand a cut. This bargaining process is very painful, and we may expect to hear loud yelps from Europe for some time.

It seems to be a suitable moment for the United States to stay completely out of European affairs, instead of thinking up all sorts of new schemes for getting into power politics under the guise of crusades. But certain types of reformers are incorrigibly determined to reform other people whether they like it or not. I am reminded of a remark I heard one evening in Moscow by Hal Denny, correspondent for the New York Times. The Bolsheviks had simultaneously announced a new "democratic" constitution and the arrest of several hundred political opponents. Said Denny: "These Bolsheviks are going to give their people democracy if they have to put them all in jail to do it." Some of our reformers are determined to give other peoples democracy, even if they have to wage a world war in the process.

I submit the article as a whole as being most worthy of the reading of every Member of this Congress.

Mr. President, may I inquire how long it is intended that the Senate shall remain in session? For the information of the majority leader, I have yet to deliver remarks which I anticipate will require an hour, if not a little more. Naturally, I should much prefer to resume tomorrow. However, if the Senator is desirous of continuing the session and thinks that by proceeding further tonight we may finish our work tomorrow afternoon in time to take advantage of the invitation which has been extended to visit the Clipper, I am willing to proceed.

Mr. BARKLEY. Mr. President, we cannot finish our work tomorrow in time to take advantage of the suggestion to adjourn in order to see the christening of the Clipper. As I said a while ago in response to the question of the Senator from Massachusetts [Mr. WALSH], inasmuch as we probably cannot do anything more on Saturday than to engage in the joint celebration in the House Chamber, I do not feel that we ought to adjourn tomorrow in order to attend the ceremony in connection with the christening of the Clipper, unless consideration of the bill should have been finished. I do not see any hope of finishing it in time to do that.

Mr. WALSH. I understand the Senator's position, and I concur in his judgment.

Mr. BARKLEY. I am anxious that we conclude the consideration of the bill tomorrow. Otherwise, it will have to go over until Monday. Other legislation is coming on. When the Senator began this afternoon, I was advised that he expected to occupy only an hour or an hour and a half.

Mr. NYE. The Senator has observed what has been happening in my time.

Mr. BARKLEY. Yes. Of course, Senators always try to be courteous. However, we all have control of our time. I had hoped that beginning at 1 o'clock tomorrow we could have a limitation of debate during the rest of the consideration of the bill. If the Senator has another hour of remarks in his system, I shall not try to keep the Senator here long enough to finish tonight. I did hope to continue until 5 o'clock.

Mr. NYE. I certainly should not want to proceed at this time for only 10 or 15 minutes.

Mr. WALSH. Mr. President, how many more speeches will there be?

Mr. BARKLEY. Each new day brings a new problem. There are to be at least two or three more that I know of, and there may be others that I do not know of.

Mr. WALSH. One inspires another.

Mr. BARKLEY. I have no way of projecting my eyes into the bosoms of my colleagues and seeing what is going on there. My guess is that four or five more speeches are on tap.

Mr. NYE. If I should conclude tonight, would that mean that I alone would be responsible for failure on the part of the Senate to enjoy the program tomorrow; or does the Senator feel that others would be responsible as well?

Mr. BARKLEY. Frankly, I do not feel that we can get through under any circumstances in time to attend the ceremony tomorrow.

Mr. NYE. I thank the Senator.

Mr. LUNDEEN. Mr. President, will the Senator yield?

Mr. NYE. I yield to the Senator.

AVIATION UP TO DATE

Mr. LUNDEEN. In line with the statement of the majority leader, the able Senator from Kentucky, I think as many Senators as possible should see the Clipper. I think it is in line with the program which we are now discussing. I am an aviation enthusiast. Aviation is a weapon of defense. It is not a weapon which can be launched across the Atlantic and the Pacific Oceans with bombs to drop upon another country. There is not a plane built today in possession of any nation that can carry a full crew, a full load of bombs, and gas enough even to cross an ocean let alone returning to its base after gaining its objective. Every time you put a bomb on board and put men on board you take off gas. Everyone knows that, or should know it. Aviation is purely a defensive weapon to protect our coasts. I think we should go and see the new developments in aviation for our own instruction.

DEFENDING FRENCH IMPERIALISM

While I am on my feet, so long as the Senator has read about defending democracies in Europe, I ask, just what democracies are referred to? I do not want to go into that question at any length. It seems to me that the nations which are referred to as democracies are empires—world-wide, far-flung empires. France is an empire. That empire has been won by conquest and aggression. The swords of the French imperialists are dripping with blood. They have acquired their territory by aggression. That empire extends into Asia, Africa, and America. It is not European alone; it is world-wide. France is an empire won by aggression and war, and everyone knows it, or should know it.

DEFENDING BRITISH IMPERIALISM

The far-flung Empire of Britain, scattered over one-third of this mighty earth, upon which the sun never sets, was won by aggression and war. It was won by bloodshed, won by swords dipped into the blood of nations now enslaved by

that empire; and yet we hear Senators and Representatives talk about defending these "democracies"! If that be democracy, God save the word!

We have a democracy here. Let us save that democracy. Let us attend to our own affairs and preserve and protect our own people, including our 12,000,000 unemployed.

WE ARE SWORN TO UPHOLD OUR OWN DEMOCRACY

If we enter another destructive world war, democracy may disappear from the earth. We may scrap our own institutions. We may ruin the work that our fathers and founders laid down in this country, which they have bequeathed to us, which it is our sacred duty to uphold, and which we are sworn to uphold.

I am weary of hearing about defending democracies which are nothing but bloody, aggressive empires, which hold hundreds of millions of enslaved people under their imperial rule. We are still nursing our wounds from the last war "to save the world for democracy." We are still trying feebly to collect billions of unpaid war debts which the debtors solemnly promised to pay, but never paid; and yet they have the nerve to come over here to us now and ask us again to defend their democracies—democracies, indeed!

Mr. BARKLEY. Mr. President, I do not desire to get into an argument over the relative merits of various democracies, especially in connection with the christening of the Clipper, which is the subject about which we are talking.

I hope all Senators can see the Clipper. I do not think it makes much difference whether we see it when a bottle of champagne is being broken over it or later. I think it would be very educational for us to look at it and examine it minutely.

In all seriousness, I do not feel that we ought to adjourn tomorrow around 2 or 3 o'clock, with the bill still undisposed of, in order to see the Clipper unveiled, dedicated, or started on its hectic career.

Mr. CLARK of Missouri. Or splashed.

Mr. BARKLEY. Or splashed. [Laughter.]

It is now 4 minutes to 5. Inasmuch as the Senator from North Dakota [Mr. NYE] does not wish to conclude this afternoon, I shall not punish him by insisting upon it.

Mr. NYE. I thank the Senator.

Mr. BARKLEY. However, I hope the Senator will help us dispose of the bill tomorrow. I should be perfectly willing to have the Senator insert in the Record the entire article to which he refers.

Mr. NYE. That has already been done.

Mr. President, is it the understanding that I shall be recognized tomorrow when the Senate convenes?

Mr. BARKLEY. Not knowing what was in the Senator's mind, I had spoken to the Senator from Missouri [Mr. CLARK] and also to the minority leader and other Senators about agreeing to a limitation of debate tomorrow, beginning at 1 o'clock. The Senator from Missouri desires to speak for about 30 minutes. The Senator from North Dakota says he has an hour left. Would it be possible today to enter into an arrangement by which, beginning at 2 o'clock tomorrow, we could limit debate to 20 minutes on the bill and on the amendments?

Mr. NYE. I should have no objection.

Mr. McNARY. Mr. President, personally I have no objection. I should like very much to conclude the consideration of the bill tomorrow. I do not know how my very able colleague from Minnesota feels about the matter.

Mr. BARKLEY. I will say to the Senator that yesterday I consulted the Senator from California [Mr. JOHNSON], and he assured me that if we did not conclude consideration of the bill today, he would agree to a limitation of debate tomorrow.

Mr. McNARY. I am sure there is no objection from that source.

Mr. CLARK of Missouri. Mr. President, let me say to the Senator from Kentucky that I have no disposition on earth unduly to delay the consideration of the bill. I have some observations which I desire to submit. I am not certain how long it will take me to do it, because I do not know how

much interruption there will be. I have waited until a late stage of the debate because, in addition to the observations which I wish to make on the subject under discussion, I wish to address myself to the first committee amendment, namely, that providing an increase in the authorization of planes from 5,500 to 6,000. In that connection I wish to discuss also a limitation which I desire to suggest on the amount of the dollar authorization.

As I have said and as I am sure the Senator knows, I have no desire on earth to delay consideration of the bill. However, in view of the fact that another Senator has the floor, I am not willing to tie myself down to one speech of 20 minutes' duration after 2 o'clock, because I do not know when I shall be recognized.

Mr. BARKLEY. I appreciate the situation. I have no desire to cut off the Senator or to shorten the time he wants to occupy.

Mr. CLARK of Missouri. I certainly have no desire to use more time than is necessary.

Mr. BARKLEY. At the same time, I think debate on this bill has been pretty liberal. There has been no attempt to restrict it. Unless we can enter into an agreement about limitation we cannot finish the bill tomorrow, which will mean that it will go over until next week.

Mr. CLARK of Missouri. I certainly am not willing to tie myself down to one speech of 20 minutes after 2 o'clock, because I do not know whether or not I shall have a chance to be recognized before 2 o'clock; and I say that while my remarks may not take more than 30 minutes, they may take an hour.

Mr. BARKLEY. Very well; I shall not make the proposal.

Mr. CLARK of Missouri. I assure the Senator from Kentucky that I have no desire to consume very much time.

Mr. BARKLEY. Will the Senate agree that at the conclusion of the speech of the Senator from North Dakota [Mr. NYE] and at the conclusion of the speech of the Senator from Missouri [Mr. CLARK], he to be recognized following the Senator from North Dakota, we shall then impose a limitation?

Mr. CLARK of Missouri. I certainly shall have no objection to that. I may say to the Senator from Kentucky that I have no desire to take a great deal of time, but in view of the fact that I may be interrupted I do not desire to tie myself down in advance.

Mr. McNARY. Mr. President, I think we had better let the matter go over until tomorrow.

EXECUTIVE SESSION

Mr. BARKLEY. Very well. I shall not press the matter now, but I shall renew the proposal in the morning.

I now move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). The clerk will state the nomination on the calendar.

POSTMASTER

The legislative clerk read the nomination of Levi G. Bassett to be postmaster at Louin, Miss.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

That concludes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 2 minutes p. m.) the Senate took a recess until tomorrow, Friday, March 3, 1939, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate March 2 (legislative day of February 27), 1939

POSTMASTER

MISSISSIPPI

Levi G. Bassett, Louin.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 2, 1939

The House met at 12 o'clock noon.

The Reverend James A. Fitzpatrick, Order of Preachers, Dominican House of Studies, Washington, D. C., offered the following prayer:

Omnipotent and merciful God who has vouchsafed to make known the truths and the principles which alone afford the proper perspective to the lives of individuals and of nations, and which alone exercise that directive influence which restrains greed, condemns lawlessness, and exalts righteousness, look with favor upon the Members of this legislative body whom Thou hast raised to the dignity of being co-operators with Thee in the establishment and extension of Thy kingdom of justice and of love among men.

We are not unmindful of Thy manifold benefactions in our regard. Thou hast placed at our disposal an abundance of natural resources; Thou hast caused us to be born to live under a form of government which recognizes the sacredness of human personality, safeguards the inalienable rights of individuals and of families, and guarantees intellectual and religious freedom.

At this time when contrary ideologies are prevailing in other parts of the world and by infiltration are endangering our own, we beseech Thee graciously grant to all those to whom the destiny of this country is entrusted the prudence and the courage necessary to resist these hostile influences so that we may continue to be a people pleasing and acceptable to Thee.

Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

EXTENSION OF REMARKS

Mr. WARREN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Christian Science Monitor of March 1 on the new reorganization bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a statement I made before the Ways and Means Committee on the subject of social security.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THE CHICAGO MAYORALTY ELECTION

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MITCHELL. Mr. Speaker, I have just returned from the political battle front in the great city of Chicago and I bring greetings to my colleagues on both sides of the House.

Last Tuesday we held our city primary for the purpose of nominating candidates for mayor, candidates for city clerk and city treasurer, and electing 50 councilmen. A heated campaign was waged by both Republicans and Democrats. The New Deal was the most prominent issue and was attacked viciously by the Republican candidates and by the daily press, which is 90 percent Republican. Mayor Kelly, the successful Democratic contestant, defended the New Deal in all of his speeches and took pride in the fact that he has been a new dealer throughout his administration. With the New Deal as the principal issue it is very interesting to note the results as follows:

The total vote cast in our primary last Tuesday was 1,224,290.

Total Democratic vote cast for mayor, 942,977.

Total Republican vote cast for mayor, 281,313.

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The Democratic vote exceeds the Republican vote by 661,664.

In other words, the Democratic vote, as compared with the Republican vote, was more than 3 to 1.

In the colored section of Chicago the Democratic vote for mayor in the second ward was 16,225. The Republican vote for mayor was 15,057—a clear Democratic majority of 1,168. In the third ward the Democratic vote for mayor was 15,547; the Republican vote for mayor was 9,521—a clear Democratic majority in that ward of 6,026. In the two wards the total Democratic vote was 31,772, while the total Republican vote was 24,578—making a clear Democratic majority in these two wards of 7,194.

These figures are taken from the very partisan Republican newspaper, the Chicago Daily News, owned and published by Colonel Knox, candidate for Vice President on the Republican ticket in 1936.

Colonel Knox is one of the bitterest partisan Republicans to be found in any State. His paper, like most of the great metropolitan papers in the country, is engaged in an effort to make the public feel that the New Deal and our great President, Franklin D. Roosevelt, are being repudiated by the electorate of the country. With the great city of Chicago, speaking through its voters, saying to the country, "We not only appreciate the fact that the New Deal, through the leadership of our President and our mayor, Hon. Edward J. Kelly, has saved our Government, for which we are deeply grateful," but we say more than that; by our overwhelming vote "we say that we are unwilling to give up this program and to elect men to office who are pledged to pursue a course different from that which has been so successfully pursued by Mayor Kelly, a 100-percent new dealer."

Mayor Edward J. Kelly, an outstanding new dealer and supporter of the President and his program, has made Chicago the greatest mayor the city has had during the more than 100 years of its existence. He has been nominated by an overwhelming vote, and on the 4th of April will be reelected by an even larger vote. If there are sections of our country that are growing lukewarm toward the President and his great program through the misrepresentation of partisan Republicans and a partisan press, they should take fresh courage from the hearty approval Chicago gave the President and the New Deal in last Tuesday's election. The Democratic Party, while casting around for an outstanding statesman and new dealer to head our national ticket in 1940, would do well to consider that Democrat and leader, Mayor Edward J. Kelly. He is Presidential timber.

Mr. Speaker, the country is still Democratic. [Applause.] [Here the gavel fell.]

EXTENSION OF REMARKS

Mr. BREWSTER. Mr. Speaker, I ask unanimous consent to incorporate in the RECORD a memorial from the Legislature of the State of Maine regarding the serious situation of the fishing industry and asking the Congress for a sympathetic consideration.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on conditions in Puerto Rico.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a short article by Boake Carter on the T. V. A., which I think will be enlightening to the membership.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WAR DEPARTMENT APPROPRIATION BILL, 1940

Mr. SNYDER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of

the Union for the consideration of the bill (H. R. 4630) making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes; and pending that I ask the gentleman from New Jersey what suggestion he has as to time for general debate?

Mr. POWERS. I suggest to the gentleman from Pennsylvania that we let general debate run for the balance of the afternoon. I have one request for a half hour tomorrow. I would further suggest to the gentleman that whatever debate there may be tomorrow be confined to the bill. If this is satisfactory and if the time is to be equally divided, I think we have reached an agreement.

Mr. SNYDER. May I suggest to the gentleman from New Jersey that we say that time should not run more than an hour or an hour and a half tomorrow?

Mr. POWERS. I would not particularly object to that, Mr. Speaker, but I do not know how many requests will be made for time on the bill tomorrow. As I said, so far I have now requests for only half an hour tomorrow.

Mr. SNYDER. Then suppose we say that we will try to hold the time tomorrow to somewhere between an hour and an hour and a half.

Mr. POWERS. We will try to hold the time to an hour or an hour and a half unless we find we do not need that much time.

Mr. SNYDER. Mr. Speaker, that is satisfactory.

The SPEAKER. Will the gentleman restate his request regarding time?

Mr. SNYDER. Mr. Speaker, I ask unanimous consent that general debate run on today to be equally divided and controlled by the gentleman from New Jersey and myself, and tomorrow we will fix the time before we go into the Committee of the Whole.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4630, the War Department appropriation bill, 1940; and pending that motion asks unanimous consent that general debate on the bill continue throughout the day, the time to be equally divided and controlled by himself and the gentleman from New Jersey. Is there objection?

Mr. MAY. Mr. Speaker, reserving the right to object—and I do not intend to object—I thought it was definitely understood that general debate would go through today, and it was agreed tomorrow there would be 1 hour and 30 minutes, to be equally divided between the two sides of the House?

Mr. SNYDER. It was not definitely fixed. We will take care of that tomorrow. We will try to limit debate to an hour and a half on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SNYDER]?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4630) making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. SNYDER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman, I have asked for this time to call attention to the fact that this is a very important anniversary in our history, more so perhaps than many of you realize.

On the 2d day of March 1836 Americans from all States of the Union, as the Union then existed, assembled in Texas at the little town of Washington, on the Brazos, and in a rude, unfinished building declared the independence of Texas from Mexico. That declaration of independence was made effective in the victory at San Jacinto on the 21st of April 1836. By reason of the boundary disputes that subsequently arose, the War with Mexico followed. As a result of this war more territory was added to the United States than

was acquired in the Louisiana Purchase. So you see this history for which Americans were responsible has had a most important influence upon the growth and development of our whole country.

In the brief time allotted me I cannot call your attention to the many stirring episodes which are your heritage as Americans as well as mine as a Texan and an American, but I do want to commend to you a study of this history. There are many books which tell the story.

I wonder if I may call especially to your attention the letter that was written by William Barrett Travis from the Alamo. It is enough to make our blood tingle with pride as it courses through our veins. This letter is still preserved in the State capitol at Austin, Tex. It is addressed to all Americans in the world. There were just a few more than 180 Americans in the Alamo, surrounded by hosts of Mexican soldiers, and while there was still time to get a messenger out of the walls, Travis dispatched this letter:

Fellow citizens and compatriots, I am besieged by a thousand or more of the Mexicans under Santa Anna. I have sustained a continued bombardment for 24 hours and have not lost a man. The enemy has demanded a surrender at discretion, otherwise the garrison is to be put to the sword if the fort is taken. I have answered the summons with a cannon shot and our flag still waves proudly from the walls. I shall never surrender or retreat.

Then I call on you in the name of liberty, of patriotism, and everything dear to the American character to come to our aid with all dispatch. The enemy is receiving reinforcements daily, which will, no doubt, increase to three or four thousand in 4 or 5 days. Though this call may be neglected, I am determined to sustain myself as long as possible and to die like a soldier who never forgets what is due to his own honor and that of his country. Victory or death!

In attestation of the sincerity of those words everyone within the Alamo—many of them coming from States which you gentlemen represent—sacrificed his life. So it has been said very appropriately, "Thermopylae had her messenger of defeat, the Alamo had none."

This morning I call attention to this anniversary because it is peculiarly American. It is your history and your heritage. For instance, the first provisional President of the Republic of Texas hailed from New Jersey. The last President of the Republic of Texas came from Massachusetts.

Read this history and it will make you prouder still that you boast the name of American. [Applause.]

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, it is my purpose to bring to the attention of the Committee what I consider to be the salient matters in the military appropriation bill for the fiscal year 1940, which I reported to the House on yesterday by direction of the Committee on Appropriations.

We have heard much about national defense in recent months. It has been on the front pages of the newspapers. It has been discussed pro and con over the radio and at public gatherings. Quite recently it has been discussed at length in this Chamber in consequence of the President's national defense message of January 12 last.

It seems to me all of you should be quite satiated with the subject, so I shall try to be brief.

I think it will be a surprise to most of you to learn that the regular Budget, in the way of new availability, proposes approximately \$24,000,000 less than the new availability provided in the military appropriation act for the current fiscal year.

We carried in the current appropriation act \$34,603,394 of contractual authority, and now we are called upon to pay the piper. It is that contractual authority which makes the pending Budget larger.

Bear in mind, I am referring to the regular Budget.

I call your attention to the lesser availability particularly to stress the fact that the Budget was not influenced by considerations called to the attention of the House by the President in his message of January 12, 1939, which was responsible for the two legislative measures recently passed by the House, one out of the Military Affairs Committee and the other out of the Committee on Naval Affairs, and which was responsible, also, for the supplemental estimate considered by

your subcommittee in connection with the present bill, to which I shall later refer.

Of course, when I say that this bill proposes less new availability than its predecessor, I do not mean to belittle its size, because, as all of you know, the current appropriation act is the largest passed since the Budget and Accounting Act of 1922 became law.

We had an unusual bill last year for two reasons: First, after the submission of the Budget, the President, as he has done this year, sent to us a message advising that we should take cognizance of increasing armaments of other nations, which he later followed with supplemental estimates totaling \$16,880,000. The House granted that additional amount and later the Senate, without Budget support, added to the bill over \$42,000,000. We compromised on \$16,000,000. We got the Budget to send down a supplemental estimate of \$6,000,000, and the other \$10,000,000 we gave in the way of contractual authority. So for implementation, the current act made available around \$32,000,000 more than contemplated by the original Budget.

The current appropriation act marks the first substantial step since armies have turned to mechanization and motorization toward modernly implementing our land-defense forces.

Something like \$37,000,000 was allowed for that purpose, and the pending bill includes amounts approximately totaling that figure. Prior to the present year we were going forward at a rate around seven or eight million dollars.

Getting down to details, the regular Budget calls for a total of \$470,305,868. A supplemental estimate since has been received of \$50,000,000 for airplanes, accompanied by a recommendation that it be made immediately available. The two amounts made the total of the estimates we considered \$520,305,868. We have reduced that amount by \$941,944, and deferred until later the appropriation of \$19,505,988, giving contractual authority instead for the present. That makes a facial reduction of \$20,447,932. We only can claim credit, however, to the former figure, that is, \$941,944.

If you will turn to the table on page 3 of our report on the bill you will see at a glance what we have done to accomplish that result. I shall begin with the first item and comment upon the several changes.

As of September 30, last, there were 2,446 employees in the War Department here in Washington. To give each one of those employees one salary step up would cost \$181,840. The amount of a step up depends upon classification and grade within classification. The lowest is \$60 per year. Hundreds of these employees have worked for years without any advancement; without any reward of any kind, no matter how much deserved.

The Budget allows \$33,960 to give advancements to 446 employees with no restriction or salary limit as to employment of the money. The committee has added \$31,035 to the Budget figure, and that addition represents what incumbents of positions would earn if all of them drew their full salaries throughout the year. We are giving back the savings estimated to accrue from leave without pay, vacancies, furloughs, and so forth, to give promotions to those receiving \$1,800 or less. In no case would the advancement exceed \$60 per year. That rule is made to apply to the Budget allowance also. The two amounts would permit of the advancement of about 1,083 employees whose pay ranges from \$600 to \$1,800 per annum. Of the 2,446 employees, more than 1,400 of them receive \$1,800 or less.

The next item is a small one. The index catalog of the Army Medical Library is in arrears. The Budget refused to allow two additional clerks for bringing the catalog up to date, and we are putting the money in. This is the most complete and valuable medical library in the world.

Under "Pay of the Army" you will see two reductions. The first should be familiar. For a number of years we have limited the number of medical officers in a flight pay status to five. Each year we meet with a request to raise the number. We have been turning it down and dear old

Senator Copeland would put it back, and although a doctor we were successful in getting him to recede.

The second reduction under "Pay of the Army" relates to Thomason Act officers. We provided for training 650 this year. The law provides that 10 percent of those completing the year's course shall be commissioned in the Regular Army. The Budget is based on 65. The actual number on January 1, 1939, was 622. We, therefore, have figured on not more than 63 being commissioned. We probably would have been safe in figuring on a lesser number.

The next item and the one just below it in the increase column I shall refer to together. Both relate to field appropriations devoted almost exclusively to personal services. Like the Department in Washington, about which I spoke a moment ago, there is no chance for advancement for the three-thousand-two-hundred-and-odd employees which these appropriations cover, because the Budget lops off anticipated savings resulting from leave without pay, vacancies, and so forth. We are proposing restoration of Budget cuts of such estimated accruals in order that some of these people who work on and on without any pay change, however much merited, may get some slight recognition for giving their best efforts to their employer, the Government.

That brings us to the two reductions proposed under "Subsistence." The ration cost has not gone above 43.81 cents so far this year, or, at least, upon the basis of cost figures thus far available. Therefore, instead of 45 cents, as estimated by the Budget, we are allowing 44 cents. For the same reason, we are refusing to allow an increase of \$500,000 asked to increase the capital of the provisions fund, now \$5,500,000. We based the current appropriation upon a ration cost of 45 cents. If the price continues throughout the year below 44 cents or even slightly above that level, the saving can be employed in the purchase of reserve stocks to the value of \$500,000 or more.

Next is a reduction of \$1,500,000 we are proposing under "Military posts." The Budget includes \$6,756,378 under this head, which is itemized on page 7 of the report. Included in the amount for Albrook Field, there shown, is a \$1,500,000 project for building a depot and warehouses at Albrook Field, which is on the Pacific side of the Canal Zone. We now have a depot and warehouses at France Field, on the Atlantic side of the Canal. The information the committee had was not sufficiently convincing to warrant us recommending the Albrook Field project, and we have called upon the Department for further data. What our final recommendation will be I am sure I do not know until that information is at hand. It may be that we should have a member of the subcommittee visit the Canal Zone before coming to a conclusion.

Under "Barracks and quarters" you will observe we are proposing an increase of \$200,000. That is only a drop in the bucket. We could spend many times that amount, plus what is in the Budget, for caring for buildings and other improvements at military posts and still be way under plant upkeep outlays of commercial establishments.

That brings us to the Air Corps, and I want you to get this picture straight. Up to this year we have been working toward possessing ourselves with 2,320 airplanes. The Army has not advocated a larger number, and the planes we provided for in the current appropriation act—476—were supposed to provide us with that number by July 1, 1940, which meant that planes asked for in this Budget and subsequent Budgets would be in the nature of replacements. The pending Budget evidently was built with that idea in mind. It includes provision for the procurement of 219 airplanes, 178 for the Regular Army, 19 for the National Guard, and 22 for the Organized Reserves. That is strictly a replacing or balancing program within the total of 2,320 airplanes.

Then comes the President's message of January 12, 1939. Let me read from that message what he says about aviation:

In the case of the Army, information from other nations leads us to believe that there must be a complete revision of our estimates for aircraft. The Baker Board report of a few years ago is completely out of date. No responsible officer advocates building

our air forces up to the total either of planes on hand or of productive capacity equal to the forces of certain other nations. We are thinking in the terms of necessary defenses and the conclusion is inevitable that our existing forces are so utterly inadequate that they must be immediately strengthened.

It is proposed that \$300,000,000 be appropriated for the purchase of several types of airplanes for the Army. This should provide a minimum increase of 3,000 planes, but it is hoped that orders placed on such a large scale will materially reduce the unit cost and actually provide many more planes.

Military aviation is increasing today at an unprecedented and alarming rate. Increased range, increased speed, increased capacity of airplanes abroad have changed our requirements for defensive aviation. The additional planes recommended will considerably strengthen the air defenses of the Continental United States, Alaska, Hawaii, Puerto Rico, and the Canal Zone. If an appropriation bill can be quickly enacted, I suggest that \$50,000,000 of the \$300,000,000 for airplanes be made immediately available in order to correct the present lag in aircraft production due to idle plants.

Subsequently, on January 26, last, the President submitted a supplemental estimate of \$50,000,000 with the recommendation for immediate availability, for the procurement of 565 airplanes, all over and above the 2,320 program. Our information is that those planes are to be ordered of different manufacturers with a view to gearing up their production in order that they may be able rapidly to produce other planes to be asked for in further supplemental estimates. As to what we shall be asked to provide for in later supplemental estimates, I have no information beyond that contained in the President's message, from which I have just read. Undoubtedly, in addition to the \$50,000,000, we shall be asked to make further funds available. Right now amounts and numbers must be entirely conjectural.

While we have been working toward the 2,320 airplane objective—the so-called Baker Board quota—authority exists for the Army to have 4,120 serviceable airplanes. We heretofore have provided for the entire number of 2,320. The pending Budget, as I have stated, provides for replacements or balancing the program within that number. Therefore, the 565 may be said to be in excess of the Baker Board quota and the first increment toward the 4,120 maximum presently authorized. If that be true, then without waiting for the enactment of the legislation we recently passed raising the authorized number to 5,500, the President is free to submit estimates right now for 1,235 additional planes, that is, the difference between 2,320 plus 565 and 4,120. However, as I said, what we shall be asked to do is wholly conjectural, and my thought is that we should cross that bridge when we come to it.

Getting back to our action, we have approved the supplemental estimate of \$50,000,000 and are recommending immediate availability, but are proposing the substitution of \$19,505,988 of contractual authority for a like amount of direct appropriation, because we are not convinced that all of the 565 airplanes will be delivered before July 1, 1940. I ask you to look at the last paragraph on page 8 of the report. Let me read it:

On December 31 last there were 557 airplanes on order, some under funds or contractual authority which became available as far back as July 1, 1936. On the same date orders had not been placed for 348 airplanes for which the Congress heretofore had made provision. Add to these 219 in the regular Budget for 1940 and 565 in the supplemental estimate, and the total becomes 1,690 for delivery during the 18-month period December 31, 1938, to June 30, 1940. Past performance suggests that to be an exceedingly ambitious program.

It seems to me you must agree with us that past performance, even though substantially bettered, does not warrant the conviction, or scarcely the hope, that deliveries of 1,690 airplanes will have been effected before the next fiscal year shall have come to a close. As we say in the report, if our guess should prove wrong, there will be time to right it early in the next session. Frankly, I hope we are wrong. I am sure all of you join me in the hope for a substantial improvement in production output.

As to the number of airplanes we should have now or in the near future, I am sure I do not care to express an opinion. The House the other day determined upon a maximum of 5,500. By providing these 565 planes, presumably to be in addition to the Baker Board objective of 2,320 serviceable air-

planes, we are not necessarily committing ourselves to any expansion at all. The 565 planes may fit into the 2,320 program as replacements, or be the entire expansion thereof for the present, or may be the first increment toward an expansion ranging from 2,320 to 5,500 airplanes. The whole matter rests upon what you and the House may do in consequence of any recommendations which later may be presented.

The next money change we propose is under ordnance. We suggest a reduction of \$332,480. Frankly, I imagine the Department will oppose this reduction. Our principal field weapon today is the old French 75-millimeter gun. There is no disputing the fact that it is a very splendid gun. The Army has been engaged in modernizing a limited number of these pieces to give mechanical traverse, greater range, and improved mobility by replacing the wooden wheels with wheels equipped with rubber tires, permitting of towage at high speed. The cost of modernization per gun has run well in excess of \$8,000.

You will not find it in the hearings, but the Chief of Field Artillery told us that certain foreign armies have discarded the 75-millimeter gun for a 105-millimeter gun, which has a much greater range and throws a 35- instead of a 15-pound missile. Of course, that can mean but one thing. Other armies are going to do likewise. We have a 105-millimeter gun in the development stage. Now, our thought is that if we are going to adopt the larger gun, should we not stop right now spending such large sums on modernizing the old French 75's? We are proposing to limit modernization to 4 instead of the 44 contemplated by the estimate, and those 4 will be sent to West Point for instructional purposes.

Next, you will find two items of increase under Chemical Warfare. As to the one of \$15,000, the Budget persists in cutting the research staff. They tried it last year and we turned thumbs down, and now they are trying it on a smaller scale for 1940, and we are again refusing to go along.

The second item, of \$26,000, relates to supplying chemical tanks for use with airplanes, an important project in the opinion of the subcommittee, for which the Budget refused to provide.

That brings us to the National Guard. As usual, representatives of the National Guard Association came before the subcommittee and expressed dissatisfaction with the Budget and urged more generous provision. They advocated additional appropriations aggregating \$4,170,090. The committee has approved of additional amounts totaling \$1,028,200. This sum you will find itemized on page 11 of the report, below which is set out the reasons.

You will be interested to know that we provide for the final increment of 5,000 officers and men to bring the total strength of the guard up to 210,000. We have been working toward that objective for a number of years. This increase, however, will not occur until April 1, 1940.

Under the Organized Reserves we propose two money changes. We increase the number of officers who may attend command and service schools from 214 to 300, occasioning an addition of \$94,600, and we raise the number of Thomason Act trainees from 500 to 650, which accords with what we are doing this year. You will recall that last year the House raised the number from 500 to 650. The law permits 1,000 per year. The extra 150 adds to the bill \$282,757.

The bill provides for 14-day active-duty training for 30,000 Reserve officers. That corresponds with the current year.

The final change relates to citizens' military training camps. This year we gave \$2,275,000 with the idea of training 35,000 boys. Actually, training has been given to 35,831. The Budget proposes an appropriation of \$1,974,300 for 1940, which would mean reducing the number of trainees to around 30,000. The committee has restored the amount to the current year level. The interest in this item is very widespread. It is a very worthy project, as you all know, and does a tremendous amount of good. It means more than mere military training. It is a builder of a spirit of Americanism, of patriotism, of immeasurable value to the security of the Nation.

I think I have covered the field rather thoroughly. I may add that there is no new construction money in the bill for

posts within the United States. The Army got a very big slice of P. W. A. money this year. Possibly it is expected to get more from that quarter later. That depends upon what we shall do later with such relief program as may be sent down.

In conclusion, Mr. Chairman, I should say that unquestionably we shall be asked in the very near future to add substantially to the appropriation carried in this bill. A considerable additional amount for aviation will be asked, and very sizable amounts will be asked to provide "critical items" of equipment which would be needed in an emergency, such as antiaircraft artillery, semiautomatic rifles, antitank guns, tanks, light and heavy artillery, ammunition, and gas masks; also, for educational orders.

We should reserve our judgment upon such matters until they actually are in hand. I believe if you will read our hearings and the hearings recently conducted by the Committee on Military Affairs, you will be prepared to give more intelligent consideration to those supplemental proposals when they come along.

I wish most sincerely, my colleagues, and I am sure all of you join me, that instead of receiving supplemental estimates we might receive a communication telling us that changed world conditions render it unnecessary to provide for expenditures for national defense even on the scale contemplated by the regular Budget. I regret as much as any of you this demand to put such vast sums into engines of human destruction, whether ever actually used for that purpose or not. I am persuaded to the view that adequate preparation is the best assurance that they will not. [Applause.]

I recall vividly that when I studied ancient history I thought the Spartans, Athenians, the Huns, and the Vandals were terrible, cruel people in warfare. I thought they were not civilized when they seized their swords and strapped on their armor plate and went out to slaughter their opponents on the field of battle. My teachers and my fellow classmates classified those countries and nations as barbarians and uncivilized.

But how about many of our so-called civilized nations today? What constitutes a civilized nation today? Can we classify nations whose leaders go mad with greed and power for possession to the extent of deliberately killing hundreds of thousands of innocent and defenseless men, women, and children with bursting bombs and explosives as civilized nations?

We ask ourselves as a people what must we do in order that we as a Nation may not become a prey and be devoured and destroyed as a people and a Nation by such greed.

I think that fully 98 percent of our population has come to the conclusion that the surest way of assuring the United States of continuous peace is for us to install adequate national-defense installations on our mainland and in our possessions—ample seacoast defense, ample antiaircraft equipment, tanks, adequate guns, and munitions of all kinds—and, above all, thousands of modern airplanes, pursuit, attack, and bombers, and whatever other types are needed. If 5,500 are not enough, make it 10,500. Any number that will give us assurance that our peace and well-being cannot be disturbed by any foreign power.

Yes, my friends, it is far cheaper for us to spend \$10,000,000,000 in adequate national-defense installations than to go to war for 10 days. When we stop to think that by the time the last World War veteran will have been laid to rest that the World War will have cost this Nation \$100,000,000,000 in cold money alone, to say nothing of the loss of lives of tens of thousands of our boys who died on the battlefield or from wounds received on the battlefield.

We take out insurance on our homes, automobiles, our own lives, and the lives of our loved ones in order that we may be compensated in case of accident or death. The money we spend for national-defense equipment is merely an insurance policy the Nation is carrying. The money we spend to maintain our Army and install our installations we spend for the protection of our people and our institutions, the same as the

city that is protected by its fire department and its police department.

I should go farther than the President's recommendation in training young men for air service. I should suggest a 5-year program in which we should train at least 50,000 young men to be pilots, mechanics, or technicians. I should give that number an opportunity to enlist in the Army and take a course for 3 years. If at the expiration of 3 years they did not want to reenlist, they would be prepared because of their schooling and training to go out into life's school and fit into our business and industrial institutions. Since it would only cost about \$42.50 per boy per month to train them for such service, and since we pay in my State \$52.50 per person per month on W. P. A., it would cost the Government less in the end to prepare these 50,000 boys for life's work than it does if we keep them on W. P. A. for the same space of time and then they find themselves without training for further advancement. [Applause.]

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. SNYDER. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman speaks of training 50,000 boys in productive work. Does the gentleman believe we should train them to be pilots and put them in the Army as is done in Europe? Does not the gentleman believe it would be better to direct our efforts to securing disarmament in the nations of the world and have peace rather than war?

Mr. SNYDER. My contention is that the only way we can go about securing disarmament among the nations is for us to build a sufficient national defense armament in this country to show the other nations they cannot do with us as Japan is doing with China, and as other nations have done, because nations are never attacked when prepared. It is only the weak nations that are attacked.

Mr. WHITE of Idaho. Is the gentleman apprehensive other nations can do to us what Japan is doing to China?

Mr. SNYDER. No; but I should feel very much better if we had provided ourselves in former years with a better measure of defense preparation.

Mr. WHITE of Idaho. Does not the gentleman believe American ingenuity and American production will meet any situation that may arise in the future?

Mr. SNYDER. I have great faith in our capacity to accomplish big tasks.

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 40 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

UNITED STATES SUBSIDIES FOR FOREIGN MILLS

Mr. ALEXANDER. Mr. Chairman, I have just introduced a resolution calling for an investigation of the present program of the Department of Agriculture.

Under the guise of "benefiting the farmer," the Secretary of Agriculture, in July last, announced that the F. S. C. C.—that is the Federal Surplus Commodities Corporation—in cooperation with the A. A. A., would grant from the United States Treasury subsidies on export wheat.

He dumped 25,000,000 bushels on London and Liverpool with a Government subsidy of \$5,000,000—the effect of which was to break down the Liverpool wheat market, and, within a few days the price of wheat on every produce market on the globe, and eventually the farm price for every bushel of American wheat.

Moreover, this subsidy from the United States Treasury went, directly or indirectly, to British mills, cereal factories, and bakeries, who got their raw material, that is, American wheat, at a lower price than their competing American mills, cereal factories, and bakeries. These American food industries, supplying bread to every home and worker in the United States, employ over 200,000 wage earners on a yearly pay roll of over \$300,000,000.

Furthermore, our breadstuffs industry is the foundation of the wheat-growing industry and, in favorable season, has paid the farmers of the North and West as high as \$900,000,000 cash—the chief spot-cash reliance of the wheat-growing States.

During the first week of February 1939, the F. S. C. C. and A. A. A. dumped 2,000,000 more bushels, at a subsidy of around 35 percent—as measured in transportation costs, insurance, and handling—upon the dairy producing and exporting interests of Holland, at the ports of Amsterdam and Rotterdam. Thereby, American bran and shorts are furnished to the dairymen of Holland at lower cost than the price paid for them by the butter makers of Minnesota, the cheese makers of Wisconsin, or the milk producers of Iowa and up-State New York.

Every Member of this House well remembers that this same Holland, which is now thus subsidized from the United States Treasury, shipped into this country during the 3 years ending 1937 upward of 8,000,000 pounds of butter and 10,000,000 pounds of cheese.

So, it seems the New Deal policy is to subsidize the Netherlands, so it may undersell American dairymen in their own markets, and thereby enable the European Amsterdam to furnish European butter to "New Amsterdam" at below the American farm cost of production—and this by aid of a subsidy from the United States Treasury.

Letters which I have received during the past few days from American produce markets—wheat and dairy producers, milling and other cereal industries—agree in this verdict as to the net effect of this F. S. C. C. and A. A. A. subsidy grant to Europe and Asia since the beginning of the current fiscal year. They all agree:

First. That this wheat subsidy—and, also, it seems now, subsidy on flour—has been the outstanding cause of lowering the price of wheat on every market on the globe, and thus has reacted to cut down the farm value in every American farm granary.

Second. That it has hurt, instead of helped, the flour export trade and cereal export trade of the wheat-processing industries that employ American labor and furnish the wheat grower his principal market.

Third. That the cheap bran and shorts of this subsidized wheat is a prime cause of concern to every dairy-producing community in the United States.

Mr. Chairman, I have here presented in brief outline a sort of bird's-eye sketch of the theme which, if the House will permit, I should now like to discuss in sufficient detail, so that all sections of our country may know what the latest new deal in government subsidy means to us and our industrial future.

And, let me say right here, that this harmless-looking wheat subsidy hits not only grain-growing West but every American industry and all of our 50,000,000 workers and 30,000,000 homes—north and south, east and west.

WHEAT SUBSIDY RESULTS, JULY 1, 1938, TO MARCH 1, 1939

From July 1, 1938, up to February 28 of the current fiscal year, exports of American wheat to foreign mills and markets closely approximate 90,000,000 bushels.

The bulk of these wheat exports have been subsidized from the United States Treasury, or, more accurately speaking, from the Treasury deficit, pursuant to the new "two-price plan" proclaimed by Secretary Wallace at the beginning of this fiscal year.

The average subsidy per bushel announced by the Federal Surplus Commodities Corporation—the Bureau assigned by Mr. Wallace to administer his plan—is estimated in the Federal Surplus Commodities Corporation offices, at the Department of Agriculture, as an "average 25 cents" subsidy per bushel.

In fact, the rate and amount of the subsidy vary according to the port of import and foreign competition at the given port. On January 23, 1939, the Department of Agriculture announced:

The estimated losses to the Corporation on sales of wheat, including storage charges, and indemnity on flour for export, average approximately 25 cents per bushel up to January 15.

But during the first week of the past month, February 1939, the Federal Surplus Commodities Corporation dumped in the ports of Amsterdam and Rotterdam, Holland, 2,000,000 bushels of American wheat at around 61 cents per bushel.

The rate of the subsidy on this shipment may be estimated from the following items—the wheat being supposed to come from the Middle West:

Transportation by rail from Minnesota or Kansas to Galveston, around 18 cents; ocean freight from Galveston to Amsterdam, 12.7 cents; insurance, elevator charges, and sundry handling costs, 3.5 cents; or a total for transportation and handling costs of 34.2 cents. Then, add to that the price loss of around 14 cents, the difference between the 61 cents at which the wheat was furnished to Dutch mills and cereal factories and the 75 cents paid by the mills and cereal factories of Minnesota.

What was the amount of that subsidy to the mills of the Netherlands? It cannot be far from 40 cents per bushel. And for what useful purpose, except to aid the industries of the Netherlands and give cheaper bread to a foreign country than is enjoyed by the hungry in our own country?

Did it benefit the American farmer? On the other hand, the ultimate effect, because Liverpool is the price-fixing market for the world wheat trade, was to lower the price of wheat on all American markets where the wheat grower sells his crop. In furnishing foreign milling and cereal product factories with American wheat at below the American mill price the Government thereby cut down the market demand at all American primary markets. And so American prices began immediately to sag—and these American prices are the dependence of the farmer for over 80 percent of his wheat crop.

The repercussion of that Amsterdam-Rotterdam subsidized wheat shipment was immediate on all American wheat markets. Listen to the following from the New York Times dispatches of February 6, 1939:

Liverpool led the decline and closed $\frac{3}{8}$ to $2\frac{3}{8}$ cents a bushel lower.

Winnipeg futures were 1 to $1\frac{1}{8}$ cents lower. Kansas City closed $\frac{1}{4}$ to $1\frac{1}{8}$ cents lower, and Minneapolis was off $1\frac{1}{4}$ to $1\frac{1}{2}$ cents from a week ago.

Chicago closed yesterday with net losses of 1 to $1\frac{1}{4}$ cents on the week.

Instead of being a benefit to the American farmer, the subsidized wheat dumped abroad hit the wheat grower in the home markets where he sells upward of 600,000,000 bushels of his crop, or 80 percent of all the wheat he grows.

One of the basic principles on which American industry has been built up during the past 80 years—until American mills and factories turn out a finished product equal in value to the combined factory product of the four leading countries of Europe, and distribute to wage earners a yearly pay roll that in normal times equals the entire factory pay roll of Europe—is this: To lay no Federal hand upon the opportunity of American industry to acquire its raw materials at a market price on terms of parity with competitors abroad.

The present policy of this subsidized wheat plan is to give the foreign competitor in food products the benefit of a subsidy which the Administrator admits, in his January 23 statement, "averages 25 cents per bushel up to January 15." In other words, the Government admits paying 25 cents per bushel, which is equivalent to a subsidy of over 35 percent in value, to build up foreign cereal industries at the expense of an American industry, which even in 1935 in flour mills alone, as shown by the Census of Manufactures for 1935, paid over \$35,000,000 in wages to labor and paid over \$750,000,000 for raw materials, chiefly the products of the American farm.

On December 14, 1938, after the Wallace subsidy plan had been operating in its fifth month, the Department of Agriculture gave out this announcement:

Corporation officials estimate that the differential on the recently announced sale of wheat to millers in the United Kingdom, totaling about 25,000,000 bushels, will be slightly above 20 cents a bushel.

That is to say, the United States Treasury is paying to British millers and food manufacturers a subsidy of \$5,000,000 to enable British mills to shut American millers and cereal-food manufacturers from what formerly was their best export market. Is this the present policy of developing American

industry? Is this the new way of feeding the "one-third of our population" that are supposed to be "undernourished"?

The pretense that it is benefiting the American farmer is exploded by the fact that wheat prices on American primary markets started on the toboggan downward from that British subsidy dump to the present month. Wheat is dropping during the very months when normally it makes its chief gains in price—from December to March. Subsidy has killed the law of supply and demand—subsidy from the United States Treasury to Europe.

The blow to our export trade in processed cereal-food products, by subsidizing British manufacturers, has cut down the farmer's wheat price in every home market—the market which is his dependence for a cash income to meet his taxes and mortgage payments.

On January 28, 1939, the *Modern Miller*, published in the Chicago milling district, refers to the "3 months' supply of flour milled by British mills from 25,000,000 bushels so advantageously purchased from the United States with a \$5,000,000 subsidy from the United States."

Continues the *Miller*:

British millers added to their laurels in having the United States wheat duty removed and the discriminating duty on flour enlarged, by a purchase of subsidized F. S. C. C. wheat, with the agreement that the United States would cancel the flour indemnity (subsidy). Now, that United States, Canada, and Australian millers may appreciate the dominance of British mills, the wheat will be dumped on British bakers in the form of flour. * * * British bakers enter the picture cast in an important role. * * * We wonder if the F. S. C. C. dreamed of such a thing.

Here are three questions: First, is Secretary Wallace trying to punish the wheat-growing and wheat-processing States, which, on November 8, 1938, turned down his "A. A. A. of 1938" and elected from the wheat-producing States of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Idaho, Nebraska, New York, Ohio, Oregon, Pennsylvania, Wisconsin, California, and the Dakotas—128 Republican Members out of a total of 169 of the Seventy-sixth Congress, of which a majority took the place of new dealers?

Second. (a) Is he punishing the farmers of Minnesota, and the milling and wheat-processing cities and towns of Minnesota, and the wage earners of those wheat-processing industrial centers, for electing to this House a Minnesota delegation opposed to his paternalistic subsidy grants and electing to the State capitol in St. Paul a new Republican Governor by a plurality of 291,576—the largest Republican plurality in the history of Minnesota?

(b) Is he punishing the wheat growers and the mill and elevator towns of the wheat-growing States of North and South Dakota, who send here a solid Republican delegation?

Third. (a) Is he punishing the farmers and the mill and elevator towns of Kansas—the largest wheat-growing State in the Union, or perhaps in the world—which in November 1938 put over an old-fashioned Republican landslide, a clean sweep except for one Member who may or may not approve of the Wallace subsidy to British and Dutch cereal manufacturers?

(b) Is he punishing the farming districts of Ohio, Pennsylvania, and northern New York—which, though called "eastern industrial States" by people in the West, raised last year and are now processing 75,000,000 bushels of their own wheat—because they elected to this Congress 53 Republican Members, who hold mandates protesting against all of the Wallace paternalistic claptrap, from goose-stepping the farmers to subsidizing John Bull and his tulip-growing Dutch cousins?

The case of this Amsterdam-Rotterdam subsidy raises a new economic angle affecting the dairy industry of the United States. One of the important byproducts of wheat milling is what is called the "offal"—the bran and shorts that are highly essential feed for the dairy industry. For the great dairy interests of the Netherlands this byproduct may be of greater consequence than the protein content for flour.

Note the situation: The *Agricultural Yearbook*, 1938, issued by Mr. Wallace, states that the Netherlands shipped into this country—by aid of a New Deal treaty not approved by the Congress or even submitted to the Congress for re-

jection—shipped, I repeat, into this dairy country in the fiscal year 1936-37, 2,463,000 pounds of Dutch butter in competition with the farm cooperative butter makers of Minnesota, and 5,439,000 pounds of Dutch cheese in competition with Wisconsin, to say nothing of their starch exportations, under the same treaty, into this country as stated in my remarks in this House on February 1.

In the fiscal year 1934-35, aided by a New Deal tariff treaty, the Netherlands shipped into the United States 4,796,000 pounds of Dutch butter for American consumption, which is a close approximate to the Minnesota butter shipments to New York in November 1938.

At first glance, one might judge that the dairy interests had benefited from the Wallace panacea because it has cut down the price of wheat, and thereby the cost of bran and shorts for the cows. But note: Whatever benefits the dairy cows may have received from lower-priced wheat are completely annulled by the wheat export subsidy—which gives the European dairyman his bran and shorts from even lower-priced wheat.

The butter and cheese makers of Holland are getting their bran and shorts from 61-cent American wheat, while American butter and cheese makers are getting their bran and shorts from wheat priced at 70 cents to 80 cents a bushel—a price differential of 15 percent to 30 percent.

Holland is given by the New Deal subsidy plan a differential averaging 20 percent in the essential feed costs of butter, cheese, and milk, in competition with the dairymen of the United States.

With that aid from the present Uncle Sam—a subsidy plus a tariff treaty—the Netherlands should be able to extend its dairy imports into American markets in the coming year and as long as the American people will submit to that kind of bold experiment and/or "emergency."

Note this record from the *Agriculture Yearbook*, 1938, page 404: During the 5 years preceding this New Deal experiment in butter, the Netherlands imported into the United States just 1 pound of butter—probably a sample roll, which may have been sent to "New Amsterdam" in the prosperous year 1929. Apparently the sample did not rank up with the gilt-edged product of the Land O'Lakes in Minnesota. For, in the 4 succeeding years, according to the Wallace yearbook, the butter imported into this country from Holland is represented by the significant symbol "0"; that is to say, a complete "goose egg" for 4 long years.

From 1929 to 1934, until the New Deal struck its gait, all the butter from the Netherlands, all the butter which the honorable countrymen of Peter Stuyvesant, the famous Dutch Governor of New Netherlands, could get into "New Amsterdam" was 1 pound and four "goose eggs."

Then the New Deal hit its gait—and in the 3 following years to 1937 the butter shipments from Holland to American ports made a total of 8,000,000 pounds of butter, not to mention 10,000,000 pounds of cheese.

Today, beginning with the first week of this month, Holland, by the aid of a subsidy of around \$700,000 from the United States Treasury, plus an inviting tariff treaty and a benevolent smile, may be able to get its bran and shorts at a low-price cost, sufficient to give our present "New Netherlands" all the butter it needs from the old country, without calling upon the insurrectionist progressive dairymen of Minnesota, or even New York up-State.

Another question: Is Mr. Wallace out to purge Congress again, following the precedent set by the Senate purge in the primaries of last summer?

If the result of that purge is repeated in the political history of 1940, it is not beyond the range of possibility that the farmers of the United States, and their cousins in the towns, may seek a purge of the Cabinet—beginning with the first letter of the alphabet, which under the New Deal begins "A. A. A."

SUBSIDIZED WHEAT AND VLADIVOSTOK BUTTER

But hear this: In addition to the 2,000,000 bushels of subsidized wheat sent to Holland in aid of the imports of butter from the Netherlands, Wallace and the F. S. C. C. shipped

1,000,000 bushels to Vladivostok and sundry Siberian ports of Russia at a delivery price of around 58 cents per bushel.

Why ship wheat to Russia, the greatest grain producer in the world? Is it because Russia is a communistic state, or, as now picturesquely described "communicative" or Communist posing as democratic? Or is it because Russia is ambitious to invade the American butter market and needs our bran and shorts in the Siberian district where there are few mills?

The answer is found in the table of dairy imports in the Department of Agriculture. Here we find, though apparently hitherto unspecified and unpublished: That Russia recently has become one of the chief shippers of foreign butter into the United States—as high as 2,133,083 pounds in 12 months—equalling even New Zealand and the Netherlands, and far exceeding Argentina and Latvia, the two next countries in size of our butter imports.

In the single month of January 1937 Russia shipped to us 538,550 pounds of butter; in February 980,600, and in March 584,528 pounds—or over 2,000,000 pounds in 90 days, which seems to beat all previous records—indeed, all butter import records since reciprocity treaties and subsidized rackets began.

But Siberian Russia has a very scanty milling development, and it is a long haul from the wheat fields of European Russia to the mills on the Pacific coast of Siberia. So our accommodating Secretary of Agriculture and his F. S. C. are helping our Siberian friends by giving them American wheat subsidized at 58 cents per bushel, which gives the Russian forces on the Pacific low-cost flour, while at the same time making Siberian Russia able to ship 2,000,000 pounds of communicative butter into the United States within the brief period of 90 days.

For the farm cooperative butter makers of Minnesota, North and South Dakota, Kansas and Nebraska, Iowa and Wisconsin, Illinois and Michigan, Ohio and up-State New York here is a new deal in the new statescraft of "communocracy," so-called.

Subsidized wheat at 58 cents delivered by Secretary Henry Agard Wallace in exchange for imported Siberian butter delivered by Commissar R. J. Eikha, of Moscow and Leningrad—agricultural reciprocity, aided by a subsidy from the United States Treasury deficit in aid of the new communocracy.

This New Deal is lacking, however, in one essential particular, namely, endorsement by the people of the United States.

Leaving that picture and getting back to the serious economic aspects of this plan to subsidize foreign industries, our attention is first called to the large field of American industries directly affected.

The bread-making industries, all of which are threatened by this reversal of the American industrial policy, are included in three classifications of the United States census of manufactures. First, there is the flour and other grain mill products industry, which in 1929 engaged 4,022 establishments, employing 27,000 wage earners and paying out \$35,000,000 in wages and processing \$868,000,000 of raw materials, chiefly the crops of the wheat growers.

Then comes the cereal-preparations industry, which in 1929 engaged 121 establishments, employing 6,488 wage earners at wages amounting to \$8,876,000 and buying farm products valued at \$100,000,000.

Also directly affected by the subsidy to foreign bread makers is the bread and other bakery products industry, engaging over 20,000 establishments, employing over 200,000 wage earners, and meeting a yearly pay roll of \$270,000,000. Inasmuch as the raw materials of the baking industry, largely flour from the mills, does not come directly from the farm, the \$700,000,000 invested by the bakeries in processed grain is not included in the total of farm purchases, although it is one of the chief foundations of farm prosperity.

The aggregate labor employment of American industries affected disadvantageously by subsidizing foreign industries exceeds 230,000, and this at a time when unemployment is one of our chief national problems.

The yearly wages paid by these cereal manufacturing industries exceed \$313,000,000, which is of vital concern to every industrial town in America.

The total amount of wheat processed and bought from the farms would in normal times of prosperity, unhampered by tinkering panaceas and/or subsidies to foreign competitors, amount approximately to \$900,000,000, which is somewhat less than the 5-year average, 1924–28, inclusive, under the Coolidge administration, when the father of the present Secretary held the portfolio of Agriculture.

It is safe to say that under the administration of Calvin Coolidge, with the elder Wallace at the head of the Department of Agriculture, no subsidy from the United States Treasury would ever have been paid to foreign producers to enable Europe to undermine American industries that employ over 230,000 wage earners on a yearly pay roll of over \$313,000,000 a year and furnish a home market for a \$900,000,000 wheat crop.

There is yet another angle of this foreign subsidy plan that directly affects even the industrial centers of the North Atlantic group of States. We have been told that one-third of our population is underfed. Then why not, in the name of common logic, utilize our bread surplus to feed our underfed instead of feeding Europe, Asia, and Africa and sending along a Santa Claus subsidy of millions of dollars to aid the British and the Dutch? [Applause.]

The practical problem which confronts you gentlemen of the industrial Northeast is this: Your chief competitor, not only in the world export trade in manufactured goods but possibly at your own ports, is Great Britain and to less extent the Netherlands. One of the chief factors in world competition is the living cost and, first of all, the food cost. When competition in manufactured products is close and made still more close by favorable tariff treaties, such as the new treaty with Great Britain, the comparative food cost may be the deciding factor in comparative production costs and thereby control of the trade.

Therefore, picture this. You will see in the market columns of your daily press that the average price of wheat, from which your wage earners and homemakers get their daily bread, has averaged around 85 cents on Atlantic Coast markets. Whereas your British, Russian, and Dutch competitors—thanks to this Government subsidy on wheat—are getting the same American wheat, and the flour and bread made from it, at 20 cents less per bushel than your local flour and cereal mills pay for it.

And if you use the Minneapolis flour brands from my home town, as many of you do, it amounts to the same thing. London and Liverpool, Amsterdam and Rotterdam, are getting their wheat at 10 cents to 15 cents per bushel below the Minneapolis wheat market. The freight on our flour from the Mississippi Valley mills to your town, added to our wheat cost, makes the flour and bread of your wage earners cost around 20 percent more than the British and Dutch cost, pursuant to this plan of Government subsidy in aid of industrial centers abroad.

So your industrial interests in the East, as our agricultural interests in the West, stand on the same foundation and always against subsidizing Europe to give British dominance over American industry. And now, turning to our friends of the Southland, the President has said that economic problem No. 1 is your section of the United States. He is profoundly concerned in your welfare. One of his deep concerns, and rightly so, is your health—how he may rescue your rural communities from undernourishment, and, particularly, from that dread disease pellagra, said to be due to an unvaried corn-and-hog diet.

Not for a moment doubting the sincere concern of the White House in your diet ration and the means of giving you a more varied menu, may I ask this practical question: Why, instead of shipping our northern bread products to Europe and Asia, with a subsidy from the United States Treasury, and aiding the dairy and poultry production of the Dutch—why, I ask, does he not consider the bread needs and the dairy product needs of problem No. 1, and make it easier for your people to vary their corn-and-hog diet by

eating Minnesota bread and butter in exchange for the staple productions of the South?

And note you this: This wheat subsidy makes white bread in the South cost 25 percent to 35 percent more than in Europe, Asia, and Africa.

What both sections and all sections need above all is more liberty, more freedom from the paralyzing arm of Government—less purge and paternalism—borrowed from Hitler and Stalin—more government by the people, according to the principles of Lincoln and Jefferson. [Applause.] Above all, we need less of the subsidized nostrums which dose the people of the United States and cut down their industrial enterprises in the commercial interest of competitors abroad.

Before closing these remarks let me quote briefly from the morning paper of my home town—the Minneapolis Tribune of February 10—showing the immediate effect of this Amsterdam-Rotterdam subsidized shipment upon the wheat markets of the Middle West during the first week thereafter. In quoting from the Tribune, I am citing what likewise appeared in the market columns of substantially all dailies published in the States that constitute the country's chief bread basket.

The headline begins "Wheat drops sharply here." That was the immediate effect of the Wallace two-price plan, in supposed aid of the wheat grower.

Then follow the Minneapolis wheat receipts. I quote: "Decrease from week ago 135 cars." For the week—

Primary receipts were small. Shipments continued larger than receipts. Flour trade was moderate and disappointing.

Then appears this significant item, showing that F. S. C. C. subsidy dumping affected the entire wheat trade world—even the Antipodes. Again I quote:

Australian and Argentine offers slightly cheaper on account of North American markets.

That is to say, the depression on American primary markets for the farmer's wheat had its effect even in the Southern Hemisphere in cheapening the world market, and thereby still further damaging the market future of the farmer who was the loudly advertised subject of Wallace's solicitude.

Winnipeg May wheat closed $1\frac{1}{2}$ cents lower.

Chicago May $1\frac{1}{2}$ cents lower.

Wheat sag had its effect on other farm staples. All grains showed weaker tone, and flax dipped sharply lower in sympathy.

The Minneapolis Journal reported May wheat in Minneapolis is at $71\frac{1}{2}$ cents on February 9—as compared with $105\frac{1}{2}$ cents in the same week a year before—a drop of 34 cents per bushel, and a strange commentary for A. A. A. and subsidy which were to save the farmer from the evil effects abroad.

No. 1 heavy dark northern spring cash wheat bought by Minneapolis mills and wheat cereal manufacturers stood at $75\frac{1}{4}$ to $76\frac{1}{4}$ cents, or about 15 cents above the Government subsidy price at Amsterdam in aid of the Dutch. Minnesota and South Dakota winter wheat, not so high in protein content, was $71\frac{1}{4}$ to $72\frac{1}{4}$ —10 cents above the Amsterdam price of wheat which furnish the bran and shorts to enable the Dutch to undersell Minnesota butter in Atlantic coast markets.

The Northwestern Miller, published in Minneapolis, reported that the mills of the Northwest, based on telegraphic reports from 60 percent of all flour mills in the North Central States, showed 1,110,144 barrels as the week's grist, compared with 1,486,727 barrels in the same week 3 years before—that is to say, in 1936, after the United States Supreme Court had knocked out the first A. A. A.

From this direct evidence of the dire effect of the Wallace panaceas in damaging the cause of the American wheat grower and dairy farmers, no one who looks at the election returns of November will wonder why the wheat and cereal manufacturing districts of the North and West placed Henry Agaard Wallace on the toboggan slide.

Our industrial friends of the northeastern group of States may well also note this: That their wage earners and home makers have a food cost for bread and milk—as a result

of this Government subsidy to mills abroad—ranging 20 percent to 30 percent above the basic food cost to their chief foreign competitors, the British.

British manufacturers, besides their superior merchant shipping facilities, are now able, under the Wallace subsidized wheat-export plan to beat New England and other northeastern industrial centers in having lower-cost bread for their workers—and by aid of subsidy from the United States Treasury—or Treasury deficit!

In his first book or speech on international relations, Secretary Wallace, about 5 years ago, proposed that the United States rely upon the British merchant fleet for marketing the American surplus. That plan rejected, he tried the A. A. A. That plan snowed under by farm revolt, he now tries that good old liberal plan—subsidy—and subsidy for John Bull and the Dutch and Russians.

But the most interesting item of all is this: Instead of benefiting the farmer, the subsidized wheat dumping abroad has broken down not only the foreign market, but has reacted on the American wheat market and reduced the price of wheat on every produce market in North America.

The price of the farmer's wheat in his own home market is dropping steadily, week after week, with every dumping of subsidized wheat on an uncertain world market. Were the latest Wallace plan put into song, it might well follow that old Sunday-school hymn, thus revised:

Dropping, dropping, dropping, hear the prices fall,
Every one for Henry, he will get them all!

[Laughter.]

Protests of American millers at Government action, in practically prohibiting exports of American flour, forced Wallace to amend his plan by also giving the millers a bite of subsidy pie in the shape of around 90 cents a barrel, or, in the case of exports to the Philippines, 95 cents per barrel. All that this amounts to is a hedge differential which partly equalizes competition with foreign millers. The 90 cents per barrel—there being 4.6 bushels of wheat in a barrel of flour—is equivalent to not quite 20 cents per bushel on the wheat content. Under this aid to milling, the millers have managed to export, in the form of flour, about 15 percent of the wheat furnished to foreign millers subsidized by the United States Government. And wheat cereal foods, such as Cream of Wheat, Minneapolis, get not even the subsidy bite allowed the millers. Cream of Wheat gets a "freezeout." P. S.—Maybe they forgot to advertise in Wallace's Farmer.

The same goes for Wheaties, Shredded Wheat, Puffed Wheat, Grape Nuts, a score of wheat cereal products manufactured by Kellogg Co., the National Biscuit Co., the General Foods Co., and dozens of cereal-manufacturing companies which my time does not permit cataloging. All of these wheat cereal productions, manufactured in all the wheat-growing States of the Union, are hit by this export wheat subsidy of 25 percent to 35 percent—drawn from the United States Treasury to subsidize their competitors in foreign countries.

VIOLATION OF THE DUMPING CLAUSE AND BOUNTY CLAUSE OF WORLD TARIFF ACTS—UNITED STATES AND FOREIGN

And now last, but not least, an outstanding feature of this wheat-subsidy plan is its conflict with the dumping clause and the Government bounty clause of all the tariff acts of the world—including the tariff law of the United States.

The tariff laws of most foreign nations have a clause similar to that of section 303 of the United States tariff law, to wit:

Sec. 303. Countervailing duties: Whenever any country, dependency, colony, or other political subdivision of government * * * shall pay or bestow, directly or indirectly, any bounty or grant upon the manufacture or production or export of any article * * * produced in such country * * * then upon the importation of any such article or merchandise into the United States * * * there shall be paid, in all such cases, in addition to the duties otherwise imposed by this act, an additional duty equal to the net amount of such bounty or grant, however the same may be paid or bestowed.

That is to say, Government subsidized exports are under the ban of the laws of all nations as "unfair practices" in world

commerce. Subsidized exports stand in the same class as a "corrupt practice" in violation of the principle of fair trade.

Moreover, the danger is enhanced when the subsidy is arbitrarily controlled and administered by a bureaucratic official, not elected by the people, or responsible either to the people for his arbitrary exercise of power over our foreign relations, or responsible to the Congress which, under article I of the Constitution, is presumed to have exclusive power over the national purse strings.

In this particular case we have a commissar of subsidy who has greater powers in our foreign commerce than any commissar in Moscow, except only Secretary-General Joseph Dugasvili Stalin himself. Our commissar dumps American wheat and reaches into the Treasury for a Government subsidy thereon, at any rate or figure he arbitrarily chooses. He fixes the foreign delivery rate at 64 cents in one harbor, at 61 cents in Amsterdam, at 58 cents in Vladivostok—and a European cable arrives while I am preparing these remarks, to the effect that a wheat cargo is en route to Europe from the Argentine that may reduce our delivery basis to 56½ cents—or little over one-half the market price of good spring wheat paid by the mills of my district 1 year ago.

No man needs to be told what the natural effect of such arbitrary executive power is upon our normal export trade in breadstuffs. In fact, it is rapidly destroying all normal commerce. The foreign importer dares not order a cargo of wheat, flour, or other cereal products, because before delivery of the cargo, a new subsidy rate may be cabled by the commissar in Washington, D. C., making the importation a loss to all legitimate interests concerned, both here and abroad, including the foreign importer, and as I have pointed out the American producer and shipper.

This arbitrary Government executive control strikes with exceptional force at the Independent Farm Cooperative Associations, whose 3,600,000 members in the elections of 1933 voted against the "Wallace panaceas" and/or "penalties." Indeed, the farm cooperatives are largely responsible for the New Deal upset last November.

In Minnesota, which gave some 290,000 majority against the Deal, we have 1,400 farm cooperative enterprises—the largest for any single State in the Union—whose membership exceeds 380,000 and whose yearly business reaches a volume of \$150,000,000. In fact Minnesota leads the world in butter production.

Wisconsin has 1,086 farm cooperative enterprises having 220,000 membership and nearly \$100,000,000 annual sales—making Wisconsin the source of more cheese than all other States combined.

Iowa has 960 cooperative associations, whose 280,000 members do a business of over \$100,000,000 in varied dairy and grain products. The two Dakotas combined have 900 cooperative enterprises, wheat and dairy, having 175,000 members and a business volume of \$60,000,000.

Including the farm cooperatives of Illinois, Kansas, Michigan, Nebraska, Ohio, New York up-State, and in all, over a score of leading farm States of the North and West, this country has over 10,000 farm cooperative enterprises whose 3,800,000 members do a yearly business of nearly \$2,000,000,000, which asks no Government favors, no vote-bribing doles, and today has become the solid-ground foundation of that progressive common-sense and common honesty which the world may well recognize as democracy in America. The independent democracy of Jefferson and Abraham Lincoln, that will stand for no paternalism, and for no communitarian commissars of agriculture!

In the cause of such democracy, the time has come, in my judgment, when the Congress of the United States should pause in its deliberations and call a halt on this Federal subsidy plan until by full investigation, as provided for in the resolution which I have introduced here this morning, under no veil of Federal secrecy, we know where this Federal subsidy pilot is steering the ship of state. [Applause.]

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield.

Mr. PACE. I must first congratulate the gentleman on his presentation of this subject. It certainly shows a depth of thought and investigation that does credit to the gentleman. While I cannot agree with all of his conclusions, I do admire the interest he displays in the welfare of American producers.

As the gentleman knows, when he talks of surpluses, he is on a subject that interests me very much on account of the enormous surplus of cotton. As I understand, the gentleman objects to foreign subsidies because he wants our own people to have the benefit of any excess commodities. If we were to release the excess commodities in this country, would not they have the same depressing effect on the price that the gentleman states has been caused by the foreign subsidies?

Mr. ALEXANDER. That is a very good question, and I thank the gentleman for it. I think I can answer it, in part at least, by saying this: My suggestion would be that, instead of dumping this raw material either here or in Europe, we should run it through our own industries, our own processing plants, and give our own labor an opportunity to put these things on the European markets at these low prices, if the Government wants to subsidize it, at least as to flour; but do not give the foreign farmers a continuous chance to snipe at our farmers by providing them with the tools of the trade, and at a cut-rate basis, and then letting their produce into this country duty-free.

[Here the gavel fell.]

Mr. KERR. Mr. Chairman, I yield the gentleman 2 additional minutes in order to ask him a question.

I notice the gentleman complains because the Secretary of Agriculture, under a trade agreement, has shipped wheat abroad and subsidized the American wheat grower. This seems to be the principal complaint the gentleman makes.

Mr. ALEXANDER. I did not get that last statement.

Mr. KERR. Under trade agreements the Secretary of Agriculture has subsidized the American wheat grower and we have sent wheat abroad, which the gentleman states has been sold at low prices abroad and for this he complains and attacks the Agriculture Department of this administration.

Mr. ALEXANDER. I am not objecting to the subsidization of the American wheat grower. What I am objecting to is the subsidization of European wheat growers, European mills, European dairy producers, and European poultry producers, who are getting the benefit of this dumping in Europe that is being paid for out of our Treasury deficit to the detriment of our own farmers, our own mills, our own dairymen, and our own industries.

Mr. KERR. Let me ask the gentleman this further question. Has the gentleman any complaint to make of the Department of Agriculture when it has bought, through the Surplus Commodity Credit Corporation, millions of dollars of his dairy products and has further made a loan of more than \$30,000,000 the past year to the Dairy Products Marketing Association for the purpose of taking these surplus products of his section off of the market and standardizing the dairy products thereby?

Mr. ALEXANDER. There is a great deal of question in my mind about the soundness of any of the present farm program except our farm-conservation program. I suppose in the face of their failure, they had to do something to save face with the farmers.

Mr. KERR. The gentleman complains about subsidizing the American wheat grower \$25,000,000, but he does not complain when the Department of Agriculture lends the Dairy Marketing Association \$30,000,000 to buy the dairy products, or when it directly buys more than \$15,000,000 of your products within the last 12 months.

Mr. ALEXANDER. I think the present situation with reference to the agricultural people is an indication of the fallacy of most of the program which is being promoted at the present time by the Department of Agriculture. [Applause.]

Mr. ENGEL. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KNOTSON].

SIX YEARS OF THE NEW DEAL

Mr. KNOTSON. Mr. Chairman, tomorrow will mark the end of the sixth year of the New Deal, so it may be well to take inventory.

Mr. Franklin D. Roosevelt campaigned for the Presidency in 1932 holding out great hopes to the American people concerning what he would do for them in the event of his election. He assured them that he would drive from the land forever the scourge of depression. The costs of government would be reduced. Government intervention in business would be diminished. The National Government would assure every farmer all of the income that his heart could desire. All the people in need of relief were assured adequate incomes forever and a day. Trusts and monopolies would be destroyed. But at the same time he assured various groups in the community that he would provide for the restriction of production so as to increase prices, and thus costs to the consumer. By the way, he also promised to drive the money changers from the temple. If he did, he brought them to Washington.

Let us view what has happened to the finances of the National Government during the past 6 years. Time and time again during the campaign in 1932 and thereafter, Mr. Roosevelt and the Democratic Party assured the country that the Budget would be balanced; that Government expenditures would be decreased and no new taxes imposed. The Democratic platform of 1932 declared:

We favor maintenance of the national credit by a Federal Budget annually balanced on the basis of accurate executive estimates within revenues, raised by a system of taxation levied on the principle of ability to pay.

At Pittsburgh on October 19, 1932, the candidate asserted:

What used to be analogous to an old-fashioned account book, that all the family could understand, has become in Washington a maze of intricate double-entry bookkeeping which only a few highly trained technical expert accountants could possibly understand.

When he was inaugurated on March 4, 1933, Mr. Roosevelt once again assured the people:

Through this program of action we address ourselves to putting our own national house in order and making income balance outgo.

The Democratic platform of 1936 once more promised the Nation a balanced Budget:

Our retrenchment, tax, and recovery programs thus reflect our firm determination to achieve a balanced Budget. * * *

And as late as October 3, 1937, the Chief Executive assured the people:

The Treasury is all right and we are balancing the Budget—you needn't worry. (Havre, Mont.)

But what has happened? The Budget has not been balanced. We have been suffering from greater deficits almost every year. In the fiscal year ending June 30, 1933, the deficit was \$1,942,000,000; in 1934 it has increased to \$3,238,000,000; in 1935 it was \$3,780,000,000; in 1936 it had increased by more than another billion to \$4,853,000,000. In 1937 some people began to take hope, for it was only \$3,256,000,000. In 1938 it was still smaller, \$1,442,000,000. But do not get too optimistic, for this year the Treasury assures us that the deficit will be \$4,085,000,000. And so that is the way the New Deal has provided us with a balanced Budget.

Through the campaign of 1932 the Nation was assured that Government expenditures would be greatly reduced. The Democratic platform promised a reduction of 25 percent:

We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of Federal Government.

Candidate Roosevelt was horrified at the expenditures made by Mr. Hoover. He was horrified at the innumerable bureaus operating under the Hoover administration, and yet in the last 6 years he has trebled them.

Mr. Roosevelt asserted in his famous speech at Pittsburgh on October 19, 1932:

I shall approach the problem of carrying out the plain precept of our party, which is to reduce the cost of the current Federal Government operations by 25 percent.

I have sought to make two things clear: First, that we can make savings by reorganization of existing departments, by eliminating functions, by abolishing many of these innumerable boards and those commissions which, over a long period of years, have grown up as a fungus growth on American Government. These savings can properly be made to total many hundreds and thousands of dollars a year.

Let us see what has actually happened. The expenditures of the Federal Government in the fiscal year ending June 30, 1933, were \$3,559,000,000. In 1934, the first fiscal year entirely under President Roosevelt's control, the total expenditures had risen to \$6,353,000,000. The next year, 1935, they were \$7,581,000,000; in 1936 they were \$8,969,000,000; in 1937, \$8,550,000,000; in 1938, \$7,684,000,000; and in this present fiscal year that ends June 30, 1939, we are promised a total expenditure of \$9,085,000,000. So this is the way the President has reduced expenditures.

In other words we are going to spend \$9.85 for every minute since the dawn of the Christian era in operating the Federal Government during the present fiscal year. A fine record, but not one on which our Democratic friends will want to go to the people on in 1940.

Once Mr. Roosevelt tried to explain why the course of Government expenditures was not as he had predicted. He assured the Nation in a note written in 1938—Public Papers and Addresses, volume I, page 812—that these increases and expenditures were all due to the cost of extraordinary agencies of the Government:

The great increase in the expenditures of Government came from the new extraordinary agencies of Government created to meet the emergency and from the necessities of meeting the widespread needs of the unemployed.

And the simple historical fact remains that the regular expenses of the departments of the Government, as they existed in the summer of 1932, were reduced drastically by the Congress and the Executive in the spring of 1933.

Let us see if this is true. The total permanent expenditures of the national Government in the fiscal year 1934 were but \$3,607,000,000. The next year they had increased to \$4,215,000,000. In 1936 they were \$5,627,000,000; in 1937, \$5,473,000,000; in 1938, \$5,454,000,000; and in 1939, \$6,436,000,000. Thus the permanent expenditures of the Federal Government instead of being reduced 25 percent at least under Mr. Roosevelt have almost doubled.

Mr. Roosevelt continually assured the people that he would do everything to keep the cost of Government down and reduce taxes. Thus he said on September 29, 1932:

I propose to use this position of high responsibility to discuss up and down the country, in all seasons and at all times, the duty of reducing taxes * * * of getting the most public service for every dollar paid by taxation. That I pledge you, and nothing I have said in this campaign transcends in importance this covenant with the taxpayers of this country.

And in October 1932, at Pittsburgh, he once again reminded the people:

Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production.

But what has actually happened to the course of taxation? The total receipts of the Government of the United States in the fiscal year ending June 30, 1933, were \$2,079,000,000; in 1934, \$3,115,000,000; in 1935, \$3,800,000,000; in 1936, \$4,115,000,000; in 1937, \$5,293,000,000; in 1938, \$6,241,000,000; and in 1939 they are estimated at \$5,000,000,000. And that is the way Mr. Roosevelt has reduced the taxes of the American people.

In the fall of 1932 Candidate Roosevelt pointed out to the American people the horrors of an unbalanced Budget and the dangers of loose fiscal finance. The continual increase of the national debt, he warned us, was a great danger.

For 3 long years the Federal Government has been on the road toward bankruptcy.

With the utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy.

Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger. (Message to Congress, March 10, 1933.)

Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits. (Radio address at Albany, July 30, 1932.)

But what has happened to the national debt? On March 4, 1933, it was \$20,937,000,000. On February 25, 1939, the national debt was \$39,845,000,000, thus constituting an increase of \$18,908,000,000.

Mr. Roosevelt promised the American people repeatedly that he would do something to relieve unemployment, that it was a pressing problem, and that he would meet it. Thus, he said:

It is no time for delay when 11,000,000 of honest, industrious, and willing men and women are tramping the streets and roads of our country looking for work . . . and we of the Democratic Party will not wait. (Baltimore, October 25, 1932.)

In September 1936 he reassured the American people that reemployment was progressing rapidly:

Reemployment in industry is proceeding rapidly. Government spending was in large part responsible for keeping industry going and putting it in a position to make this reemployment possible.

But yet, after all these years of the New Deal, we still have 10,400,000 people unemployed.

He assured the American people that he would take care of relief in this country and that the costs of relief would continually decline. Thus, on January 3, 1934, he said:

If we maintain the course I have outlined, we can confidently look forward to cumulative beneficial forces represented by increased volume of business, more general profit, greater employment, a diminution of relief expense.

And on January 6, 1936, he promised us:

We can look forward today to a continued reduction of deficits, to increased tax receipts, and to declining expenditures for the needy unemployed.

But what has been the course of expenditures for relief? In 1934 it was \$1,846,000,000; in 1935, \$2,353,000,000; in 1936, \$2,387,000,000; in 1937, \$2,505,000,000; and in 1938, \$1,983,000,000.

With all these efforts and all these promises, the total number of people in the United States on relief has not declined. In January 1933 there were 18,224,000 persons receiving relief; in December 1936 there were 18,872,000 persons on relief; and in November 1938 there were 22,437,000.

Mr. Roosevelt repeatedly assured us that we were on the road to recovery; that he would guarantee that we would never have depression; that we would continue to improve in this country:

Today, for the first time in 7 years, the banker, the storekeeper, the small factory owner, the industrialist can all sit back and enjoy the company of their own ledgers. They are in the black. That is where we want them to be; that is where our policies aim them to be; that is where we intend them to be in the future (October 14, 1936).

I am glad that prosperity is back with us again; and believe me, it is going to stay (October 22, 1936).

But let us see what has happened. One of the easiest ways to see what has happened toward recovery in this country is to compare it with what has happened in England to see whether we really have accomplished as much as he would assert. In England in 1932 the total national income was \$11,759,000,000; in 1937 it was \$23,672,000,000. Thus it is quite apparent the national income of Great Britain doubled from 1932 to 1937. What happened in the United States? In 1932 the national income was \$46,359,000,000; in 1937 it was \$64,000,000,000. Thus, while the national income of England increased by 100 percent, ours increased by only 50 percent. Did England recover prosperity by spending its way out of a depression, by deficit financing, and by inflationary moves? No. From 1932 to 1938 the British budget shows a surplus of approximately \$400,000,000. What did we do? From 1932 to 1938 the Budget of the United States, instead of showing any surplus, showed a deficit, a deficit of truly astronomical proportions—\$20,400,000,000!

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. If I can have a little more time.

Mr. ENGEL. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CRAWFORD. Mr. Chairman, what I wish to ask the gentleman is this: Can he give us any information on the per capita tax of Englishmen as compared to the per capita tax of the people of the United States under our two programs?

Mr. KNUTSON. I have not got it here, but I should be glad to insert it. I have it in my office.

Mr. CRAWFORD. And will the gentleman also include with that the per capita indebtedness of Great Britain as compared to that of the United States?

Mr. KNUTSON. Yes; I shall be happy to also insert that data.

Comparison of per capita taxation and per capita public debt, United States and the United Kingdom in 1937

	United States	United Kingdom
Per capita tax.....	\$95.16	\$100.81
Per capita debt.....	\$29.99	1,011.25

Authority: Reference Bureau, Congressional Library.

In his Charleston speech of October 23, 1935, President Roosevelt said, in part:

We are coming back more soundly than ever before because we are planning it that way. Don't let anybody tell you differently.

He openly took whatever credit or blame due.

Here is something on performance as of March 1936. The United States ranked thirteenth among the leading nations of the world with respect to recovery. In August 1937 we were eleventh in recovery, but in February 1938 we had slipped down to seventeenth place. Perhaps someone can explain that. I have taken that little extract from a very useful publication entitled "Promise and Recovery," which is issued by the National Republican Committee, and I suggest to my Democratic friends that they send and get a copy of it.

Why has the number of persons on relief continued to stay so large? Why is it that business has not taken up the slack of unemployment? The reason is that President Roosevelt has considered as one of his major problems—as one of his major tasks—to attack business at every turn.

Despite his repeated promises to the American people of a breathing spell for business, he continued to make it the whipping board of America. For have we not during the past 6 years passed at least 37 different laws harassing, controlling, and restricting free private enterprise in this country?

He promised the American people the enforcement of the antitrust laws:

We advocate strengthening and impartial enforcement of the antitrust laws, to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the small producer and distributor. (Democratic platform, 1932.)

Mr. Roosevelt accepted that platform 100 percent.

The fundamental principles of the antitrust laws should be more adequately applied. Monopolies and private price fixing within industries must not be allowed or condoned. "No monopoly should be private" (message to Congress, February 20, 1935).

But what has been the course of the administration with regard to monopolies? From March 4, 1921, to March 4, 1933, there were an average of 13 cases a year prosecuted for violation of the antitrust laws. But under President Roosevelt the average has declined to 9 cases a year. Not only has he failed to prosecute cases under the antitrust laws, it has been the deliberate policy of this administration to enact legislation that creates more monopolies. This was the purpose of the N. R. A., the National Bituminous Coal Act, the Connally Hot Oil Act, and the Costigan Sugar Control Act.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Briefly, to my good friend.

Mr. TAYLOR of Tennessee. I notice in the newspapers that over in Germany and in Italy they have practically

maximum employment of the working classes, and that recently those two countries have been weaning back their nationals from other countries, while we stagger along with some twelve or fifteen million unemployed. Can the gentleman explain that?

Mr. KNUTSON. Yes; I can explain it. There is no confidence on the part of the American people in this administration. Does that answer the gentleman's question?

Mr. TAYLOR of Tennessee. I think that is a very good answer, and I am willing to accept it.

Mr. KNUTSON. Mr. Roosevelt has promised the American people a reduction in labor disputes, primarily through the enactment of the National Labor Relations Act of 1935. But what has happened? From 1931 to 1933 the average number of strikes per month was but 70, but from 1935 to 1938 the average per month was 262. The average number of man-days lost per month from 1931 to 1933 was 746,000, but from 1935 to 1938 it was 1,752,000. And this is the way the President has reduced labor disputes.

During the campaign in 1932 he promised to do something to relieve the railroad deficits and to protect them from bankruptcy:

While I would do everything possible to avert receiverships which now threaten us, I seek to bring the operating balance sheets of the railroads out of the red and put them into the black. In other words, I want the railroads to stand on their own feet, ultimately to reduce their debts instead of increasing them, and thereby save not only a great national investment but also the safety of employment of nearly 2,000,000 American railway workers (September 17, 1932, Salt Lake City).

On December 31, 1931, 4.99 percent of the total railroad mileage in this country was in bankruptcy. By December 31, 1933, it had increased to 16.24 percent; by December 31, 1935, it was 26.87 percent; and on June 1, 1938, 30.67 percent of the total railroad mileage of the country was in bankruptcy. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. TERRY. Mr. Chairman, I yield such time as he may desire to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, this bill provides funds for all phases of military activity during the coming fiscal year. I am in favor of adequate national defense in all of its departments. To this end I have supported, and I will support, all reasonable authorizations and appropriations for the Army and Navy, upon the land, the sea, or in the air.

There are those who feel, or profess to feel, that public employees receive benefits beyond their worth. Such an attitude arises from a lack of knowledge of the facts. Federal civil employees in many instances are inadequately compensated for the service rendered and the circumstances under which they work are far from ideal. We make stern demands upon these employees. We exact of them efficient service, absolute loyalty, and devotion to duty. I am happy to say that in my long association with them, and intimate knowledge of them, I know they have not yet been found wanting in what we demand of them.

My purpose today is to speak in behalf of a particular group of Federal employees. I speak for them today, because we have before us the Military Appropriation Act of 1940, which provides the funds for their compensation. It is my earnest hope that this Congress will adopt proper legislation for the classification of all civil-service employees. Such action will eliminate many of the inequalities and injustices to which I shall refer. On the other hand, adequate funds must be provided in appropriation bills or legislative enactments will, in many cases, fail to accomplish their purpose.

I am not among those who feel there is no bottom to the Federal till. I am committed to a program of economy. Adequate compensation for honest and efficient service can never be classed as extravagance. The most efficiently operated businesses in the land have learned that such is money well spent. Further, we are diligent in providing that established wage scales shall be observed in the compensation paid to relief clients. In many cases such wages have gone to aliens, and the Congress has been reluctant to adopt any

regulation to restrict the claim of aliens to these wages. The wage and hour law has been adopted and placed in effect, guaranteeing a minimum of \$10 per week of 40 hours, or the equivalent of \$520 per annum for unskilled or even illiterate workers. On the other hand, the Federal Government pays but \$50 per month, or the equivalent of \$600 per year, to educated, intelligent employees trusted with important repairs on Army aircraft, by resorting to apprentices, who are continued as such for periods of years.

Let me call your attention to the situation existing at the San Antonio air depot at Duncan Field, Tex. Understand, I make no claim that the officers of the Army in charge are solely responsible for these conditions. A large part of the blame must rest upon the Congress—a Congress which has been most generous in almost every instance, but oblivious to some of the most deserving and faithful of our regular employees.

The San Antonio Air Depot, as other air depots, is in fact a gigantic airplane repair shop and storage center. It is equipped with machines, tools, and personnel capable of thoroughly overhauling every kind of aircraft possessed by the United States Army. Its shops range from the instrument room, in which the almost human instruments of modern airplanes are rebuilt, to the shops in which the enormous B-17 bombers are overhauled. There are between 900 and 1,000 civilians employed in these shops and warehouses. They are entrusted with access to millions of dollars of Government property. Every minute detail of the latest equipment is known to them; therefore they possess our greatest military secrets. But beyond all of this, they are charged with the responsibility of so maintaining this equipment as to render it airworthy and safe for the flying personnel. Airplanes costing hundreds of thousands of dollars are placed in their hands for overhauling. You would naturally suppose that men and women entrusted with these expensive and important items of property would be the best paid and most justly treated of all Federal employees. Then you will be surprised to learn that in many cases they receive less than is paid to an unskilled W. P. A. worker. Their pay runs from \$50 per month for a so-called apprentice to \$200, that of a foreman.

Let us examine some cases:

There are seven employees of whom I am informed—there may be more—receiving \$50 a month as apprentices, notwithstanding the fact that they have rendered faithful and efficient service for 2 or 3 years. Surely they have either progressed or they are not apt pupils and should have been released. As a matter of fact, lack of funds keeps them at their present status long after their apprenticeship has ended.

Another employee, rated as a junior aircraft mechanic, entered the Federal service in 1929 at that rating and at a salary of \$1,800 per annum. Upon transferring to San Antonio his salary was reduced \$360 per year to \$1,440, although his rating was not changed. After 2½ years he receives the same pay. After 10 years he asks, "I started as a junior aircraft mechanic. Must I finish as one?" We must sympathize with him when, contemplating 10 years of faithful service and receiving a salary of \$360 per year less than when he started, he inquires, "I wonder how much less I'll be making 10 years from now?"

Another has been with the Government continuously since 1919 as an aircraft electrician and is today receiving exactly the same salary which he received when he entered the service. Surely he should have been entitled, as many other departments recognize, to automatic increases in pay during a portion of his service.

Still another has been employed as an aircraft woodworker since 1927, has received but one increase in pay during that time, and now receives but \$135 per month, notwithstanding three employees in his department receiving \$170 per month have retired. No one has been placed in their positions, and he continues at \$135.

Aircraft mechanics receiving salaries which it required them years to attain, find themselves working beside newcomers admitted at the same salary, but no increase for the old, faithful employees.

Another, who entered the service in 1930, has never received an increase in salary and now finds himself receiving less than when he entered the service.

One employee struggled along for 5 years on a salary of \$65 per month, upon which he attempted to support himself, wife, and daughter. During all this time he was denied an increase in pay, but upon his death a new man was employed at a salary of \$120 to do his work.

One of these employees, a capable, intelligent, and patriotic man, entered the service in 1920 and has remained since. He received one reduction in pay of \$10 per month upon change of station and received one increase of \$10 per month under the Welch bill, so he is now receiving the same pay he received when he entered the service nearly 20 years ago. He holds nine efficiency records from the days when such were issued; two of these rate him No. 1 in his group, and none place him lower than tenth. Therefore, inefficiency has not been the cause of his lack of promotion.

These instances alone show the injustice of the conditions. They are aggravated by knowledge of the fact that employees in identical positions at other depots receive much larger salaries. Recently employees have been transferred to Duncan from other depots. Their salaries do not compare to those received by Duncan employees. True, they are not too large and should not be reduced; they do show the increase necessary for Duncan employees.

As an instance, aircraft fabric workers with 10 years of service at Duncan receiving \$900 per year work beside those transferred in, who receive \$1,260 and \$1,320 per year for the identical work. A senior commercial electrician working at Duncan for 17 years receives \$1,980, while one who has been transferred there and holds the same rating receives \$2,600 for identical service. The foreman of the parachute department receives \$2,000, while two fabric workers on parachutes transferred to that department at Duncan from elsewhere receive \$2,400 per year. Three senior packers with service ranging from 4 to 20 years work beside one from elsewhere who is rated only as a packer. The packer receives \$1,620, while the senior packers receive but \$1,320.

The machinist foreman at Duncan receives \$2,400, senior machinist \$1,860, and machinists \$1,620; but a machinist transferred there receives \$2,600. At Duncan a senior aircraft mechanic receives \$2,000; aircraft mechanics receive \$1,620; but they work beside an aircraft mechanic who receives \$2,300. Duncan aircraft engine mechanic helpers receive \$1,020; elsewhere they receive \$1,440. Aircraft sheet metal workers' helpers receive \$1,020; elsewhere they receive \$1,320. These are some of the cases only, but they serve to illustrate the point.

In the face of all these facts, these men and women continue to render faithful service; they will continue to do so. You and I should not require nor permit them to do so. In the face of such conditions, it is now boasted that Duncan can turn out a "better job for less money." This has ceased to be the standard of comparison. The new vogue is an adequately paid force for all service. Surely the Federal Government can do no less.

The officers of the Army Air Corps recognize the faithful service of these employees and state it has been a trying period of years for a great many of these employees, and that their honest and faithful services have been most deserving of reward in dollars and cents rather than in words.

I hope that adequate provision will be made for these employees. [Applause.]

Mr. TERRY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I want to stand over here where I will be directly under the Lone Star of my native State, which is outlined yonder in the ceiling of this Chamber. [Applause.]

Ladies and gentlemen of the Committee, all true Americans delight to claim as their very own the great Declaration penned by the founder of the Democratic Party and enacted by Congress on July 4, 1776. And truly every American citizen today, no matter where he resides, does rest his liberties on this fundamental charter of human and indi-

vidual rights. It is, therefore, somewhat of a surprise to a number of our citizens to recall the fact that the political liberty, and in fact the entrance into the American Union, of more than one-third of our great territory of continental United States is traceable, not to the Philadelphia Declaration, but to a declaration of independence written by a group of pioneers who were not at that time even citizens of the United States. That this declaration was not directed at the misrule of King George but at the oppression of probably the first totalitarian dictator of the Western Hemisphere, Antonio Lopez de Santa Anna, the self-styled Napoleon of the West. This declaration was not written in a stately hall on the banks of the mighty Delaware but in an humble log hut on the banks of the yellow stream known to the Spaniards as the "Arm of God. Here at old Washington on the Brazos," on March 2, 1836, 103 years ago today, there gathered one of the most remarkable groups of men who ever assembled on this continent. They came from Tennessee, from Missouri, from New York, and Connecticut, and from the old South. They came from Spain and Yucatan. Many of them had followed Moses Austin and, after his death, his outstanding son, Stephen F. Austin, from Missouri, down the Father of Waters and west across the Sabine to the Spanish, and later Mexican, domains. Many of these men had joined the democratic faction in Mexico and had struggled to give to that unhappy land a real freedom. Time and again they had been given assurance that their rights would be protected. Time and again they had seen their hopes of freedom crushed. At last they had marched to San Antonio de Bexar, the seat of the Mexican Government, north of the Rio Grande, and had driven its garrison back to Monclava. All winter now they had tried to carry out the provisions of the Mexican Constitution of 1824, but now General Santa Ana was besieging their fellows at the Alamo with a force of trained and well-equipped regulars, many times larger than the entire force which they could ever hope to gather. But these representatives of a free people reflected the same spirit and determination that was to be exemplified by their comrades in San Antonio 4 days later when to a man they died rather than retreat.

Thermopylae had her messenger of defeat. The Alamo had none.

Six weeks later many of these same men who wrote this document were to follow the great Sam Houston at San Jacinto in one of the decisive victories of modern times. It is not surprising, therefore, that we should find them flinging down the gauntlet to a nation then nearly as large and as populous as the United States of that time.

The Texas declaration of independence bears the unmistakable marks of the familiarity of its authors with the writing of Thomas Jefferson, but it is not, as some have supposed, but a revised copy of that document. It recites the grievances of Anglo-Saxon citizens against a Latin oppression, and for the first time in recorded history these frontiersmen wrote as one count of the indictment against the Mexican tyrant the fact that they had been denied the advantages of a free school system, and publicly proclaimed—

It is an axiom in political science that unless a people are educated and enlightened it is idle to expect the continuance of civil liberty or the capacity for self-government.

A few months later these same men and their fellows were to draft the constitution of a new republic and were to set aside great tracts of public land—their only wealth—for the support of both a system of public free schools and for a "university of the first class."

For 10 years the Lone Star shone over the Southwest. Not until after our independence had been recognized by all the world and our place as a sovereign nation had been made secure, did the Lone Star join the great American constellation. That union put in motion a train of event that brought into the American Union not only our largest State, but it brought the whole great Southwest and forced the United States to take action to acquire undisputed title to the Northwest. The annexation of the Republic of Texas immediately brought into the Union all of present-day Texas, parts of Oklahoma, Kansas, and Wyoming, all central Colorado, and

all of Arizona, Utah, Nevada, and California. By forcing a settlement of the Oregon Territory issue it was likewise responsible for the inclusion of parts of Wyoming and Montana, as well as all of Idaho, Oregon, and Washington.

Thus did the men of all the older States to the East gather at Washington on the Brazos to give to the world the document that was to bring all of the newer States to the west into the great American Union of States. And today we look back through the long corridors of time and see that the history of the world was changed that cold and rainy morning when those 58 patriots met in a frontier village 103 years ago, and in the face of one of the largest military forces up until that time ever mobilized on the American Continent, raised their Lone Star banner, not only in behalf of Texas liberty but of American destiny. [Applause.]

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. TAYLOR of Tennessee. I just want to compliment the gentleman on the very eloquent tribute which he has paid to the Lone Star State. Tennessee, the old Volunteer State, is very proud of the contribution she has made to the State of Texas.

Mr. POAGE. And we are proud of the acts that Tennesseans have had in our history.

Mr. TAYLOR of Tennessee. When Sam Houston heard of the death of David Crockett he was living over in Blount County, Tenn. He got on his horse and rode out of Blount County, saying to his neighbors as he rode away, "All of you who want to avenge the death of David Crockett follow me." Sam Houston was perhaps the outstanding Texan of all time.

Mr. POAGE. Sam Houston was one of the men who was at Washington on the Brazos on March 2, and he actually rode from Washington on the Brazos and made that statement that the gentleman attributes to him, and led the army of the Texas Republic to Gonzales to drive the Mexicans back.

Mr. TAYLOR of Tennessee. In addition to contributing Sam Houston to that State, we gave your State the intrepid David Crockett, who taught the Mexicans how to die. Incidentally, David Crockett represented in this Chamber the district now so ably represented by Hon. JERE COOPER, who occupies the chair today.

Mr. POAGE. That is right.

Mr. TAYLOR of Tennessee. We are also proud of the more recent contributions which we have made to your State. SAM RAYBURN, majority leader of this House [applause], was born in the district which I have the honor of represent.

HATTON SUMNERS, Chairman of the Committee on the Judiciary, is also a Tennessean. [Applause.] The father of Representative LUTHER JOHNSON of Texas was formerly a Tennessean and resided in the town of London in my congressional district. [Applause.]

Also Mr. THOMASON, of the State of Texas, was born in Rutherford County, Tenn. [Applause.]

Mr. KERR. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. KERR (addressing his question to Mr. TAYLOR of Tennessee). And does not my good friend from Tennessee think that, had all these fine gentlemen remained in Tennessee, that the chances are that none of them would have been prosecuted? [Laughter.]

Mr. TAYLOR of Tennessee. I am sure if they will return to Tennessee they will not be prosecuted because the statutes of limitation has run against them.

Will the gentleman yield further?

Mr. POAGE. I yield.

Mr. TAYLOR of Tennessee. Furthermore, I do not know that JACK GARNER was born in Tennessee, but I know his ancestors came from Tennessee. [Applause.] They came from Grainger County, and they were of sturdy stock as reflected in the character of "Cactus Jack."

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. ANDERSON of Missouri. Does the gentleman realize that Jesse James and Frank James came from Tennessee to my State? [Laughter and applause.]

Mr. TAYLOR of Tennessee. Well, the James boys did not enter upon a career of crime without some provocation.

Mr. POAGE. And they were residents of Missouri, not Texas, when they became outlaws.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. CRAWFORD. I desire to congratulate the gentleman on the statement which he has made here today. It is my good fortune to be the grandson of the last surviving signer of the Texas declaration of independence. [Applause.]

Mr. POAGE. It is the good fortune of Texas that the gentleman was born in our great State and we regret that he should have moved away and joined the Republicans.

Mr. CRAWFORD. I thank the gentleman. I remember my grandfather very distinctly, and it was my opportunity to spend a great deal of time around his knee when I was a child.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. TERRY. According to the statement of the gentleman from Tennessee [Mr. TAYLOR], Tennessee is a good State to be from. [Laughter.]

Mr. POAGE. If you get away from it soon enough. [Laughter.]

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. MURDOCK of Arizona. I wish to say that Texas can have the proud claim of having been the mother of much of the West. All of the long-horned cattle that came into Arizona and that part of the West came out of Texas. But along with those came the cowboy, and along with him came the seeds of civilization which we have throughout the Rocky Mountain region. [Applause.]

Mr. ENGEL. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. ENGEL. Do they raise any Republicans down there in Texas? [Laughter.]

Mr. POAGE. They seem to migrate and go to Michigan when we do raise them there. [Laughter.]

Mr. ANDERSON of Missouri. Will the gentleman yield?

Mr. POAGE. I yield.

Mr. ANDERSON of Missouri. Does the gentleman realize that the tough corned beef which we got in France came from those tough Texas steers which the gentleman just mentioned?

Mr. POAGE. It was a long walk from Texas to France. [Laughter.]

Mr. CRAWFORD. Speaking of the question raised by my colleague the gentleman from Michigan [Mr. ENGEL], let me remind him and others that had they lived very long close to the Mexican border, having in mind the Mexican products that might come into this country, they would get some knowledge of Republican protection.

[Here the gavel fell.]

Mr. TERRY. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. NELSON].

Mr. NELSON. Mr. Chairman, as has been said by my colleague from Minnesota, with whom I have had the pleasure of serving in this House for a number of years, 6 years ago Franklin D. Roosevelt became President of the United States. I would add that 6 days ago Arthur M. Hyde, Secretary of Agriculture under Herbert Hoover, in a characteristic fault-finding speech delivered in Missouri, said, "For all this Franklin D. Roosevelt is responsible."

Obviously Mr. Hyde, in asserting that "for all this Franklin D. Roosevelt is responsible," did not have in mind present livestock and grain prices as compared with prices at the end of the Hoover-Hyde administration. His object was not to credit but to criticize.

I want us, then, in all fairness, to consider a few figures. In fact, the date selected by this modern Missouri Jeremiah suggests comparisons. So let us see. Last week when Mr. Hyde spoke cattle in Chicago sold at \$13.75, hogs at \$8.60, and sheep at \$9 per hundredweight.

Six years ago this week, when, almost by unanimous consent, Herbert Hoover ceased to be President and Arthur M. Hyde ceased to be Secretary of Agriculture, beef steers were quoted at \$3.25 to \$6.50 per hundredweight; hogs, \$3.70 top, with lightweights at \$2.50 to \$3.15 per hundredweight. Confirming, I quote from the Kansas City Times of October 10, 1932:

Everything that Kansas produces (and the same was true of other States) is selling at heart-breaking prices if there is any market for it. Wheat around 30 cents a bushel, corn at from 15 to 20 cents, oats at from 10 to 12 cents, cattle at 5 to 7 cents a pound, and hogs at 3 to 4 cents.

On December 14 of the year referred to, the Associated Press, under a Kansas City date line, said:

The hog market here establishes a new low level today for many years as a result of a further decline of 5 to 10 cents, which carried the best offering to \$2.80 a hundredweight.

And here are some United States Department of Agriculture figures as of September 29, 1932: Hogs, \$3.78, sheep, \$2.17, beef cattle, \$4.31 per hundredweight, and wool 9.1 cents per pound.

Still speaking of 1932 farm prices, I have here a cartoon from the St. Louis Globe-Democrat of October 20, 1932. It pictures a farmer starting to town with farm produce. There are three big, sideboard high wagonloads of corn. On top of one load is a coop of chickens, ducks, and geese, and on another a can of milk. Following behind the wagons are cattle and hogs for market. In his hand the farmer carries his shopping list: "One spool thread, one pair shoe laces, and a lead pencil." As the husband starts away from the barnyard the wife calls to him, "Oh, Henry! We need a new dishpan." He answers back, "We'll have to wait for next year's crop to get the dishpan. Got about all on the list now we can buy with this one." That cartoon, an exaggeration, of course, graphically calls attention to farm conditions when Mr. Hyde was Secretary of Agriculture; when a team of good Missouri mules could not pull enough corn to pay for the harness that was on them; when the price of wool went so low that the clip from a flock of sheep was needed to pay for a suit of clothes; and when a pound of live hog would not buy a postage stamp.

I have referred to the fact that this week marks the sixth anniversary of the Roosevelt administration. We are approaching another anniversary. June 15, 1939, will be the tenth anniversary of the Hoover Farm Board, under which agriculture, as a whole, suffered as never before. Although a member of the Agricultural Committee, I was one of 35 Members of the House to vote against the Farm Marketing Act, under which the Hoover Farm Board was authorized. Under that Board, and with Arthur M. Hyde as Secretary of Agriculture in the United States, agriculture lived, but barely lived, through its darkest days. While prices were ruinously low, extravagant salaries were paid. For instance, to have paid the annual salaries of two Farm Board officials would have required 25 trainloads of corn, 50 cars to the train and 1,000 bushels to the car. Hundreds of millions of dollars were spent but with no direct benefits to farmers. The whole history is one of colossal failure.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield.

Mr. LUTHER A. JOHNSON. I take it from the figures reported by the gentleman that the ex-Secretary of Agriculture, Mr. Hyde, is better in criticism than he was in construction.

Mr. NELSON. That is very characteristic of the gentleman.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield.

Mr. ANDERSON of Missouri. Is this the same Arthur Hyde who was Governor of our State and later Secretary of Agriculture?

Mr. NELSON. I regret to say that this is true.

Mr. ANDERSON of Missouri. Was not his main contribution to the farmer that famous book put out by the Republican National Committee on the love life of the bullfrog?

Mr. NELSON. I cannot say as to that, but I do recall that in one speech made in Kansas City, Mr. Hyde, instead of offering a program of relief, is quoted as saying: "Depression, hell! It's a state of mind."

In his speech of last week, as indicated by press reports, the one-time Hoover Secretary of Agriculture touched but lightly upon farm conditions. It was a subject to be avoided. Comparisons as between farm prices and benefits in the Hoover-Hyde years and under the Roosevelt-Wallace program would not only have been odious, but awful. If we add to present market prices for grain the payments which growers participating in the soil-conservation program are now receiving, the spread between prices then and now will be much greater. In fact, in some cases Government payments are now about the same as prices were in the Hoover-Hyde low years.

So, while the farm problem has not been solved—and this I freely concede—it is clear to every fair-minded man that great progress has been made. "For all this," let it be said, "Franklin D. Roosevelt is responsible."

When Secretary Hyde was a member of the Cabinet he found much fault with those who criticized President Hoover. He said:

They are specialists in vilification, misinstruction, and misrepresentation, and slander. They have falsely interpreted every act of the President.

If abuse was to be condemned then, surely it is no less in order now. Rather do I believe that it will be much to the good of all concerned if, instead of carping criticism, credit is given where credit is due.

Mistakes have been made during the 6 years since Franklin D. Roosevelt became President of the United States. The program has been in human hands. The historian of the future, though, will write that never before was such a broad humanitarian program carried forward so unselfishly and so successfully. As the American people, regardless of politics, concede this, greater good will result to all concerned. Be it said to the credit of many individuals and to a part of the press that there is evidenced a finer spirit of fairness. As an example, I quote in part from an editorial in the Kansas City Times of February 27:

MORE MEN AT WORK

It's a safe guess that a news article in the Star yesterday morning amazed most readers. It was the report that 16,000 more persons are employed in Greater Kansas City this month than were employed in the same month 3 years ago.

A gain of 14 percent in private industry in spite of 3 years that included drought and a Nation-wide depression!

We have heard so much gloomy conversation in recent years that some persons have got into a defeatist mood. They have seen no hope. They have talked despairingly about the future. They have shown all the symptoms of being licked.

It is time to forget the gloom talk. Gloom can only paralyze action. Its time to take advantage of the momentum the employment figures reveal. Its time to unite and push ahead, with every-one doing his share.

Mr. Chairman and my fellow Members, let us, then, at this sixth anniversary say, "For all the good that has come we are thankful, and for a full share of this Franklin D. Roosevelt is responsible." [Applause.]

Mr. ENGEL. Mr. Chairman, I yield 15 minutes to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, in the United States the only anthracite coal of any commercial importance lies in four major fields in eastern Pennsylvania, within an area of only 3,300 square miles—less than 500 square miles of which are underlain by workable coal beds. The present reserves of anthracite coal are estimated at 16,500,000,000 tons, which is about three-fourths of the original reserve.

The northern coal field, commonly known as the Wyoming region, covers the counties of Luzerne and Lackawanna, with

Wilkes-Barre and Scranton as the principal centers, and with many mining towns of varying population in the region.

The eastern middle coal field, commonly known as the Lehigh region, covers Carbon County, with Hazleton as the principal center, and the northeastern part of Schuylkill County, which is part of the Thirteenth Pennsylvania District, which I have the honor to represent.

The western middle coal field covers Schuylkill and Northumberland Counties, and the southern coal field covers Schuylkill and Dauphin Counties.

All of the large and extended deposits of anthracite coal in the western middle field, with mining centers of Shamokin, Mount Carmel, Centralia, Ashland, Girardville, Frackville, Gilberton, Mahanoy Plane, Shenandoah, and Mahanoy City. The major portion of the deposits in the southern coal field have mining centers of Pottsville, Minersville, Tremont, and Tamaqua, and all these are in the Thirteenth Pennsylvania District.

CONSERVE NATIONAL RESOURCES

With the administration and the National Resources Committee advocating the conservation of our national resources, especially oil, it is with added significance that I call your attention to the importance of H. R. 4109.

Admittedly, from many authoritative sources, there is an inexhaustible supply of hard coal, and I believe that if an anthracite laboratory is provided by the Federal Government, it will fulfill the twofold purpose of creating new uses for anthracite and substantially aid in carrying out the program of conserving other national resources, the supply of which is limited.

The anthracite-coal industry is our basic and fundamental industry. It is the backbone of all our business enterprises. We have few diversified industries in the region. The existence and prosperity of our people, therefore, must depend on the utilization and mining of anthracite coal.

FORMATION OF ANTHRACITE COAL

In my studies I find the word "anthracite" is derived from the Greek word "anthrax," meaning coal of fossil substances which kindle and burn like wood. Historical records seem to indicate that the first recorded mention of anthracite was made by Theo Phrastus, in 371 B. C., in a treatise on stones. This historian records that it was found in Liguria and Elis and was used by smiths. We find today, however, the words "anthracite" and "hard coal" are synonymous.

It is now generally recognized that anthracite, like all coal, was formed from the vegetation of prehistoric forests. The story of the formation of anthracite coal is in itself an intensely interesting romance.

Geologists in general practical language, tell us that trees and ferns which grew to gigantic size and unparalleled dimensions in an atmosphere very large in carbon dioxide, fell, rotted, and decayed, thus forming a deep layer of decayed plant life. In time the earth's surface moved and submerged this vegetation beneath an ocean covering the earth with mud and sand.

Centuries and centuries passed, and thousands of years later the earth rose out of the water and was again covered with vegetation. Submersion again followed, and in the course of many centuries this process was repeated a number of times. The combined forces of heat and pressure transformed the mud and sand of the ocean bed into rock and every separate layer of former bituminous vegetation hardened successively into peat, lignite, soft—or bituminous—coal and finally into anthracite.

Then as the result of vital earthquakes and the erosion of glaciers many miles in thickness, these fields of anthracite in eastern Pennsylvania, which I have previously referred to, were left in their present uneven and disconnected form.

Scientists and geologists, in relating this marvelous romance, tell us further that as the earth's surface cooled and contracted, our beautiful hills and valleys in eastern Pennsylvania were formed.

These beds of anthracite were correspondingly twisted with the result that anthracite now lies in a number of basins or veins extending roughly parallel to each other in

a northeastern, southwestern direction. In many instances—in fact, in most instances—the centers of these veins of coal are many feet underground, while the edges or outcroppings frequently coincide with the surface of the earth. When this latter condition is the case it is possible to readily secure coal by shoveling or stripping directly from the surface. But in the majority of instances, however, it is necessary to sink deep shafts or slopes in order to reach the coal in or near the bottom of the veins.

According to geology classifications, therefore, these basins of anthracite coal in eastern Pennsylvania have been grouped into four primary divisions known as the northern, eastern middle, western middle, and southern fields. In the northeastern extremity of this territory these basins slope in rather gentle curves, while in other sections, particularly in my district, the warping of the earth's surface during the glacier era was much more severe, with the result that the coal beds frequently lie in a vertical position and in some cases have sometimes even been completely overturned since the original formation.

According to no less an authority than Dr. A. C. Fieldner, of the Federal Bureau of Mines, anthracite coal in Pennsylvania was discovered as early as 1762, and that the first Lehigh coal mining company was formed in 1793. We find, however, that it was not until about 1812 that the "black stones" of eastern Pennsylvania began to receive recognition on the Philadelphia market as being a highly desirable domestic fuel. In 1830, the first American-built locomotive used anthracite, and in 1835 this fuel was burned on the steamship *Portland*. In 1839 the application of hot blast to Mauch Chunk and Pottsville blast furnaces started an important industrial use for anthracite that persisted for over half a century. By 1838, the yearly production reached \$1,000,000, and that year may be taken as the beginning of anthracite as an important American fuel.

It can, therefore, be seen that anthracite coal was the first of our mineral fuels to find extensive domestic and industrial use. It is, therefore, equally true that it would naturally also be the first fuel to experience the exhaustion of easily mineable beds. It is, therefore, my humble and frank opinion that if the anthracite industry is to continue and survive that we must apply progressive mining methods and research in developing means and methods for increasing the utilization of anthracite coal products.

Naturally, I am interested in scientific achievements. For years I have been engaged in the practice of medicine and I have been in close contact with the achievements of science in the fields of chemistry, biology, and related sciences.

I know something of the progress science has made in combating contagious diseases and in the improvement of our health and sanitary conditions. I, therefore, can be expected to have an appreciation of the value of scientific research and the importance and application of fundamental and applied research work. It is with this in view that I have for some time been devoting attention to the possibility of scientific chemical and engineering research in the development of new uses for anthracite coal and its products.

FARM PRODUCTS RESEARCH

My interest in this matter has been renewed and strengthened by the recent action of the Department of Agriculture in the establishment of regional laboratories for scientific research in the utilization of farm products at Wyndmoor, Montgomery County, Pa.; New Orleans, La.; Peoria, Ill.; and Albany, Calif.

In section 202 (a) of the Agriculture Adjustment Act of 1938:

The Secretary is authorized and directed to establish, equip, and maintain four regional research laboratories, one in each major farm-producing area, and at such places to conduct researches into and to develop new scientific, chemical, and technical uses and new and extended markets and outlets for farm commodities and products and byproducts thereof. Such research and development shall be devoted primarily to those farm commodities in which there are regular or seasonal surpluses and their products and byproducts.

Press releases issued by the Department of Agriculture on February 10 contain detailed information about the location and design of these four regional laboratories at the points stated. The buildings are being designed as centers for carrying on chemical engineering and related research by a staff of approximately 250 persons, consisting of chemists, engineers, and other trained technologists.

The primary purpose of these laboratories is to find and develop new uses of farm commodities in the region in which they are located.

The eastern regional laboratory to be located at Wyndmoor, for instance, will devote attention to new uses for potatoes, tobacco, milk products, apples, and vegetables.

The southern regional laboratory at New Orleans will give attention to cotton, peanuts, sweetpotatoes, and other foods generally produced.

The northern regional laboratory located at Peoria will give attention to corn, wheat, and agricultural wastes from the farm area in the Middle West.

The western regional laboratory to be located at Albany, Calif., will direct attention to surplus fruits, vegetables, wheat, potatoes, and alfalfa and similar crops.

PROPOSED LINES OF RESEARCH ON UTILIZATION OF ANTHRACITE COAL

It is very gratifying to me, as a scientifically trained man, to see this splendid development in the Department of Agriculture, whereby the chemists, engineers, and other technologists in the Department are going to exert every effort to develop new uses for surplus farm commodities in the various regions in which these regional laboratories are located.

I have followed very closely the developments in connection with the utilization of soybeans in various industries and regard this new undertaking in the Department of Agriculture as one of the most constructive steps taken by the Department to bring the scientist into the field as a direct aid and help to the farmers of this country.

I therefore feel that scientific research can be used in a similar manner in affording relief to the depressed anthracite miners in my district and in eastern Pennsylvania. I am convinced that science can render a most important service in the development of new uses for utilization of our valuable anthracite deposits.

In my studies of the anthracite situation in my own district I have endeavored to secure the advice of chemists and engineers not only in the industry but in scientific institutions, State and Federal agencies. I have given considerable attention to this subject and I have had an outline prepared of some proposed lines of research on the utilization of anthracite coal that would be of vital importance to all engaged in coal mining, including both the operators and miners of eastern Pennsylvania.

In preparing this research program, recognition has been made of the marked advances in methods of transportation and communication, and the increased need and demand for satisfactory motor fuels.

As a very marked example, the development of the automobile to its present outstanding position in both domestic and industrial fields has resulted in a tremendous demand for gasoline. The supply of gasoline has always been plentiful but will it continue to be so from the present sources of production?

Already serious questions have been raised regarding our oil reserve, and experts are predicting a marked depletion in future years. Just how long it will be possible to discover new oil reserves is now a much-debatable question. Some prominent authorities think a decline may begin within the next 10 years, while others estimate it will be a little longer period. At any rate, it is generally recognized that all oil resources are being depleted, and active measures should be adopted for the conservation of this valuable natural resource.

So the fact that gasoline, which is now produced from petroleum, a mineral resource which we confidently believe will some day be exhausted, the study of new sources of substitute fuel, such as coal, oil shale, and farm crops, should be encouraged by the Federal Government.

We have extensive deposits of coal and oil shale in the United States, and methods for producing gasoline and motor fuels from them should be actively prosecuted and the practicability of these methods from the economic and cost point of view should be definitely determined.

We note that farm crops, for instance, especially grains and tubers, can be malted and fermented to produce ethyl alcohol, a liquid which chemists tell us can very well be used in place of gasoline. It has been suggested that this alcohol made from farm crops be blended with gasoline as a practical source of motor fuel, and I am sure science will determine in the next few years the practicability of this process. It is again a very splendid example of the value of scientific research in solving these important national problems.

HEATING VALUE OF ANTHRACITE

It is interesting to observe that when we think of gasoline as a symbol of concentrated fuel we find that a small lump of anthracite coal will yield nearly $1\frac{1}{2}$ times as much heat as the same volume of gasoline. The several percent of hydrogen which anthracite coal contains gives it considerable advantage, for instance over coke, in heating value. It is seldom realized that Pennsylvania anthracite contains from 400 to 1,000 more British thermal units per pound than by-product or Beehive coke of the same ash and moisture contents. These statements can be verified from analyses made by the United States Bureau of Mines.

For example, their Report of Investigations, No. 3283, shows that the moisture-free analysis of domestic sizes—egg, stove, chestnut, and pea—of Pennsylvania anthracite samples from 41 coal breakers averages 9.9 percent ash and 13,535 British thermal units per pound. Their Report of Investigations, No. 2980, states that the typical composition of moisture-free, high-temperature coke is 10 percent ash and 12,900 British thermal units per pound. In other words, while the ash contents of the typical coke and anthracite coal are almost identical, the anthracite has 635 more British thermal units per pound, which amounts to 5 percent more heat units.

I am told the explanation for the higher heating value of anthracite as compared with coke lies in its extra hydrogen content, since hydrogen has the highest heating value of any substance. Although bituminous coal contains more hydrogen than anthracite, it also contains more oxygen, which has no heating value.

It is generally agreed by combustion engineers that there is therefore no other fuel, whether solid, liquid, or gaseous, that is so concentrated as anthracite and which contains so many heat units per cubic inch. It is not my purpose in this speech, however, to enter into any more details regarding the heating and combustion advantages of anthracite coal.

I am particularly interested at this time in directing attention to the national importance and significance of scientific research looking to the development of new uses for anthracite coal and its products. It is therefore very evident to me that many of the following lines of research should be undertaken as soon as possible for the utilization of anthracite coal:

PROPOSED RESEARCH

First. Anthracite coal as a source of liquid fuels for automotive needs:

- (1) Passenger automobiles.
- (2) Diesel engine power on (a) trucks, (b) busses, (c) railroads, (d) stationary power plant, (e) marine engines.

Second. Anthracite coal as source of compressed gas and producer gas for motor fuel:

(a) Gas-producer-driven motor vehicles. Gas-producer-driven motor vehicles, principally trucks and busses, have received extended trials in England, Germany, and France. Although wood charcoal is the preferred fuel, anthracite and low-temperature coke have given satisfactory service. In 1936 about 800 gas-producer-equipped trucks and busses were operating in Germany. Encouraging experimental results have also been obtained in England and France.

Third. Anthracite coal for gas production:

- (a) Possibility as future fuel in gas producers for heavier types of motor vehicles, (b) source of hydrogen for liquefaction

of bituminous coal or for production of synthetic hydrocarbons, (c) source of fuel for water gas and gas producers, (d) possibility of use as raw material for production of synthetic products from carbon monoxide and hydrogen, (e) production of water gas by utilization of off-peak electrical energy for heating anthracite fuel beds and passage of steam through the bed, (f) utilization of anthracite coal in processes for gasification of carbonaceous materials.

Fourth. Hydrogenation of anthracite coal:

- (1) Heavy oil production for use in (a) Diesel motors, (b) furnaces.
- (2) Gasoline production for use as (a) motor fuel, (b) solvents.

Fifth. Liquefaction of anthracite coal:

- (1) Emulsified finely ground coal for use as (a) Diesel-engine fuel, (b) furnace oil.
- (2) Heat treatment for use as (a) Diesel-engine fuel, (b) furnace oil.

Sixth. Grinding of anthracite:

- (1) Pulverized form for use in (a) steam generation, (b) Diesel engine, (c) household heating.

Seventh. Blending of anthracite coal:

- (1) Heavy oil blended with (1) regular anthracite coal sizes, (2) pulverized anthracite coal.

For use as (a) steam generation, (b) household heating.
 (2) Bituminous coal blended with (1) fine anthracite.

For use as (a) steam generation, (b) household heating.

- Eighth. Chemical Utilization of anthracite coal for use as**
 (a) filtering media, (b) scrubbing, (c) conversions, (d) carbonization.

Ninth. Anthracite ash utilization:

- (a) Soil conditioner, (b) steel alloying with fine coal, (c) chemical utilization of ash constituents.

Tenth. Anthracite for producer gas:

- (a) Power production, (b) city gas, (c) gas engine.

ANTHRACITE RESEARCH LABORATORY

The results of my studies and surveys of the anthracite coal situation in Pennsylvania and the importance of making early provision for the initiation of a program of scientific research on the utilization of anthracite coal has encouraged me to prepare and introduce my bill, H. R. 4109, which puts the Federal Government back of the anthracite coal miner in his fight for future existence.

My bill provides for the establishment by the Department of the Interior, of an anthracite research laboratory in eastern Pennsylvania to carry out a broad and extensive program such as I have referred to. My bill provides sufficient funds for the operation and maintenance of this research laboratory to permit the Department of the Interior to carry out this program and I will greatly appreciate the cooperation of the Members of the House in making possible this program, which means so much to the entire population in the anthracite coal regions of Pennsylvania.

I expect to again address the House in further detail on this important subject, regarding and pertaining to the safety and health in anthracite coal mining operation. [Applause.]

Mr. TERRY. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. ANDERSON].

Mr. ANDERSON of Missouri. Mr. Chairman, I should like to call the attention of the House to a bit of testimony in a National Labor Relations Board case which is now being tried in St. Louis and concerning the conduct of the regional office of the National Labor Relations Board.

I am not in a position to offer the official transcript, and I am depending upon press accounts which have just reached me. But since the descriptions of the testimony are virtually the same in the three St. Louis newspapers I have every reason to believe their accuracy.

Briefly, the testimony is this:

Mrs. Ethel Spangler, a former organizer for the International Ladies' Garment Workers Union, who was one of the complainants for the union against the Forest City Manufacturing Co., testified that Thurlow Smoot, attorney for the Labor Board, and Miss Eva Lackey, another organizer of the

union, asked Mrs. Spangler's daughter to testify falsely against the company.

Mrs. Spangler testified at the hearing that this Labor Board attorney and union organizer attempted to induce Miss Violet Spangler to testify that she was fired for union activity, and after the daughter explained that she had never been a member of the union and had quit the company voluntarily they still insisted that she sign a statement to the effect that she had been fired for union activity.

Mrs. Spangler testified that the Labor Board attorney, Mr. Smoot, and the union organizer told her daughter that they did not care whether she was a member of the union or not, and that she would get paid enough to open a beauty parlor of her own.

Now, this is not the first instance of reprehensible activity by the St. Louis officials of the National Labor Relations Board. During the last session of Congress I referred to the official transcript of the case against the Ford Motor Co., in which three witnesses were prevented from testifying that they had been told by the Labor Board regional office that they would be incriminating themselves if they did not join the C. I. O., which at that time was attempting to organize the workers in the St. Louis branch of the Ford Motor Co.

But the trial examiner in this case would not permit this testimony to be admitted and it had to be put in the record by offers of proof.

Also, in the case against the International Shoe Co. at Hannibal, Mo., it is general information that the Labor Board attorney made speeches at meetings called against the company and pleaded with those in the complaint not to desert the union and made promises of back pay for all the time the case was in litigation.

I notice also, Mr. Chairman, in yesterday's press dispatches a statement from Dr. Towne Nylander, Los Angeles regional director of the Labor Board, to the effect that he was misquoted in the statement that "When we go into a hearing the employer hasn't got a chance," which statement was placed in the CONGRESSIONAL RECORD by the distinguished gentleman from California [Mr. FORD].

The Labor Board has suddenly become very religious. It suspended Dr. Nylander. Yet the Board knows if it reads the transcripts of its cases, that a year ago an attempt was made to introduce as evidence in one of the aircraft cases virtually the same statement by Dr. Nylander. The gentleman from California knows that those who have followed the proceedings of the Labor Board in southern California are quite familiar with the policy of Dr. Nylander, and the Board in not giving the employer a chance.

I believe, Mr. Chairman, that the time has come for Congress to quit shadow-boxing on this question of the Labor Board's activity and its personnel. I urge the membership of this House to support the resolution I introduced some time ago and which is now before the Rules Committee, calling for a complete and thorough investigation of the National Labor Relations Board and its personnel.

Mr. Chairman, there is no longer any question or doubt that the Labor Board personnel, in its attempt to build up a statistical record to justify its existence, has used the bait of back pay for the purpose of creating labor strife instead of eliminating it.

Mr. Chairman, while I have no personal knowledge of attempts by Labor Board attorneys to have witnesses to testify falsely, I do know that in the Ford case in St. Louis the Labor Board attorney, when put on the stand by the respondent's attorney, admitted that he knew and permitted one of his witnesses to testify falsely. And I do say without fear of contradiction that the Labor Board regional office in my district, St. Louis, has been used for the purpose of particular union organization activities and the promotion of labor strife.

I feel that the time has come when we must look inside and see what is going on. I urge you to consider my resolution calling for an investigation of the National Labor Relations Board, its conduct and personnel. [Applause.]

Mr. TERRY. Mr. Chairman, I yield to the gentleman from Texas [Mr. LUTHER A. JOHNSON] 15 minutes.

Mr. LUTHER A. JOHNSON. Mr. Chairman, with the convening of Congress, the open season for political sniping was begun. Critics of the President and the administration have been using this forum to lay down a barrage of criticism and condemnation. Of course, this is their right and privilege, which no one would deny them.

Our Republican colleagues, realizing that their party is short in voting power, have tried to compensate for it by the exercise of vocal power. They realize full well that it is easier to criticize than it is to construct, and the role of the complainer and the faultfinder requires more talking than it does thinking.

There has been some constructive criticism and this the Members of the House and the people of the country always welcome. An eminent textbook writer I think well said, "The informing function of Congress is equally as important as its legislative function." But many of the speeches at this session have been scant in information, consisting principally of loose talking, actuated in many instances by political animosity and prompted by political expediency. But even this I am willing to forgive, for I realize that politics is politics, and under the two-party system the party that is out must, or they think they must, continually bombard the party that is in.

There is one subject, however, upon which I draw the line, and even my political tolerance, and I believe my service in this House justifies me in claiming to be tolerant, will not permit me to remain silent or go unchallenged. I refer to the reckless, extravagant, and unjustified attacks made upon our Government in its foreign policy and its relations to other governments. I am referring specifically to those who, actuated either by partisan politics or hostility and hatred of the President and his administration, here and elsewhere constantly seek to discredit the President of the United States, our Secretary of State, and our Government in their dealings with the other countries of the world. Radio speeches, statements to the press, and this forum are used by some of these carping critics in leveling a barrage of condemnation at every act or word of the President and his Secretary of State which relate to foreign affairs or our relations to other governments. I am not talking about the constructive and conscientious critic, but of the chronic complainer who talks and thinks afterward.

The realm of criticism relating to domestic policies and foreign policies differs widely. Unfounded criticism of domestic legislation will not do irreparable injury, for the American people, for whose ears it is intended, know how to discount extravagant statements or denunciations, and out of the furor of debate and the cooling time which intervenes before election, they will evolve the truth, for we Americans understand one another. But a reckless, extravagant, or unjustified statement condemning the President's act or word relating to foreign policies will be published and heard, not only here but abroad, and when reproduced in the foreign press will be magnified rather than minimized, and though the critic may be in a hopeless minority, possibly voicing his own sentiment alone, it will be cited abroad as an evidence that America is divided and the President is not backed up or sustained by his own people. Such form of criticism may give aid and comfort to other governments with which we are in dispute, but certainly not to our own.

The founders of our Government vested in the President of the United States the handling of our foreign relations, and in him alone is vested the power of initiating negotiations.

Those who challenge the right of the President to act in our relations to foreign governments display an ignorance of the power and function of the Chief Executive under our form of government.

The Supreme Court of the United States, in the case of United States against Curtiss-Wright Export Corporation and others, in an opinion delivered in December 1936, reviewed at length the historical background and the constitutional power of the President in this regard. It was therein pointed out

that the Federal power over external or foreign affairs differed greatly from the Government's power over internal or domestic affairs; that with respect to domestic affairs the power of the Federal Government is limited, while there is no limitation or reservation of power in the States as to foreign or external affairs, and in this sphere unlimited power is vested in the Federal Government. Furthermore, that in dealing with foreign governments the power to consider and initiate negotiations is vested exclusively in the President of the United States. I quote from the Court's opinion in that case:

Not only, as we have shown, is the Federal power over external affairs in origin and essential character different from that over internal affairs, but participation in the exercise of the power is significantly limited. In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation. He makes treaties, with the advice and consent of the Senate, but he alone negotiates. Into the field of negotiation the Senate cannot intrude, and Congress itself is powerless to invade it. As Marshall said in his great argument on March 7, 1800, in the House of Representatives, "The President is the sole organ of the Nation in its external relations, and its sole representative with foreign nations."

The opinion of the Court in this same case also quote with approval an excerpt from a report made to the Senate of the United States by its Committee on Foreign Relations at a very early day in our history, on February 15, 1816, which reads as follows:

The President is the constitutional representative of the United States with regard to foreign nations. He manages our concerns with foreign nations and must necessarily be most competent to determine when, how, and upon what subjects negotiation may be urged with the greatest prospect of success. For his conduct he is responsible to the Constitution. The committee considers this responsibility the surest pledge for the faithful discharge of his duty.

We think the interference of the Senate in the direction of foreign negotiations calculated to diminish that responsibility and thereby to impair the best security for the national safety.

The nature of transactions with foreign nations, moreover, requires caution and unity of design, and their success frequently depends on secrecy and dispatch (8 U. S. Senate Reports, Committee on Foreign Relations, p. 24).

The Supreme Court, further speaking in the same case, said:

It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation, which is to be made effective through negotiation and inquiry within the international field, must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved.

Moreover, he, not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries. He has his confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials. Secrecy in respect of information gathered by them may be highly necessary, and the premature disclosure of it productive of harmful results.

Indeed, so clearly is this true that the first President refused to accede to a request to lay before the House of Representatives the instructions, correspondence, and documents relating to the negotiation of the Jay treaty—a refusal the wisdom of which was recognized by the House itself and has never since been doubted. In his reply to the request, President George Washington said:

"The nature of foreign negotiations requires caution, and their success must often depend on secrecy; and even when brought to a conclusion a full disclosure of all the measures, demands, or eventual concessions which may have been proposed or contemplated would be extremely impolitic; for this might have a pernicious influence on future negotiations, or produce immediate inconveniences, perhaps danger and mischief, in relation to other powers. The necessity of such caution and secrecy was one cogent reason for vesting the power of making treaties in the President, with the advice and consent of the Senate, the principles on which that body was formed confining it to a small number of members. To admit, then, a right in the House of Representatives to demand and to have as a matter of course all the papers respecting a negotiation with a foreign power would be to establish a dangerous precedent." (1 Messages and Papers of the Presidents, p. 194.)

Further quoting from the same opinion of the Court, I read:

The marked difference between foreign affairs and domestic affairs in this respect is recognized by both Houses of Congress in the very form of their requisitions for information from the executive departments. In the case of every department except the Department of State, the resolution directs the official to

furnish the information. In the case of the State Department dealing with foreign affairs, the President is requested to furnish the information, "if not compatible with the public interest." A statement that to furnish the information is not compatible with the public interest, rarely, if ever, is questioned.

This opinion was rendered by the Supreme Court in upholding an act of President Franklin D. Roosevelt in prohibiting the exportation of arms to Paraguay and Bolivia, under an act of Congress authorizing him so to do when he found that by so doing it might contribute to the reestablishment of peace between those countries. Its validity was challenged on the ground that Congress had no power to delegate its law-making power to the President. It was a unanimous decision, except for the dissent of Mr. Justice McReynolds. The majority of the Supreme Court, at the time of the rendition of the opinion, was not of the same political faith as that of the President, and the writer of the opinion was Mr. Justice Sutherland, a Republican and a former Member of the Senate of the United States. I mention this to show that by no stretch of the imagination could it be charged that the opinion was actuated by political bias in favor of the President. It was a clear-cut judicial finding and clarifies the power of the President in dealing with international affairs.

I have quoted at length from this opinion not because of any interest at the moment in the statute construed or the particular legal question therein decided but because it is a clear enunciation and an authoritative declaration by the highest court in the land as to the power and the duty of the President in dealing with foreign problems. In these days of excitement, political turmoil, and criticism it is well to get our bearings and calmly consider and determine first what is the President's authority and responsibility, and this opinion tells us in judicial language, fortified by a historical review and background of our early history and quotations from eminent statesmen, just what part the President is expected and required to take in carrying on our relations with other governments.

To those critics of the President who charge that the President is meddling where he has no business, I would remind them that under our Constitution and laws the President is the constitutional representative of the United States with regard to foreign nations. It is his job and his business, and he would be recreant to his duty if he failed so to do.

To those critics who, in order to try to bring odium and reproach upon the President in his dealings with other governments, have charged that he has inaugurated a policy of secret diplomacy, I would say that the President has been frank and outspoken, not only with his own people but with the nations abroad; but if secrecy in any degree has been maintained, I would remind his critics that no less an authority than George Washington, while he was President, in a message to Congress, quoted in the opinion which I read, declared that the success of negotiations required secrecy and that necessity of secrecy in dealing with foreign nations was one reason why the power so to do was vested in the President. And that from every administration since Washington's it has always been the recognized and uniform policy to accord to the President and the Department of State the right of secrecy when in the President's judgment it was required. Every Congress, beginning with Washington's time to now, has recognized and accorded this right to the President and the Department of State, and none know this better than some of the most blatant critics who have been crying "secret diplomacy."

To those critics of the President, both in Congress and out of Congress, who claim to know just how our foreign affairs should be conducted, and who glibly criticize an isolated act here and another one there, let me remind them that not only is the President of the United States the only official of our Government vested with power under the law to deal with foreign governments but that he of all persons is in a position to be best informed on conditions abroad. He and his Secretary of State know better than anyone else what is happening in the various countries of the world and the effect of such happenings both here and abroad. Let

me read again three sentences I have already quoted from the opinion in the Curtiss-Wright case:

Moreover, he, not Congress, has the better opportunity of knowing the conditions which prevail in foreign countries. He has his confidential sources of information. He has his agents in the form of diplomatic, consular, and other officials. Secrecy in respect of information gathered by them may be highly necessary, and the premature disclosure of it productive of harmful results.

Our Department of State is the clearing house of happenings in every nook and corner of the globe that may directly or indirectly affect our own country or the peace of the world. There is recorded not only a record of such happenings but the confidential report of the result of investigations made by our representatives abroad as to secret or undisclosed reasons prompting such happenings, and the reaction to such happenings by the people in the country which is the scene of their enactment, and other reports of their effect on citizens of other countries. The habits, customs, and character of peoples differ, and the same act will affect the people of one nationality entirely differently from those of another. It is only by having personal representatives of this Government in other countries, who know the people of such countries, that accurate information can be acquired as to happenings, their motive, and effect. The individual who only has fragmentary information gained from the press about some event happening in a remote country of the world, where he has never been and about the character and customs of whose people he knows nothing, expounds dogmatic opinions and criticizes the President and the Secretary of State for doing or not doing what he with his scant information believes should be done. It was to avoid mistakes of this kind that the power to deal and negotiate with foreign countries was centered in the President, and he was given the Secretary of State and his Department, with their foreign representatives, to secure for him the fullest information so that he might act intelligently and not in the dark.

The international relations of a country is always a delicate matter, requiring tact, diplomacy, and unanimity of support, if such dealings are to be effective. Even in normal times this is true, but when the whole world is on the brink of a volcanic eruption, such as now prevails, this is doubly true.

There are those who do not like President Roosevelt, some who actually entertain bitter feelings of hostility against him, but he is the President of the United States and as such is entitled to the respect of the American people. All polls of every kind indicate that a majority of the American people still believe in him.

President Roosevelt and his able Secretary of State, Hon. Cordell Hull, are charged with the responsibility of steering our Nation through a very troubled and tempestuous international sea, and I am convinced, and the American people are convinced, that they are striving as best they can to steer us safely, maintain our own self-respect and the respect of other nations, and bring us safely to the harbor of peace. Constant and carping criticism will not aid them, but rather hinder and embarrass them. There may be acts or words spoken at times that may not seem to square with your idea of what should be done, but we must remember that we do not know the entire situation, and isolated instances may be related to other acts and facts of which we are not aware.

It will not help him, either with our people at home or those abroad, to impugn his motives and denounce him as a war monger or as instigator of war. These charges are groundless and false, as those who make them well know them to be, but the foreign press give the widest publicity to adverse criticism, especially of the inflammatory type. President Roosevelt is a great humanitarian, and an enemy of war and a lover of peace, and I do not think that any President was ever actuated by a higher or purer motive to best serve his country and preserve peace than he, and that is exactly what he is striving to do.

Those who cry longest and loudest for peace do not always know best how it may be attained. Mere declaration

that we are for peace, and shouting shibboleths of peace to warring nations will not prevent war, but may cause acts of aggression that will provoke it.

Communities infested with bandits have long since learned that you cannot suppress banditry by telling the outlaws you are for peace and do not want to have any trouble with them. Fear instilled in the heart of the bandit is the only deterrent.

There are bandit governments abroad in the world today seeking whom they may devour and who, by the use of brute force, having no regard for the law of God or man or the sanctity of treaties or international law, are crushing other governments, taking territory which does not belong to them and destroying human life as their own selfish greed dictates. So long as these bandit governments are loose and wreaking their vengeance, no milk-and-water policy of mere kind words and appeasement will suffice to deter them. England, for several years, has followed the policy of appeasement with these dictator nations, and each act of appeasement has only brought them nearer to the brink of war, and the imminence of war today is partly attributable to a lack of firmness of the democracies of the world in meeting the demands of the dictators. Firmness, fairness, and fearlessness are required by the United States today in its dealings with other governments. We want no war, we covet no territory, we crave peace; but we realize, from the bitter experience of the past, that the world is so small—and science and invention have made it even smaller than it was 20 years ago—that the outbreak of another European world war will desperately and dangerously hazard our own peace. Strive as we undoubtedly would and should to prevent our involvement, the danger of our being inexorably swept into its awful vortex is so great that I shudder at its contemplation. Peace in Europe is our best insurance for peace in America.

The United States is the world's greatest democracy and the richest and most powerful of the nations of the earth; and, in my judgment, the firm policy of our Government in dealing with other countries, coupled with our rearmament program, has already had a psychological effect in deterring and discouraging the outbreak of a general war in Europe. Indeed, many believe that but for it, war might already have been begun.

I regret the necessity of spending large sums for armament, and if conditions were normal throughout the world, no such necessity would exist. But so long as the rule of brute force and not reason, and the doctrine that might makes right is the controlling motive of major governments, the peace of the world is menaced and we must be prepared to meet conditions as they exist.

We recall that in Washington's Farewell Address, read a few days ago in this Chamber, was contained this admonition, "To be prepared for war is one of the most effectual means of preserving peace."

We do not want to be the world's policeman, but common prudence demands that we must be prepared to adequately police America and all parts of it against all attacks from foreign governments, and thereby maintain the Monroe Doctrine and give notice to the dictators of the earth that we are prepared and will defend our country and its people against the aggressions of those who seek by force to dominate the world.

"Let us mind our own business" is the popular slogan of some of these superficial and thoughtless critics who take no thought of tomorrow or the awful consequences to our own country if another world war breaks in all its fury. If the President of the United States, in his dealings with other countries of the world, is aiding even in a slight degree in the lessening of the probability of war, he is "minding our own business" and is rendering a service to America for which the American people will forever hold him in grateful remembrance. [Applause.]

Mr. ENGEL. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. GRAHAM].

THE FIRST CONGRESS UNDER THE CONSTITUTION

"Remove not the ancient landmark, which thy fathers have set." (Proverbs 22: 29.)

Mr. GRAHAM. Mr. Chairman, on Saturday in this legislative Chamber, in the presence of the President of the United States, the Chief Justice of the Supreme Court, and other distinguished visitors, and in pursuance of House Concurrent Resolution 4, we will meet for the purpose of commemorating the one hundred and fiftieth anniversary of the First Congress of the United States under the Constitution.

It is fitting and proper that we should do this. In thus honoring our legislative predecessors we honor ourselves; for no true student of history can study the times, the conditions, the men, the institutions of the period of 150 years ago and not realize that ours is a goodly heritage. And that those who laid the legislative foundations of our National Government were master workmen worthy of all commendation.

As we read the Annals of that First Congress under the Constitution, our imaginations are quickened, our memories refreshed, our sense of responsibility is deepened and there wells up within us the heartfelt appreciation of the lives, the characters, the deeds, and the accomplishments of these, our ancient brethren in the Congress of the United States.

For on the foundations they laid upon the abiding rock of the Constitution there has been reared the finest structure of constitutional government, of civil liberty, of freedom of the individual that this world has ever known. So in the words of the sweet singer of the heart songs of life:

Walk about Zion, and go round about her; number the towers thereof; mark ye well her bulwarks; consider her palaces: That ye may tell it to the generation following.

Thus their works do follow them.

In his work, *Our Wonderland of Bureaucracy*, the late James M. Beck, former Solicitor General of the United States, and a former Member of this House, states:

When in 1789 the curtain first arose upon a new form of government for the American Commonwealth, it consisted of a roll of parchment, George Washington, and Congress.

The merits of the first and the virtues of the second have been eloquently extolled, it is now my desire to pay this small tribute to the memory of the third.

And now, if we may stir up your pure minds by way of recollection, we will ask you to think for a little while on that period in our national life, of 150 years ago, in the early formative period of our country. For it is a far cry from a little group of earnest men assembled at Annapolis, Md., in September 1786 for the purpose of "remedying the defects of the Federal Government" to the scene that will be enacted Saturday in this magnificent structure wherein unite the crowning glories of architecture, the idealizing dream of the architect, the chiseling stroke of the sculptor, the brilliant hues of the artist's brush, all skillfully united under the guiding mind of the thoughtful artificer whose silent yet shaping hands fabricated this Capitol into a thing of marvelous beauty and symmetry.

For just as we can trace the erection of this beautiful edifice from that September day in 1793 when President Washington laid the cornerstone of this building, destined to house the greatest deliberative legislative bodies in the world, within its spacious confines, just so can we trace the constitutional history of this Congress from that little gathering of September 11-14, 1786, for in that assembly, among others, there met Egbert Benson, of New York; George Read and Richard Bassett, of Delaware; James Schureman, of New Jersey; and James Madison, Jr., of Virginia, four of whom not only had sat in the Continental Congress prior to the calling of the Constitutional Convention of 1787, but three of whom were likewise destined to sit in that glorious Convention, and all five of whom were to be Representatives in the First Congress under the Constitution; and to George Read is accorded the additional honor of being one of the signers of the Declaration of Independence.

Significant indeed are the closing words of the proceedings of that meeting in which we read as follows, referring to the attitude of the several States represented:

And use their endeavors to procure the concurrence of the other States in the appointment of commissioners to meet at Philadelphia on the second Monday in May next to take into consideration

the situation of the United States to devise such further provisions as shall appear to them necessary to render the Constitution of the Federal Government adequate to the exigencies of the Union, and to report such an act for that purpose to the United States in Congress assembled as when agreed to by them and afterwards confirmed by the legislatures of every State, will effectually provide for the same. (Dated at Annapolis, September 14, 1786.)

The story of the Federal Convention and its hand work are still fresh in our minds, but let us always remember that the Constitution devised in those days from May to September 1787 is still, after 150 years, the greatest bulwark of human liberty in the world.

We know full well the contents of the resolution of the Federal Convention, dated September 17, 1787, submitting the Constitution to Congress, and likewise do we keep in mind the resolution of Congress of September 28, 1787, submitting the Constitution to the several States; and we all remember in grateful appreciation that it was on the 21st day of June 1788 that New Hampshire ratified the Constitution and thus, under its own terms, brought it into being and made it effective.

We are the creatures of that Constitution, for by the provisions of section 1 of article I—

All legislative powers herein granted shall be vested in a Congress of the United States which shall consist of a Senate and House of Representatives.

But it is in the resolution of Congress dated July 2, 1788, submitting ratification of the Constitution to a committee wherein the story of our legislative, executive, and judicial lives begins to unfold, for there we read:

The State of New Hampshire having ratified the Constitution, transmitted to them by the act of the 28th of September last and transmitted to Congress their ratification; and the same being read, the President reminded Congress that this was the ninth ratification transmitted and laid before them.

On motion of Mr. Clarke, seconded by Mr. Edwards:

Ordered, That the ratifications of the Constitution of the United States transmitted to Congress be referred to a committee to examine the same and report an act to Congress for putting the said Constitution into operation in pursuance of the resolutions of the late Federal Convention.

And finally in the "resolution of the Congress of September 13, 1788, fixing date for election of a President and the organization of the Government under the Constitution, in the city of New York," that we learn the final story of how we came into existence.

Congress assembled: Present, New Hampshire, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Virginia, North Carolina, South Carolina, and Georgia, and from Rhode Island Mr. Arnold, and from Delaware Mr. Kearny.

Whereas the convention assembled in Philadelphia pursuant to the resolution of Congress on the 21st of February 1787 did on the 1st of September in the same year report to the United States in Congress assembled a Constitution for the people of the United States, whereupon Congress on the 28th of the same September did resolve unanimously:

That the said report with the resolutions and letter accompanying the same be transmitted to the several legislatures in order to be submitted to a convention of delegates chosen in each State by the people thereof in conformity to the resolves of the convention made and provided in that case; and

Whereas transmitted to the several legislatures has been ratified in the manner therein declared to be sufficient for the establishment of the same and such ratifications duly authenticated have been received by Congress and are filed in the office of the Secretary: Therefore

Resolved, That the first Wednesday in January next be the day for appointing electors in the several States, which before the said day shall have ratified the said Constitution; that the first Wednesday in February next be the day for the electors to assemble in their respective States and vote for a President; and that the first Wednesday in March next be the time and the present seat of Congress the place for commencing proceedings under the said Constitution.

The preliminaries are thus completed, and now we turn for a moment to witness the closing scenes of the Continental Congress, which for so long a time had ineffectually sought to unite the Colonies under the persuasive but noneffective provisions of the Articles of Confederation. The Continental Congress then called the Congress of the Confederation, at that time was sitting in the City Hall.

It had removed from Trenton, N. J., on December 24, 1784, and its first session in the city of New York opened on January 11, 1785. Its final session covered the period from November 3, 1788, to March 2, 1789.

Its last president was Cyrus Griffin, of Virginia, and its secretary was Charles Thomson, of Pennsylvania, who was first elected on September 5, 1774, and had served continuously in that capacity until the closing day, March 2, 1789.

THE PLACE OF MEETING—FEDERAL HALL

The Congress of the Confederation had its final roll call on October 10, 1788. Only 20 delegates answered to their names and there was no quorum of States. It is stated that every day four or five delegates would meet in a room in the City Hall, in New York, where the Congress had sat for 4 years, have Secretary Thomson record their names in the journal and then disperse. It was a moribund assemblage.

On March 2, 1789, only one delegate appeared, and the Continental Congress ended its existence.

At sunset on March 3, 1789, 13 guns were fired from the old fort on the Battery, in New York, to indicate that the confederation had come to an end; and at sunrise on the 4th, also at noon and at night, salutes were fired and the bells of the churches were rung to welcome the birth of the new constitutional Government.

The old City Hall, in Wall Street, at the head of Broad Street, where the Subtreasury of the United States now stands, had been prepared for the use of the First Congress under the Constitution. When it was determined to transform the old building into a Federal Hall for the new Congress, the merchants of New York subscribed \$32,500 for the purpose. The work of construction was given into the hands of Maj. Pierre Charles L'Enfant.

The Representatives room was 61 by 58 feet and 36 feet to the ceiling. It was octagonal in form. The Senate Chamber was 40 by 30 and 20 feet in height. Besides these Halls of Congress there were also committee rooms, spacious lobbies, and a guard room on the floor above, for it was then the custom for the Regular Army to protect the building and its occupants.

The Senate Chamber and the Hall of Representatives presented an exceedingly handsome appearance with fine mahogany desks and chairs, national flags in festoons, and large paintings. The chairs of the presiding officers had rich silken canopies over them.

Entering from Broad Street there was a square room open to the public, the room of the Representatives was to the left and the Senate Chamber to the right.

New York at that time had a population of 25,000 and was a thriving, bustling community.

The First Congress held three sessions.

North Carolina not having ratified the Constitution until November 21, 1789, was not represented in the first session; nor was Rhode Island, which did not ratify the Constitution until May 29, 1790. Hence only 11 States were represented in the first session which extended from March 4, 1789, to September 29, 1789. The proceedings of both the Senate and the House for the first few days of this session are set out below.

The second session began on January 4, 1790, and terminated on August 12, 1790. In the House a quorum was not had until Thursday, January 7, and in the Senate on the 6th.

These two sessions were held in New York City.

The following entry, taken from the proceedings of the House, on Thursday, August 12, 1790, being the closing day of the second session, explains that a change in the place of meeting was to be made:

Agreeably to the concurrent vote of the two Houses an adjournment took place this day—to meet in the city of Philadelphia on the first Monday in December next. Previous to the adjournment an unanimous vote passed both Houses, returning thanks to the corporation of this city for the elegant and convenient accommodations furnished the Congress of the United States.

Adjourned sine die.

The third session was held in Philadelphia, commencing on the first Monday of December (6th) 1790, and terminating on the 3d of March 1791.

THE THIRD SESSION

The meetings of this last session were held in Philadelphia, in a substantial brick building erected on the southeast corner of Chestnut and Sixth Streets for a courthouse, and had been tendered to Congress by the authorities of Philadelphia and Major L'Enfant was again called upon to put this building in order. The House of Representatives occupied the entire first floor.

The Senate had a handsomely furnished chamber on the second story, where also were various rooms used by the committees and officers of Congress.

The following quotation taken from the minutes of December 11 clearly explains how this had been accomplished:

On Saturday, December 11, 1790, a letter was received from the commissioners of the city and county of Philadelphia, giving an account of the measures taken to accommodate the Federal Legislature during their residence in Philadelphia, by preparing the new courthouse in the best manner the size of the building would permit and appropriating the same to their use.

At this session a quorum was had in the House on December 7 and in the Senate on the opening day.

The following is taken from the proceedings of the House Monday, December 6, 1790:

On which day, being the day appointed by the adjournment of the two Houses for the meeting of the present session, the following Members appeared and took their seats, to wit: * * * which not forming a quorum of the whole number, the House adjourned until tomorrow.

In the Senate proceedings of the same day are these interesting entries:

James Monroe, appointed by the Legislature of the State of Virginia, in the place of John Walker, who was appointed by the Executive of said State in the room of William Grayson, deceased, produced his credentials, and took his seat in the Senate.

Then follows this entry:

A letter was read from William Paterson, Governor of the State of New Jersey, communicating the resignation of his appointment to be a Senator of the United States.

It is a matter of more than passing interest to realize that James Madison, Member of the House, and James Monroe, Member of the Senate, in the First Congress, both from Virginia, were afterward to become Presidents of the United States.

MEMBERS

The composition of the Senate and House of Representatives was as follows:

The Senators from the 11 States represented were Oliver Ellsworth and William Samuel Johnson, of Connecticut; both had been members of the Constitutional Convention and likewise Members of the Continental Congress; Richard Bassett and George Read, of Delaware; both of these had also been Members of the Constitutional Convention and the Continental Congress, and in addition thereto Read had been one of the signers of the Declaration of Independence; William Few and James Gunn, of Georgia; Few had been a Member of the Convention and of the Congress; John Henry and Charles Carroll of Carrollton, of Maryland; both had been Members of the Congress and Carroll had signed the Declaration of Independence; Tristram Dalton and Caleb Strong, of Massachusetts; Strong had attended the Convention; John Langdon and Paine Wingate, of New Hampshire; both had been members of the Congress and Langdon a member of the Convention; Jonathan Elmer, William Paterson, and Philemon Dickenson, of New Jersey; Paterson had been a member of the Convention and upon his resignation from the Senate Dickenson took his place; Elmer had been a Member of the Congress; Rufus King and Philip Schuyler, of New York; King had been a member of the Convention from Massachusetts, and both he and Schuyler had served in the Congress; William Maclay and Robert Morris, of Pennsylvania; it is from the sketches of debate in the United States Senate written by Maclay that we get such an intimate view of the Members and scenes of the first session of that body, for in its early days the Senate met behind closed doors; Robert Morris had signed the Articles of Confederation, the Declaration of Independence,

had also been a Member of the Congress and the Convention; Pierce Butler and Ralph Izard, of South Carolina; both had been Members of the Congress and Butler had attended the Convention; William Grayson, John Walker, James Monroe, and Richard Henry Lee, of Virginia; upon the decease of Grayson on March 12, 1790, Walker was appointed and took his place on April 20, 1790; Monroe was elected to fill the vacancy caused by the death of Grayson and took his seat December 6, 1790.

All but Walker had been Members of the Congress and Richard Henry Lee had been a signer of the Declaration and a member of the Convention.

North Carolina and Rhode Island had no Members in the Senate during the first session, but subsequently from North Carolina appeared Samuel Johnston and Benjamin Hawkins, both of whom had been Members of the Congress; and from Rhode Island appeared Theodore Foster and Joseph Stanton, Jr.

In the House the Members suffered nothing by comparison in ability with those in the Senate. They were Roger Sherman, Jonathan Trumbull, Benjamin Huntington, and Jeremiah Wadsworth, of Connecticut; all but Trumbull had served in the Continental Congress, and Sherman had signed the Articles of Confederation, the Declaration, and had been a member of the Convention. John Vining, of Delaware, had been a Member of the Congress. Abraham Baldwin, James Jackson, and George Matthews, of Georgia. Of these, Baldwin had served in the Congress and been a member of the Convention. Daniel Carroll, Benjamin Contee, George Gall, Joshua Seney, William Smith, and Michael Jenifer Stone, of Maryland. Carroll, Contee, Seney, and Smith had served in the Congress. Daniel Carroll had attended the Constitutional Convention. Fisher Ames, Elbridge Gerry, Benjamin Goodhue, Jonathan Grout, George Leonard, George Partridge, Theodore Sedgwick, and George Thacker, of Massachusetts. Gerry had served in the Congress, as had Partridge and Thacker, and, in addition thereto, had signed the Declaration and attended the Convention. Abiel Foster, Nicholas Gilman, Samuel Livermore, of New Hampshire. Gilman had been a member of the Convention and all three had served in the Congress. Elias Boudinot, Lambert Cadwalader, Thomas Sinnickson, and James Shureman, of New Jersey. All but Sinnickson had served in the Congress and Boudinot had been President of the Congress. Egbert Benson, William Floyd, John Hathorn, John Laurence, Peter Silvester, and Jeremiah Van Rensselaer, of New York, Benson had been a delegate to the Annapolis Convention, and he and Floyd and Laurence had served in the Congress, and Floyd had been a signer of the Declaration.

George Clymer, Thomas Fitzsimons, Thomas Hartley, Daniel Hiester, Frederick A. C. Muhlenberg, John Peter G. Muhlenberg, Thomas Scott, and Henry Wynkoop, of Pennsylvania. Clymer and Fitzsimons had both signed the Declaration and attended the Convention, and these two and Frederick A. C. Muhlenberg and Henry Wynkoop had served in the Congress. Aedanus Burke, Daniel Huger, William L. Smith, Thomas Sumter, and Thomas Tudor Tucker, of South Carolina. Huger and Tucker had both served in the Congress. Thedoric Bland, William B. Giles, John Brown, Isaac Coles, Richard Bland Lee, James Madison, Andrew Moore, John Page, Josiah Parker, Alexander White, and Samuel Griffin, of Virginia. Bland, Brown, and Madison had served in the Congress and Madison attended the Convention and is justly called the "Father of the Constitution."

Later from Rhode Island appeared Benjamin Bourn; and from North Carolina, John Baptista Ashe, Timothy Bloodworth, John Sevier, John Steele, and Hugh Williamson. Ashe, Bloodworth, and Williamson had served in the Congress.

The mere recital of the names of these Senators and Representatives, together with their legislative experience, speaks more eloquently of their character and ability than any prolonged statements of mine. While it is true that two Members of that Congress, Madison and Monroe, afterward attained the Presidency, and Gerry the Vice Presidency, and a number of others were Governors of their States, justices, and

supreme court justices of their respective States, and one a Justice of the Supreme Court of the United States, and Ellsworth a Chief Justice of that Court; and although it is equally true that many had served in the legislative bodies of their several States prior to their election to the First Congress, and a number had helped frame the constitutions of their own States and had been members of State conventions which had ratified the Federal Constitution, it has been my thought to confine the record of their activities to their membership in the Continental Congress and attendance upon the Federal Convention, with the added participation on the part of some in the signing of the Declaration of Independence and the Articles of Confederation. These acts attesting their experience, ability, and service prior to the convening of the First Congress, of which they were Members. The one the legislative predecessor of the Congress, the other the author and creator of our congressional being, and another the declaration of our national rights, and still another the predecessor of our Constitution. Thus affording the present membership of the Congress a glimpse of the background, public service, and accomplishments, federally, of these legislative pioneers who, having thus ably served their time and country, have handed to us the torch of providing for the national safety of 130,000,000 of our fellow Americans and generations yet unborn.

THE ECONOMIC SITUATION

The situation was this: The conflicts and compromises of the Constitutional Convention were over. Hamilton, Madison, and Jay had spoken under the title of "The Federalist," and had made their marvelous contributions to the science of government in advocating the adoption of the Constitution. These articles had first been published in the Independent Gazetteer and then republished in many papers throughout the land.

The fundamental law had been ably explained. Eleven of the States had ratified and adopted the Constitution, some, it is true, with the qualification that a bill of rights would be added. The Continental Congress, now called the Congress of the Confederation, was rapidly coming to a close and was forever to end its session on March 2, 1789. The Articles of Confederation were soon to be a thing of the past.

The elections had been held, the Representatives and Senators in 11 States had been elected. George Washington had been elected President and John Adams Vice President.

The stage was set for the organization of our Government.

It should be a source of peculiar and justifiable pride to us that the legislative branch of our Government was the first to organize. The House had a quorum on April 1, 1789, and the Senate on April 6, 1789.

President Washington was not inaugurated until April 30 of that year, and the Supreme Court was not organized until February 2, 1790.

Thus the House of Representatives led the van.

THE TASK AHEAD

For the Members of the First Congress a great task was before them. No laws had been enacted; the Supreme Court had not yet been organized; there were no precedents to guide them, no illuminating opinions of the highest Court to throw light upon the disputed sections, clauses, phrases, and words of the Constitution. They had to chart their own course with only the compass of the Constitution to guide them. They had to create their own debates.

So much for their legislative difficulties, but there were other and greater obstacles to surmount. Those of raising revenue, paying the public debt, establishing a judiciary, creating the departments of government, providing for the common defense, fixing a permanent seat of government. These were but few of the problems that confronted them.

Probably the period from 1783 to 1787 was the darkest in our history. The Articles of Confederation were not finally adopted until March 2, 1781. This Congress of the Confederation could not levy any taxes, unless 9 out of the 13 States agreed. Bill after bill had been offered in the Congress to raise money to pay the interest on the national debt and to

provide funds for the necessary expenses, only to fail, one after another.

The Congress called upon the States to raise \$8,000,000 and only \$400,000 was received. In the last 14 months of the Confederation it took in less than \$400,000 and the interest on the foreign debt alone was over \$2,400,000. It was said that the internal debt was over five times as large.

Shay's rebellion had occurred in Massachusetts. In The Constitution of the United States, Mr. Beck tells us that:

The officers of government and the courthouses were seized, jails were thrown open and prisoners released, the collection of debts was forbidden, and private property was forcibly appropriated to meet the common needs.

Therefore, the Members of the First Congress knew that they were not dealing with any theories, but that they were facing a serious situation that involved grave responsibilities. And it was their task to organize a practical system of government to cope with this situation. How well they succeeded we can all attest.

THEIR CONCEPTION OF THE NEW GOVERNMENT

What did the Members think of the Government they were about to legislate for in that First Congress; and what was their conception of the functions of that Government? In the House on June 18, 1789, Alexander White, of Virginia, said:

This is a Government constituted for particular purposes only; and the powers granted to carry it into effect are specifically enumerated and disposed among the various branches. If those powers are insufficient, or if they are improperly distributed, it is not our fault, or within our power to remedy. The people, who bestowed them, must grant further powers, organize those already granted, in a more perfect manner or suffer from the defect. We can neither enlarge nor modify this. This was the ground on which the friends of governments supported the Constitution. It was a safe ground, and I venture to say it could not have been supported on any other.

Again on that same day Fisher Ames, of Massachusetts, said in the House:

I appeal to that maxim which has the sanction of experience, and is authorized by the decision of the wisest men; to prevent an absence of power, it must be distributed into three branches who must be independent, to watch and check each other. The people are to watch them all. While these maxims are pursued our liberties shall be preserved.

These men had a clear conception of the limitations placed upon their legislative authority. It is quite true that they had the benefit of the presence and knowledge of many who had served in the Constitutional Convention, and thus had first-hand information of the proceedings of that Convention, but in this connection it must be remembered that Pierce Butler, of South Carolina, then a delegate to the Convention and a former Senator from that State, had suggested this addition to the rules of the Convention:

That the House provide * * * against licentious publications of their proceedings—

and that James Madison was to jealously guard his notes of debate until his death many years later. So while, in one sense, they had a contemporaneous knowledge of the Convention and proceedings, in another, they had not, for with the exception of Luther Martins' *The Genuine Information*, 1788, being his report to the Maryland Legislature, nothing had been published, and in this report Martin complains bitterly about the secrecy of the Convention. Therefore, any knowledge that the Members were to acquire from the former delegates to the Convention depended in a very real sense on what those Members were willing to disclose.

In order that the Members may have an understanding of the first days of the Congress, the following entries are taken from the Journals of both Houses. It will be noted that the Senate sat with closed doors from April 6, 1789, until February 24, 1793.

These brief entries emphasize the difficulty of organizing due to the slowness of the Members in reporting. It was not until April 6 that a quorum was had in the Senate, and in the House a quorum was completed by the appearance of James Schureman, of New Jersey, and Thomas Scott, of Pennsylvania, on April 1.

On April 1 the House elected a Speaker and Clerk; on April 6 the Senate elected a President; and 2 days later, on April 8, a Secretary was elected.

It will be observed that it required a period of approximately 1 month before each body could be organized. The Members of the present Congress who fly from place to place by airplane, covering hundreds of miles in a few hours, and provided with every convenience for comfort and safety that the inventive genius of man can create, will do well to remember the hardships, dangers, and toils of our first brethren as they journeyed slowly to the new seat of government in New York City.

PROCEEDINGS AND DEBATES OF THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES AT THE FIRST SESSION OF THE FIRST CONGRESS, BEGUN AT THE CITY OF NEW YORK, MARCH 4, 1789

Wednesday, March 4, 1789

This being the day fixed for the meeting of the new Congress, the following Members of the House of Representatives appeared and took their seats, viz:

From Massachusetts: George Thatcher, Fisher Ames, George Leonard, and Elbridge Gerry.

From Connecticut: Benjamin Huntington, Jonathan Trumbull, and Jeremiah Wadsworth.

From Pennsylvania: Frederick Augustus Muhlenberg, Thomas Hartley, Peter Muhlenberg, and Daniel Heister.

From Virginia: Alexander White.

From South Carolina: Thomas Tudor Tucker.

A quorum of the Members not being present, the House adjourned until tomorrow at 11 o'clock.

Thursday, March 5

Several other Members attended, viz: From New Hampshire, Nicholas Gilman; from Massachusetts, Benjamin Goodhue; from Connecticut, Roger Sherman and Jonathan Sturgis; and from Pennsylvania, Henry Wynkoop; and no other Members arriving, a quorum not being present, the House adjourned, from day to day, until the 14th instant.

Saturday, March 14

The following Members took their seats, to wit: James Madison, Jr., John Page, and Richard Bland Lee, from Virginia.

A quorum not being yet present, the House adjourned, from day to day, until the 17th instant.

Tuesday, March 17

Samuel Griffin, from Virginia, took his seat.

Monday, March 23

The following Members appeared, to wit: From New Jersey, Elias Boudinot; and from Maryland, William Smith. No additional Member appeared on the 24th.

Wednesday, March 25

Jonathan Parker, from Virginia, appeared and took his seat.

No additional Member arrived until the 30th instant.

Monday, March 30

George Gale, from Maryland, and Theodrick Bland, from Virginia, appeared and took their seats.

No additional Member on the 31st instant.

Wednesday, April 1

Two other Members appeared, to wit: James Schureman, from New Jersey, and Thomas Scott, from Pennsylvania, who forming a quorum of the whole body, it was, on motion,

Resolved, That this House will proceed to the choice of a Speaker by ballot.

The House accordingly proceeded to ballot for a Speaker, when it was found that a majority of the votes were in favor of Frederick Augustus Muhlenberg, one of the Representatives from Pennsylvania. Whereupon Mr. Muhlenberg was conducted to the chair, from whence he made his acknowledgments to the House for so distinguished an honor.

The House then proceeded in the same manner to the appointment of a Clerk, when it was found that Mr. John Beckley was elected.

On motion,

Ordered, That the Members do severally deliver in their credentials at the Clerk's table.

Thursday, April 2

Lambert Cadwalader, from New Jersey, appeared and took his seat.

On motion,

Ordered, That a committee be appointed to prepare and report such standing rules and orders of proceedings as may be proper to be observed in this House. And the following Members were named on said committee, to wit: Messrs. Gilman, Gerry, Wadsworth, Boudinot, Hartley, Smith, Lee, Tucker, Madison, Sherman, and Goodhue.

Resolved, That a Doorkeeper and Assistant Doorkeeper be appointed for the service of this House.

On motion,

Ordered, That it be an instruction to the committee appointed to prepare and report such standing rules and orders of proceeding as may be proper to be observed in this House, that they also report

the duty and services of a Sergeant at Arms or other proper officer for enforcing the orders of the House.

Friday, April 3

George Clymer, from Pennsylvania, appeared and took his seat.

Saturday, April 4

George Partridge, from Massachusetts, appeared and took his seat.

Monday, April 6

Daniel Carroll, from Maryland, appeared and took his seat.

Ordered, That leave be given to bring in a bill to regulate the taking the oath or affirmation prescribed by the sixth article of the Constitution, and that Messrs. White, Madison, Trumbull, Gilman, and Cadwalader do prepare and bring in the same.

On motion,

Resolved, That the form of the oath to be taken by the Members of this House, as required by the third clause of the sixth article of the Constitution of the Government of the United States, be as followeth, to wit: "I, A B, a Representative of the United States in the Congress thereof, do solemnly swear (or affirm, as the case may be), in the presence of Almighty God, that I will support the Constitution of the United States. So help me God."

A message from the Senate by Mr. Ellsworth:

Mr. Speaker, I am charged by the Senate to inform this House that a quorum of the Senate is now formed; that a President is elected for the sole purpose of opening the certificates and counting the votes of the electors of the several States, in a choice of a President and Vice President of the United States; and that the Senate is now ready in the Senate Chamber to proceed, in presence of this House, to discharge that duty. I have it also in further charge to inform this House that the Senate has appointed one of its Members to sit at the Clerk's table to make a list of the votes as they shall be declared, submitting it to the wisdom of this House to appoint one or more of its Members for the like purpose.

On motion,

Resolved, That Mr. Speaker, attended by the House, do now withdraw to the Senate Chamber for the purpose expressed in the message from the Senate, and that Mr. Parker and Mr. Heister be appointed on the part of this House to sit at the Clerk's table with the Member of the Senate and make a list of the votes as the same shall be declared.

Mr. Speaker accordingly left the chair and, attended by the House, withdrew to the Senate Chamber, and after some time returned to the House.

Mr. Speaker resumed the chair.

Mr. Parker and Mr. Heister then delivered in at the Clerk's table a list of the votes of the electors of the several States in the choice of a President and Vice President of the United States, as the same were declared by the President of the Senate, in the presence of the Senate and of this House, which was ordered to be entered on the Journal.

On motion,

Ordered, That a message be sent to the Senate to inform them that it is the desire of this House that the notifications of the election of the President and Vice President of the United States should be made by such persons, and in such manner, as the Senate shall be pleased to direct; and that Mr. Madison do communicate the said message.

Tuesday, April 7

The Speaker laid before the House a letter from the mayor of the city of New York, covering certain resolutions of the mayor, aldermen, and commonalty of the said city, appropriating the City Hall for the accommodation of the general Government of the United States; which were read and ordered to lie on the table.

Mr. Boudinot, from the committee appointed to prepare such rules and orders of proceedings as may be proper to be observed in this House, made the following report:

"The committee to whom it was referred to prepare such standing rules and orders of proceeding as may be proper to be observed in this House, have, according to order, prepared the same and agreed to the following report:

Resolved, That it is the opinion of this committee that the rules and orders following are proper to be established as the standing rules and orders of this House, to wit: * * *"

PROCEEDINGS OF THE SENATE OF THE UNITED STATES AT THE FIRST SESSION OF THE FIRST CONGRESS, BEGUN AT THE CITY OF NEW YORK, MARCH 4, 1789

Wednesday, March 4, 1789

This being the day for the meeting of the new Congress, the following Members of the Senate appeared and took their seats:

From New Hampshire, John Langdon and Paine Wingate.

From Massachusetts, Caleb Strong.

From Connecticut, William S. Johnson and Oliver Ellsworth.

From Pennsylvania, William Maclay and Robert Morris.

From Georgia, William Few.

The members present not being a quorum, they adjourned from day to day, until

Wednesday, March 11

When the same members being present as on the 4th instant, it was agreed that a circular should be written to the absent Members, requesting their immediate attendance.

Thursday, March 12

No additional Members appearing, the Members present adjourned from day to day, until

Wednesday, March 18

When no additional Members appearing, it was agreed that another circular should be written to eight of the nearest absent Members, particularly desiring their attendance, in order to form a quorum.

Thursday, March 19

William Paterson, from New Jersey, appeared and took his seat.

Friday, March 20

No additional Member appeared.

Saturday, March 21

Richard Bassett, from Delaware, appeared and took his seat.

A sufficient number of Members to form a quorum not appearing, the Members present adjourned from day to day, until

Saturday, March 28

Jonathan Elmer, from New Jersey, appeared and took his seat.

No other Member appearing, an adjournment took place from day to day until—

Monday, April 6

Richard Henry Lee, from Virginia, then appearing, took his seat, and formed a quorum of the whole Senators of the United States.

The credentials of the Members present being read and ordered to be filed, the Senate proceeded by ballot to the choice of a President, for the sole purpose of opening and counting the votes for President of the United States.

John Langdon was elected.

Ordered, That Mr. Ellsworth inform the House of Representatives that a quorum of the Senate is formed; that a President is elected for the sole purpose of opening the certificates and counting the votes of the electors of the several States in the choice of a President and Vice President of the United States; and that the Senate is now ready, in the Senate Chamber, to proceed, in the presence of the House, to discharge that duty; and that the Senate have appointed one of their Members to sit at the clerk's table to make a list of the votes as they shall be declared, submitting it to the wisdom of the House to appoint one or more of their Members for the like purpose.

Mr. Ellsworth reported that he had delivered the message; and Mr. Boudinot, from the House of Representatives, informed the Senate that the House is ready forthwith to meet them, to attend the opening and counting of the votes of the electors of the President and Vice President of the United States.

The Speaker and the Members of the House of Representatives attended in the Senate Chamber, and the President elected for the purpose of counting the votes declared that the Senate and House of Representatives had met and that he, in their presence, had opened and counted the votes of the electors for President and Vice President of the United States, which were as follows:

Whereby it appeared that George Washington, Esq., was elected President and John Adams, Esq., Vice President, of the United States of America.

Mr. Madison, from the House of Representatives, thus addressed the Senate:

"Mr. President, I am directed by the House of Representatives to inform the Senate that the House have agreed that the notifications of the election of the President and of the Vice President of the United States should be made by such persons and in such manner as the Senate shall be pleased to direct."

And he withdrew.

Whereupon the Senate appointed Charles Thomson, Esq., to notify George Washington, Esq., of his election to the office of President of the United States of America, and Mr. Sylvanus Bourne to notify John Adams, Esq., of his election to the office of Vice President of the said United States.

A letter was received from James Duane, Esq., enclosing resolutions of the mayor, aldermen, and commonalty of the city of New York tendering to Congress the use of the City Hall.

John Mathews was elected Doorkeeper.

Tuesday, April 7

Messrs. Ellsworth, Paterson, Maclay, Strong, Lee, Bassett, Few, and Wingate were appointed a committee to bring in a bill for organizing the judiciary of the United States.

Messrs. Ellsworth, Lee, Strong, Maclay, and Bassett were appointed a committee to prepare rules for the government of the two Houses in cases of conference, and to take under consideration the manner of electing Chaplains, and to confer thereupon with a committee of the House of Representatives.

The same committee was also to prepare rules for conducting the business of the Senate.

Wednesday, April 8

The Senate proceeded to ballot for a Secretary, and Samuel Alyné Otis, Esq., was elected.

Cornelius Maxwell was appointed messenger.

Thursday, April 9

Messrs. Langdon, Johnson, and Few were appointed a committee to make arrangements for receiving the President, and were empowered to confer with any committee of the House of Representatives that may be appointed for that purpose.

Monday, April 13

Ralph Izard, from South Carolina; Charles Carroll, from Maryland; and George Reed, from Delaware, appeared and took their seats.

The report of the committee to prepare rules for conducting the business of the Senate was read and ordered to lie for consideration.

Messrs. Johnson, Izard, and Maclay were appointed a committee to confer with any committee appointed on the part of the House of Representatives upon the future disposition of the papers in the office of the late Secretary of Congress and report thereon.

The committee appointed to make arrangements for receiving the President were directed to settle the manner of receiving the Vice President also.

Mr. Carroll and Mr. Izard were added to the Judiciary Committee.

Tuesday, April 14

Tristram Dalton, from Massachusetts, appeared and took his seat.

A letter was written to the Mayor of the City of New York by the President of the Senate acknowledging the respect shown to the Government and accepting the offer made by him of the City Hall for the use of Congress.

The classification of the Senate on May 15, 1789, divided the Senate into three classes. The resolution reads as follows:

"That three papers of an equal size, numbered 1, 2, and 3, be, by the Secretary, rolled up and put into a box, and draws by Mr. Langdon, Mr. Wingate, and Mr. Dalton, in behalf of the respective classes, in which each of them are placed; and that the classes shall vacate their seats in the Senate according to the order of numbers drawn for them, beginning with No. 1.

"And that when Senators shall take their seats from States that have not yet appointed Senators, they shall be placed by lot in the foregoing classes, but in such manner as shall keep the classes as nearly equal as may be in numbers."

Monday, May 25

The Senate today for the first time entered upon executive business, having received from the President of the United States a communication covering a report from the Secretary of War, on the negotiations of the Governor of the Western Territory with certain northern and northwestern Indians, and the treaties made in consequence thereof at Fort Harmar on the 9th of January 1789, which was read, as follows: * * * and ordered to lie on the table.

POLITICAL SITUATION

The political parties were the Federalist and Anti-Federalist. The members, in the main, were members of these two parties. There were members who construed the Constitution broadly and those who construed it narrowly.

No better exposition of fundamental constitutional principles can be found anywhere than in the reports of these first congressional debates in the House of Representatives. As pointed out above, 10 of the Senators and 8 of the Representatives were among the 55 men who attended the Constitutional Convention. In addition, 19 of the Senators and 34 of the Members of the House had served in the Continental Congress under the Articles of Confederation. Also, it is to be noted that 5 Members of the Senate and 26 Members of the House had been members of the respective State conventions which had ratified the Constitution. Therefore they were perfectly familiar with the best parliamentary practices of the day. They came to the First Congress well equipped to perform the duties of their office.

Is it any wonder that it has been said that the "First Congress was almost an adjourned session of the Federal Convention?"

The constitutionality of almost every important bill was attacked. When we reflect upon this fact it does not seem so unnatural. Here was a new form of government, unorganized, with only the fundamental principles of the Constitution before the Members of the Congress. The Members of that First Congress had to make that Government work, and in order to do this they had to translate the principles of the Constitution into effective legislation which would stand the acid test of constitutionality.

It was one thing to draft the Constitution, it was quite another to make it work; and this latter task was the work of the First Congress, and how well they performed that task should be a matter of pride to every succeeding Member of the Congress.

In the first session of this Congress the first great constitutional debate was over the question whether the power of removal was vested in the President by the Constitution. Among those who took part in this debate were Theodor Bland, John Page, Alexander White, James Jackson, James Madison, John Vining, Fisher Ames, John Laurence, William Smith, Elbridge Gerry, Peter Sylvester, and Abraham Baldwin. This debate lasted for many days, and in *Parsons v. United States* (167 U. S. 324, 329) Justice Peckman describes it as follows:

Then ensued what has been many times described as one of the ablest constitutional debates which has taken place in Congress since the adoption of the Constitution.

In the second session of the First Congress another great debate arose over the constitutionality of the bill which provided for the fixing of the seat of government. The point of issue was that this was an infringement on the power of each Congress by joint resolution to fix the place to which it would adjourn.

Another famous debate was that which occurred in the third session on the charter of the Bank of the United States. In this discussion the meaning of the "general welfare" and "necessary and proper" clauses of the Constitution were discussed at great length. This was a veritable Roman holiday for the Federalists and anti-Federalists, the strict constructionists and loose constructionists. It is interesting to note that this debate, which got under way on February 1, 1791, was still going strong on February 7. The bill became a law on February 25, 1791, when President Washington, having disregarded the advice of Thomas Jefferson and Attorney General Randolph, accepted that of Secretary of the Treasury Alexander Hamilton and signed the bill on February 24, 1791.

THE WORK OF THE CONGRESS

Scarcely had the preliminaries of organization been settled, the rules adopted, the committees appointed, and the bill for organizing the judiciary introduced, and the other matters of vital importance settled, when on June 8, 1789, James Madison introduced into the House the proposed amendments to the Constitution.

On April 7 the Senate appointed a committee to bring in a bill for organizing the judiciary of the United States, consisting of Messrs. Ellsworth, Paterson, Maclay, Strong, Lee, Bassett, Few, and Wingate. However, it was not until June 12 that Mr. Lee, in behalf of the committee, reported the bill and it did not pass the Senate until July 17, 1789, and on that day was referred to the House, and on September 17 it passed the House, and on the 24th of that month was approved by the President.

While undoubtedly this was a matter of first importance, yet the speed with which Madison introduced the proposed amendments indicates the importance attached to their being submitted to the people and the States at an early date.

It is interesting, indeed, to realize that the man who had so much to do with the framing of the Constitution was now to take an active part in being among the first to amend it; and in this same Congress assist in interpreting and administering it; and later, as President, in executing its provisions. Surely his was a well-rounded constitutional experience, and we today are the heirs and joint heirs of a marvelous legacy bequeathed to us by that great student of statecraft.

In this connection it will be recalled that, notably in Massachusetts and Virginia, the conventions called for the purpose of ratifying the Constitution had refused to ratify it until assurances had been given that a bill of rights would be added to the Constitution. On December 20, 1787, after the close of the convention, Thomas Jefferson had written to Madison in part as follows:

A bill of rights is what the people are entitled to against every government on earth, general or particular.

In the State of New York there was also a most determined opposition. And in the setting up of a frame of government for the Nation there had been an insistent demand from every section of the country for a national bill of rights.

In accordance with this demand Madison introduced the proposed amendments to the Constitution embodying a bill of rights. Some time before this George Wythe had prepared a compilation of rights for the Virginia Convention, and from this list and the bills of rights in seven other State constitutions the ones submitted had been taken.

Four of these existed in the constitution of every State, to wit: Freedom of religion, freedom of the press, trial by jury, and the guaranty against being deprived of life, liberty, and property except by the law of the land; but not all of these were to be found in the bill of rights of any one State.

It is very interesting to observe that one of the rights most discussed today, viz, freedom of speech, was included in the

first amendment and created by it. In his work on popular lawmaking, page 302, Frederic J. Stimson states:

It should be noted, however, that the broad principle of freedom of speech by all persons and at all places is first adopted in the American Constitution; freedom of speech in England in its historical principles extending only to freedom of speech in the House of Parliament and the right of assembly and petition at a public meeting.

Had the First Congress done no other work than this, it would have earned the lasting gratitude of all succeeding generations for having enacted the legislation which submitted these proposed amendments to the States for ratification and the subsequent adoption of the first 10 amendments to the Constitution.

Many of the statements made by Madison in introducing the proposed amendments could well be repeated here, but lack of space forbids, however, a few excerpts taken from his speech will suffice:

And I do most sincerely believe that if Congress will devote but 1 day to this subject, so far as to satisfy the public that we do not disregard their wishes, it will have a salutary influence on the public councils, and prepare the way for a favorable reception of our future measures. It appears to me that the House is bound by every motive of prudence not to let the first session pass over without proposing to the State legislatures, some things to be incorporated into the Constitution, that will render it as acceptable to the whole people of the United States as it has been found acceptable to a majority of them. * * * but I believe that the great mass of people who opposed it, disliked it because it did not contain effectual provisions against the encroachment on particular rights, and those safeguards which they have been long accustomed to have interposed between them and the magistrate who exercises the sovereign power. * * * That the people have an indubitable, inalienable, and indefeasible right to reform or change their Government, whenever it be found adverse or inadequate to the purposes of its institution.

The following is most interesting:

Eightly. That immediately after article 6 be inserted, as article 7, the clauses following, to wit: "The powers delegated by this Constitution are appropriated to the department to which they are respectively distributed, so that the legislative department shall never exercise the powers vested in the executive or judicial, nor the executive exercise the powers vested in the legislative or judicial, nor the judicial exercise the powers vested in the legislative or executive departments." * * *

Even a great statesman can be wrong occasionally, as witnessed by the following:

In our Government it is, perhaps, less necessary to guard against the abuse in the executive department than any other; because it is not the stronger branch of the system but the weaker.

However, in the following statement much comfort may be found.

If they are incorporated into the Constitution, independent tribunals of justice will consider themselves in a peculiar manner the guardians of those rights; they will be an impenetrable bulwark against every assumption of power in the legislative or executive; they will be naturally led to resist every encroachment upon rights expressly stipulated for in the Constitution by the Declaration of Rights.

Surely the opinions and decisions of a free and independent judiciary over the period of a century and a half have verified the prophetic utterances of this far-seeing man.

As indicated above the first task was to raise a revenue sufficient for the support of the new government. It was estimated that the Government would require at least \$600,000 a year to pay its ordinary expenses, and an additional sum would be required to pay the interest on the public debt.

On July 4, 1789, the second act passed by Congress was approved. It is stated in the preamble of this act that it was—

Necessary for the support of the Government, for the discharge of the debt of the United States, and the encouragement and protection of manufactures that duties be laid on goods, wares, and merchandise imported.

A Tonnage Act was also passed, by which foreign vessels bringing goods into the United States were to pay a duty of 50 cents a ton, while American vessels were only to pay 6 cents a ton. These two acts went into effect in August 1789, and in a short time the Government had sufficient means with which to carry on its affairs.

The next step was to create these executive departments, to wit: The Department of Foreign Affairs, the Treasury Department, and the Department of War.

The special act, referred to above, conferring the power of removal alone on the President was soon passed. The debate on the bill consumed nearly a week's time.

On September 24, 1789, the act to establish the judicial courts of the United States was approved. Students of legal lore will recall the battles which were to follow over certain sections of this act which was almost entirely the creation of Oliver Ellsworth.

First, in *Marbury v. Madison* (February term, 1803, 1 Cranch 137), the last subsection of section 13 of the act was declared unconstitutional by Chief Justice Marshall. The story of this famous case is too long and too well known to be here repeated.

Then there is the all-important section 25 of this act in which the Supreme Court was given jurisdiction on writ of error, of cases coming from State courts in which were involved decisions adverse to the validity of acts of Congress, and by the provisions of this section the Supreme Court is given express power to "reverse or affirm" the decision of the State court. And as pointed out by Charles W. Warren in his work, *Congress, the Constitution, and the Supreme Court*:

Power to affirm necessarily implied power to hold the act of Congress unconstitutional, since the State-court decision so affirmed, would have made that holding.

These are but few of the many important acts passed in the three sessions of the First Congress.

PUBLIC DEBT

Very soon after the second session began, January 4, 1790, Alexander Hamilton, Secretary of the Treasury, in pursuance to the provisions of a resolution passed by the House at the first session, submitted a report on the national debt. The report shows that the domestic debt amounted to \$42,414,085, and the foreign debt to \$11,710,378. The total State debt incurred during the Revolutionary War was estimated at \$25,000,000. Hamilton's plan to pay these debts was that the Federal Government should assume the whole amount of the indebtedness owed by the States, and that the Government should assume and fund the whole national debt. These debts were to be paid by the surplus revenue from the duties on imports and the moneys derived from the sale of the public lands, and so forth.

The assumption of these State debts was looked on with favor by the Representatives from the Eastern and Middle States, but most of the Members from the Southern States opposed this. To trace the history of the legislation through the pages of the annals in its intertwining with the bill to locate the permanent seat of government is one of the most interesting and intriguing things that a student of legislative history can do. After some real "legislative bargaining" the funding bill was passed and on June 28, 1790, a bill was presented to the Senate to locate the permanent seat of the government in a district not exceeding 10 miles square "on the river Patomac, at some space between the mouths of the Eastern Branch and Conococheague." The act for establishing the permanent seat of the Federal Government was finally passed on July 9, 1790, during the second session.

BIOGRAPHIES OF THE OFFICERS

As stated above John Langdon, of New Hampshire, was elected President pro tempore of the Senate, and Samuel A. Otis, of Massachusetts, Secretary.

In the House Frederick Augustus Conrad Muhlenberg, of Pennsylvania, was elected Speaker, and John Beckley, of Virginia, Clerk.

The outline biographies of the first three named are as follows:

John Langdon, a Delegate and a Senator from New Hampshire, born in Portsmouth, N. H., June 25, 1741; attended the school of Major Hale in Portsmouth; engaged in mercantile pursuits; prominent in pre-Revolutionary affairs and during the war; a representative in the General Court; Member of the Continental Congress in 1775 and 1778; resigned in June 1778 to become Navy agent, and superintended the construction of several ships of

war; served several terms as speaker of the State House of Representatives, and during the session of 1777 staked his fortune to equip Gen. John Stark's brigade; participated in the Battle of Bennington and commanded a company at Saratoga and in Rhode Island; again a Member of the Continental Congress in 1783; President of New Hampshire in 1785; delegate to Federal Constitutional Convention in 1787; Governor of New Hampshire in 1788, 1805, and 1809-11; elected as a Democrat to the United States Senate and served from March 4, 1789, to March 3, 1801; elected the first President pro tempore of the Senate on April 6, 1789, in order that the Senate might organize to count the electoral votes for President and Vice President of the United States; declined to accept the portfolio of Secretary of the Navy in the Cabinet of President Madison in 1811 and the Democratic nomination as a candidate for Vice President in 1812; died in Portsmouth, N. H., September 18, 1819; interment in the Langdon tomb in North Cemetery.

Samuel Allyne Otis, born in Barnstable, Barnstable County, Mass., November 24, 1740; was graduated from Harvard College in 1759; engaged in mercantile pursuits in Boston; member of the Board of War in 1776; collector of clothing for the Continental Army in 1777; member of the Massachusetts Constitutional Convention which framed the constitution of that State; again a member of the State house of representatives, 1784-87, and was elected speaker of the house in 1784; member of the Continental Congress in 1787 and 1788; elected Secretary of the United States Senate on April 8, 1789, and served in that capacity until his death in Washington, D. C., April 22, 1814; interment in Congressional Cemetery.

Frederick Augustus Conrad Muhlenberg, a Delegate and Representative from Pennsylvania; born in Trappe, Pa., January 1, 1750; pursued an academic course; attended the University of Halle, Germany; studied theology and was ordained by the ministerium of Pennsylvania a minister of the Lutheran Church, October 25, 1770; preached in Stouchsburg and Lebanon, Pa., 1770-74, and in New York City, 1774-76; when the British entered New York he felt obliged to leave and returned to Trappe, Pa., moved to New Hanover, Pa., and was pastor of Lutheran congregations there and in Oley and New Goshenhoppen until August, 1779; Member of the Continental Congress in 1779 and 1780; served in the State house of representatives, 1780-83, and was elected speaker November 3, 1780; delegate to and president of the State Constitutional Convention in 1787, called to ratify the Federal Constitution; elected to the First, Second, Third, and Fourth Congresses (March 4, 1789-March 3, 1797); served as Speaker during the First and Third Congresses; was not a candidate for renomination in 1796; president of the council of censors of Pennsylvania; appointed receiver general of the Pennsylvania Land Office on January 8, 1800, and served until his death in Lancaster, Pa., June 5, 1801; interment in the Woodward Hill Cemetery.

John Beckley, the clerk, was born in Virginia. His full name was John James, and he thus subscribed himself as a member of the Phi Beta Kappa Society of the College of William and Mary in 1776. He was at various times clerk of the House of Delegates and of the Senate of Virginia. He was also secretary of the Virginia Convention called to ratify the Constitution. As the first Clerk of the House of Representatives he served from April 1, 1789, to May 15, 1797, and again from December 7, 1801, to October 26, 1807. In the period from 1802 to 1807 he served as the first Librarian of Congress.

CUSTOMS AND HABITS

The daily sessions of both Houses were conducted in a very formal manner. Behind their closed doors the Senate conducted its proceedings in a very decorous manner. Most of the Senators were handsomely attired and moved about with considerable dignity. The Representatives, likewise well dressed and in their carefully powdered wigs, attracted a great deal of attention, especially as their sessions were open to the public. The House had the more eloquent orators and the better debaters.

Senate, April 30, 1789: The President, the Vice President, the Senate, and the House of Representatives, etc., then proceeded to St. Paul's Chapel, where divine service was performed by the Chaplain of Congress, after which the President was reconducted to his house by the committee appointed for that purpose.

The Vice President and Senate returned to the Senate Chamber, and,

Upon motion, unanimously agreed, that a committee of three should be appointed to prepare an answer to the President's speech, Mr. Johnson, Mr. Paterson, and Mr. Carroll were elected.

Wednesday, June 2, 1790: On motion of Mr. Gerry, *Resolved unanimously*, That the Members of the House, from a sincere desire of showing every mark of respect due to the memory thereof, will go in mourning for him 1 month, by the usual mode of wearing a crape around the life arm.

Thursday, February 24, 1791: It was moved that the Senate agree to the following resolutions, to wit: *Resolved*, That it be a standing rule that the doors of the Senate Chamber remain open whilst the Senate shall be sitting in a legislative capacity, except on such occasions as, in their judgment, may require secrecy;

and that this rule shall commence and be in force on the first day of the next session of Congress.

Resolved, That the Secretary of the Senate request the Commissioners of the city and county of Philadelphia to cause a proper gallery to be erected for the accommodation of an audience.

In a Philadelphia newspaper of 1791 is this statement:

In a very plain chair without canopy, and with a small mahogany table before him, festooned at the sides and front with green silk, Mr. Adams, the Vice President, presides as President of the Senate. Among the Senators is observed constantly during the debates the most beautiful silence, the most beautiful order, gravity, and personal dignity of manner. They all appear every morning full powdered and dressed in the richest material. The very atmosphere of the Chamber seems to inspire wisdom, mildness, and condescension. Should any of the Senators so far forget for a moment as to be the cause of a protracted whisper while another was addressing the Vice President, three gentle raps with his silver pencil case by Mr. Adams immediately restored everything to repose and the most respectful attention.

The Senators in their courtesy present a most striking contrast to the independent loquacity of the Representatives below stairs, most of whom persist in wearing, while in their seats and during the debates their ample cocked hats, placed "fore and aft" upon their heads.

The Members' compensation was \$6 per day for each day's actual attendance in Congress, and \$6 for every 20 miles traveled in going to or returning from a session.

The President pro tempore of the Senate and the Speaker of the House were each allowed \$12 a day.

The Secretary of the Senate and the Clerk of the House each received \$1,500 per year as salary, and in addition \$2 for each day of the session.

The Sergeant at Arms received \$3 a day and the Door-keeper \$750 a year.

The debates of the House were reported by shorthand writers and printed in the Congressional Register. This was an unofficial publication. The newspaper reporters were allowed on the floor of the House, and had seats in front of the Speaker's platform. Many complaints were made by the Members about the published reports to the effect that they were "glaring deviations from the truth." Even in those early days the Members were being "misquoted." Finally a motion was made to prohibit the publication of reports. After a long discussion it was withdrawn, "with the hope that the reporters and printers would be more courteous in the future as to their publications, and study a greater degree of accuracy and impartiality."

The Senators had no trouble of this nature for the three-fold reason that they sat behind closed doors and no reports of the debates were permitted to be printed, and they excluded everyone, even Representatives, from their Chamber.

ACTS AND RESOLUTIONS

The acts and resolutions of the First Congress were as follows:

First session, March 4, 1789, to September 29, 1789: Twenty-five acts, no concurrent resolutions.

Second session, January 4, 1790, to August 12, 1790: Forty-one acts and two concurrent resolutions.

Third session, December 6, 1790, to March 3, 1791: Twenty-eight acts and one concurrent resolution.

The first act passed was on June 1, 1789, being an act providing for the form of oath or affirmation required by the sixth article of the Constitution.

The last act was one entitled "An act for raising and adding another regiment to the Military Establishment of the United States, and for making further provision for the protection of the frontiers." This was approved March 3, 1791.

PUBLIC SERVICES OF THE MEMBERS

In the assemblage of the First Congress 48 of the Members thereof were lawyers, 42 were college graduates and 51 of them had fought in either the Indian or Revolutionary Wars.

Brief excerpts from the lives of a number of the Members will suffice to prove the widespread diversity of their activities and the character of their public services.

Oliver Ellsworth, as stated, was appointed Chief Justice of the Supreme Court, March 4, 1796.

William Samuel Johnson was president of Columbia College (University) from 1787 to 1800.

Roger Sherman has the honor of having signed all four of the great state papers, the Declaration of 1774, the Declaration of Independence, the Articles of Confederation, and the Constitution.

Richard Bassett, who attended the original Annapolis convention, was the first to cast his vote to locate the Capital on the Potomac.

Daniel Carroll was the owner of the farm which is the present site of the city of Washington.

William Smith was the first auditor of the United States Treasury.

Elbridge Gerry, as stated, was elected Vice President in 1812, and the term "gerrymandering" is taken from his name and the shape of a rearranged voting district.

William Paterson was Senator from New Jersey, 1790; Governor of that State, 1790-93, and Associate Justice of the Supreme Court of the United States in 1793, all within the space of 4 years.

Philemon Dickinson graduated in the first class to emerge from the University of Pennsylvania.

Elias Boudinot had been President of the Continental Congress, 1782-83, and signed the treaty of peace with England; first president of the American Bible Society.

Rufus King was Minister to Great Britain from 1796 to 1803, and again from May 1825 to June 1826.

Philip Schuyler was one of the four major generals in the Continental Army in 1775 at the outbreak of the Revolutionary War.

Egbert Benson was one of the three commissioners appointed to direct the embarkation of the Tory refugees for the loyal British provinces.

Benjamin Hawkins left the senior class of Princeton to be on the staff of General Washington as interpreter in French.

Timothy Bloodworth was employed in making muskets and bayonets for the Continental Army, and later commissioner of confiscated property.

John Steele, appointed Comptroller of the Treasury in 1796; reappointed by both Presidents Adams and Jefferson.

George Clymer, one of the commissioners to negotiate a treaty with the Cherokee and Creek Indian Tribes in 1796.

John Henry studied law in the Temple, London; was a member of the committee to prepare the ordinance for the government of the Northwest Territory.

Fisher Ames, chosen president of Harvard University in 1804, but declined to accept on account of ill health.

Jonathan Grant served in the expedition against Canada, 1757-60; served in the Revolutionary War.

Theodore Sedgwick studied theology and law; speaker of the State house of representatives, Speaker of the Sixth Congress, elected President pro tempore of the Senate 1798.

Jonathan Trumbull, appointed secretary and first aide-de-camp to General Washington in 1780, served as Speaker of the Second Congress.

Abraham Baldwin, chaplain in Revolutionary Army, 1777-83; admitted to the bar; president of the University of Georgia; elected President pro tempore of the Senate, 1801.

John Sevier, elected Governor of "the proclaimed" State of Franklin, and served for 3 years.

John Peter Gabriel Muhlenberg, a brother of the Speaker. This is the only instance of brothers serving in the First Congress. Pastor of Lutheran Churches, ordained in the Episcopal Church, brigadier general in the Continental Army.

Thomas Tudor Tucker, appointed United States Treasurer by President Jefferson in 1801.

Alexander White, appointed by President Washington as one of the three commissioners to lay out the city of Washington.

William Maclay, a surveyor in the employ of the Penn family in 1760, author of journal from which sketches in debate in the United States Senate, 1789-91, is taken.

Charles Carroll of Carrollton attended the Jesuits' College of Bohemia, at Herman's Manor, Md., and the College of St. Omer in France; studied civil law at the College of Louis

Le Grand in Rheims and the common law at Temple in London; set the stone marking the beginning of the Baltimore & Ohio Railroad July 4, 1828; at the time of his death he was the last surviving signer of the Declaration of Independence. He thus becomes the link between the past and the present in the long journey of advancing progress and speed in transportation from the day of the blazed trail, the birchbark canoe, the sailing vessel to the present high-speed, stream-lined, luxurious trains of the modern railroad.

Jeremiah Wadsworth, commissary general during the Revolutionary War was the great-great-uncle of Hon. JAMES W. WADSWORTH, a Member of this House.

Theodoric Bland, studied medicine in Edinburgh, captain in the Continental Army, was a relative of Schuyler Otis Bland, also a Member of the present House.

John Page, a graduate of William and Mary College, colonel in the Revolutionary Army, Governor of Virginia, was an ancestor of William Tyler Page, special clerk to the minority in the present session.

SESSION CLOSED

Thursday, March 3, 1791

The business of the session being gone through, on motion: *Resolved*, That the thanks of the House of Representatives of the United States be presented to Frederick Augustus Muhlenberg, in testimony of their approbation of his conduct in the chair, and in the execution of the difficult and important trust imposed in him as Speaker of said House.

It was resolved unanimously; whereupon Mr. Speaker made his acknowledgments to the House in manner following:

"Gentlemen of the House of Representatives, this unexpected mark of your approbation of my conduct has made so deep an impression on my mind that I cannot find words to express the high sense of gratitude I entertain on this occasion.

"I have not vanity sufficient to suppose that my feeble, though well-meant endeavors merit so great a reward; for it was your kind indulgence and support alone which enabled me to go through the duties of the station which you were pleased to assign me; but I shall ever consider this distinguished and honorable testimony as the most fortunate circumstance of my life.

"Gentlemen, I most sincerely thank you. May every possible happiness attend you and every individual of this body, and may your zealous endeavors, which I have so long and so often been a witness to be crowned with unbounded success."

Ordered, That a message be sent to the Senate to inform them that this House, having completed the business before them, are now to adjourn without a day, and that the Clerk of this House do go with said message.

The Clerk accordingly went with the said message, and being returned,

A message was received from the Senate, notifying that the Senate, having completed the legislative business before them, are now about to adjourn; whereupon

Mr. Speaker adjourned the House without a day.

Mr. STARNES of Alabama. Mr. Chairman, I yield to the gentleman from Indiana [Mr. LUDLOW] such time as he may desire.

Mr. LUDLOW. Mr. Chairman, I believe that the consideration of this bill, which increases our national defenses, affords me an appropriate opportunity to submit some views which have long been on my mind in respect to war and how to keep out of it.

This is a time when every citizen of the Republic ought to be making a calm and dispassionate survey of the international situation to try to determine whither we are drifting. In a government "of the people, by the people, and for the people" these are questions that the people should take home to themselves for discussion in their family circles and by their firesides. If war comes, they will have to do the fighting and the dying. They and their children will have to bend their backs to a century of grinding toil to pay the staggering costs of war. And if war should fasten a dictatorship upon our country, they and their children and their children's children, down to the remotest generation, will mourn the loss of the rights and liberties now guaranteed to us under the Bill of Rights, which are more precious than life itself and which go to make up the inestimable franchise of freedom.

It is a time when all of our people, civilians no less than our public officials, should be discussing these questions of foreign relations in the light of the realism that confronts us, free from rancor, in a spirit of the broadest catholicity, to the end that amid the increasing world confusion and

hysteria we may find the road to peace and may chart a course of wise national action that will guarantee the maintenance and perpetuity of our beloved, free institutions.

TIME TO THINK AND PRAY

If such a thing were possible, at this crisis in the world's history, with meaningful portents blackening the skies and with every false move pregnant with possibilities of harm to America, I would like to see all of our people brought together in thought and prayer in order that we may profit by the counsel of mutual understanding and reason. I would like to see these vital problems lifted out of the realm of diplomatic maneuvering and secret diplomacy and submitted for decision to the combined judgment and conscience of America, because I share with Jefferson his faith in the people and the righteousness of their ultimate conclusions, and I believe with Wilson in "open covenants openly arrived at."

I would like to see a broader recognition of the principle of democracy in dealing with these grave questions of international import, because I believe with the utmost sincerity that we will get rid of war, and the threats and dangers of war, as we build up our democracy. That is the reason why I have reintroduced my proposed amendment to the Constitution which would give to the people, with women having equal voting privileges with men, the right to decide whether our boys shall be sent to some distant part of the globe to fight and perhaps to die in a foreign war. It is a democratic principle that those who have to do the fighting and the dying and to bear the inexpressible burdens and griefs of war should have something to say as to whether we shall depart from our defensive program and enter wars that are being waged across the seas.

I have observed what seems to me to be a very deplorable tendency among those who entertain divergent views on foreign policy to criticize those holding opinions contrary to their own, and sometimes we have ugly outbreaks of criminations and recriminations that never should occur, because, after all, it is our common problem, and we should approach it with mutual respect for one another. The issues before us are among the most serious that have ever confronted our country, and we should be willing to sit down and reason together, everyone conceding to those who dissent from his views the good faith and patriotic purpose that he claims for himself. The observations I shall make today certainly will not be intended as a criticism, direct or implied, of any official of the Government or anyone else, but rather as a submission of some ideas that have occurred to me in long and thoughtful consideration of America's problems in relation to a distraught world, and these ideas are presented in the hope that they will prove in some degree helpful and constructive.

GENERAL HARRISON'S WISE ADVICE

When I was a lad, long before I had reached my majority, I was a writer on an Indianapolis newspaper and was Indiana correspondent for the New York World. At that particular time the papers were headlined with news about some foreign imbroglio—the mists of years have erased from my memory its nature and extent—and one day the World telegraphed instructions to me to see Benjamin Harrison, the twenty-third President of the United States, and to get from him an expression as to whether or not he thought the United States should intervene with armed forces. That was a tough assignment, especially for a beardless boy, as General Harrison was proverbially hard to interview. I set about the task with very conscious misgivings, fully aware that even if he should break over his reserve and make a statement it probably would not consume as much space as the World would like, as I had never known of anyone who equaled General Harrison's faculty of expressing much meaning in few words.

I found him at his home on North Delaware Street, in the city I now represent in Congress, and with fear and trembling I handed to him the telegram the World had sent to me and asked him to comment on it. At this point I want to say that I never knew a man who had more sheer strength of

character than General Harrison. He was austere to a fault, but sincere and true; a Christian with the highest ideals of living and service. He read the telegram carefully and his face was illumined with the earnestness of his convictions as he replied in a breath-taking sentence of 10 words:

We have no commission from God to police the world.

His words ring in my ears today just as they did over 40 years ago. I have often thought how his striking aphorism supplements General Washington's Farewell Address, in which the Father of his Country admonished posterity to cultivate friendly relations with all nations and entangling alliances with none, and how those two great Americans, Washington and Harrison, have handed down a philosophy which, if we follow it, will keep our country free and independent and respected among the nations of the earth.

TIRADES ONLY ROCK THE BOAT

I thought of General Harrison's advice when I voted the other day against the establishment of a naval outpost at Guam, far beyond the zone of our continental defense and 6,000 miles from the shores of the United States, and I think of it every time one of our Cabinet ministers or leading Senators, charged with committee responsibilities, associated with foreign affairs, breaks loose and fulminates bitter invectives against rulers of foreign governments. I certainly hope that such tirades will stop. Those who engage in them render America a distinct disservice. We abhor the dictators for their high crimes and misdemeanors, and we loathe them for their flagrant disregard for the humanities, but we are not the Supreme Ruler of the universe, and, as General Harrison said, "We have no commission from God to police the world."

I speak as one who believes in strong national defense. I believe that a combination consisting of adequate national defense coupled with a referendum on foreign wars is the very best peace insurance this country could have. I voted for the naval expansion bill and for the military expansion bill and for the bill for improving the naval bases after the item for Guam was eliminated. But the kind of defense I have voted for—and the only kind I will vote for—is home defense for the protection of our homeland and for carrying out our obligations under the Monroe Doctrine.

MONROE DOCTRINE HAS TWO SIDES

We have declared in the Monroe Doctrine that foreign nations must keep off of the Americas, but some of our Cabinet leaders and senatorial statesmen seem to forget that the doctrine should work both ways; that is to say, if it is logical and proper to say to foreign nations that they shall not interfere in the Americas it is logical and proper for foreign nations to say that we shall not interfere in their affairs. What is sauce for the goose is sauce for the gander.

If a foreign country wants to set up a certain ideology within its own boundaries, we may feel sorry for it, but I cannot see that it is any of our business so long as in doing so they do not interfere with us. Ideologies foreign to our hopes and aspirations have been in existence in many countries ever since the American Nation was born, but we have kept the peace with such countries however unsympathetic we have been to their alien ideals. Russia under the czars, with their unconscionable repressive measures and repeated "liquidations" of patriots in whose breasts the fire of liberty burned with an unquenchable flame, certainly did not conform in any way to our conceptions of freedom and justice, but we accepted the situation in Russia as one over which we had no control and we did not declaim against the czarist ideology.

WE SHOULD AVOID HYSTERIA

In the present state of world affairs there are some things we should do and some things we should just as scrupulously refrain from doing. One thing we should do is to build up our defenses in a sane, logical way to afford permanent protection to America, whatever may be the stress from the outside. One thing we should not do is to give way to hysteria.

We have been manifesting hysterical symptoms wholly unwarranted and which may convey to the world the unjustified impression that we are afraid of something. If there is any nation on earth that has given the slightest sign or indication of an intention to attack us, I am unaware of that fact. Will someone tell me what country has raised a finger against us?

An egomaniac like Hitler must smile whenever he turns on the radio and hears a short-wave broadcast by some American Cabinet minister or Senator blasting him ferociously. I fear that we are tickling his vanity by magnifying him far beyond his importance.

One thing we need to do, from the national-defense standpoint, if none other, is to build up our economic stability at home. There are various kinds of preparedness and no nation is well prepared unless its economic position is sound. Germany, specializing on airplanes, has built up a great and formidable offense machinery, but American experts tell me that one reason they do not greatly fear Germany is that they believe she is on the verge of an economic collapse.

TWO ADMINISTRATION MOVES THAT PLEASE

I have been immensely pleased by two moves our national administration has made lately. I refer first to its so-called "appeasement" attitude toward business and, secondly, to the President's effort to bring the warring factions of labor together in a harmonious agreement. I think both of these moves might well have been made long ago. It has been apparent for years that the honest businessman was "the forgotten man" in our national equation. While apparently everybody else has been brought within the scope of the administration's humanitarian program he has been left out in the cold. What labor wants and needs is permanent jobs under good working conditions and at a saving wage, but we have overlooked the fact that this objective cannot be attained unless there is someone with capital in a position to give those jobs.

We have kicked the businessman all around the lot, penalizing him with discriminatory taxation and excessive regimentation until he is groggy and ready to throw up his hands in despair. The administration is now acting wisely when it tries to help the businessman and to bring peace in the labor world. If it succeeds—and there is no reason why it should not succeed—it will incalculably strengthen our national defense by building up a strong, happy, contented Nation. And while we are making our economic position impregnable we should recognize the importance of a moral rearmament as well, and should shape our conduct to conform to our traditional role of good neighbor to the world.

KINDNESS A GREATER FORCE THAN CANNON

There are many things kindness will do that cannot be done with cannon. Let us suppose a hypothetical case. Let us suppose some awful plague should visit Germany, threatening the lives of hundreds of thousands of their little children and suppose that we should appropriate the equivalent of the cost of one or two battleships and send the money over to Germany with our best wishes as a gift to be used in combating that plague. Does anyone think that, having done that, we would need to build any battleships to fight Germany? Oh, it seems to me strange that in a country that professes Christianity, some of our statesmen do not think now and then of the advisability of tackling some of these problems on the Christian front!

A SIX-POINT PROGRAM

I would reduce these perhaps too rambling thoughts to the following summation:

- (1) That we should keep our heads and not get hysterical.
- (2) That we should build up our national defense along sound constructive lines for home defense only.
- (3) That we should scrupulously keep out of all foreign entanglements and give up every idea we ever have had of policing the world.
- (4) That we should open the way to provide a greater opportunity for the American people to become acquainted

with our international problems and to act with more authority in matters affecting international relations, and especially in respect to the exercise of the war power.

(5) That we should do everything possible to improve our economic situation at home and to make America a happy, prosperous Nation.

(6) That we should build up our moral rearmament and studiously seek to find ways to be a good neighbor to all the people of the world.

This is my six-point program. With the modesty of one who seeks to walk humbly but at the same time with confidence in the righteousness of this program, I commend it to my beloved colleagues, believing that herein lies our best prospect for future security and our greatest hope for deliverance from evil. [Applause.]

Mr. STARNES of Alabama. Mr. Chairman, I yield 13 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, I note on page 14 of the report of the committee on the bill under consideration the following language:

On page 8 of the bill provision is made for placing educational orders to familiarize manufacturing establishments with the production of munitions of war of special or technical design.

Mr. Chairman, my purpose in asking time from the Committee today is to call attention to H. R. 4429, wherein the Commodity Credit Corporation of the Reconstruction Finance Corporation is authorized and directed to acquire title to 4,000,000 bales of cotton now held as security for loans advanced by this Corporation, such cotton to be transferred to the War Department to be held as munitions of war, and for other military purposes.

Of course, the primary purpose of the bill is to provide a sufficient and necessary reserve as a munition in case of war. The secondary purpose is to remove from the market or take from the channels of trade a considerable portion of the surplus cotton now held as security for loans advanced to farmers by the Federal Government.

We would like to submit, at the outset, that the principle on which this legislation is based is fundamentally sound and in keeping with the policy practiced by our Government almost from the beginning. It is in keeping with the long-established practice of preparing for war in time of peace by maintaining and keeping on hand a supply of munitions in reserve. Our Government has done this for many years, although it has not been the policy to keep in reserve a supply of cotton, even though it is considered absolutely necessary and indispensable in time of war. Congress evidently plans to make all preparations necessary for adequate defense. We have already provided for 6,000 airplanes and made a \$50,000,000 appropriation for strengthening our Navy, and it is proposed to authorize the War Department to purchase millions of dollars worth of war materials from foreign countries and hold such materials in reserve.

However, it appears that the necessity for a reserve amount of cotton has been overlooked, for in these more modern days cotton is recognized by military experts as essential as any other munition in waging or carrying on a successful war. For the past three-quarters of a century cotton has been looked upon in time of war very much in the same way as guns, explosives, and other munitions, and in more recent years cotton has been declared a contraband of war just as much so as the most high-powered explosives. In support of this statement I wish to quote an interview with Viscount Milner reported in the New York Times August 21, 1915, which is as follows:

"You ask me," says Lord Milner, "whether the declaration of cotton as contraband is justified. I am not a lawyer, but I should have thought it was quite clear that any of the belligerents nowadays was entitled to declare cotton as contraband. Lists of contraband articles vary necessarily with every war, but the broad principle is clear enough. Anything may be declared contraband which is essential to a belligerent for the continuance of the war. It is quite true that considerable doubt has existed until this war as to whether cotton comes within the category. But the present war has shown that the successful conduct of military operations requires an enormous consumption of munitions of all kinds, and since cotton is the basis of almost all propulsive explosives in

actual use, vast quantities of cotton have to be employed and are in fact indispensable to a belligerent. In short, cotton is now just as essential a part of munitions of war as were in the old days the component parts of gunpowder or the raw materials from which ships or cannon were made."

To show that cotton was indispensable and was used as a munition to a very great extent in the last World War, I desire to quote from a report furnished by the Bureau of the Census showing the quantity of cotton fiber used in the manufacture of explosives alone. I quote:

The demand for guncotton, smokeless powder, and absorbent cotton to meet the needs of the warring nations has been such as to affect the cotton situation appreciably. Importance of reliable information as to the quantity of fiber consumed in the manufacture of these products led Congress to make provision for the collection of such statistics. The act approved August 7, 1916, requires the Bureau of the Census to collect data as to the several kinds of cotton fiber used in the manufacture of guncotton and explosives of all kinds during the calendar year 1915 and each quarter thereafter.

Under the heading entitled "Cotton Used in Explosives" the report says:

The manufacture of smokeless powders at the present time requires a considerable quantity of cotton fiber. Guncotton, technically known as nitrocellulose, obtained by nitration of cellulose, forms the principal ingredient of these powders. The purest form of cellulose and this fiber is used almost exclusively in the manufacture of guncotton. The quantity of bleached cotton fiber consumed in the manufacture of explosives during the calendar year 1915 was 244,003 bales, 583,610 bales in 1916, and 187,308 during the first quarter of 1917, the largest amount for any preceding quarter.

Further on the report states:

Before the cotton fiber can be used in the manufacture of explosives it is necessary that it be thoroughly cleaned and purified. In some instances the manufacturers of explosives have installed machinery for this purpose, but the majority of them purchase the fiber in the bleached and purified condition. Owing to this fact, it is impracticable to obtain data showing the quantity of unbleached cotton, linters, hull fiber, and waste used in this manufacture. In bleaching and purifying for nitrating purposes there is considerable loss, depending on the condition of the raw fiber, some stock being quite clean and some very trashy. However, it would appear from the information at hand that the loss in preparing linters and hull fiber from the wrapped and iron-bound bale to the purified material as used in nitration is between 30 percent and 40 percent. Based on an average loss of 35 percent, the gross weight of unbleached cotton fiber used in the manufacture of explosives in the United States during the calendar year 1916 was 898,000 bales.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. STARNES of Alabama. Mr. Chairman, I yield the gentleman from South Carolina 3 additional minutes.

The CHAIRMAN. The gentleman from South Carolina is recognized 3 additional minutes.

Mr. HARE. It is seen, therefore, in 1916, the year before we entered the war, nearly 1,000,000 bales were consumed in the manufacture of explosives alone. The Director of the Census Bureau advises that data are not available showing the amount used or consumed in 1917 and 1918, for the reason that the collection and publication of such information was discontinued at the request of the Navy Department in order that the enemy might not be furnished with information which would be of value in making war upon this country. However, it is reasonable to assume that we continued to manufacture explosives to as great extent in 1917 and 1918, while the war was on, as we did in 1916, the year before we entered the war. If so, then a reasonable estimate would be that we consumed at least 3,000,000 bales of cotton during the war in the manufacture of explosives alone; and if we consumed more in 1917 and 1918 than we did in 1916, which is also a reasonable assumption, it is not unlikely that the United States consumed upward of 4,000,000 bales during the recent World War. It is obvious, therefore, that cotton is indispensable in case of war; and if we are going to maintain an army and navy and be reasonably prepared for any emergency, we must have a sufficient quantity of munitions in reserve; and as cotton is absolutely indispensable as a munition, it is essential that the War Department be required to maintain a reasonable supply at all times. If the

World War had been delayed 4 years and come on us in 1921, when we had a production of less than 8,000,000 bales, we would not have had enough cotton to have met our domestic requirements and furnished our Army and Navy with munitions enough to have sufficiently and successfully carried on our military operations.

We find, even with the large crop produced in 1917 and the large surplus on hand, our military officers were apprehensive that the supply would not be sufficient to meet our military demands. This statement is predicated on information found in a report of The Assistant Secretary of War issued in 1919, showing use of munitions in 1917 and 1918. On page 106 is found this statement:

The first step taken in the endeavor to meet the need for raw material was an attempt to provide a substitute for cellulose in case a shortage of cotton should render its use necessary.

In other words, gentlemen, we find our Government in 1917, immediately after entering the war, preparing to make a substitute for cotton to be used in the manufacture of explosives, and these steps were made necessary because our Government had failed in time of peace to provide a sufficient and necessary amount of cotton in reserve as a munition. They felt that there was not enough cotton available to meet the demands, and they knew that if we did not have it there was no chance to get it from anyone else, and for these reasons they took steps to find a substitute. Therefore, from the standpoint of preparedness and military economy, our War Department should have on hand at all times a sufficient supply of cotton to meet any emergency that may arise. [Applause.]

Mr. ENGEL. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, and those of you who are among the 20 or 30 assembled this afternoon to debate a bill appropriating or pertaining to the appropriation of \$500,000,000 of the people's money, we are presumably discussing national defense. When the Navy appropriation bill was pending before this House, the sabers rattled and the planes roared under the influence of the propagandists of this country, who whipped not only the Congress but the people of this Nation into a feverish fear and feeling that we were about to be attacked by some foreign nation. I am wondering if the proponents of this spirit of fear now feel they have so successfully influenced the Congress that it is no longer necessary for them to be here to even consider the merits of the bill now under consideration. [Applause.]

It has been said repeatedly upon the floor of the House and published in the press as well as in responsible literature of this country that the greatest and most direct menace to the welfare of the peace of this Nation lies not in the threat of any foreign government but in the failure of our own Government to solve our domestic problems and to deal with the subversive influences which are running rampant here in America. If these influences are not checked, you are going to have to deal with national defense here at home and consider that question rather than deal with an attack from some nebulous enemy from abroad, and, take it from me, I am fresh from the people and I know what they are thinking and saying.

Mr. Chairman, there stood upon the floor of this House last week two gentlemen, the distinguished gentleman from Colorado and the distinguished gentleman from New York [Mr. DICKSTEIN]. Both of these gentlemen worked themselves up into a frenzy, waved the flag, and proclaimed their patriotism in denouncing a meeting held at Madison Square Garden attended by some 20,000 citizens of America under the designation of the bund. These gentlemen denounced in no uncertain terms the activities of that organization and the speeches made at that meeting.

I hold in my hand one of numerous newspaper clippings reporting a meeting held in that same auditorium, Madison Square Garden, last Monday night, which was attended by 20,000 Communists, called for the purpose of celebrating the twentieth anniversary of the Communist Party in America.

Despite the fact that this meeting was given the same publicity by the newspapers of this country as the bund meet-

ing held a couple of weeks ago, I heard nothing but silence from these liberal leftists over on the Democratic side, who take the opportunity whenever it is presented to take a crack at every other organization except the Communist Party.

Mr. Chairman, I am wondering, and I have wondered since last Monday, what has become of the gentleman from New York [Mr. DICKSTEIN], who stated that he stood on the outside of the bund meeting, among his comrades, and saw this terrible disgrace to America taking place?

He has not been here denouncing this Communist meeting held in New York, neither has there been a word from any other liberal, so-called, denouncing this meeting of Communists in New York. I wish to say to you I think it is high time that these gentlemen not only denounce the meeting of the bund but, if they are sincere in their protestations of patriotic impulses, they ought to stand here on the floor and in the same language denounce the activities of the Communist Party, which is the major party of destruction in America. [Applause.]

I never heard of the German Bund in America until the Communist Party of America began to destroy the institutions we love. It seems to be a matter of recorded history, as stated by responsible people in this country of ours, that the Nazi Party in Germany was a natural protest against the constant invasion of communistic Russia and its doctrine into the rest of the world. Let me say to you it is my humble opinion that once we are able to stamp out and stem this growing tide of communistic propaganda that is evidenced on all sides there will be a continuous growth of resistance to that form of propaganda and we will be having transferred to the internal affairs of this Government of ours the very battles that are being fought over there in Europe.

It seems to me it is high time that instead of spending so much time talking about national defense against enemies of the Old World, or of the Orient, we in America ought to begin to spend some time and some money to coordinate our efforts in a defense against the insidious activities of these subversive influences in America. [Applause.]

Mr. HAWKS. Mr. Chairman, will the gentleman yield?
Mr. KEEFE. Not just now.

It seems passing strange, Mr. Chairman, that the same type of men and the same gentlemen who so vigorously opposed the Dies committee and the appropriation of \$100,000 for the Dies committee are so silent and say nothing in the face of a Communist meeting in New York under the leadership of Israel Amter and 20,000 of his like in Madison Square Garden.

I want to say to you, Mr. Chairman, the time has come when the truth is going to be told in the Well of this House and the people of America are going to be told the truth. We are not going to hide behind the flimsy speeches of patriotism that are being offered here by these leftist-minded individuals who want to wave the flag and hide behind it in protecting the activities of their Communist friends. I condemn them both, as I said the other day in no uncertain language.

While we are talking about national defense, let us talk in defense of the domestic affairs of America as well as in defense against a nebulous, nonexistent, undefined threat from some foreign country or nation that has not as yet been named. I repeat again, the challenge that comes to this Congress from the people of America is, Let us get down to business and solve the problem of unemployment. I say to the people on the other side, who so proudly proclaimed in their campaigns, "A job for every man and woman that is willing to work," Where are the jobs?

Mr. KELLER. Mr. Chairman, will the gentleman yield?
Mr. KEEFE. Not now.

I say to you that unless we do something about it, 15,000 farmers in Wisconsin will lose their farms in the next year and a half because of their inability to meet the payments due on their mortgages. We are talking about national defense. What are we doing to solve our domestic problems when all the measures that are offered toward the end of inspiring confidence in the hearts of the people and of the

businessmen of this Nation still lie locked up in the committee awaiting the will and the caprice of the administration to bring them out into the open? [Applause.] I believe it is time we as a Congress begin to think of the people of America and carry out some of the promises made in the last election. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. CURTIS] such time as he may desire.

Mr. CURTIS. Mr. Chairman, I wish to speak a few moments on our foreign policy. I would like to ask the question, What has happened in the last few months that imperils the safety of the United States? Who is it that is about to invade or attack us? What foreign nation has issued threatening statements concerning the United States?

When we trace down this war hysteria we find that it originates with high officials in the administration. It is the New Deal's spokesmen who have sounded the alarm. It is they, who have flagrantly preached the doctrines of hate in an attempt to turn the American people against certain nations and in sympathy with others.

Individually, I may be in sympathy with certain things that go on in the world, and I may be very much out of sympathy with other things that happen. But as a Congressman of the United States, that is none of my business, because it is the desire and wish of the American people that we do not police the world.

Charge me with partisanship if you wish, yet the fact remains, a recent poll of the Nation's editors shows that the vast majority of them believe that we are being eased into a war. The American people are intelligent, they can detect the identity of such statements as "the democracies of the world must stand together," with the catch words that were used in 1917, such as "we are fighting a war to make the world safe for democracy."

It must be kept in mind that leaders of government do not fight the wars. The people pay for the wars in their blood and in the debt that it creates and the havoc that follows a war. I would remind you that so far as the whole peoples are concerned there are no outlaw nations. There may be outlaw leaders of government.

If we are in danger of war, the Congress and the people should have the facts, and if we are in such danger we should put our financial house in order and, what is more, we should restore agriculture and start to produce. The granaries of our country are in no position for a war.

Perhaps it would be partisan to say so, but no one can help but wonder that if the present administration had not made such a mess of every problem that it has undertaken, including the farm program, unemployment relief, and recovery, would there be any necessity for this so-called war hysteria? [Applause.]

Mr. POWERS. Mr. Chairman, I yield 15 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, when I look around here and see this crowded Hall of Congress I am encouraged greatly to speak. I am a good deal like a preacher we had up in our western country who was a good preacher, but was a little bit too liberal for the conservative element that ran the affairs of the church. No one came to church except on Easter Sunday, when the conservatives all came out to exhibit their Easter purchases. At the conclusion of the sermon the preacher said, "My friends, I am very grateful for your coming out this morning. In case I do not see you again until another Easter I want to take this occasion to wish you a merry Christmas and a happy New Year." [Laughter.]

I believe the farming class of this section is doomed if this Congress does not act. The interest load alone against the farms in America, even if every other element that is holding down the price of grain and raising their cost of production were corrected, would sink the farmers. Let me prove it to you.

Foreclosures are proceeding right along in this country, probably more rapidly than they have proceeded in the last 20 months. I am advised by the administration that they are going to investigate the proposition of frequent fore-

closures and see if they cannot prevent them, because every time you drive a farm family out on the highway there is nothing left for the Government to do but take care of them. The reason they are driven out is this: I have talked time and time again on this very subject, and I believe there are just as many people paying attention to me now as there were when I spoke before on the same subject.

During the Civil War we issued about \$450,000,000 worth of greenbacks. At the present moment about \$340,000,000 of this money is still circulating, and it does not cost anyone anything; there is no interest on it. With this demonstration of what we could do in this Nation to eliminate interest altogether, let me say that if all the money issued in America were issued in the same manner these greenbacks were you would break the backbone of the interest system, and you would drive the coupon clippers out into the world to get something useful to do.

Suppose now this debt of \$343,000,000, the amount of greenbacks still outstanding, were drawing the same rate of interest the farmers have paid all these years, what would that \$343,000,000 have grown to today? I know you will not believe it, but I am going to announce the result. If we had paid interest on this money at the same rate the farmers have been paying interest on first mortgages this \$343,000,000 would today amount to \$30,700,000,000.

If the Members of Congress think the people of America can beat this kind of interest system no matter what you do, you are just all wrong. When you consider also the fact that every bushel of wheat in the pit at Chicago is sold 268 times, and that one-eighth of a cent a bushel is added on every sale, you can see that those who deal in the gambling operations in the Chicago pit make more money per bushel than the farmer who raises the actual bushels of wheat.

Now, do you think this great country that we love can continue when we allow these practices to go ahead?

The same thing is true of cotton. Those who sell or deal in cotton futures make more money than the man who raises the cotton by the sweat of his brow.

I do not feel like finding fault with the President. The President may be wrong on some of these things and I, for one, have said so with my votes, but it is not the President's fault that we are sitting supinely here in this Congress and allowing this interest system to go ahead. All it takes is a majority of this body to change that system, and instead of doing this, you sit here and criticize the President. I do not know whether the President wants to do it or not. I do not know whether he has been advised as to what to do, but there are enough Members of Congress right here now who know the situation to show it by their votes. There are enough Members of Congress who understand this interest system to declare before the people of America that we have let private interests use the money of this Nation long enough and live off of the interest that the fellow who tills the soil and labors in the mills must pay.

I do not think we look upon the situation seriously enough yet. We have had so much liberty and freedom in America we do not appreciate it. We have had nothing but liberty, and we want to keep that liberty, but no free government can keep the confidence and respect of the people when it has over one-half of its population in distress. When men and women want to work they should have a chance to work, and it is the duty of this Government to see that they get a chance to work. I know there is not one-half of 1 percent of the people in my State who want to receive any gifts from the Government. They do not like the relief system. They want a chance to go to work, but there is no chance to put them to work, and the reason for it is that we are waiting for private business to furnish such work.

There is absolutely no chance for private business in America again to take up the slack of unemployment. We are faced with a new Government function and we do not know it.

This whole country went broke in 1920. Everybody in the farm belt knows that, but you are kept alive a little longer in the eastern section by the use of a new system of finance—installment payments that kept the country up

from 1920 to 1929, but from the very beginning of this Government up to the year 1920, the business that operated in America was a business of exploitation. Whenever one section of the country was depleted, all they had to do was to move the people on to a new section and build railroads and build business institutions and start all over again.

I am just a fair sample of the average American. My people settled on the Atlantic seaboard in 1634, and I can follow their wandering from 1634 to the present moment. After 50 years of the pioneer settlement of America we find them moving back toward the Allegheny Mountains to new homes, because they lost their homes where they first settled, and way back in the dim days of 1730, we find our ancestors moving across the Allegheny Mountains into the Valley of the Ohio. Another 50 years elapsed and the interest system worked and when it worked and they could not pay, just as men and women cannot pay today under that system, they moved over into the prairies of Illinois and the timber lands of Wisconsin.

There they served another 50 years in the building of this great empire of the United States, but just as sure as 2 and 2 make 4, at the end of the next 50 years we find them moving into the Territories of Wyoming, North and South Dakota, and Montana, there to make a new home, and there we made new homes, but the 50 years elapsed in the 1920s, the average time it takes the farmers and the workers of this country to lose a home under this interest system, and we lost our homes.

I spoke at an old settlers' picnic at the end of the 50 years of settlement on the plains of Dakota just a few years ago, and there on that day, from the settlement of 26 families 50 years before, not a single home was left. Every single one of them was taken by this interest system and foreclosure. Business never before realized the situation. We could always move on. My father came out of the Civil War, serving the interests of this country, and when he got back to the State of Minnesota he found that the mortgagee had foreclosed on everything that he owned while he was serving in the forces of the North. He did not think much about it, because all he had to do was to load us in a covered wagon and we moved on to the Territory of Dakota, but the end of this exploitation came in 1920. There is no more new territory. It has all been conquered; there is no new place to go. The railroads cannot build new railroads and give employment to the thousands they used to give employment to in building into a new country.

The banking fraternity of this Nation cannot move on and start banks all over the country. You cannot start business of any kind. Private business, as operated in this country for 150 years, came to a definite stop in 1920; and if there is any exploitation going to take place in the future in this country, it must turn its back on the new frontier and begin the exploitation of each other, and that is what they are doing today. [Applause.]

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes.

Mr. AUGUST H. ANDRESEN. The gentleman has referred to the installment system of buying as being partly responsible for the crash in 1929. That was the common story—installment buying by individuals from private concerns. Since that time the Government has gone into the installment business, so that the largest installment seller and the one to encourage that system of credit is the Government itself. The gentleman is aware of that fact?

Mr. BURDICK. I am aware that the payments offered by the Government are of the same character, to some extent, as the payments offered by private business in 1920, but the purposes are entirely different.

Mr. AUGUST H. ANDRESEN. But one can build a house or remodel a house or buy electrical equipment or anything else under Government installment buying.

Mr. BURDICK. But it is a question of absolute necessity now. The Government sees the necessity of trying to maintain these homes, but that was not the purpose that prompted business in giving these installment credits in 1920.

Mr. AUGUST H. ANDRESEN. I call the gentleman's attention to this fact: In 1933 the Government went into the loan business to help the farmers refinance their mortgages. I know the gentleman is familiar with the records today, where the Government itself is foreclosing tens of thousands of mortgages on farms in this country, and that the Government is not now showing any sympathetic interest to help those farmers. I would like to have the gentleman comment on that.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. BURDICK. Yes.

Mr. HILL. If it was possible for President Lincoln in Civil War times to issue money to carry on the war without paying interest, could not the Congress, if it took back the power to coin money and regulate the value thereof, put all of the idle people to work today to build roads and bridges and develop our natural resources in peacetimes?

Mr. BURDICK. I would say right now that the gentleman from Washington, as usual, is right. If we just had the courage to pass that House resolution which has been before us for 2 years, reasserting the power of this country over money, and issue the money without drawing interest, we could save in interest alone on our public bonds one and a half billion dollars per year; and if we wanted to get a few thousand dollars to kill off the grasshoppers, you would not be hollering economy all of the time. You go out to shoot an elephant and race down a jack rabbit. That seems to be the philosophy of this Congress.

Mr. HILL. What I want to emphasize is that it is the duty of Congress, and it is the fault of Congress if we do not do it.

Mr. BURDICK. Yes. It is not the fault of the President; it is not the gentleman's fault nor my fault; it is the combined fault of the Members of this body. If we should pass that resolution reasserting the power in Congress to handle the people's money, it would not make any difference what the President said, but we must take the responsibility. I do not want to hide behind anybody. I am willing to take that responsibility myself. [Applause.]

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. POWERS. Mr. Chairman, I yield to the distinguished gentleman from New Jersey [Mr. VREELAND] such time as he may desire.

Mr. VREELAND. Mr. Chairman, at the outset I desire to state that I am heartily in favor of every economy in government consistent with the safety and welfare of our people. I am also firmly of the opinion, however, that war is one of the most costly expenditures of public funds that ever arises in any country, and the best insurance against war is a proper and adequate national defense. For that reason I am in favor of the bill under consideration.

My point in speaking before the committee is, in my opinion, a very necessary matter to consider in the general scheme of preparedness and national defense. We have been presented with two resolutions this year, declared to be emergency preparedness measures for the expansion of our national defense and much discussion accompanied both of them as to the necessity of enlarging our present home defenses, and considerable of the funds appropriated are to be used for the procurement of matériel and construction of bases. There has been little consideration given in either of those measures, and very little in the present resolution under consideration, for that large body of patriotic citizens giving of their time and services to train themselves for the service of their country in case a major emergency should arise. I am referring to the Reserve officers, and in making my remarks I give my own opinion and speak solely from my own experience as a Reserve officer and as vice president of the Department of New Jersey Reserve Officers' Association.

It might be well for a moment to speak on the source from which Reserve officers are obtained. Shortly after the war, and upon the organization of the Organized Reserves, the personnel was made up primarily of officers who had served during the war and noncommissioned officers who were willing to accept a commission in the Reserve. There

are still a great many of such men still in the Reserve and carrying on with their patriotic duty in spite of their increase in years and, in a great many cases, physical incapability of active service. Since that time the Reserve officers have been appointed from three sources—the C. M. T. C., R. O. T. C., and specialists from civilian life whose civilian occupation qualifies them for a specialists' designation. The C. M. T. C. provides a very small percentage of the Reserve officers but does, however, give to the present commissioned Reserve officer an opportunity for training with troops. The R. O. T. C. is the main source from which the personnel is derived, particularly in the combat arms. The appointment from civilian life of the specialist, while he does not require perhaps the amount of training that the combat arms would need, nevertheless, to apply his experience in a civilian occupation under military conditions would necessitate a complete change in surroundings and require considerable study.

I admit and agree heartily that a well-trained man with no equipment or matériel is valueless. However, the converse is also true that modern equipment is of little use if there is insufficient trained manpower to operate it. It has been often said that it is not the gun but the man behind the gun that counts.

At the present time I understand there are approximately 100,000 Reserve officers with an appropriation to allow only 30,000 of these to be trained for a 14-day period in each fiscal year, which means that 70,000 of those in the active Reserve list will receive no training during the fiscal year except that which he may procure through his own endeavors by troop schools or correspondence courses, both of which, while advantageous, are nevertheless not the experience under actual conditions with troops that is so necessary. I understand it is contemplated that were a major emergency to arise that four armies, representing approximately 4,000,000 men, would be mobilized. It must be admitted that the 12,000 Regular Army commissioned officers would be wholly inadequate to officer the present standing Regular Army and take up the duties of the training of the newly mobilized forces. Therefore the job must fall on either Regular Army noncommissioned personnel or the Reserve officer, and were he not adequately or properly trained it would require considerably more time to prepare both the commissioned personnel and the enlisted personnel for the emergency he must face not only in the use of modern equipment but also in the handling of men and the strategic movements of large forces. We learned a lesson in 1917 by attempting to conjure commissioned personnel to officer our troops in the emergency, and while the officers commissioned gave all they had for the job ahead, nevertheless it must be said that, were they better trained, the objective might have been attained with a great deal less loss of personnel, time, and money.

At the present time the average Reserve officer must purchase uniforms and equipment. He must have a minimum of 20 hours in active duty per year to retain his commission, and if he desires to take advantage of the 14-day active period and there is sufficient appropriation to send him he must have to his credit 25 hours in active duty during the next preceding fiscal year. Inactive-duty credits can only be obtained in two ways—either by the attendance of troop schools and meetings or by correspondence school course work. It is true the correspondence course does not mean an outlay of any money to the individual, but does require considerable time and effort and a sacrifice on the part of the officer. Troop schools and meetings, regardless of how close the meeting place might be to the city wherein the officer resides, nevertheless require an expenditure of moneys for travel to the meeting; and, again, considerable time taken from other activities which he might put to a personal advantage.

If you will take the time to note the records, however, you will find that a great percentage of the 100,000 present commissioned Reserve officers carries on without complaint. He tries his best with the limited facilities and opportunities to train himself to be a good officer, and does it solely with the view in mind of being of service to his country when it needs him. These officers should be given the opportunity for

better training, and to have better training it would require an increase in the Regular Army personnel. It would also require additional R. O. T. C. units in various schools throughout the country, and I am informed that there are more than 150 applications from the different colleges for the establishment of an R. O. T. C. unit, but there is insufficient Army personnel or funds to establish them.

Would it not be wiser to expend some of our funds for a worth-while investment to prevent war than to spend it on some of the present existing departments which are unconsciously, perhaps, but nevertheless lending haven and support to those who are not as patriotic as our defense forces. [Applause.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, I want to speak for a moment on social security.

It seems that by something that has gone out from the Department, the ministers of this Nation have the impression that they are going to be put under the Social Security Act. I have heard from a great many of them in resolutions and letters. They are opposed to this possibility.

I have before me from the Susquehanna Valley Baptist Pastors' Conference of West Oneonta, N. Y., many letters in opposition to being placed under social security. I will read a short paragraph from what they have to say with regard to this:

The Susquehanna Valley Baptist Pastors' Conference at its regular monthly meeting held in the River Street Baptist Church, Oneonta, N. Y., Monday, February 20, unanimously voted to oppose the bill now before Congress regarding social-security taxes and benefits for ministers and church employees on the ground that it constitutes an infringement on the constitutionally guaranteed doctrine of the complete separation of church and state. The ministers in this conference feel that such an adoption would be the entering wedge toward the abolishment of full religious liberty in this country.

I have other letters from the Presbyterian Church and some from the Church of Christ.

I have a telegram from the First Baptist Church of Endicott, N. Y., which reads:

First Baptist Church, Endicott, N. Y., 720 members, unanimously voted Wednesday night strong opposition to extension of provisions of Social Security Act to churches. Request your active interest in defeating proposal.

That is signed by the minister, Rev. Frederick H. Sterns.

I have other communications from ministers in various parts of our district along this same line. They state that they have a social-security plan of their own that is working well. It does not ask for a contribution of any great amount from the ministers or from their congregations. They are opposed to going under the same social-security plan as industries are today. They point out that the salaries of the ministers are very small. If 1 or 2 or 3 or 7 percent is taken from their salaries, it will amount to more than they can afford to expend for this service. They are asking this body not to put them under the social-security plan. I believe this is quite general throughout our Nation; but, as far as I am concerned, I am only speaking for my district.

I have here a notice from one of the leading daily papers of New York, from which I wish to read a few short passages:

I think we should be quite sure that we are not depriving ourselves of actual benefits before we take such a step.

Quoting further:

It is a direct instance of the Government's taxing a charitable institution—the church of God—and, if we allow it to become a fact, who knows where such oppression will end?

And again:

The benefits of social security are doubtful in any event, and our funds offer, in most cases, more adequate security than any Government-operated agency.

We all know that social security and unemployment insurance have taken a great deal of money from industry which, if reinvested in industry, would have added very materially to solving the unemployment situation.

From that viewpoint I think it is something we should be very, very careful about before we add any more groups to the present social security of unemployment plan.

The Ways and Means Committee has been conducting hearings for weeks on various phases of social security. I certainly hope that some bill will be reported from the committee that will be more fair to the employers and employees than the social-security plan which we have at the present time. It has been advocated, and I think quite rightly, that we should carry along our social security on a much broader plane; that we should take into social security men in every walk of life who are not getting along well when they arrive at an age where they need security. For instance, the farmer and the farm hand, the real backbone of our country today, do not come under this social-security plan. If we are going to offer security, we should offer security for all. The kind of security we offer is something we should be very, very careful about. It is something which I believe should be distributed on a much wider basis. We should not ask a few to bear this burden. We should not take out of industry an amount that should perhaps be distributed over the whole Nation.

I am appearing here today for the ministers of my district, and I hope that this Congress will not enact a law bringing ministers under control of the social security or in any other manner. You can see by their statements that they are very dubious about the Government's having any part in the religious activities of the churches of this Nation.

Mr. HAWKS. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. HAWKS. The gentleman may be interested to know that from my district in Wisconsin I receive many letters pertaining to the same subject, in opposition to this proposed legislation. The ministers of Wisconsin are just as strongly opposed to it as are the ministers in the gentleman's own district. The same is true of churches as denominations.

Mr. LORD. I thank the gentleman. I think the feeling is Nation-wide at the present time.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. TALLE. I, too, have received telegrams and letters telling the same story as that recited by the gentleman from New York. These letters come from Baptists, Methodists, Episcopalians, Lutherans, and Catholics. I have messages from fraternal orders, from hospitals, and from private denominational colleges, all fearing the encroachment of the state upon the church. These messages are all opposed to any system being superimposed upon the systems they already have and with which they are thoroughly satisfied.

Mr. LORD. I thank the gentleman. I think this is the common word we receive from the clergy throughout the Nation.

There is no question but what the Social Security Act was brought about very hastily. It was not well considered and it has proven very, very detrimental in many cases. While the intention of Congress in passing the act was good, and while the act itself has been of some benefit both in the matter of old-age pensions and unemployment insurance, yet it is something that needs revamping and revising before we shall have a system that will be satisfactory and that will extend its benefits to all the people of the Nation. The time has come when we should revise the Social Security Act. I believe committees of this Congress are considering it very carefully. When it does come before us we should go into it very carefully, as the Committee on Ways and Means has been going into it for weeks. I express the hope that if we do, we shall be able to bring out a revamped Social Security Act that will be fair to everybody in this Nation.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. LORD. I yield.

Mr. KELLER. Is there any reason why the people the gentleman has been describing should not have a perfect right to express their desires?

Mr. LORD. That is what we think.

Mr. KELLER. Does not the gentleman think so? I do.

Mr. LORD. I would not be presenting their case otherwise. I think they should have consideration. Their views should be considered very carefully before they are brought under the present system of social security. [Applause.] [Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill H. R. 4630, the War Department appropriation bill, 1940, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. TERRY. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CANNON] may be permitted to revise and extend his own remarks and to include therein a statement made by him before the Ways and Means Committee on February 20, 1939, in reference to H. R. 2, the Townsend plan.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. WHEAT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a letter which I received from a constituent.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ADJOURNMENT

Mr. SNYDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Friday, March 3, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Friday, March 3, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Friday, March 3, 1939. Business to be considered: Railroad rate differentials.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Friday, March 3, 1939, at 10:30 a. m., to hold hearings on H. R. 295, H. R. 922, H. R. 2890, H. R. 4170, and H. R. 4314, all bills for the control of water pollution.

The Committee on Rivers and Harbors will meet Tuesday, March 7, 1939, at 10:30 a. m., to continue hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

The Committee on Coinage, Weights, and Measures will meet on Friday, March 3, 1939, at 9:30 a. m., in room 115, House Office Building.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10:30 a. m. Friday, March 3, 1939.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Monday, March 6, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

Beginning at 10 a. m. on Wednesday, March 22, 1939, there will be a hearing held before the Subcommittee No. 4 of the Committee on the Judiciary on House Joint Resolution 176, declaring the conservation of petroleum deposits underlying submerged lands adjacent to and along the coast of California, below low-water mark and under the territorial waters of the United States of America, essential for national defense, maintenance of the Navy, and regulation and protection of interstate and foreign commerce; reserving the same as a naval petroleum reserve, subject to any superior vested right, title, or interest; and authorizing appropriate judicial proceedings to assert, ascertain, establish, and maintain the right and interest of the United States of America in such reserve, and to eject trespassers.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

475. A letter from the president, Board of Commissioners, District of Columbia, transmitting the draft of a proposed bill relating to benefit assessments from condemnation proceedings for the opening, extension, widening, or straightening of alleys or minor streets; to the Committee on the District of Columbia.

476. A letter from the Acting Attorney General, transmitting a proposed amendment to the statute permitting reindictments after an indictment is found defective; to the Committee on the Judiciary.

477. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to authorize the sale and conveyance of certain property now held by the Secretary of the Interior; to the Committee on Indian Affairs.

478. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed bill to amend section 4 of the act of May 31, 1933 (48 Stat. 108); to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. WALLGREN: Committee on Merchant Marine and Fisheries. H. R. 139. A bill to amend paragraph (1) of

section 96 of title 2 of the Canal Zone Code relating to method of computing annuities; without amendment (Rept. No. 118). Referred to the Committee of the Whole House on the state of the Union.

Mr. WALLGREN: Committee on Merchant Marine and Fisheries. H. R. 3577. A bill to amend the Canal Zone Code; without amendment (Rept. No. 119). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 4622) granting an increase of pension to Kenneth Morford; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 3914) granting an increase of pension to John F. Kopczynski; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 4674. A bill to provide for the establishment of a Coast Guard station at or near the city of Monterey, Calif.; to the Committee on Merchant Marine and Fisheries.

By Mr. BROWN of Georgia:

H. R. 4675. A bill to amend the Agricultural Adjustment Act of 1938, as amended, with respect to cotton; to the Committee on Agriculture.

By Mr. HARNESS:

H. R. 4676. A bill to abolish and correct unfair practices and substandard working conditions and to raise living standards among the employees of the United States Veterans' Administration; to the Committee on World War Veterans' Legislation.

By Mr. McCORMACK:

H. R. 4677. A bill to amend the provisions of the act approved June 23, 1938, entitled "An act to regulate the distribution, promotion, and retirement of officers of the line of the Navy, and for other purposes; to the Committee on Naval Affairs.

By Mr. MAY (by request):

H. R. 4678. A bill to make better provision for the Government of the Army and the Navy of the United States by the suppression of attempts to incite the Members thereof to disobedience; to the Committee on Military Affairs.

By Mr. ROGERS of Oklahoma:

H. R. 4679 (by departmental request). A bill to amend title II, section 208, of the act approved June 16, 1933 (48 Stat. 205-206) to authorize the Secretary of the Interior to adjust or cancel reimbursable features of said act insofar as they apply to Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. SMITH of Washington:

H. R. 4680. A bill to provide for the construction of a post-office building at South Bend, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. GOSSETT:

H. R. 4681. A bill to amend sections 3 and 15A of part I of the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

By Mr. JENKINS of Ohio:

H. R. 4682. A bill to prohibit the interpretation in the future and to correct any such interpretations in the past of part or parts of any rule or rules for the Government and regulation of the land and naval or other armed forces heretofore or hereafter prescribed by the Congress of the United States of America, as authorizing or condoning the use of fraud, or violation of the Constitution in the conduct of court-martial proceedings; to the Committee on Military Affairs.

By Mr. LEAVY:

H. R. 4683. A bill to authorize the addition of certain lands to the Wenatchee National Forest; to the Committee on the Public Lands.

By Mr. McLEOD:

H. R. 4684. A bill to amend section 307, subdivisions (d) and (e) of Public Act No. 416, of the Seventy-third Congress; to the Committee on Interstate and Foreign Commerce.

By Mr. MAY:

H. R. 4685 (by request). A bill providing for medical treatment, hospitalization, and allowances for members of the National Guard, Officers' Reserve Corps, and Enlisted Reserve Corps, who are injured or become ill while on active duty under proper orders in time of peace, and for other purposes; to the Committee on Military Affairs.

By Mr. ALEXANDER:

H. J. Res. 192. Joint resolution authorizing the appointment of a special joint committee to investigate a Government subsidy plan for agriculture; to the Committee on Rules.

By Mr. BARRY:

H. Res. 109. Resolution favoring negotiations with foreign nations for materials and strategic geographic points, for national defense purposes, as credits on their indebtedness; to the Committee on Foreign Affairs.

By Mr. LUDLOW:

H. Res. 110. Resolution to make House Joint Resolution 89 a joint resolution proposing an amendment to the Constitution of the United States to provide for a referendum on war, a special order of business; to the Committee on Rules.

By Mr. MILLER:

H. Res. 111. Resolution to amend the rules of the House of Representatives; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Minnesota memorializing the President and the Congress of the United States to consider their Senate file No. 5, resolution No. 1, with reference to modifying the restrictions on the production of spring or hard wheat grown in the northern States; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to consider their House file No. 288, Resolution No. 2, with reference to aviation training; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to consider their House file No. 289, Resolution No. 4, with reference to freight rates; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Montana, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 16, with reference to an investigation of certain homesteads of Indian lands; to the Committee on the Public Lands.

Also, memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution No. 14, with reference to taxes and patent in fee titles; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARTWRIGHT:

H. R. 4686. A bill for the relief of Milton J. Byars; to the Committee on Claims.

By Mr. DARDEN:

H. R. 4687. A bill for the relief of Ralph Clinton Myers; to the Committee on Naval Affairs.

By Mr. FLAHERTY:

H. R. 4688. A bill for the relief of Thomas F. Curry; to the Committee on Naval Affairs.

H. R. 4689. A bill for the relief of James A. Cullinane; to the Committee on Naval Affairs.

H. R. 4690. A bill for the relief of William J. Deasy; to the Committee on Naval Affairs.

H. R. 4691. A bill for the relief of Walter W. Davis; to the Committee on Naval Affairs.

H. R. 4692. A bill for the relief of John Charles Gallagher; to the Committee on Naval Affairs.

H. R. 4693. A bill for the relief of Ralph Fern; to the Committee on Naval Affairs.

H. R. 4694. A bill for the relief of Julian A. Hanson; to the Committee on Naval Affairs.

H. R. 4695. A bill for the relief of Harold R. Gillespie; to the Committee on Naval Affairs.

H. R. 4696. A bill for the relief of John F. Henneberry; to the Committee on Naval Affairs.

H. R. 4697. A bill for the relief of James Healey; to the Committee on Naval Affairs.

H. R. 4698. A bill for the relief of John J. Martin; to the Committee on Naval Affairs.

H. R. 4699. A bill for the relief of Joseph P. Lynch; to the Committee on Naval Affairs.

H. R. 4700. A bill for the relief of Charles J. McNeil; to the Committee on Naval Affairs.

H. R. 4701. A bill for the relief of Albert Mathieson; to the Committee on Naval Affairs.

H. R. 4702. A bill for the relief of William Reid; to the Committee on Naval Affairs.

H. R. 4703. A bill for the relief of John I. Peterson; to the Committee on Naval Affairs.

H. R. 4704. A bill for the relief of Joseph Patrick Twomey; to the Committee on Naval Affairs.

H. R. 4705. A bill for the relief of Albert L. Sliney; to the Committee on Naval Affairs.

H. R. 4706. A bill for the relief of Henry Clark; to the Committee on Naval Affairs.

H. R. 4707. A bill for the relief of Ernest L. Viveiros; to the Committee on Naval Affairs.

H. R. 4708. A bill for the relief of Thomas J. Boyan; to the Committee on Naval Affairs.

H. R. 4709. A bill for the relief of Michael Calnan; to the Committee on Naval Affairs.

H. R. 4710. A bill for the relief of Andrew J. Bohn; to the Committee on Naval Affairs.

H. R. 4711. A bill for the relief of Paul Lemar Blackmon; to the Committee on Naval Affairs.

H. R. 4712. A bill for the relief of Chester Joseph Abbott; to the Committee on Naval Affairs.

H. R. 4713. A bill for the relief of William W. Bickley; to the Committee on Naval Affairs.

H. R. 4714. A bill for the relief of Henry M. Cody; to the Committee on Naval Affairs.

H. R. 4715. A bill for the relief of Joseph Francis White; to the Committee on Naval Affairs.

H. R. 4716. A bill for the relief of Daniel J. O'Neill; to the Committee on Military Affairs.

H. R. 4717. A bill for the relief of William J. Duggan; to the Committee on Military Affairs.

H. R. 4718. A bill for the relief of Michael Clark; to the Committee on Military Affairs.

H. R. 4719. A bill for the relief of Thomas Waters; to the Committee on Military Affairs.

H. R. 4720. A bill for the relief of Roy Tessier; to the Committee on Immigration and Naturalization.

H. R. 4721. A bill for the relief of Benjamin Wayler; to the Committee on Military Affairs.

H. R. 4722. A bill for the relief of George Harrison Outerbridge; to the Committee on Immigration and Naturalization.

By Mr. JENKINS of Ohio:

H. R. 4723. A bill to correct the military record of Oberlin M. Carter, formerly captain, Corps of Engineers, United States Army, to show that the judgment of court martial in

his case is unlawful and invalid; to the Committee on Military Affairs.

By Mr. McCORMACK:

H. R. 4724. A bill for the relief of Charles F. Martin; to the Committee on Claims.

H. R. 4725. A bill for the relief of William L. Rull; to the Committee on Claims.

By Mr. MILLER:

H. R. 4726. A bill for the relief of James W. Gilson; to the Committee on Claims.

By Mrs. O'DAY:

H. R. 4727. A bill for the relief of Gaetano Scotti, alias Tom Scotti; to the Committee on Immigration and Naturalization.

By Mr. REECE of Tennessee:

H. R. 4728. A bill for the relief of William Taft (deceased); to the Committee on Military Affairs.

H. R. 4729. A bill for the relief of Herbert M. Garland; to the Committee on Claims.

H. R. 4730. A bill granting a pension to Jackson McCoury; to the Committee on Pensions.

H. R. 4731. A bill for the relief of George M. McNabb; to the Committee on Military Affairs.

By Mr. SHORT:

H. R. 4732. A bill to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. George M. Corriveau; to the Committee on the District of Columbia.

H. R. 4733. A bill to provide for the issuance of a license to practice chiropractic in the District of Columbia to Dr. Laura T. Corriveau; to the Committee on the District of Columbia.

By Mr. SPRINGER:

H. R. 4734. A bill for the relief of Cecil R. Ramsey; to the Committee on Military Affairs.

By Mr. TERRY:

H. R. 4735. A bill for the relief of Lewis Jones; to the Committee on Claims.

By Mr. WELCH:

H. R. 4736. A bill granting a pension to Richard T. Duvall; to the Committee on Invalid Pensions.

By Mr. WOLFENDEN of Pennsylvania:

H. R. 4737. A bill for the relief of Carl E. Svenson; to the Committee on Claims.

H. R. 4738. A bill for the relief of John T. Stone; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1486. By Mr. BOLLES: Resolutions of Local No. 253, American Federation of Teachers, Milwaukee, Wis., opposing any amendments to the National Labor Relations Act; to the Committee on Labor.

1487. By Mr. HOUSTON: Petition of certain citizens of Oxford, Kans., requesting that traffic in materials from the United States which is compelling us to be a partner in the destruction of the Chinese people be brought to an end; to the Committee on Foreign Affairs.

1488. By Mr. MARTIN J. KENNEDY: Resolution of the United Fresh Fruit and Vegetable Association of Chicago, concerning the distribution of surplus perishable food products; to the Committee on Agriculture.

1489. Also, letter from Gane & Ingram, manufacturing chemists, New York City, opposing House bill 3536, concerning tax on imported menthol; to the Committee on Ways and Means.

1490. By Mr. LEAVY: Petition of Spokane Post, No. 9, American Legion, set forth in a letter by Adjutant Lang, recognizing that the natural vulnerability of the State of Washington and the Pacific Northwest to enemy attack has been enhanced by the advancement of speedy aircraft, recalling the terrors to which citizens of London and Paris were subjected in the desperate days of the World War, directing attention to the strategic importance of protecting the huge

Federal investments in Bonneville and Grand Coulee Dams for the production of electrical energy, and urging Congress and the administrative authorities of our defense agencies to carefully consider the establishment of adequate air-defense units, particularly east of the Cascade Range and thus utilize a natural barrier to invading forces; to the Committee on Military Affairs.

1491. By Mr. MARSHALL: Petition of employees of Wilknit Hosiery Co., Greenfield, Ohio, relative to registering a protest against House bill 1818, introduced by Mr. COLMER, because this bill would give individual States the right to tax interstate commerce and curtail many businesses dealing in interstate commerce; to the Committee on Interstate and Foreign Commerce.

1492. By Mr. MERRITT: Resolution of the Women's Civic Club of Flushing, N. Y., opposing the lowering of the immigration quotas; to the Committee on Immigration and Naturalization.

1493. Also, resolution of the Women's Civic Club of Flushing, N. Y., protesting against the appointment of Mr. Amlie as Interstate Commerce Commissioner because he advocates destroying our profit system; that he is an enemy of law and constitution and is an associate of leading Communists in this country and approves their communistic efforts and ideas; to the Committee on the Judiciary.

1494. Also, resolution of the Women's Civic Club of Flushing, N. Y., favoring the extension of the Dies committee and requests that information obtained by it be used to prosecute those found working for the destruction of our Government; to the Committee on Rules.

1495. Also, resolution of the Women's Civic Club of Flushing, N. Y., opposing the war powers bill, which constitutes too much power in the President and takes from Congress the authority given to it by our Constitution; to the Committee on the Judiciary.

1496. By Mr. O'NEAL: Petition of sundry citizens of Louisville, Ky., in behalf of House bill 11; to the Committee on Ways and Means.

1497. By Mr. SANDAGER: Memorial of the Rhode Island Society of the Sons of the American Revolution, urging the nonparticipation in foreign affairs and the further development of the War and Navy Departments; to the Committee on Foreign Affairs.

1498. By Mr. SCHAEFER of Illinois: Petition of Division 49, Brotherhood of Locomotive Engineers, Elmer N. Mank, legislative representative, East St. Louis, Ill., opposing legislation to limit mileage or hours for railroad engineers and firemen; to the Committee on Interstate and Foreign Commerce.

1499. By Mr. SCHIFFLER: Petition of Walter L. Pitzler, clerk, Bethesda Baptist Church of Barrackville, W. Va., protesting against including pastors and paid church workers in the social-security plan; to the Committee on Ways and Means.

1500. By the SPEAKER: Petition of the Northern California Public Health Association, petitioning consideration of their resolution with reference to public health, also known as La Follette-Bulwinkle bill; to the Committee on Appropriations.

1501. Also, petition of the International Union of Mine, Mill, and Smelter Workers, Cement Workers Local No. 356, Concord, Calif., petitioning consideration of their resolution with reference to the Wagner Act; to the Committee on Labor.

1502. Also, petition of the Board of Port Commissioners of the City of Oakland, Calif., petitioning consideration of their resolution with reference to Senate Joint Resolution No. 24, of the Seventy-sixth Congress of the United States, concerning title of submerged lands or tidelands; to the Committee on the Judiciary.

1503. Also, petition of the San Francisco District Industrial Union Council, San Francisco, Calif., petitioning consideration of their resolution with reference to the Wagner Act; to the Committee on Labor.

SENATE

FRIDAY, MARCH 3, 1939

(Legislative day of Monday, February 27, 1939)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O God, immortal and invisible, forgive the faltering faith of those who have their dwelling among the mortal and the seen, and come to us in the common ways of life, for we cannot come to Thee. The heavens declare the glory of God, but our earth-bound eyes cannot read their story of infinity and peace; a bush may burn with fire, yet we do not turn aside, and in this vale of time and sense there is holy ground which our pressing feet may never apprehend.

Our world, O righteous Father, never needed Thee so much as now. Come and deliver us from our false sense of freedom, our feeble pleasures, our fatal self-indulgence, and from every cloying sin. Clothe our failing flesh with Thy renewing glory and breathe through the things that are seen the peace and joy of the unseen and eternal. We ask it in our Saviour's name. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 2, 1939, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. Mr. President, I observe the Senator from North Dakota [Mr. Nye] is in the Chamber and ready to proceed with his address, and, as it is desirable that there be a larger attendance present in the Senate, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Radcliffe
Andrews	Davis	La Follette	Reed
Ashurst	Donahay	Lee	Reynolds
Austin	Ellender	Lewis	Russell
Bailey	Frazier	Lodge	Schwartz
Bankhead	George	Logan	Sheppard
Barbour	Gerry	Lucas	Shipstead
Barkley	Gibson	Lundeen	Smathers
Bilbo	Gillette	McKellar	Smith
Bone	Glass	McNary	Stewart
Borah	Green	Maloney	Thomas, Okla.
Brown	Guffey	Mead	Thomas, Utah
Bulow	Gurney	Miller	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Truman
Byrnes	Hayden	Neely	Tydings
Capper	Herring	Norris	Vandenberg
Caraway	Hill	Nye	Van Nuys
Chavez	Holman	O'Mahoney	Wagner
Clark, Idaho	Hughes	Overton	Walsh
Clark, Mo.	Johnson, Calif.	Pepper	White
Connally	Johnson, Colo.	Pittman	Wiley

Mr. LEWIS. I announce that the Senator from California [Mr. Downey], the Senator from Montana [Mr. Wheeler], and the Senator from Washington [Mr. Schwelzenbach] are absent because of illness.

The Senator from West Virginia [Mr. Holt] and the Senator from Nevada [Mr. McCarran] are detained from the Senate on important public business.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of Wyoming, which was referred to the Committee on Banking and Currency:

Joint memorial memorializing the Congress of the United States to consider and act upon a bill now pending in the Congress of the United States authorizing the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the admission of Wyoming into the Union as the first State guaranteeing equal suffrage to women.

Whereas there is now pending in the current session of the Congress of the United States of America proposed legislation authoriz-

ing the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the admission of Wyoming into the Union as the first State guaranteeing equal suffrage to women; and

Whereas the Legislature in the State of Wyoming now in session believes that this fiftieth anniversary should be fittingly commemorated: Now, therefore, be it

Resolved by this Senate of the State of Wyoming (the house of representatives concurring), That the Congress aforesaid be, and is hereby, memorialized to promptly consider and pass said bill; and be it further

Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of said United States, the Speaker of the House of Representatives of said Congress, United States Senator JOSEPH C. O'MAHONEY, United States Senator HARRY H. SCHWARTZ, and Congressman FRANK O. HORTON.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of Wyoming, which was referred to the Committee on Finance:

Joint memorial memorializing the Congress of the United States to consider and pass proposed Federal legislation relating to the Reciprocal Trade Act

Whereas there is now pending or will be pending in the current session of the Congress of the United States of America proposed legislation amending the Reciprocal Trade Act so as to require a two-thirds vote of the United States Senate to confirm any reciprocal trade agreement negotiated in the future; and

Whereas thousands of Wyoming citizens, especially all citizens interested in the livestock interest in Wyoming, are keenly interested in the passage of said amendment: Now, therefore, be it

Resolved by the Senate of the State of Wyoming (the house of representatives concurring), That the Congress aforesaid be and is hereby memorialized to promptly consider and pass said amendment; and be it further

Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of said United States, the Speaker of the House of Representatives of said Congress, United States Senator JOSEPH C. O'MAHONEY, United States Senator HARRY H. SCHWARTZ, and Representative FRANK O. HORTON.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of Wyoming, which was referred to the Committee on Public Lands and Surveys:

Joint memorial memorializing the Congress of the United States of America to immediately and favorably consider and act upon H. R. 2662 and H. R. 2663, being acts to amend the Federal Oil and Gas Leasing Act of February 25, 1920, as amended

Whereas there are now pending in the current session of the Congress of the United States of America two proposed bills to further amend the Federal Oil and Gas Leasing Act, as amended, and being H. R. 2662 and H. R. 2663; and

Whereas said H. R. 2662 proposes to extend certain oil and gas prospecting permits issued under said Federal Oil and Gas Leasing Act; and

Whereas said H. R. 2663 provides for the issuance of oil and gas leases with reasonable and workable rental, royalty, and bond provisions; and

Whereas said proposed legislation is necessary in the public-land States in order to promote the prospecting for minerals on the public domain located in the Western States, will be of great importance to all the citizens of Wyoming, will assist public education, will increase employment, and will add to the prosperity of this State and of the Nation: Now, therefore, be it

Resolved by the Senate of the State of Wyoming (the house of representatives concurring), That the Congress aforesaid be, and is hereby, memorialized to immediately and favorably consider and act upon said bills H. R. 2662 and H. R. 2663 so amending said leasing act, in the interests of the citizens of the State of Wyoming and of the United States; and be it further

Resolved, That certified copies hereof be promptly transmitted to the President and Vice President of the United States, the Speaker of the House of Representatives, United States Senator JOSEPH C. O'MAHONEY, United States Senator HARRY H. SCHWARTZ, and Representative FRANK O. HORTON, and to the chairmen of the Public Lands Committees in the United States Senate and House of Representatives.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of Minnesota, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution memorializing the Congress of the United States and the Secretary of Agriculture to take action modifying the restrictions on the production of spring or hard wheat grown in the Northern States

Whereas widespread dissatisfaction exists among the producers of hard spring wheat in Minnesota and adjoining States relative to the unwarranted restriction imposed upon the growing of such wheat during the year 1939; and

Whereas no surplus exists in reference to such wheat; and Whereas the same amount of such wheat will be required in the manufacture of flour as has been required in the past; and

Whereas the land taken out of production of hard spring wheat cannot be profitably utilized in the raising of other commodities without creating a surplus in such other commodities; and

Whereas the farmers raising hard spring wheat will be subjected to extreme hardship by reason of being deprived of this means of making money to pay living expenses, taxes, interest, and loans: Now, therefore, be it

Resolved by the Senate of the State of Minnesota (the house of representatives concurring therein), That the Congress of the United States and the Secretary of Agriculture adopt immediate measures to meet the current crisis in the farming industry in Minnesota and the adjoining States growing hard spring wheat, and to establish such stabilization of prices on such wheat as will guarantee the producer at least the cost of production, and assure consumers an ample supply of American-grown farm commodities; be it further

Resolved, That a duly authenticated copy of this resolution be transmitted to the President of the United States, to the presiding officers of the Senate and House of Representatives of the Congress of the United States, to Henry A. Wallace, Secretary of Agriculture, and to each of the Senators and Representatives from the State of Minnesota in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following joint resolution of the Legislature of Minnesota, which was referred to the Committee on Appropriations:

The Legislature of the State of Minnesota, in regular session assembled, memorializes the Congress of the United States to take speedy action to assist in controlling grasshoppers in 1939.

Whereas in 1938 the farmers of the Northwest witnessed the largest migration of grasshoppers in recent history and these flights infested new territory, including the Red River Valley of Minnesota and other areas throughout the northern great plains area; and

Whereas the general situation is acute, particularly because of the danger of migratory attack and because of the interstate movement of these insects and because certain States are unable to cope with the situation, and it is therefore of paramount importance that the Federal Government take speedy action to assist in controlling these insects in 1939; and

Whereas definite surveys by entomologists of more than 24 States in cooperation with the Federal Bureau of Entomology and Plant Quarantine indicate that grasshoppers, Mormon crickets, chinch bugs, and the new insect, the fringe beetle, must be given special consideration to avoid calamities in 1939; and

Whereas organization and educational work is already under way in the infested areas but the most effective preparation cannot be made until funds are available; and

Whereas past control programs have given excellent results and many millions of dollars' worth of crops have been saved for the farmers of the infested States; and

Whereas if poison-bait materials and other equipment for the control of these insects are on hand in time, the farmers can save their crops, but if appropriations are not made in time to provide an effective control campaign before crops are damaged, the farmers lose heart and give up: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, in regular session assembled, That we memorialize the Congress of the United States to take speedy action to assist in controlling these insects in 1939 by making an appropriation of at least \$6,000,000 for that purpose; be it further

Resolved, That the secretary of state of the State of Minnesota be, and he is hereby, instructed to transmit a copy of this resolution to the presiding officers of the Senate and House of the Congress of the United States and to each Member of Congress from the State of Minnesota.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of Minnesota, which was referred to the Committee on Finance:

Concurrent resolution petitioning the Congress of the United States and President Franklin D. Roosevelt, respectively, to pass and approve an amendment to the Federal Social Security Act to provide Federal financial assistance to States for aid to needy crippled persons

Whereas there are thousands of crippled persons in the State of Minnesota who, because of their physical handicap, are unable to secure employment or adequately to provide for themselves, and hence are in destitute circumstances and in need of adequate assistance and aid; and

Whereas it is imperative and a necessity for the State of Minnesota and its political subdivisions to provide adequate assistance and aid to such needy crippled persons to safeguard their health and welfare, and

Whereas the State of Minnesota and its political subdivisions, which in the past have carried the entire burden of furnishing assistance and aid to such needy crippled persons, are no longer able to adequately do so; and

Whereas the State of Minnesota and its political subdivisions are urgently in need of Federal financial assistance for the purpose of enabling the State and its political subdivisions to provide adequately for such needy crippled persons: Therefore be it

Resolved by the Senate of the State of Minnesota (the house of representatives concurring), That we respectfully petition the Congress of the United States and President Franklin D. Roosevelt, respectively, to pass and approve an amendment to the Fed-

eral Social Security Act, now in force, to provide Federal financial assistance to States for aid to needy crippled persons; be it further

Resolved, That the secretary of state be instructed to send copies of this resolution to the Honorable Franklin D. Roosevelt, President of the United States; the Honorable John N. Garner, Vice President of the United States; the Honorable William B. Bankhead, Speaker of the House of Representatives of the United States, and to each of the Senators and Representatives of the State of Minnesota in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate a resolution adopted by Lodge No. 3527 of the International Workers' Order, favoring the allotment of adequate funds to the subcommittee of the Committee on Education and Labor investigating violations of civil liberties, etc., to continue the investigation, which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

He also laid before the Senate a resolution adopted by Inland Steel Lodge, No. 1010, affiliated with the C. I. O., protesting against extension of the operation or application of the wage and hour law in the steel industry, which was referred to the Committee on Education and Labor.

He also laid before the Senate a telegram in the nature of a petition from the Eastern Kentucky Education Association, Ashland, Ky., praying for the enactment of Senate bill 1305, providing Federal aid to educational institutions, which was referred to the Committee on Education and Labor.

He also laid before the Senate resolutions adopted by the third annual conference of the American Committee for the Protection of Foreign Born, New York City, relative to naturalization and the right of asylum, which were referred to the Committee on Immigration.

Mr. VANDENBERG presented a petition, numerously signed, of sundry citizens of the State of Michigan, praying that the shipment of arms and munitions of war to Japan for use in operations in China be stopped, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented a petition of sundry citizens of Wichita, Kans., praying for the enactment of legislation to prohibit the advertising of intoxicating beverages, which was referred to the Committee on Interstate Commerce.

Mr. MALONEY presented a petition of 120 citizens of Manchester, Conn., praying for the enactment of House bill 11, a general-welfare bill granting old-age assistance, which was referred to the Committee on Finance.

He also presented the petitions of Russell Danielson and 100 other citizens of Danielson, and Roberta West and 11 other citizens of New Haven, all in the State of Connecticut, praying for the lifting of the Spanish embargo, which were referred to the Committee on Foreign Relations.

He also presented petitions of 113 citizens of the State of Connecticut, praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law to include civil as well as international conflicts, which were referred to the Committee on Foreign Relations.

Mr. REED presented memorials of 15 citizens of Halliowell, 29 citizens of Chanute, 37 citizens of Hope, 42 citizens of Milton, 59 citizens of Fredonia, 104 citizens of Augusta, 157 citizens of Junction City, and 191 citizens of Labette County, all in the State of Kansas, remonstrating against the enactment of legislation to include religious bodies within the operation of the social-security system, which were referred to the Committee on Finance.

He also presented petitions of 19 citizens of Wichita, 22 citizens of Barber County, 84 citizens of Harvey County, 41 citizens of Pittsburg, and 105 citizens of Florence, all in the State of Kansas, praying for the enactment of legislation to limit the service of certain railroad employees to 208 hours in any 30-day period, which were referred to the Committee on Interstate Commerce.

He also presented petitions of 14 citizens of Oxford and 19 citizens of Dodge City, in the State of Kansas, praying for the enactment of the bill (S. 280) to prohibit and to prevent the trade practices known as compulsory block booking and blind selling in the leasing of motion-picture films in interstate and foreign commerce, which were referred to the Committee on Interstate Commerce.

He also presented petitions of 29 citizens of Galesburg and 33 citizens of Greenleaf, in the State of Kansas, praying for the enactment of Senate bill 1234, to amend the Fair Labor Standards Act of 1938, which were referred to the Committee on Education and Labor.

He also presented petitions of 34 citizens of Iola and 42 citizens of Trego, Ellis, and Gove Counties, in the State of Kansas, praying that measures be taken to stop the traffic in arms and munitions from the United States to Japan for use in operations in China, which were referred to the Committee on Foreign Relations.

REPORTS OF CIVIL SERVICE COMMITTEE

Mr. BULOW, from the Committee on Civil Service, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 95. A bill to amend the Civil Service Retirement Act of May 22, 1920, as amended, to extend retirement to certain employees of certain Indian schools (Rept. No. 130); and

S. 1357. A bill for the relief of Chester J. Babcock (Rept. No. 131).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Lt. Col. Harold Aron Strauss for appointment to temporary rank as colonel in the Air Corps of the Regular Army.

He also, from the same committee, reported favorably the nomination of Brig. Gen. Thomas Alexander Frazier, Adjutant General's Department, Tennessee National Guard, for appointment as brigadier general, Adjutant General's Department, National Guard of the United States.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment and appointment by transfer in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters in the State of New York.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GEORGE:

S. 1682. A bill for the relief of Thomas J. Jackson; to the Committee on Military Affairs.

By Mr. KING:

S. 1683. A bill to amend the act of June 7, 1935 (49 Stat. 332), and for other purposes; to the Committee on Military Affairs.

S. 1684. A bill to amend the Gold Reserve Act of 1934; to the Committee on Banking and Currency.

S. 1685. A bill to authorize the appropriation to the government of the Virgin Islands of the United States of taxes collected under the internal-revenue laws of the United States, on liquors and other articles imported into the United States from the Virgin Islands; the return to the producers in the Virgin Islands of the benefit payments on sugar exported from the Virgin Islands to the United States under an act of Congress known as the Sugar Act of 1937; and also, the repeal of the export duty tax on sugar in St. Croix, V. I. (with accompanying paper); to the Committee on Finance.

By Mr. GILLETTE:

S. 1686. A bill for the relief of W. W. Cook; and

S. 1687. A bill for the relief of John P. Volkens; to the Committee on Claims.

By Mr. MILLER:

S. 1688. A bill for the relief of Joseph W. Parse; to the Committee on Claims.

S. 1689. A bill to amend sections 3 and 4 of the National Stolen Property Act, approved May 22, 1934; to the Committee on the Judiciary.

By Mr. MALONEY:

S. 1690. A bill to authorize the Secretary of War to make surveys of such portions of the coast line of the State of

Connecticut as were damaged by the hurricane and flood of September 21, 1938; to the Committee on Commerce.

By Mr. CLARK of Missouri:

S. 1691. A bill to prevent the pollution of the navigable waters of the United States, and for other purposes; to the Committee on Commerce.

By Mr. SMITH:

S. 1692. A bill for the relief of J. Vernon Phillips; and

S. 1693. A bill for the relief of the Inland Waterways Transportation Co., of Georgetown, S. C.; to the Committee on Claims.

By Mr. McNARY:

S. 1694. A bill to correct the service record of Thomas Patrick Heaney; to the Committee on Naval Affairs.

By Mr. MEAD:

S. 1695. A bill to provide for travel allowance to railway mail clerks assigned to road duty; to the Committee on Post Offices and Post Roads.

By Mr. WALSH:

S. J. Res. 86 (by request). Joint resolution for the relief of International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee; to the Committee on Claims.

THE NATIONAL DEFENSE—AMENDMENT

Mr. DANAHER submitted an amendment intended to be proposed by him to the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, which was ordered to lie on the table and to be printed.

PRESERVATION OF NATIONAL-PARK WILDERNESS AREAS—AMENDMENT

Mr. KING submitted an amendment intended to be proposed by him to the bill (S. 1188) to authorize the setting apart and preservation of wilderness areas in national parks and national monuments, and for other purposes, which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

TAXES ON CERTAIN VEGETABLE OILS—AMENDMENTS

Mr. CONNALLY submitted an amendment intended to be proposed by him to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which was ordered to lie on the table and to be printed.

Mr. GILLETTE submitted an amendment intended to be proposed by him to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which was ordered to lie on the table and to be printed.

"YANKEE CLIPPER"

Mr. REYNOLDS. Mr. President, I ask consent to submit a resolution which I will read.

There being no objection, the resolution (S. Res. 92) was read by Mr. REYNOLDS and ordered to lie on the table, as follows:

Whereas in the world today the term "aviation" has come to convey too extensively the thought of military aviation alone; and Whereas the peaceful use of the great art of aviation in commercial international intercourse is of profound and fundamental importance; and

Whereas the United States, while it does not boast of being first in the striking power of its military aviation, does and is proud to lead the world in its civil aviation; and

Whereas this American leadership began with the first airplane flight made by man, that of Orville Wright at Kitty Hawk, N. C., on December 17, 1903; was maintained by Colonel Lindbergh, the first to fly nonstop from New York to Paris; and is now to be further gloriously emphasized by a third event, 35 years after the first, the establishment of the first scheduled commercial service across the Atlantic—again by America; and

Whereas there is present in Washington today Pan American Airways' *Yankee Clipper*, the flagship of a new fleet of the largest airplanes in the world, greater each than the ships of Columbus and capable of doing in 24 hours what took Columbus 72 days; and

Whereas this airplane is today to be christened by the first lady of the land with appropriate ceremonies: Therefore be it

Resolved, That the Senate does hereby express its approval and appreciation of the efforts of all those who have contributed to the success of this great American commercial aircraft which, with its sister ships, will speed half way across the world on peaceful errands.

MEMORIAL ADDRESSES ON LIFE AND CHARACTER OF THE LATE
SENATOR ROBINSON, OF ARKANSAS

Mrs. CARAWAY submitted the following resolution (S. Res. 93), which was referred to the Committee on Printing:

Resolved, That there be printed, with an illustration, and bound for the use of the Joint Committee on Printing, 1,000 additional copies of the volume of memorial addresses delivered or presented in the Senate and House of Representatives on the life and character of Hon. Joseph Taylor Robinson, late a Senator from Arkansas.

PROTECTION AND MAINTENANCE OF AMERICAN INSTITUTIONS

Mr. REYNOLDS. Several days ago a mammoth mass meeting was held in the Seventh Regiment Army in the city of New York, attended by from 10,000 to 12,000 persons. There was introduced and adopted by those in attendance upon that meeting a resolution, which I ask to have published as a part of my remarks.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The resolution is as follows:

Whereas this assembly of American citizens have dedicated themselves to uphold all American institutions and the form of government established by the founders of the Republic 150 years ago; and

Whereas this assembly holds communism to be a menace to American institutions and the maintenance of friendly relations with foreign states: Be it

Resolved, That the Congress of the United States enforce upon all executive officers of this Nation an attitude of absolute neutrality in foreign controversies, forbid an accord of special privileges in secrecy to any foreign power, and emphatically condemn indulgence in abusive and contemptuous comment upon rulers of foreign states, upon the forms of government they administer, or upon the domestic policies and morals of friendly peoples; and be it further

Resolved, That the Congress of the United States take immediate and effective steps to prevent the involvement of the United States in war for any purpose other than the defense of the vital interests of our Nation and the rights and safety of our people.

POLITICAL SURVEY BY FORTUNE MAGAZINE—ARTICLE BY ERNEST K. LINDLEY

[Mr. BILBO asked and obtained leave to have printed in the RECORD an article entitled "Fortune Survey," by Ernest K. Lindley, published in the Washington Post of March 3, 1939, which appears in the Appendix.]

THE TRAFFIC SAFETY PROBLEM—STATEMENT BY PAUL G. HOFFMAN

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a statement by Paul G. Hoffman, President, Automotive Safety Foundation, entitled "Orderly Traffic—The Automotive Safety Objective," which appears in the Appendix.]

ADMISSION OF GERMAN REFUGEE CHILDREN

[Mr. WAGNER asked and obtained leave to have printed in the RECORD an announcement of the formation of a National-wide organization to be known as the Non-Sectarian Committee for German Refugee Children, and also sundry newspaper editorials on the problem of refugee children, which appears in the Appendix.]

THE NATIONAL DEFENSE

The Senate resumed the consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

The VICE PRESIDENT. When the Senate took a recess yesterday the Senator from North Dakota [Mr. NYE] had not concluded his remarks. The Chair now recognizes the Senator from North Dakota.

Mr. NYE. Mr. President, on yesterday I pointed to the large existing belief that the United States was being eased into war. I quoted students and authorities in the international arena who were expressing belief that our country was sticking its nose into European affairs to a point that not only jeopardized American welfare and security but lessened the chance of peaceful settlement of European problems by Europe itself. I insisted that the situation was splendidly summarized by Demaree Bess in his Saturday Evening Post article of a week ago, when he said:

In the months which have passed since the so-called peace of Munich I have been traveling over a considerable part of Europe,

studying the effects of the Munich settlement upon several European countries. In the course of these travels I have made one discovery which probably will shock most Americans. I have found that a surprising number of Europeans, little people and big people, in little countries and big countries, are more apprehensive today about the foreign policy of one particular country than of any other. That country is not, as you might suspect, Hitler's Germany. It is our own United States.

That may sound like a bad joke to Americans, but it is no joke to these Europeans. There is one thing that the majority of Europeans want more than anything else at the present moment, and that thing is peace. They don't believe, since the Munich settlement, that their peace is immediately threatened from Germany or from any other European country. But they have become fearful that the United States may precipitate that general war in Europe which Europeans have paid so dearly to prevent.

Nonsense? Well, maybe. But if you go around now in different countries in Europe and talk to different kinds of people, you will find that many Europeans have some such thoughts as I have described. They may be wrong, but that is what they are thinking.

My effort of yesterday was one to substantiate my expressed and challenged conviction that there would be no war in Europe this spring, this year, or next year unless the United States encourages, urges, and eggs Europe into it. The effort was one intended to demonstrate that if, as one Senator has insisted, my conviction as expressed was palaver, irresponsible, careless, flippant, childish, loose, prejudiced, and unsubstantial, then I was not alone, for many others were in camp expressing like convictions.

It appears that a question remains for me to answer: Is there in this country a man, group of men, or influence that so controls the destinies of nations that it may dictate war?

There are definitely such men, groups, and influences. Those in whose hands rest powers to serve selfish commercial interests through profit available from other people's wars are among them. Those whose foreign favors and prejudices are so strong as to blind them to truly American interests are others. But the greatest force or influence of all that may dictate war is composed of those who shape and direct the foreign policy of our great Nation.

The distinguished Senator from Illinois [Mr. LUCAS], in his eloquent criticism of my expressed opinion, has sent me back to school. The Senator has obviously read, somewhere, sometime, probably in the Constitution, that Congress has the power to declare war. But surely the Senator cannot be blind to the fact that the exercise of this power by Congress is greatly influenced by forces which might, through secrecy and uncertainty, bring to Congress a set of circumstances, a situation, that would find Congress with no honorable alternative to a declaration of war.

It was St. Paul who said:

When I was a child, I spake as a child, I understood as a child, I thought as a child; but when I became a man, I put away childish things.

Let no one misunderstand. Unfortunately, the Constitution of the United States is too frequently read only in childhood; and many of us, when we were children in the eighth grade, with 12-year-old minds and 12-year-old mentalities, spoke as children concerning the powers of Congress granted under the Federal Constitution, including the power of Congress to declare war.

In many instances, as we restudy the history and Government of the United States of America, we understand the "war power" as children understand it. Reading the letter of the Constitution, article I, section 5, does declare that Congress shall have power "to declare war"; but must we think as children think, understand as children understand, and speak as children speak? The words, the understandings, and the thoughts of childhood are sometimes permitted to endure down through the years into manhood.

Mr. President, I yield to no man in my love of the Constitution, in letter and in spirit. Yet if there be a Member of this body who believes that Congress objectively deliberates upon the question of war, and that Congress comes, through objective deliberation, to a decision based upon facts and upon logical reasoning upon those facts, I say in all frankness: Let us put aside childish things and tie to the realism of adult mental life.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. NYE. I do.

Mr. SHIPSTEAD. Does the Senator intend to elaborate upon the many wars in which we have engaged without a declaration of Congress?

Mr. NYE. No; I have no such plan at this time.

Mr. SHIPSTEAD. If the Senator will permit me, I will do so.

Mr. NYE. I shall be delighted to yield to the Senator for that purpose.

Mr. SHIPSTEAD. We made war on Mexico in 1916. We took Veracruz. We invaded Mexico with an army without a declaration of war by Congress.

We made war on Russia in 1918 without a declaration of war by Congress and without even a proclamation by the President. We conducted that war for more than a year after the signing of the armistice growing out of the World War.

Together with the British Navy, we bombarded Nanking, I think, in 1926.

We took charge of Haiti without a declaration of war, conducted war there, and took charge of the Government for many years.

We did the same thing in Nicaragua.

We did the same thing in the Dominican Republic without a declaration of war by Congress.

Mr. NYE. I thank the Senator for his contribution.

True, Mr. President, when the American Colonies assembled their representatives in the First and Second Continental Congresses, the patriot party objectively reviewed and considered the facts which drove them, step by step, toward rebellion against the mother country. They placed those facts before the intelligent minds of the early patriots; and in the Second Continental Congress their argument upon those facts was completed, reduced to form, submitted to that Congress at Philadelphia, adopted on July 4, 1776, published on July 6, engrossed on parchment, and signed by Members on August 2.

To the everlasting credit of our colonial forefathers let it be noted that not one of the 27 indictments levied against Great Britain has ever been successfully challenged or disputed by a reputable historian from that day to this.

Mr. President, in 1789, when the Constitution of the United States was adopted and the war power placed squarely in the hands of the Congress of the United States, it was the intention of the founding fathers that war would never be entered upon except that the Congress of the United States had the facts as the Continental Congress had the facts and the opportunity to deliberate upon them, and, furthermore, unless, with logic in the argument upon those facts, it was clearly obvious to the patriots of later days that war, and war alone, was justified. The Revolutionary forefathers followed Jefferson as he wrote:

We, therefore, the representatives of the United States of America, in general Congress assembled, appealing to the Supreme Judge of the world for the rectitude of our intentions, do, in the name, and by authority of the good people of these Colonies, solemnly publish and declare—

The independence of America. Finally, in support of the Declaration, Jefferson wrote:

With a firm reliance on the protection of divine Providence we mutually pledge to each other our lives, our fortunes, and our sacred honor.

There was a time then when Congresses deliberated long in determining the step of going to war. But, Mr. President, that day has gone forever. Let us be realists. In the place of that day so far removed, a new day is here. It is the day of the war monger and the professional publicist. It is a day of rape of the intelligence of a people. It is a day of false and willful propaganda.

The Senator from Texas [Mr. CONNALLY] quoted a line in debate the other day. It was from Pope's Essay on Man:

"A little learning is a dangerous thing." He might have recalled the second line, or the couplet:

A little learning is a dangerous thing;
Drink deep, or taste not the Pierian spring.

Mr. President, I make bold to assert that the Pierian springs are poisoned with propaganda. I make bold to assert that 20 years ago we were led like lambs to slaughter into the most cruel and merciless and useless war the world ever witnessed. I contrast the 27 charges levied against George III of England, which have stood the test of a century and a half of historic research, with the lies, the falsehoods, the fancies, the wild extravagances, the distortions of truth, the hypocrisies, so deftly foisted upon us by the paid propagandists of European powers which led our people like sheep to slaughter for the economic aggrandizement of empires.

I want to measure my words as I present the facts of the last World War to show beyond the peradventure of a doubt that "the willful 12" were good, able, far-seeing, honorable men, with minds keen and alert enough to detect the poisoned springs of propaganda and souls courageous enough to stand for truth in the midst of frenzied passion and diabolical hatred. I take for my authority the Right Honorable Sir Gilbert Parker, baronet, and my source is Harper's Magazine for March 1918, 11 months after the United States had entered the World War. The article is entitled "The United States and the War," and the author was not only distinguished throughout England but mentions the favorable reception given him upon his visit to the United States because of the wide circulation of his writings.

The Right Honorable Sir Gilbert Parker, baronet, explains in his introduction that the United States for the first time was engaged in a world war, theretofore having fought only Great Britain, the Barbary pirates, Mexico, and Spain. He praises the idealism of our people and attributes it to the fact that we are "Britons in ancestry." He tells us that we are only fighting for "the principles of British freedom"; that "the souls of Hampton and William Penn and all the democratic nobility of the United Kingdom" were merely asserting themselves under distant skies, reaffirming the faith in the ancient doctrine laid down by the barons as they wrested Magna Carta from King John.

The Right Honorable Sir Gilbert Parker, baronet, defends the American cause in the Revolutionary War. He praises our idealism, humaneness, and aspirations. He iterates and reiterates that we "have nothing to gain by success in this war, except something spiritual, mental, manly, national, and human."

Mr. President, the Right Honorable Sir Gilbert Parker, baronet, states plainly in this article that it would have been extremely difficult for the United States to enter the war 6 months before she did. He tells us he was in Washington when President Wilson dismissed Count Bernstorff and heard him do so. He states that President Wilson committed his country to the war at the right moment; neither too soon nor too late. He states that President Wilson had stopped up every avenue of attack by the pacifists and the jurists and the pedants and the pettifoggers.

Then in this most amazing article, written only a few months after the United States had gone into Europe's war, the Right Honorable Sir Gilbert Parker, baronet, reveals that he became responsible for American publicity practically since the day war broke out between England and the Central Powers. Then he states his activities in our America:

First. A weekly report to the British Cabinet on the state of American opinion.

Second. Constant touch with the permanent correspondents of American newspapers in England.

Third. Arrangements for important public men in England to act for England by interviews in American newspapers. Examples: Lloyd George, Viscount Grey, Mr. Balfour, Mr. Bonar Law, the Archbishop of Canterbury, Sir Edward Carson, Lord Robert Cecil, Walter Runciman, Austen Chamber-

lain, Lord Cromer, Will Crooks, Lord Curzon, Lord Gladstone, Lord Haldane, Henry James, John Redmond, Mr. Selfridge, Mr. Zangwill, Mrs. Humphrey Ward, "and fully a hundred others."

Fourth. Supplying 360 newspapers in the smaller States in the United States with an English newspaper.

Fifth. Establishing a connection with the man in the street through the cinema, through interviews, articles, pamphlets.

Sixth. Individual replies to American critics printed in the chief newspaper of the State in which they lived, and copied in newspapers of neighboring States.

Seventh. Advising and stimulating people to write articles.

Eighth. Utilizing the friendly services and assistance of confidential friends.

Ninth. Receiving reports from important Americans.

Tenth. Establishing associations.

Eleventh. Personal correspondence with influential and eminent people of every profession, beginning with university and college presidents, professors, and scientific men and running through all the ranges of population.

Twelfth. Arranging for speeches, debates, and lectures by American citizens; and supplying public libraries, Y. M. C. A. societies, universities, colleges, historical societies, clubs, and newspapers with literature.

Mr. President, these are the 12 methods of getting the United States into war, boasted of by the Right Honorable Sir Gilbert Parker, baronet, in charge of American publicity, on behalf of the British Empire. Sir Gilbert is not found concerned about the right of Congress to declare war. He did not bother about Congress. Since the day Britain declared war on Germany his job was to get this Nation in.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. NYE. I gladly yield to the Senator from Minnesota.

Mr. SHIPSTEAD. The Senator failed to quote one important matter appearing in Sir Gilbert Parker's article, and if the Senator will read it carefully, I know he will find it. Sir Gilbert said he had to begin this propaganda in America very subtly and very diplomatically.

I also wish to point out that he started with the university presidents and college professors. Of course he was working through the Carnegie Endowment for International Peace, which pensioned the university professors and university presidents.

He also failed to mention that he was made chief of the military intelligence for propaganda of the British Government in 1914, and his job was to work through every available channel, particularly through university presidents and college professors. I think that in the recent years we have learned that peace societies are the main propagandists here in favor of our entering European politics and the World Court and the League of Nations under the theory that we must do our share in the next war.

I wish to call attention also to the fact that Sir Gilbert might have stated that before we entered the war the board of directors of the Carnegie Endowment passed a resolution saying that in their opinion the quickest and best way to bring about peace was for the United States to enter the war on the side of the Allies.

I thought it was very significant, if the Senator will permit me, that Sir Gilbert said that President Wilson committed the country to war at the right time. The propaganda had advanced to that point when the time was ripe to strike.

Mr. NYE. The job had been done.

Mr. SHIPSTEAD. If there is anyone who doubts that such propaganda is going on now, all he has to do is listen to the radio and read the press. Many newspapers which on many other questions have opposed the President support him in his foreign policy.

Mr. NYE. Exactly. I suppose there are those who would want to cause the Senator from Minnesota to say, "Yes; all well and good; but what of it? After all, it does not mean we are going to war, because we have the power here in Congress to declare war. That power is ours exclusively."

I wish to show, and I am going to show, how little, how insignificant is that power of Congress, after all. I want to

show how deliberate can be the effort to bring a state of circumstances before Congress which leaves us with no alternative but a declaration of war, if we are going to save our face and save whatever honor there may be.

Mr. SHIPSTEAD. The Senator will recall that when Congress voted on the war question in 1917 it voted on a resolution stating that "a state of war now exists."

Mr. NYE. That is what it comes to, in any event.

Now, let us see what Sir Gilbert thought of it, and how the job he was destined to do was handled. I quote him:

I believed that the American people could not be driven, preached to, or chivied into the war, and that when they did enter it would be the result of their own judgment and not the result of exhortation, eloquence, or fanatical pressure of Britishers.

I had been in America through all these months of developing purpose and sentiment, and I had seen a whole people, who in January last had appeared to have grown indifferent to horror, suddenly amalgamate themselves, strip themselves of levity and indifference and the dangerous and insidious security of peace into a great fighting force, which is not the less a fighting force because down underneath everything in the United States is a love of peace and devotion to the acquisition of wealth.

Again I quote the distinguished Englishman, an authority on this particular subject:

When people tell me that the United States can be of little use in this war I ask myself, "What is use?" If the United States had not sent a man to France, her financial support of the Allies alone would be a throat grappler for Germany. I believe the United States is spending \$24,000,000 a day, but only eight millions of that is for her own military equipment; the other sixteen millions are for loans to the Allies. And if the test of the belligerents is power to endure, surely the wealth and resources of the United States settle that point.

And, again:

The United States can supply men, money, and equipment. She has over 100,000,000 people; she cannot be attacked by the armies of the enemy on her own soil; she has unlimited resources; her supply of men can be 12,000,000, if necessary; her supply of money can be boundless, and there is no nation on earth that can excel her in organization for equipment.

And, again:

Never since the War of the Revolution had a British flag been hoisted on an American official building till last spring, and never had the same friendly compliment been paid to the American flag in England. But now they have waved together over Washington's tomb and over the House of Commons.

The Right Honorable Sir Gilbert Parker, baronet, praises the work of the Society of Pilgrims, the formation of the American Officers' Club in Lord Leconfield's house in London, with His Royal Highness the Duke of Connaught as president. Then this master publicist plainly states:

It should also be remembered that it was the Pilgrims' Society, under the fine chairmanship of Mr. Harry Brittain, which took charge of the Honorable James M. Beck when he visited England in 1916, and gave him so good a chance to do great work for the cause of unity between the two nations.

Continuing the quotation:

I am glad and proud to think that I had something to do with these arrangements which resulted in the Pilgrims taking Mr. Beck into their charge.

Now, Mr. President, I have stated that the Pierian springs were poisoned with propaganda. The distinguished English writer states respecting the Revolutionary War:

It is true that George III endeavored to impose upon the American people the Stamp Act, just as the Kings of France and Spain and Holland had imposed upon their colonies impositions for revenue, but it should not be forgotten by any American that King George III failed not only in America but in Great Britain, his own country.

And again:

There was as great a fight in the British Parliament over the American war as there was in America itself on the field of battle.

And then:

* * * the leaders of the opposition to King George in the British House of Commons were eager to give to the United States, as she was given in 1783, a status as a nation and not a province on the seacoast. The United States was given the Northwest Territory and the basin of the Ohio River to the Mississippi, so making possible the wonderful extension of power which has given to the American national life 48 States instead of the 13 which fought King George.

All of which I suppose means, in the estimation of this English writer, that except for the gracious attitude of Great Britain we never could have been a state of more than 13 colonies. That is most refreshing information.

There follows the distortion of every page of American history, from the beginning of the Revolutionary War through the War of 1812, with insult after insult to our nationality as we are led to believe we are still colonies of Great Britain, recipients of her bounty, properly fighting side by side with her on the battlefields of Europe, still absolutely dependent upon her friendship in order to live.

But that is not all. Twenty years ago the master publicist, the Right Honorable Sir Gilbert, asserted that after the war the two most democratic nations on earth, the two most advanced in civilization and enterprise, would be working hand in hand for the political good of all the world.

In the concluding paragraphs the propaganda expert introduces us to Japan in the following language:

I was in the United States when all the great missions of the Allies arrived—Great Britain, France, Italy, Russia, Belgium, and now Japan. And now Japan! I emphasize these words because east and west in the United States, in San Francisco, in New York, and Washington, I had found until very lately the most consuming distrust of the government at Tokio and the people of Japan. It is, however, comforting to think that this mission of friendship from Japan is the direct result of the Zimmerman note. Whatever Japan's far purposes may be—laying aside all other considerations—it pays her better to be the friend of the Allies than the friend of Germany. I say it pays her better only because there are those who think that Japan in the politics of the world is out for gain. What could she gain by becoming the enemy of the United States, and, therefore, the enemy of England? Because, let this be understood, Japan knows her treaty of alliance with Great Britain does not include the possibility of war with the United States on the part of this oriental power. If Japan occupied the Pacific coast, her first immediate foe would be Great Britain, because British Columbia is on the Pacific coast, and Great Britain could not permit Japan or any other nation, except the United States, to seize or hold any portion of that littoral.

I believe that the anxieties of America have not been well based. I believe that the Japanese nation is as friendly to the United States as she is to Great Britain; and I also believe that, even on the lowest grounds of material benefit, Japan is true to her friendship with Great Britain and the Allies in this war. Far more dangerous is the German menace against the United States than the Japanese menace. And it must not be forgotten that the American Navy, whatever it is, exists today because Mr. William C. Whitney, the Secretary of the Navy in Mr. Cleveland's Cabinet, saw in German commercial invasion of South America a peril to the United States.

Back to President Cleveland's time we go. It seems that we then had our first knowledge of the peril to the United States from German invasion of South America. Evidently we long since have forgotten that, until this very year, when we are suddenly made to be aware again of a tremendous German invasion of South America with which the United States will have to contend.

Returning now to Sir Gilbert's book, I quote further:

What the United States will do in this war is being shown from day to day—and this thing is sure, that even the German-American no longer believes that Germany is fighting a war of defense; but rather that she precipitated the war, and is only "defending" herself because she failed in her first enterprise. I do not know to what extent the activity of the United States will expand, but I do know that if the war continues for another year the pinch of administration and losses in the field will stiffen the backs of the American people to the greatest effort that has ever been made in the history of the world.

I commend to the study of the Members of the Senate the audacious representations of a foreign propagandist who tells us frankly how under his direction, in 6 months, through publicity, the mind of America was swung from neutrality into the passion for war.

Some Senators stand here today, Mr. President, and ask, "What of it? Why worry? Why be concerned? Have we not here in Congress the last word in declaring war?"

Mr. President, I desire next to speak of what we all should know—namely, the type of lie and falsehood circulated throughout America 20 years ago, to change our attitude from one of peace to one of war. I will save time by merely enumerating the materials from which wars are made.

First, let it be understood that falsehood is a recognized weapon of warfare, deliberately used in every nation to de-

ceive its own people, to attract neutrals, and to misinform an enemy. In our preparation for national defense, I warn that it is the habit of modern nations to prepare the people psychologically for the use of the arms and munitions which must be called into play on one side or another through the wiles of European diplomacy.

Twenty-eight years ago, in 1911, on March 8, in the House of Commons, Mr. McKinnon Wood, Under Secretary for Foreign Affairs, absolutely denied any secret treaty existed between England and France. That was on March 8. I refer to the book, *Falsehood in Wartime*, by Ponsonby, page 32.

On November 27, 1911, the same year, Sir Edward Grey admitted there were secret articles of agreement in 1904, but no other secret engagements. He denied emphatically that France and England had any secret engagement whatsoever.

As late as 1913, Lord Hugh Cecil charged in the House of Commons:

There is a very general belief that this country is under an obligation, not a treaty obligation, but an obligation arising owing to an assurance given by the ministry in the course of diplomatic negotiations, to send a very large force out of this country to operate in Europe.

Mr. Asquith answered out of the House of Commons with the words:

I ought to say that it is not true.

On March 24, 1913, Mr. Asquith assured the House of Commons that—

* * * If war arises between European powers, there are no unpublished agreements which will restrict or hamper the freedom of the Government or of Parliament to decide whether or not Great Britain should participate in a war.

On August 3, 1914, the day war broke out, Sir Edward Grey stated in the House of Commons:

I have assured the House, and the Prime Minister has assured the House more than once, that if any crisis such as this arose we should come before the House of Commons and be able to say to the House that it was free to decide what the attitude of the House should be; that we have no secret engagement which we should spring upon the House and tell the House that because we had entered upon that engagement there was an obligation of honor on the country.

And then 3 days later, on August 6, 1914, Lord Lansdowne, in the House of Lords, after referring to "treaty obligations and those other obligations which are not less sacred because they are not embodied in signed and sealed documents," said:

Under the one category fall our treaty obligations to Belgium. * * * To the other category belong our obligations to France—obligations of honor which have grown up in consequence of the close intimacy by which the two nations have been united during the last few years.

Then, on August 7, 1918, Lloyd George stated in the House of Commons:

We had a compact with France that if she were wantonly attacked the United Kingdom would go to her support. * * *

There was no compact as to what force we should bring into the arena. * * * Whatever arrangements we come to, I think history will show that we have more than kept faith.

On July 5, 1919, Marshal Joffre, before a Paris commission, stated:

The intervention of England in the war had been anticipated. A military convention existed with England which could not be divulged, as it bore a secret character. We relied upon six English divisions and upon the assistance of the Belgians.

On July 18, 1918, Mr. Bonar Law stated in the House of Commons:

It has been said—and I think it is very likely true—that if Germany had known for certain that Great Britain would have taken part in the war, the war would never have occurred.

On February 8, 1922, Mr. Austen Chamberlain, in the House of Commons, stated:

We found ourselves on a certain Monday listening to a speech by Lord Grey at this box which brought us face to face with war and upon which followed our declaration. That was the first public notification to the country or to anyone by the government of the day, of the position of the British Government, and of the obligations which it had assumed. * * * Was the House of Commons free to decide? Relying upon the arrangements made between the two Governments, the French coast was undefended—I am not speaking of Belgium but of France. There had been the

closest negotiations and arrangements between our two Governments and our two staffs. There was not a word on paper binding this country, but in honor it was bound as it had never been bound before—I do not say wrongfully; I think rightly.

Mr. T. P. O'CONNOR. It should not have been secret.

Mr. CHAMBERLAIN. I agree. That is my whole point, and I am coming to it. Can we ever be indifferent to the French frontier or to the fortunes of France? A friendly power in possession of the channel ports is a British interest, treaty or no treaty. * * * Suppose that engagement had been made publicly in the light of day. Suppose it had been laid before this House and approved by this House, might not the events of those August days have been different? * * * If we had had that, if our obligations had been known and definite, it is at least possible, and I think it is probable, that war would have been avoided in 1914.

Could these things happen again? Of course they could, with so much depending upon what men will choose as our frontier, upon what men may choose to make our foreign policy.

Mr. President, "when I was a child, I spake as a child, I understood as a child, I thought as a child; but when I became a man, I put away childish things."

I recommend the reading of *Falsehood in Wartime*, by Arthur Ponsonby, M. P., who not only gives us within the first 42 pages of his pamphlet the quotations I have just uttered but continues to show the content of the lying campaigns of propaganda calculated to inflame a people to war.

Mr. President, I say, of course, Congress has the power to declare war; but I say that the mind of Congress is not free when subtle propaganda is already at work in this country, as it was some 20 years ago, to change us from a peace-loving people to a people tutored in the calculated hatred of nations with which we are at peace. I repeat a certain Christmas message well within the memory of all of us:

The people of the United States do not like the Government of Japan; the people of the United States do not like the Government of Germany; the people of the United States do not like the Government of Italy.

From this time on it can easily be only the repetition of history. If war should break out in Europe, it will be because America will say the word "go," and influences leading to the "go" are already at work. Much the same calculating press that worked under the direction of the Right Honorable Sir Gilbert Parker, baronet, has been at work.

We have the word of modern British statesmen that secret treaties caused the World War. The totalitarian states are being branded "totalitarian," and we are branding the world's two greatest modern empires as "democracies." We are being led as lambs to slaughter by others or by ourselves.

The key to our situation, in my humble opinion, is the stabilization fund, which for over 5 years has linked our Treasury with those of Great Britain and France. From that financial link there has grown up a relationship as secret, as implied, as confidential as to require no more treaty to sanction it than England and France had in 1911, 1912, 1913, and on August 3, 1914, when the statesmen of England denied before Parliament and the Cabinet that any alliance existed.

Out of those secret understandings under which the French franc is supported on the very eve of Hitler's negotiations with Mussolini the so-called democracies of England and France are wedded to our American Treasury to the point where the Treasury supersedes the Secretary of State in the diplomatic negotiations among sovereign powers; to the point where the Treasury supersedes the Senate in its treaty-making power; and to the point, I fear, where the Treasury will supersede the Congress of the United States not in the formal declaration of war but in commitments carrying with them inevitably the threat of war.

Under these commitments war propaganda can start. A successor to the Right Honorable Sir Gilbert Parker, baronet, can be appointed here or abroad. The shibboleths of "democracy" on the one side and "totalitarian states" on the other will ring forth. The fact that Italy and Japan were our associates in the last war "to make the world safe for democracy" will be forgotten. Then will come an army of propagandists recruited from college professors, publicists, writers, and the press. Then will be let loose studied personal cor-

respondence, prostituted literature, speeches, debates, and lectures by American citizens on the pay roll, possibly, of foreign nations.

In the work, *Breaking the Silence*, by Gaffney, at page 9, I find that on August 5, 1918, Lief Jones, member of Parliament, stated:

America was perhaps best done, and that was due to the fact that Sir Gilbert Parker, a former member of this house, was responsible for a great deal of correspondence to America long before America intervened in the war, and at a time when it was very important that we should make Americans understand our position (p. 9).

On March 11, 1918, in the British House of Commons, Mr. A. Mason, M. P., stated:

Officers of the Northcliffe mission were established in New York. The commission was recruited by Lord Northcliffe from his own offices at home, and it was arranged that a supply of news should be furnished the American press (p. 10).

In an article in *Foreign Affairs*, Mr. Mason further stated that the Northcliffe mission was composed of "2,000 persons or more." Mr. Frank Anstey, member of the Australian Press Commission on the Western Front, who wrote *Red Europe*, states that it was admitted in the House of Commons that British publicity agents in the United States numbered 4,500. To work upon whom? Upon Congress, that had the exclusive power to declare war? No; not for a moment.

To quote further from the London journal, *Foreign Affairs*, on November 7, 1918—4 days before the armistice—Colonel Hamersly, a member of Parliament, states:

To my mind, an end is put to the Ministry of Information; and if activities are withdrawn from America, it will be not short of a calamity to this country (pp. 10-11).

In other words, there was the thought that they ought to continue their press-agent activities in America for all time.

George Demartial, French author, officer of the Legion of Honor, has stated:

What is new is the treachery by which the Entente powers disguised their egoistic objects under the pretense of saving right, liberty, and civilization from German "barbarism," and collected for that purpose the most absurd and vile lies which have ever been known. What was particularly ignoble was to see the intellectual elite, the princes of journalism, of letters, and of the universities, almost without exception, make themselves the unworthy hawkers of this filth (p. 284).

Mr. President, I throw two historic paragraphs in counter distinction. The first is David Lloyd George, writing 8 months before the war, on January 1, 1914, in the *Daily Chronicle*:

The German Army is vital, not merely to the existence of the German Empire, but to the very life and independence of the nation itself surrounded as Germany is by other nations, each of which possesses armies about as powerful as her own. We forget that, while we insist upon a 60-percent superiority so far as our naval strength is concerned over Germany being essential to guarantee the integrity of our own shores, Germany herself has nothing like that superiority over France alone, and she has, of course, in addition to reckon with Russia on her eastern frontier. Germany has nothing which approximates to a two-power standard (p. 287).

Robert Lansing, Wilson's Secretary of State, insolently replied to the peace message of His Holiness Pope Benedict XV in the following language in 1917:

The object of this war is to deliver the free peoples of the world from the menace and power of a vast military establishment controlled by an irresponsible government, which having secretly planned to dominate the world proceeded to carry the plan out without regard either to the sacred obligations of treaty or the long-established practices and long-cherished principles of international action and honor; which chose its own time for the war; delivered its blow fiercely and suddenly; stopped at no barrier whether of law or of mercy; swept a whole continent within the tide of blood—not the blood of soldiers only, but the blood of innocent women and children also, and the helpless poor (p. 286).

Mr. President, I say frankly I believe we are on the road to war. We are not observing "good faith and justice toward all nations," nor are we "cultivating peace and harmony with all." This is Washington's advice. We are not avoiding "inveterate antipathies against particular nations and passionate attachments for others."

In our "passionate attachment" for the so-called democracies of the Old World, against the advice of Washington, we

facilitate the illusion of an imaginary common interest in cases where no real common interest exists.

We are not protecting ourselves against "the insidious works of foreign influence."

We are not recognizing that "Europe has a set of primary interests which to us have none, or a very remote relation."

We are "quitting our own to stand on foreign ground," and that ground must be where the President of the United States may choose to establish our frontier.

Mr. President, we must be fast returning to the principles laid down so well by Washington, to the principle of isolation from war and from entangling foreign alliances. A foreign policy being what it is, Congress will do well to insist upon having closer knowledge of what that policy is, lest it find itself some day with a challenge for a declaration of war on its hands, with no escapement from it for the simple reason that we did not know what was going on that shaped the challenge which finally came to the Congress.

Mr. President, I return now for a moment to the thesis laid down by my critic on Wednesday last. Of course Congress has the power to declare war; of course the Constitution so provides; of course every schoolboy knows it; but what is Congress? It is made up of 531 human beings, subject to the same psychological laws as are any other 531 human beings in the world. Suggestion and not argument motivates the mass of mankind. Into the minds of the people of America, including most of the 531, subtle, insidious propaganda will start to plant the seed of lie and error and falsehood. The known truth will be impugned.

Not the crystal but the lamp of experience should enlighten us to fear the steps which now may be chosen. First, the people will be calculatingly taught to hate the Government of Germany, to hate the Government of Italy, to hate the Government of Japan. Then there may be regimented the publicists of foreign lands to prostitute the pedants of America, as they falsify history, and indoctrinate error into the masses of the people. That error will be quickly reflected in a matter of months on many of us in this very body.

Perhaps a first work will be to have us build our military machine ready for the service of foreigners.

The second work will be to have us secretly trade and deal with a foreign empire.

The third will be to ask us to offend Japan by an air base at Guam.

The fourth will be to continue the stabilization fund so that men may strengthen "democracies" and flout so-called dictatorship on the Continent of Europe.

The fifth will be the direction of foreign credits into the channels of politically orthodox traders.

Then will come the open insults to powers now friendly and the cheap machinations calculated to secure insults to our flag or to our citizens.

Following this, the work will merely be a duplication of two decades ago.

How can we, as so many do, close our eyes to experience? How can we, and why do we, sometimes ignore as "flippant" and "without foundation" the fact that there are persons and influences that do control the destinies of nations, including ours, to a point where they may and do dictate war? How can men shut their eyes to the story related here yesterday by the eloquent Senator from California [Mr. JOHNSON], the story of change, change, change by those who shape our foreign policy, the change being constantly one away from isolation from war and toward the fire, just to see how close we can get to it without being burned?

Men—Americans of influence, administration leaders—stand upon our shore making faces and calling names, the target being a foreign power or powers. The administration shifts its ambassadors about in a manner which, whether or not intended, causes other nations to look upon the act as unfriendly and then to retaliate. Foreign-policy makers rise and request new powers of Congress, powers to quarantine those whom the policy makers do not like, powers that will let them invoke sanctions. Again, these leaders and policy shapers seek power to "pick the aggressor" and the further

power to operate upon the found aggressor, yet all the while insisting that such powers be granted by Congress in the name of neutrality. And in the face of all this, others ask and, I presume, will continue to ask: What has that got to do with it all? We have still the power in Congress to declare war.

There are things that have been said again and again. The welfare of our country requires that some things be repeated often. So now I say again what I have said before:

There is a greater need today for calm, clear thinking about our country's relationship to the remainder of the world than on any other subject. In the event that the dreaded second world war should come, what we do now is far more crucial than what we do after the conflict commences. If we are to be spared the agony and devastation of participation in another war, the policies now being formulated will achieve that merciful end. If we are to be plunged into that war, it will be likewise because of what is done now.

This is so clearly demonstrated in retrospect by the years from 1914 to 1917 that it should require no argument. Those years are a story of a nation drifting into deepening entanglements with a European conflict with which it had originally little direct concern and finally into that struggle. No single action was responsible for American involvement in the World War. Rather, it was the cumulative force of a long series of day-by-day actions, each establishing precedents for those that were to follow and each bringing involvement closer.

With that frightful experience still fresh in our minds, it is amazing that so many persons, in high and low places, should forget the lesson of 1914 to 1917. Yet today that lesson has been forgotten by the very men and women who best should remember it. Steps are being taken, policies are being inaugurated, precedents established today that in large degree parallel the "road to war" which America trod only a little more than 20 years ago.

In the thunder of angry and emotional oratory—amidst high-sounding but vague words which make for confusion—between seemingly contradictory policies, punctuated by incidents of official secrecy—all of which constitute the backdrop of the Washington scene today—it appears that this country has no foreign policy, except that of drift and day-to-day expediency divorced from realism.

Yet closer examination of the words and deeds of our Chief Executive in the field of foreign affairs reveals a thread of policy which needs to be brought out into the strong sunlight of day. At times this policy is declared in generalities—at other times it is intimated. Nevertheless it has become sufficiently clear as to cause alarm and to demand a frank discussion of its soundness and its implications.

This policy is based on the belief—fallacious and erroneous, in my opinion—that if there is another general war in Europe the involvement of this country in that conflict is inevitable—that there is nothing we can do—no step that we can take—that will save us from being sucked into such a war. This is a counsel of despair, generated by emotion and hysteria, without a basis of either fact or realistic appreciation of world affairs.

Yet it is on the acceptance of this belief that there is predicated the contention that America must give aid and support to the democracies of Europe in difficulties with which we have no concern. It is the basis for the contention that this country should not undertake to observe a rigid neutrality but should take sides in words and deed among the quarreling nations of Europe and Asia.

In other words, our policy appears to be that since our involvement in another war is inevitable, then we should do all in our power now to assist and support nations which in a future conflict may be our allies in order to prevent such a war. Since this proposition is predicated on a theory that we are doomed to be participants in another war, whether we like it or not, it is argued that by pursuing a policy of cooperation and collaboration with certain European nations we are not running any risk which does not now confront us.

Such was the implication of President Roosevelt's Chicago speech of October 1937 in which he pleaded for the support of this country in a quarantine of the so-called aggressor nations of the world. More clearly it was the implication of the President's message to Congress last month. In that address the President undertook to arouse the people of this country to a spirit of a holy war by an appeal to our desire to worship God according to the dictates of our conscience.

"Storms from abroad," asserted the President, "directly challenge three institutions indispensable to Americans now, as always. The first is religion. It is the source of the other two—democracy and international good faith."

Having thus laid down his theme, the President continued by saying:

There comes a time in the affairs of men when they must prepare to defend not their homes alone but the tenets of faith and humanity on which their churches, their governments, and their very civilization are founded. The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one we must now make up our minds to save all.

I deny emphatically that religious freedom in this country will be imperiled by whatever happens abroad. I deny that our democracy or our civilization is threatened by developments abroad so long as we keep ourselves free from involvement in the quarrels of Europe. I assert with confidence that the greatest threat to American democracy is to be found in policies which ultimately will have the effect of making us participants in the quarrels of Europe and in any war which should break out.

Already do we find our leadership worked to a point where it permits no criticism of its foreign policy, if any. Critics of that policy are cast aside as "boobs" or "liars," and are being referred to as pro-Fascists, prompted by partisan prejudices. Let anyone think I am thus prompted when I declare my views concerning the direction which the President is pursuing, permit me to quote from an editorial commenting on the President's message to Congress which recently appeared in the *Christian Century*, a nondenominational religious periodical with a national circulation:

Here, we do not hesitate to say, is the most misleading and dangerous appeal made to the American people by a Chief Executive in the history of the Republic—

This editorial said of the President's message—

misleading because the entire argument rests on the premise of an impending attack by the totalitarian states on the democracies of this hemisphere. Such a prospect, except to a fevered imagination, is fantastic. Not even the military and naval men, with all their clamor for more armaments, believe there is the slightest danger of such an invasion in any perceivable future. A rudimentary knowledge of the difficulties in which Hitler and Mussolini are involved in Europe, or of the trouble which the Japanese are having in trying to chew what they have already bitten off in China, should set at rest fear of an impending attack either on this Nation or on the other American Republics.

But this appeal—

The editorial from the *Christian Century* continued—

not only rests on a fictitious premise, it is dangerous—diabolically dangerous—in its attempt to rouse religious passion. The President has done this deliberately, with his eyes open, and as a means of destroying the sober, calm judgment of the American people. Knowing that there would be opposition to the gigantic armament program which he desires, he has deliberately sought to divert the whole matter out of the realm of rational discussion into a realm of emotional ferment where men can be swayed to impulsive action by being frightened with the cry, "Your religion is at stake!"

Of course, it is fantastic, as this editor wrote, to say that this country is in danger of an impending attack abroad. And it is just as fantastic to contend that this country cannot keep out of another war if its people are determined to do so and if our Government pursues a course of caution and wisdom.

We now know that had our people been alive to the danger confronting them at the beginning of the World War, that we could have avoided actions which subsequently led to our involvement in that conflict. We now know that we fought in vain to make the world safe for democracy and that that high ideal has become a term of mockery.

We now also know that trade in munitions of war and the loans we made to the Allies were the first fatal steps along the road which led this country into the World War. Those

events marked the turning of the road away from the first neutrality proclamation of President Wilson in which he warned the country against taking sides. If only President Wilson had adhered to and had given practical application to that declaration, we could have escaped participation in the conflict.

The knowledge of what happened between 1914 and 1917 should forearm us against the dangers which overwhelmed us in those earlier years. Because of that experience we should now be able to steer a course that would avoid the whirlpools which sucked us into war some 20 years ago. Add to that realistic appreciation that those who threaten war in Europe are facing eastward and not toward the west and us.

These factors, along with our geographic isolation, makes it ridiculous to talk about this Nation facing an impending threat, either of actual invasion or to its institutions from beyond our borders, unless we deliberately ally ourselves with the affairs of Europe. It must be obvious that participation in another war by this country would mean the end of those American institutions of liberty and freedom for which we now are being urged to fight.

Despite the lessons of our experience, we now find the President insisting that we must cooperate economically with one group of nations threatened with war while he heaps reproaches and odium on the opposing group of nations. More amazingly, he invokes the need of providing employment for our jobless as one reason for such cooperation, as he did in justification of his promotion of secret assistance given France in the purchase of airplanes in this country. I express my amazement advisedly, because none has stated the danger involved in such action more cogently than did President Roosevelt less than 3 years ago in an address at Chautauqua, N. Y.

PROFIT FROM WAR MOVES PRESIDENT

If war should break out again in another continent—

The President said on that occasion—

let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches—fool's gold—would attempt to break down or evade our neutrality.

They would tell you—and unfortunately their views would get wide publicity—that if they could produce and ship this or that and the other article to belligerent nations, the unemployed of America would all find work. They would tell you that if they could extend credit to warring nations that credit would be used in the United States to build homes and factories and pay our debts. They would tell you that America once more would capture the trade of the world.

And on that day also, President Roosevelt declared that—

We can keep out of war if those who watch and decide have a sufficiently detailed understanding of international affairs to make certain that the small decisions of each day do not lead toward war, and, at the same time, they possess the courage to say "No" to those who selfishly or unwisely would let us go to war.

Great, indeed, is the distance which Mr. Roosevelt has traveled from the day he made that address to his recent press conference in which he defended cooperation with France in the purchase of airplanes here as a means of putting people to work in idle factories.

Yes, Mr. President; Congress still has the power to declare war. So what? The truth is that as great a power as ours, or greater, is the power of conducting the foreign policy of a nation. That power has made and that power can make it impossible for a Congress to do other than declare war. Step by step can those conducting our foreign relationship take us to the gates where there is no alternative to a declaration of war. How much better it would be that we all acknowledge this simple truth! How much better than that we turn our back upon experience, and bring the lesson of truth again in its horrible form!

Yes, Mr. President; there are men, there are influences in this country who may dictate war, and bring affairs to a point where other nations may accept the evidence as the signal to "go," knowing that our country can be counted upon to fall in line and lend the assistance essential to the conduct of a war; and it is not palaver to say so. It is not an irresponsible or careless declaration. It is not flippant, loose, prejudiced or unsubstantial talk. It is truth. Smear it over, cover it up if you can, but it is still truth here to stay for those who

will but be realistic. Deny it if you will, and wait for the mandates of appetite and secret understandings, that become known only too late, to lead us to that day when honor—God save us—will be called upon to make good with the blood of our youth the mistakes and the darings of diplomats and foreign-policy makers and conductors.

Mr. LUCAS. Mr. President and Senators, the very distinguished junior Senator from North Dakota [Mr. Nye] has taken 3 or 4 hours in attempting to answer one simple, elemental, and serious question propounded by the junior Senator from Illinois in this debate upon what is probably the most important question which will come before the United States during the present session. That question is simply this: Who in these United States of America is going to give the word "go" before Europe takes up arms and plunges that continent into a bloody and ghastly war? That question embodies a statement that was made in debate upon this floor by the junior Senator from North Dakota, and that is the question I should like to have answered.

Mr. President, long have I waited for the answer in the course of the debate. Long have other Senators waited for the junior Senator from North Dakota to give some intimation by some word somewhere along the line in his debate as to what he meant by that unusual statement; and anxiously, I contend, are peace-loving citizens of America who believe honestly in peace on earth and good will to men waiting for the Senator from North Dakota to let them in on that secret.

During the course of the debate on this bill we have heard much about secrecy in connection with various governmental transactions during the last few months; but I undertake to say that the greatest secret of all still remains and lies within the breast of the junior Senator from North Dakota with respect to the statement he made. Where is the man in this country, where is the group of men, who at this moment hold the key and are anxious or only waiting to say the word "go" before Europe is embroiled in another holocaust of war? The junior Senator from North Dakota could talk from now until doomsday and he would utterly fail to give the answer, because he does not know. He has no concrete information along that line.

Basing his entire case for such an unwarranted and, I say, sensational utterance in this particular time in the affairs of our great country, as well as of the world, he quotes copiously from writers in France and England and America, but not a word fell from his lips indicating that a single man in this legislative Hall or in the legislative Hall of the other branch of Congress, not a man in the executive branch of the Government, not a man in the judicial branch of the Government, not a single individual in the business world made that statement.

Mr. President, I sincerely sympathize with the junior Senator from North Dakota—and I say that in the best of spirit—in his laborious effort, his futile effort, in attempting to explain and qualify this bold and sensational announcement. I do not blame him for taking three hours and a half of the Senate's time in attempting to explain the remark. He will be using much time in the future, in my humble opinion, in explaining to sincere and honest and patriotic and peace-loving Americans the fantastic and most unusual conclusion he reached through what I contend to be a mysterious realm of conjecture and speculation.

I am reminded of a story I should like to recount, then I will close what I have to say with respect to my part in this debate. I did not expect to speak upon the floor of the Senate for a long time, but when that statement was made, as one who cherishes my America and the institutions she represents probably better than anything in this life, at least one who cherishes them to the point that when I think of what America has done for me it warms the cockles of my heart, I could not, as a United States Senator, and as a citizen of Illinois, stand idly by without making the protest I have uttered. I have protested in the best of faith, not intending in any way to condemn or criticize, but only stating what I believed to be for the best interests of this great

country of ours and the peace-loving people who live within its borders.

Mr. President, I am a veteran of the late war and I believe I understand something about war. As I stated yesterday—and I do not change my position—I do not disagree in great measure with many things which are now believed by the Members of the United States Senate, but I will never believe that on the doorstep of America rests the sole responsibility for any war which may take place in Europe next spring, or next summer, or the following year.

I wonder why the junior Senator from North Dakota limited the period to this spring, or next summer, or next year. That seems strange to me.

When I first engaged in the practice of law in the State of Illinois, after I had received from the supreme court of my State the right to practice, I went into the little city of Havana, a city of only 5,000 people. I admit that I did not know what it was all about at that time, and sometimes when I listen to some statements or read some articles I still wonder whether I am not yet in the same stage that I was when I first started to practice law. I then went to a very learned judge, a very polished man, a man who was honest and sincere, and I said to him, "Your Honor, I am just a new lawyer in this community. I have hung up my shingle on Main Street to practice law. Last night this question presented itself to me: If a case came to me and I had a great deal of evidence on my side but very little law, what would I do?" The judge immediately replied, "Young man, you should plead the evidence." I said, "Yes; but this is another paradoxical situation. If I had the law or a part of the law but very little evidence on my side, then what should I do?" The judge said, "Under those circumstances you should plead the law." "But," I said, "if I had no law and no evidence, what then should I do?" He said, "Then, young man, you should plead ancient history."

I say that the junior Senator from North Dakota [Mr. Nye], having nothing upon one side or the other, has attempted to plead his case and convince Senators that he is right with a recital of much ancient history.

Mr. CAPPER. Mr. President, I am in favor of adequate national defense. The extent of preparedness should be in proportion to need, not in proportion to the hysterical fears of the fearful, or the greed of armament makers, or the natural ambitions of Army and Navy officers.

Before the United States rushes into a huge armament program, running into the billions of dollars annually for years to come, several things should be considered.

Congress should determine a basic defense program. The basic alternatives are these: First, is the United States to build a navy for the purpose of defending the United States and helping to defend the Western Hemisphere against aggression; or, second, is the United States to build a navy for the purpose of taking sides and attempting to determine the results of an Old World war over boundaries and trade territories?

I will support whatever is needed for national defense, but I am opposed to constructing a navy, to building up an air force, for the purpose of policing Europe and Asia. Attempting to settle Old World boundaries and disputes based on hatreds and misunderstandings that go back over many centuries is not the job of the United States.

Our State Department may feel that it is within the province of the United States to have understandings or even agreements with Old World powers. Our President may feel that the United States has a destiny to work out in world affairs and that he is the agent of destiny to help settle world affairs.

But I do not feel that way about it at all. We won our freedom from European disputes and Europe's wars when we freed ourselves from England at the close of the eighteenth century.

Our experience in the World War, when we went forth to make the world safe for democracy, was not such as to encourage the destiny complex. And after the war was over, the

people of the United States were wise enough to insist that we not tie ourselves up in any European agreements.

We won our freedom from Europe the second time when the United States Senate refused to enter the League of Nations. We should keep that freedom. It is worth keeping.

Mr. President, I am unalterably opposed to entering into an armament race based on participation in the affairs of Europe and Asia. And I believe that is the feeling of the great majority of the people of the United States.

The world is spending this year \$20,000,000,000 in preparations for war. If the United States adopts the policy of building a \$5,000,000,000 super-Navy and 10,000 airplanes, the world will know that the United States expects to take part in Old World disputes. No other possible interpretation can be placed by outsiders upon a program that will give the United States a much larger Navy and air force than is needed for defense purposes.

Just so soon as this policy is adopted, every other nation will either feel compelled, or will use the United States as an excuse, to build up a still larger and stronger army and navy. The munitions makers, whose profits this year are running into the millions, will assist in such programs. Then when the other nations increase their armament expenditures, their preparations for war, it will be up to the United States to enlarge its program.

Our responsibility to the world is to discourage war and preparations for war, not to encourage them. One way to do that is to shut off the profits from war and do what we can to stop the traffic in war supplies the world over. The making of war supplies is now the most profitable business in this country. The manufacture of munitions is making millionaires every year.

The United States program should be a program of defense—adequate defense—of the United States, and sufficient to help defend the Western Hemisphere from Old World aggression. I am willing to go the limit that is necessary for that kind of a defense program.

If we keep our noses out of other nations' affairs and do not mix in their quarrels, there is not much chance that any European nation, even the war-mad dictatorships, will attempt to cross the Atlantic and attack the United States or any other American republic. Certainly England and France will not do it. Germany and Italy already have their hands full.

The fact is that this country is not threatened by invasion and, if we mind our own business, we should not be. Hence the very most we need in the way of armament is sufficient for our defense.

That means that the United States does not need to spend much more than already is authorized for the Army and the Navy, in order to be thoroughly prepared to defend itself. I am in favor of cutting down the number of new airplanes to 5,500 as proposed by the amendment offered by the Senator from Missouri [Mr. CLARK].

Mr. President, the Government or the Congress should not be able to plunge this Nation into war without consulting the people who have to do the fighting and pay the bill. I do not think any small group of men should have that power, except when this Nation is attacked or directly threatened with attack. If we are going to increase our armament, as the administration is now advocating, I think it is doubly necessary that the people take precautions which will prevent intemperate action, dictated by hysteria or inspired by political or other expediency.

That is why I am in favor of the enactment of an amendment to the Constitution providing that except in case our Nation is attacked or threatened with attack, the President and the Congress cannot engage in a foreign war or formally declare war on another nation, without submitting the question to a vote of the people. The people have a right to decide for themselves whether they want to go into a war. No President, no Congress, should have the right to make the decision for them.

I am convinced that a majority of the common people of our country favor a constitutional amendment which will give them the right to decide for themselves whether they want to engage in war. I was glad to join with the Senator from Wisconsin [Mr. FA FOLLETTE], the Senators from North Dakota [Mr. FRAZIER and Mr. NYE], the Senator from Missouri [Mr. CLARK], and other Members of the Senate in the introduction of a referendum resolution.

Mr. President, I have received hundreds and hundreds of letters from people all over our country telling me that is how they feel about the matter. I am with them 100 percent, and I will support such an amendment in Congress.

Let me refer to another matter. Our neutrality law should be reenacted and should be strengthened instead of weakened as some now propose. It will help keep us out of war if it is properly enforced; and it should be enforced. I am in favor of putting more teeth in it. We must stop selling war supplies to Japan or any other country engaged in war.

I believe profit should be taken out of war and out of preparation for war. If munitions makers were not permitted to make any profit we would not hear them talking so loudly of the need for a vast armament effort in this country right now.

I am against secret alliances of any kind. The cloud of secrecy surrounding the negotiations with foreign countries both with respect to foreign policy and the sale of airplanes, unfortunately has had the effect of creating suspicion in the public mind. I think it is time to renew the old doctrine of "open covenants openly arrived at" in all dealings with foreign governments.

In conclusion let me say that I protest, with all the power I possess, against sacrificing Americans to settle foreign difficulties not our own. I shall oppose sending American boys across the seas to take part in foreign wars.

I am opposed to any program which undertakes to make the United States the policeman of the world.

I am in favor of making America impregnable to attack by any nation, but there is no reason in the world for extending our line of defense over 6,000 miles into the Pacific. I am against building fortifications at Guam.

The people of the United States want no war with anyone, and I do not believe there is any country in the world which wants a war with the United States. We want to be fully prepared to protect ourselves against any invasion or attack, but there is no reason why we should go around with a chip on our shoulder inviting a fight with some other country.

I shall continue to oppose wild-eyed armament programs. Let us keep our heads, mind our own business, and stay out of the quarrels and controversies of other nations.

DAVID R. THOMPSON AND RALPH S. WARNER

The PRESIDING OFFICER (Mr. LEE in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 316) to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia.

Mr. KING. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KING, Mr. TYDINGS, and Mr. CAPPER conferees on the part of the Senate.

THE NATIONAL DEFENSE

The Senate resumed the consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

Mr. HOLMAN obtained the floor.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LEE in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Radcliffe
Andrews	Davis	La Follette	Reed
Ashurst	Donahay	Lee	Reynolds
Austin	Ellender	Lewis	Russell
Bailey	Frazier	Lodge	Schwartz
Bankhead	George	Logan	Sheppard
Barbour	Gerry	Lucas	Shipstead
Barkley	Gibson	Lundeen	Smathers
Bilbo	Gillette	McKellar	Smith
Bone	Glass	McNary	Stewart
Borah	Green	Maloney	Thomas, Okla.
Brown	Guffey	Mead	Thomas, Utah
Bulow	Gurney	Miller	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Truman
Byrnes	Hayden	Neely	Tydings
Capper	Herring	Norris	Vandenberg
Caraway	Hill	Nye	Van Nuys
Chavez	Holman	O'Mahoney	Wagner
Clark, Idaho	Hughes	Overton	Walsh
Clark, Mo.	Johnson, Calif.	Pepper	White
Connally	Johnson, Colo.	Pittman	Wiley

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

Mr. HOLMAN. Mr. President, I am sure that all those who listened yesterday to the great speech of the senior Senator from California [Mr. JOHNSON] were impressed by its logic and force. I was deeply impressed; and because of that fact and because I am a member of the Committee on Military Affairs, which presented the bill now under discussion, I feel impelled to make some brief observations on the subject.

It may be that the first lines of our national defense are in the islands of the seas surrounding our country and in its Territorial and insular possessions; and under the obligations imposed upon us by the reaffirmation of the Monroe Doctrine, it may be necessary for us to maintain a navy, an army, and an air force more numerous and more powerful and of a different type than if we confined our purpose to the protection of our homeland and continental possessions. However, I shall for the present confine my remarks to a consideration of necessary and adequate military defense of the United States, Alaska, Hawaii, and the Panama Canal.

The sole question, then, is, What is the measure of the requirements for that purpose? I repeat, Mr. President, that, in my opinion, the sole question before the Senate is, What is the measure of the requirements for the adequate protection of our homeland? Not being a military man, I must look to our military experts for the answer to that question.

From the testimony taken before the Military Affairs Committee, it is apparent that certain undesirable conditions exist and that certain things should be done by us as prudent managers of national affairs. The testimony adduced demonstrates that our present Army is equipped with arms of various kinds which are now obsolete. Most of this equipment was on hand at the close of the World War, more than 20 years ago. The personnel of our Army is not sufficient to guarantee successful resistance to a sudden and unexpected attack by a first-class military power, especially an attack against the Panama Canal.

The program as outlined in the measure before us, House bill 3791, is designed to create an air force strictly and exclusively for defense. It is strictly a defensive force, so constituted and located as to provide for necessary air defenses of continental United States, the Panama Canal, Hawaii, and Alaska. The bases provided are merely those necessary to permit the air force created to be concentrated as rapidly as possible to meet any emergency which may confront this country.

The number of planes is not excessive. It is to be noted that of the maximum possible total of 6,000 planes called for, only a small number of them will be actively manned combat types, the actual number permitted being but 1,900. These 1,900 combat planes can be concentrated at any point in the United States if the bases called for in the bill are provided. This force of 1,900 planes is woefully small as compared to the tremendous numbers now being constructed in most of the principal foreign countries. Of the total number of planes provided for in the program only 3,300 combat,

training, and miscellaneous planes will be manned and equipped at any time; the remainder are to be held as replacements for losses and to be utilized in the combat units as replacements so as to maintain a constant combat strength of only 1,900. These comparatively small figures themselves indicate that the air force proposed to be created is designed solely for the defense of the United States and is not to be built up for an aggressive war carried to foreign shores.

I am informed that Great Britain is increasing her air force personnel to total strength of 115,000 men; Germany has increased hers well beyond that figure. It is of interest to note that the total called for in this program is but 45,000 men for the entire air force of the United States Army.

This bill authorizes certain construction at the Panama Canal to house the personnel required there for the purpose of manning the seacoast defenses and the antiaircraft guns, which are now actually installed there but which completely lack crews to man them. The War Department tells us that if we want to have these guns operated we must first provide the quarters before sending additional men into that dangerous climate.

The bill also provides for what, to me, is one of the highly important considerations for the national defense, namely, the preparation of industry to meet the special demands of war production.

In my opinion, there is no issue here involving politics, nor are we dealing with foreign alliances or antagonisms. We do not question the motives of the householder who puts a lock on his door. By doing so he casts no reflection upon his good neighbors. He is but exercising prudent protection against possible lawlessness. This bill represents the considered judgment of our highest military authorities and is prompted solely by a desire to provide for the national defense. With that conviction, I shall vote for the passage of the measure.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Danaher	King	Radcliffe
Andrews	Davis	La Follette	Reed
Ashurst	Donahay	Lee	Reynolds
Austin	Ellender	Lewis	Russell
Bailey	Frazier	Lodge	Schwartz
Bankhead	George	Logan	Sheppard
Barbour	Gerry	Lucas	Shipstead
Barkley	Gibson	Lundeen	Smathers
Bilbo	Gillette	McKellar	Smith
Bone	Glass	McNary	Stewart
Borah	Green	Maloney	Thomas, Okla.
Brown	Guffey	Mead	Thomas, Utah
Bulow	Gurney	Miller	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Truman
Byrnes	Hayden	Neely	Tydings
Capper	Herring	Norris	Vandenberg
Caraway	Hill	Nye	Van Nuys
Chavez	Holman	O'Mahoney	Wagner
Clark, Idaho	Hughes	Overton	Walsh
Clark, Mo.	Johnson, Calif.	Pepper	White
Connally	Johnson, Colo.	Pittman	Wiley

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Eighty-eight Senators have answered to their names. A quorum is present.

Mr. DANAHY. Mr. President and Senators, I do not know whether or not I shall break precedent if I direct attention for a few minutes to the bill before the Senate; but, as a neophyte, I should like to call special attention, first, to line 3, page 1, wherein we discover that the act approved June 24, 1936, is repealed.

Reference to the original act will disclose that there were then authorized to be built 2,320 serviceable fighting planes. General Arnold, testifying before the House Appropriations Committee, said that today the Army has only 879 fighting planes in actual service. We are now asked to authorize 6,000 serviceable airplanes.

A few short days ago Navy planes, seeking to return to Pensacola, found themselves enveloped in a fog. A number of those planes cruised about until their gasoline supply had been exhausted, and then dropped into the sea, with resulting loss

of life, and loss of the equipment, and of the planes themselves. Those which were equipped with radio, and which could come in on a radio beam, found safety.

We hear, in connection with this bill, of the proposal to expend at least \$300,000,000, and probably a great deal more, to carry out the authorization contained in the measure, but not a word with reference to the development of an adequate radiobeacon system.

Mr. President, right here in Washington there is Bolling Field. For some 18 or 20 years it has been in course of construction. At the present time it cannot possibly service more than 300 to 350 fighting planes. In due course I should like to know from some of the members of the Military Affairs Committee whether, as a concomitant of the plan proposed by the pending bill, we should not, first, take steps definitely and adequately to secure to these planes, if and when we have them, radio beams on which they may land and flying fields at which they can be serviced. We ought to have emergency flying fields at least every 100 miles apart within transverse ratio throughout the country in order to permit adequate service of these fighting airships.

Mr. LUNDEEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Minnesota?

Mr. DANAHER. I yield to the Senator.

Mr. LUNDEEN. I thank the able Senator for his timely statement. I think he is absolutely correct. I wish to call attention to certain great highways of Europe, which are now so constructed that by shutting off traffic they can furnish continuous landing fields across an entire nation. This we can also do in America by building transcontinental highways east and west and similar highways north and south.

I also should like to ask the Senator how many men lost their lives in the disaster to which he refers. Was not half a million dollars lost, and how many lives?

Mr. DANAHER. I have forgotten, I must say to the Senator, exactly how many lives were lost; but the Senator certainly is correct in the statement that we lost at least half a million dollars in equipment.

Mr. LUNDEEN. And yet we heard Senators on the floor of the United States Senate, I believe yesterday, who were more concerned about financing France and Britain, and financing Europe for war, than about taking care of the radios upon our own airships, which our own pilots and fliers are flying in stormy weather.

I am for the program which the Senator is bringing to our attention. Let us take care of America first in our fighting equipment and all other equipment.

Mr. DANAHER. I thank the able Senator.

I desire to point out, Mr. President and Senators, that the President, in his message of January 12 to Congress, says:

It is proposed that \$300,000,000 be appropriated for the purchase of several types of airplanes for the Army. This should provide a minimum increase of 3,000 planes, but it is hoped that orders placed on such a large scale will materially reduce the unit cost and actually provide many more planes.

In view of the fact that we are repealing the authorization for 2,320 planes, contained in the act of June 24, 1936, I assume that the number of 6,000 serviceable planes mentioned in line 9 is arrived at by regarding the President's recommendation with reference to the 3,000 planes, by allowing for the 2,320 planes previously authorized, and a differential which, I take it, will be a means of "jockeying" as to price, in order that there may be a unit bid which is fair and square so far as the Government and the taxpayers are concerned.

If there has been established a need for airplanes in this country, and if in fact there be a threat to the safety of our shores, certainly any number of planes, regardless of cost, must be authorized. But if in fact there be no need, and if, although in 1936 there were authorized 2,320 planes, we today have only 879 fighting planes, it seems to me reasonable to expect that we can properly take an authorized minimum; that we can year by year, as certain planes wear out and deteriorate, have a renewable and consequently up-to-date unit force of fighting planes; but, as a parallel, we can very

properly take a considerable portion of the fund which the program as recommended by the committee would cost, and devote it to ground bases at which these airships could be serviced and on which they could land, and through the air their course could be directed from the radios to be established and the beacons to be set up.

I have no doubt that our able Army engineering corps can tell us at the proper moment, by virtue of their geodetic and other surveys, where the radio beacons should be located and where landing fields should be built. It seems to me that our committee might very properly take into account an adequate ground force as part of our program, and the development ultimately of a common-sense, worth-while defensive mechanism.

Senators will notice, if they will read the bill, that the only reference to hangars has to do with airships, free balloons, and captive balloons therein described. Yet General Arnold told the House Committee on Appropriations a few days ago that he would obviate the building of hangars because of the fact that they offer such a tremendous target for an enemy.

Mr. McNARY and Mr. CLARK of Missouri addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Connecticut yield; and if so, to whom?

Mr. DANAHER. I yield first to the Senator from Oregon.

Mr. McNARY. I have not examined the Senator's suggestion, but I am curious to know whether he has it in the form of an amendment. Has it been offered?

Mr. DANAHER. I have an amendment I desire to propose, but I have not as yet offered it. I understood the Senate would act first on committee amendments and after they were disposed of that I would be allowed to submit my amendment.

Mr. McNARY. Let me suggest that the Senator present the amendment now and let it lie on the table and be printed for the information of Senators.

Mr. DANAHER. I thank the able Senator. I now yield to the Senator from Missouri.

Mr. CLARK of Missouri. I desired to ask the Senator from Connecticut whether he was under the impression that there was any limitation whatever in the bill, other than the limitation of 5,500 planes, as to number, included in the bill as it passed the House, and the limitation of 6,000 planes contained in the Senate committee amendment, and the limitation contained in the section having to do with the Panama Canal; in other words, whether the Senator is referring to the message of the President, having to do with the sum of \$300,000,000 for the improvement of aviation, or the statement of the chairman of the Committee on Military Affairs, the Senator from Texas [Mr. SHEPPARD], on the floor of the Senate a few days ago having to do with the sum of \$170,000,000 for the purchase of new airplanes? I will say to the Senator that he will not find either provision in the pending bill. Neither is in the bill in the shape of a limitation, and there is no limitation whatever in the bill as to the number of airplanes to be purchased. There is nothing in the bill except a limitation by number alone, not as to amount. There is nothing in the bill whatever in the nature of a limitation, except by number, which would prevent the War Department's spending a billion or two billion dollars for the purchase of airplanes and sending up to the Congress a deficiency estimate to provide for the payment for the additional planes purchased. The only limitation in the bill has to do with the limitation of the number of planes—5,500 in the bill as it passed the House and 6,000 in the Senate committee amendment.

So far as the appropriation for ground service is concerned, only a little over half of the appropriation of \$300,000,000 recommended in the President's message is to be spent for the purchase of new airplanes. The other \$130,000,000 is to be spent for ground services and other items which go to make up the expenses of an aviation service, which to my mind completely explodes the contention of the majority of the committee that it is to the interest of the Government. If they can get more planes than they need for the same

amount, they have not lost anything, because the initial purchase of the planes amounts to only about half, or a little more than half, of the initial cost of maintenance, and the maintenance of the planes goes on year after year.

Mr. DANAHER. Perhaps the Senator from Missouri can tell me whether or not the authorization for 2,320 planes contained in the act of 1936 has been taken advantage of and the planes built.

Mr. CLARK of Missouri. There is some dispute about that. I think all those planes have been built or provided for. It was the contention of some of the officials who appeared before the committee that there never had been sufficient provision made for the maintenance of the planes authorized in the act to which the Senator has referred.

Mr. DANAHER. Is it not a fact that if section 1 of the act of June 24, 1936, should be repealed, and we should now include in the pending bill not only the recommended 3,000 planes, but also the 2,320 planes, together with the differential referred to on page 4 of the report of the committee, we would be authorizing a program which in effect might involve more of the secrecy about which we have been hearing? What has become of the planes, for General Arnold says there are only 879 fighting planes now in existence in this country?

Mr. CLARK of Missouri. I am unable to answer that question. The Senator will have to inquire of the War Department. I myself have not been able to find out.

Mr. DANAHER. There is one other particular in which it seems to me the Committee on Military Affairs ought to explain to us its purpose. On page 14, line 14, and from that to the end of the bill, we read this language:

And there is further authorized to be appropriated the sum of \$2,000,000 during each of the 4 fiscal years succeeding the fiscal year 1941.

What is the reason why this Congress, in 1939, should be conducting a program of authorizations for the 4 years to commence July 1, 1941? I feel that the questions raised by a few considerations directed to the bill itself can enlighten the Senate in a very considerable measure before the vote is taken.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. DANAHER. I yield.

Mr. AUSTIN. Does the Senator from Connecticut refer to the section of the bill which deals with educational orders?

Mr. DANAHER. I do.

Mr. AUSTIN. I have an idea that the authorizations there covering a number of years are founded upon an ancient practice which governs the Congress of the United States whenever authorizations are made relating to education; that is, that no rational, coherent, educational program which requires years of pursuit to be accomplished can be planned for with any degree of intelligence at all if it does not at the outset show that there is authorized a sufficient amount of money for a sufficient number of years to carry on the program. If we undertook an educational program which depended for authorization or action by Congress every year, one could not make a plan with any degree of certainty that it would extend beyond the current year. That is my impression of the reason for including authorizations for several years in one bill at the outset, namely, in order to give those who plan the program some certainty that it will be carried over into other years.

Mr. DANAHER. Let me ask the Senator from Vermont a question. As I understand it, section 4, appearing on page 14, is brand new, it is not in any other existing legislation with reference to educational orders in the nature of subsidies looking to the manufacture of planes. Is that correct?

Mr. AUSTIN. I do not recall whether or not that is the educational order section.

Mr. DANAHER. It is.

Mr. JOHNSON of Colorado. Mr. President, we have heretofore had an educational program. Congress passed a bill providing for an educational program last year for the first time.

Mr. DANAHER. Is the Senator able to tell us what the experience has been under it?

Mr. JOHNSON of Colorado. I am not able to give a complete report, but I think it was more or less satisfactory. I think the whole program has been so satisfactory that the War Department, the President, and the administration generally have seen fit to enlarge greatly the program which was inaugurated at the last session.

Mr. DANAHER. I thank the Senator. I can understand how the War Department would like very well to be able to authorize given action over a long-term period; I can understand how common sense future planning must very properly require such a course, but as I understand, the pending bill is offered to provide more effectively for the national defense in the manner outlined by the President in his address on January 12, 1939. We legislate up to June 30, 1941, in every other phase of the bill. It would seem to me reasonable that the War Department itself, based upon its present authorization, and based on the experience thus gained, could come back to Congress and in an adequate and complete way secure such authorizations in the future as the experience of even 1 year would indicate and dictate.

With these few observations with reference to a situation which, it seems to me, is inadequately presented insofar as action on the pending bill is concerned, I thank the Senate.

The PRESIDING OFFICER. The question is on agreeing to the first amendment of the committee.

Mr. CLARK of Missouri. Mr. President, I desire particularly to address myself to a discussion of the committee amendment No. 1, which represents the increase—as I see it, without rhyme or reason—in the number of planes authorized by the pending measure, from 5,500 to 6,000. I shall attempt presently to show that the increase is not supported by any evidence whatever adduced before either the House Committee on Military Affairs or the Senate Committee on Military Affairs, and represents simply a gratuitous attempt on the part of the Army and the supporters of a tremendous armament of taking an additional bite.

Before I enter into a discussion of the committee amendment, however, Mr. President, in view of the range which the debate has taken, I deem it proper to make a few expressions of my own views with regard to the implications of the bill as regards our general military policy and our general foreign policy.

Mr. President, I am in favor of adequate national defense. I take it that every patriotic American, except a few misguided but patriotic individuals, who may conceive that it is possible for any nation to throw away all of its arms and trust simply to the general good will—I take it that every patriotic American, except those few individuals, is in favor of adequate national defense.

Mr. President, we come down then to the question of what is adequate national defense. As has been asked several times in the present debate on the floor of the Senate, For what is the defense to be adequate? Before proceeding to the discussion of this particular amendment, Mr. President, I should like to record my view that the only purpose for which our national defense should be adequate, the only purpose for which we are justified in making authorizations or appropriations, is for the defense of the United States itself.

Mr. President, I do not believe that the United States, under any theory whatever, is justified in using the money of the taxpayers of the United States to provide an army and a navy and an aviation force for the purpose of policing the sea lanes for the protection of the British Empire or the French Empire, or for the protection of the possessions of any foreign country whatever.

Mr. President, I do not believe that it is either necessary or justifiable for the Congress of the United States to be appropriating huge sums of money for the purpose of brandishing our fists in the faces of other nations of the world, or thumbing our noses at any other power in the world. I do not believe that it is justifiable for us to maintain an

overwhelming armament for the purpose of trying to protect the investments of a handful of adventurers, possibly 7,000 miles from home. Those who deliberately remain and elect to remain on a scene of combat, all practically a battlefield, the loss of any one of whose lives or property, on the theory that we are bound to protect every American and every dollar abroad, might well bring about the loss of the lives of hundreds of thousands or millions of American boys and the piling up of a debt of billions upon billions of dollars which our grandsons or our great grandsons would not be able to see paid off, are simply trading on grandiose ideas of spurious patriotism like that of Captain Jenkins, who involved England in a war by losing his ear while robbing the Spaniards.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Indiana.

Mr. MINTON. The very able Senator from Missouri is a member of the Military Affairs Committee, and attended very regularly the hearings that were held on this bill. Did the Senator get the impression that this particular bill was intended to implement any such policy as the Senator is very properly denouncing?

Mr. CLARK of Missouri. I will say to the Senator from Indiana that I did not. If I had any such idea, I would not vote for the measure with or without the committee amendment. I will say to the Senator from Indiana that I stated when I began that I intended in a few moments to discuss the committee amendment No. 1 and the bill itself. I was proceeding to discuss the general situation because of some remarks which have been made on both sides of the question in the debate which has preceded my remarks in the Senate, and more particularly because of certain remarks that have been made by American representatives abroad, by Members of the Senate on the floor and off the floor, and by remarks which were made here in the last 2 or 3 days by Members of the Senate on the floor, and I simply want to make it clear that when I vote for the bill, if I do vote for the bill—as I intend to do, if committee amendment No. 1 is defeated, or even if committee amendment No. 1 is agreed to, and if the Senate agrees to another amendment which I intend to offer of putting a money limitation upon the expenditures—I do not want the impression to go out of the Senate of the United States that I or any other Member of the Senate who casts his or her vote reluctantly for the measure does it with any idea of carrying out the notions enunciated in the statements of Ambassador Bullitt, or Secretary Ickes, or the senior Senator from Nevada [Mr. PITTMAN], or the junior Senator from Kentucky [Mr. LOGAN], or any other American citizen who has been announcing to the public of the United States and the world that we are tacitly in alliance with certain countries in the world against certain other countries in the world.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. MINTON. The Senator spoke about adequate defense, and that is what he is for, and that is what I am for. I wonder if he got the impression that I got when sitting on the committee, that a minimum of adequate defense was outlined in the bill by those to whom we have to look for advice, and to what is adequate; that is to say, the staff of the War Department.

Mr. CLARK of Missouri. I will say to the Senator from Indiana that I am willing to accept, for the purposes of this argument, the statement of the responsible authorities of the War Department as to what is adequate defense, particularly in the matter of aviation, to wit, 5,500 planes for the Army alone, to say nothing of the Navy planes, although I am bound to say, as I think any other Senator who listened to the evidence must admit, that there was no showing made whatever by either the Secretary of War, or the Chief of Staff, or the Chief of the Air Service, except their own bare statements, that so far as the defense of the United States was concerned there was actually any necessity for this further large increase in the air forces of the United States.

Mr. President, it was said that Germany has developed a very large number of airplanes. It was also said that Germany is capable of very much stepping up this mass production. But it was not asserted by any responsible witness, and I do not think by any witness at all, as I recall, that there was any way for the Germans, even if they had 20,000 planes or 30,000 planes, to get over and attack the United States or any part of the United States with planes loaded with bombs, able to be effective, except upon the extremely tenuous and remote hypothesis that it might be possible sometime in the future—it was not asserted that it had ever been done yet—but it might be possible sometime in the future for the Germans or the Italians or somebody else possibly to acquire aviation bases in South or Central America.

Then it is a simple matter to make a compilation of distance. We were assured that if the Germans had a base, let us say, in Venezuela, and had great stocks of their bombs over in Venezuela, and had their planes located in Venezuela, and were prepared to service their planes in Venezuela, that it is only a matter of an hour and a half or 2 hours' flight, depending on the distance, to the Panama Canal. But it was never explained exactly how the Germans were going to acquire aviation bases in Venezuela, or naval bases in the West Indian Islands, and take possession of them, so long as we had a great navy and did not wish them to acquire them.

Answering the question of the Senator from Indiana, Mr. President, I will say that, leaving that out of the consideration, I am willing to accept, for the purpose of the argument, the recommendations of the responsible officials of the War Department as to our aviation interests. I shall presently show that the committee report goes beyond anything that was recommended by the War Department in its responsible testimony, and simply adds an additional gratuity over and above what is said by the Chief of the Air Service of the Army to be adequate to the defense of the United States.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. MINTON. Did not General Arnold, the Chief of the Air Service, testify—and I think the Senator from Missouri himself read the testimony into the record yesterday or day before—that he was for this program, hook, line, and sinker?

Mr. CLARK of Missouri. Yes. That was the program for 5,500 planes.

Mr. MINTON. He was testifying for the program outlined in the President's message.

Mr. CLARK of Missouri. He was testifying about the 5,500 planes. That was General Arnold's first appearance before the committee. It was on January 20, when the only suggestion which had been made by anybody was the recommendation of 5,500 planes. On page 42 of the record—and I think it is the official record at last—we find the following:

The CHAIRMAN. General, I find this note here: A report in the newspaper credits General Arnold with the statement he is in favor of constructing 10,000 airplanes. What about that, General?

General ARNOLD. Mr. Chairman, I am for this program here, hook, line, and sinker—

That is, the 5,500 planes.

because I believe it is a program that is well planned and one that balances the personnel with the airplanes, and one that answers the problem of the aerial defense of the United States, and I cannot see any need at this time for anything more.

Anything more than what? Anything more than the 5,500 planes contained in the recommendation then made to the Senate committee.

The CHAIRMAN. Then that is an inaccurate report?

General ARNOLD. That is an inaccurate report; yes, sir.

Mr. President, before passing on to the committee amendment I desire to discuss for but a few moments more my views as to the general foreign policy which should determine the matter of provision for national defense.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from West Virginia.

Mr. NEELY. Before the able Senator departs from this branch of his discussion will he not, as a thoroughly well-informed member of the Military Affairs Committee, inform the Senate how many modern airplanes, in his opinion, Germany and Italy each have at the present time?

Mr. CLARK of Missouri. Mr. President, I do not think the combined testimony before the Military Affairs Committee shed very much light on that subject. We heard a great deal of conflicting testimony. We heard testimony from the two United States Ambassadors to England and France, neither one of whom, I am frank to say, knew very much of what he was talking about. We heard the testimony of General Arnold, Chief of the Air Service of the Army itself. We heard the testimony of Mr. Mason, of the Civil Aeronautics Authority; and we heard various other estimates by General Craig and other witnesses. I may say that apparently no two witnesses were within 20 percent of each other.

I do not believe that anybody knows at the present time how much of the vaunted preparation of Germany in the matter of airplanes is fact, how much is fable, and how much is bluff. We all know that Colonel Lindbergh was ostensibly permitted to fly over the German aviation bases and German airplane factories. We are told by our Ambassadors that Colonel Lindbergh went over to England and scared Chamberlain into making the Munich agreement. We know that Colonel Lindbergh was decorated by the German Government for his activities. Whether he was decorated for conveying to the British, French, and American Governments the facts which he was supposed to have learned confidentially, or whether he was decorated for assisting the Germans in carrying out a bluff, apparently nobody in this country knows.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. MINTON. We were not advised that Colonel Lindbergh's figures checked with those of the intelligence departments of England and the United States?

Mr. CLARK of Missouri. We certainly were; but we were not advised as to what the intelligence departments of England and the United States knew about it outside of what Lindbergh told them.

Mr. MINTON. They knew about what Colonel Lindbergh knew?

Mr. CLARK of Missouri. Yes. They knew what Lindbergh knew. They know what Lindbergh told them.

Mr. MINTON. That estimate, as I remember it, was something like 9,000 fighting planes in Germany, 6,500 of which could be put right on the line; and about 2,500 in Italy.

Mr. CLARK of Missouri. As I understand, nobody professes actually to have seen the planes, except that Lindbergh professes to have flown over the airdromes and the aviation factories. How many could actually be put on the line is a matter of mere speculation, even in consideration of the very fragmentary information which the committee received.

Mr. LUNDEEN. Mr. President, will the able and distinguished Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Minnesota.

Mr. LUNDEEN. The statement just made was that the figures of our intelligence department checked with those of Colonel Lindbergh. If that is so, I want to call the attention of the Senate and of the American people to the fact that Colonel Lindbergh must have been right in his estimate; and that the great amount of abuse that has been printed in the press about the colonel, our great leader of aviation, is not justified. He gave the truth as he saw it.

Mr. CLARK of Missouri. Mr. President, I am unable to say why Lindbergh was decorated by the German Government. The testimony on that point is very conflicting. Mr. Bullitt and Mr. Kennedy seemed to regard the information which was transmitted to Prime Minister Chamberlain by Colonel Lindbergh as of very great service to Great Britain and France. The German Government seemed to consider Colonel Lindbergh's feat in flying over their airdromes in a confidential capacity and conveying that information to the British Government, scaring them nearly to death before the Munich meeting, as a very great service to Ger-

many. He was decorated for it. As to what the actual facts are, I am unable to say, and I have no opinion.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. Regardless of what Lindbergh told Chamberlain, or Chamberlain told Lindbergh, the fact is that day before yesterday General Goering made a speech in which he stated that the German air force now numbered more than 10,000 planes, and that they proposed to build up an air force that would be incredibly large, beyond the imagination of anybody now in Germany or elsewhere.

Mr. CLARK of Missouri. Mr. President, I am certain that my friend the Senator from Kentucky has read the various biographies which have been printed, besides many other stories, of the career of Gen. Nathan Bedford Forrest, the great Confederate cavalry leader from Tennessee. No doubt the Senator will recall that one of his greatest devices for bringing about remarkable surrenders and achieving remarkable, bloodless victories on the part of the great Confederate cavalry leader, General Forrest, was that while he was engaging his prospective enemy in parley under a flag of truce he would have his columns ride around in circles and pass a large number of troops within the view of his prospective antagonist. Finally Forrest would jump at his prospective antagonist and say, "I demand your immediate surrender to prevent the infusion of blood." The opposing commander would hesitate. Forrest would then turn to his trumpeter and order, "Sound 'To horse.'" Almost invariably, having seen these tremendous reinforcements marching up and apparently deploying, the commander on the other side, thinking himself hopelessly outnumbered, would surrender. It is possible that General Goering has read the life of General Forrest even as the Senator from Kentucky and myself.

Mr. BARKLEY. I should like to be able to take the view that the redoubtable and much decorated General Goering is bluffing. However, there are so many other avenues of information of one kind and another which seem to confirm what General Goering said that I am inclined to fear that he is not bluffing. These avenues of information may not all be strictly reliable; and I grant that it is impossible for anybody outside a particular nation to have exact information concerning the number of airships possessed by that nation.

Mr. CLARK of Missouri. Unfortunately, most of the avenues of information to which the Senator from Kentucky refers seem to have come from Goering himself. Mr. President, I do not know what the view of the Senator from Kentucky is; but I have no hesitation in confiding to my friend from Kentucky, not in my official capacity as a United States Senator but privately, that I would not believe Goering under oath.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. MINTON. As I remember it, the information was to the effect that about a month ago, when we received the information, the total number of planes in Germany was about 9,000, and that at that time they had the ability to produce from 1,000 to 1,200 planes a month. That statement would check up pretty well with Mr. Goering's present story. They have produced just about another thousand planes.

Mr. CLARK of Missouri. Mr. President, we had every sort of information before the committee. We had information from a very distinguished aviation authority in this country, a member of the Civil Aeronautics Authority, who said that he had been to Germany himself within the year. He said that the Germans had a device known as a helicopter which was going to render every airplane in the world—German, American, British, French, and Japanese—absolutely obsolete as soon as it was perfected, because he said it was a differentiation on the principle of a propeller. The Senator from Tennessee is thinking about an autogiro.

Mr. McKELLAR. I mean a helicopter.

Mr. CLARK of Missouri. This is a plane which can go up and stop and stand still in the air, or move up or down or to the left or right or forward or backward.

Mr. McKELLAR. I hope it will soon be perfected.

Mr. CLARK of Missouri. A distinguished American aviation authority informed us that the Germans already had this machine almost completed, and that it was going to render every other airplane in the world obsolete. Incidentally, he also informed us that the Germans stole it from an American inventor who was foolish enough to send over his invention to Germany and ask for a patent there. Not having received an answer to his first letter, he wrote a second letter; and not having received an answer to his second letter, he wrote a third letter, and so on through a series. Finally he went over to Germany and saw this wonderful device, and he found that the so-called Fokker helicopter was simply his own invention which the Germans had stolen and had developed.

Mr. President, I mention this fact simply to illustrate the statement that we had a wide range of testimony before the Military Affairs Committee, some of which would lead one to believe that the United States could not possibly be safe over night unless it had 35,000 or 40,000 airplanes; and some of which would lead one to believe that any dime that we should spend at this time on the purchase of a large order of new airplanes would be likely to be money wasted and thrown away, because by the time the planes were developed, manufactured, and delivered to us they would have to be put upon the obsolete list, having been made obsolete in the meantime by the development and operation of this helicopter.

Mr. BARKLEY. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Kentucky.

Mr. BARKLEY. I realize that it is entirely possible and probable that a good deal of bluffing has been proceeding on the part of certain nations. It may be that the so-called peace of Munich was brought about by the statement, which has been repeated over and over again, that Hitler told Chamberlain he was prepared to send 100 airplanes over London every hour for 24 hours. It may be that the prospect of any such destruction as would be wrought by that sort of an air fleet, which within 6 hours would probably have put out of business whatever defenses by airplane and anti-aircraft guns were located near London and Paris, had an effect. It may be that all that was a bluff; it may be that Hitler did not say that, and, of course, here we do not know what transpired in that conference; but we do know that Germany has emphasized—and so has Italy emphasized—a division of the air in the military preparations which have been going on there.

I was in Germany in 1937, and I saw in Berlin a building larger than the Department of Commerce Building here, containing over 3,500 offices devoted exclusively to the air service. I saw airplane factories in the portions of Germany I visited. I did not go in them, and I could not tell how many airplanes were being produced; but every one understood, for it was common talk among the German people, as was apparent when it was possible to talk with one of them and he thought nobody who would report what he was saying was listening that the Germans were emphasizing and intensifying their desire to become superior in the air.

We do know that Italy, or I think we have reasonable grounds to suppose, that Italy has some 4,500 or 5,000 planes. I do not know whether or not there is anybody in Italy corresponding in unreliability to General Goering in Germany, but I do not think there has been the same amount of bluff—if that is what it is—in Italy that we have witnessed in Germany. However, if it turns out to be true that all the reports have been confirmed by what General Goering said in his speech the other day—and it seems to have been a remarkable speech in the sense that he was giving away what might be regarded as a military secret of the German Reich in regard to the number of airplanes they had and the number they were in prospect of building—if it turns out he was not bluffing but was confirming the reports we have received, would that have any effect upon the attitude the American Congress ought to take in regard to our own defense?

Mr. CLARK of Missouri. I am glad the Senator mentioned that, because it brings me back to what I started to talk about before I was led aside by the questions and interruptions of some of my colleagues. That brings us back to the question of the foreign policy of the United States and the purpose for which this bill is being passed and the purpose for which we are arming.

Mr. President, the Senator from Kentucky repeats the general stories as to the very great preparation of Germany and, to a lesser extent, of Italy, in the matter of airplane production; but it has not been suggested on this floor by anyone who even assumes to be familiar with the situation—it has certainly not been suggested before the Military Affairs Committee of the Senate—that the Germans have or are in process of having even one plane capable of flying across the Atlantic Ocean to the shores of the United States loaded with bombs and then successfully making an attack, let alone being able to fly back to Germany. Napoleon once said that he had figured out seven different ways of landing an army in England, but had never been able to figure out even one way of getting his army out. An airplane flight which could make a one-way nonstop flight without bombs would not be a threat to our national independence.

Mr. BONE. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Washington.

Mr. BONE. In the discussions before the Military Affairs Committee was there any assumption that all this great preparation on the part of Germany and Italy was for the purpose of attacking the United States? If not, are we going to gear our own production here to the assumption that we are to be attacked from the air by Germany and Italy? That is what I want to get clear in my own mind.

Mr. CLARK of Missouri. I can say to the Senator from Washington that there was not a scintilla of evidence before the Military Affairs Committee to that effect. The only testimony before the Military Affairs Committee and the only statement presented before the Senate is that the Germans and Italians may have acquired air supremacy as against France and England. There is no suggestion, except the most fantastic that can be imagined, that there is any present danger or probable danger of the Germans or the Italians, or both combined, coming across the ocean to attack the shores of the United States, except a suggestion, made in the joint meeting of the Military Affairs Committees of the House and Senate by a Member of the House, which was so fantastic that even Bullitt repudiated it. That suggestion was that the Germans might threaten to attack London and Paris and make the British and French turn over their navies to Germany, and, then, that Germany might come over here and overpower our Navy, and, having overpowered the American Navy, acquire a number of air bases in Central and South America, and come north and attack the United States.

Mr. President, I said when I began that I am in favor of adequate preparation for the defense of the United States, but I am in favor of sensible preparation for the defense of the United States. Let me say that we get far less for our money in naval and military preparations both because of the pay of our workmen and the cost of materials, and the cost of construction of naval vessels and airplanes and every other military and naval stores, than any other country in the world. If we are going to start out to assume that we are going to be "ganged" at one time by Japan, on the one hand, and Germany and Russia and England and France and Italy and Spain and Portugal and Switzerland and every other nation in the world, on the other hand, then there is not sufficient money in the world adequately to prepare us against such a contingency. If we are not going to make such an assumption—

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I should like to have a chance to proceed with my discussion of the question of our foreign policy, and then I will be glad to yield to the Senator.

If we are not going to assume such an attack as mentioned by me a moment ago, then our preparations should be on the

basis of what we should reasonably expend for adequate preparation and defense against a reasonably anticipated attack.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Texas.

Mr. CONNALLY. The Senator says our primary duty is to be prepared for adequate defense. Defense against what?

Mr. CLARK of Missouri. That is precisely what the Senator from Michigan [Mr. VANDENBERG] asked the other day when he aroused such intense indignation from the Senator from Texas.

Mr. CONNALLY. How does the Senator know who is going to attack us? If a little boy this size [indicating] is going to attack us, we do not need to do much; if a little boy this big [indicating] is going to attack us we need to do a little more; but if the policeman who guards the Vice President is going to attack us we had better do something about it. [Laughter.]

Mr. CLARK of Missouri. I entirely agree with the Senator from Texas. Let me say to my dear friend from Texas that he by no means originated the term "adequate preparation." I listened to the Senator with great interest for about 4 hours the other day. I heard the intense indignation which he expressed at the question asked by the Senator from Michigan—"adequate defense for what?" That is precisely the subject on which I am now expressing my views. I am expressing the view that there is no probable or reasonable possibility of an attack on us such as I have just outlined.

I am expressing the view that there is no probability or reasonable possibility of an attack on us such as I have just outlined, or such as is contemplated by the advocates in this country of tremendous armament.

Mr. President, it is my belief that if the United States of America, instead of undertaking to act as the policeman for the world, is willing to stay at home and attend to its own business, with reasonable, moderate, modest expenditures for armament on our part there is no nation in the world, and no combination of nations, that can successfully cross the ocean to attack us.

Mr. BONE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Washington?

Mr. CLARK of Missouri. I yield to the Senator from Washington.

Mr. BONE. Are we not forced into this sort of an argument by statements of the character of that recently made by Secretary Hull, who announced that American foreign policy rested upon the assumption that we were going to use our armed forces, if necessary, to protect dollars of American investment abroad in foreign lands—that that was our national policy? Of course, if we are going to do that, we may need a navy three times as big as the one we have.

Mr. CLARK of Missouri. Mr. President, if we are willing to maintain a sufficient naval and military force to enable us to conduct a war 7,000 miles away from home, let us say in China—which, according to all naval authorities, would require us to provide a navy at least three times as big as Japan's, and to maintain an overwhelming military force—if we are going to have any contemplation of doing a thing like that, and provision we have ever made for naval and military forces, or anyone that has ever been suggested in this country, would be pitifully inadequate.

If we propose to fight a war in China to protect Great Britain in its possession of Hong Kong, which Great Britain wrested from the Chinese in the infamous "opium war" by precisely the same methods by which Japan has been taking territory in China during the past 3 or 4 years; if we intend to wage war in Africa to protect France in her possession of Tunisia, which France acquired by precisely the same methods by which Italy acquired Ethiopia; we are going to need both an army and a navy and an air force far greater than anyone in this country has ever dared propose.

If we are going to police the sea lanes to protect the "great democracies of the world," so-called, in the possession which

they have asserted and maintained by force, there is no limit to the expenditures of men and blood and money and debt which the United States will be called upon to make.

On the other hand, if we are going to stay at home and attend to our own business, if we are going to be prepared to repel aggression from any source whatever on the United States and our immediate possessions which make up the defense system of the United States, then it seems to me we are being led into a situation of hysteria in which we might very readily appropriate a great deal more money and make a great deal more preparation than would be reasonably necessary.

Mr. DANAHER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Connecticut?

Mr. CLARK of Missouri. I will yield to the Senator in just a moment.

Mr. President, I abhor as much as does anybody on this floor, or anybody in the United States, the idea of dictatorship, whether it is in Germany or Italy or Russia or anywhere else. I hate the treatment of the Jews in Germany. I hate the treatment of Christians in both Germany and Russia. I hate the methods of murder anywhere. It is very much more agreeable to my conceptions of governmental practice and of proper government for me to observe the so-called democracies of England and France than to observe the dictatorships, whether Communist or Fascist. But it is to be remembered, Mr. President, when we talk about these democracies, and the obligation we owe to these democracies to defend them and protect them, that so far as their international relations are concerned, so far as the conquest of lesser peoples is concerned, the great democracies of Great Britain and France have been as imperialistic and as ruthless in their oppression of minorities and in their subjugation of weaker peoples as any nation that has ever existed in the world.

I can remember, when I was a boy, that I used to go down to the old Columbia Theater on F Street—which was then a new theater, the best in town, in those days—nearly every Sunday afternoon to hear some of the leading American statesmen and publicists inveigh on the subject of "John Bull's crime." That was the subjugation of the Transvaal Republic under old "Oom Paul" Kruger by the ruthless, imperialist British Government.

So I say, Mr. President, that as between the so-called democracies and the so-called dictatorships, my sympathy is entirely with the so-called democracies; I wish them well; but I am not willing to send one American boy away from the United States to die on foreign fields in quarrels between rival imperialisms which do not concern us.

Mr. President, I heard it said on this floor by an eminent Senator whom we all respect, and for whom we all have affection, "I am not afraid to fight a foreign war. I am not afraid to send all the boys in the United States to fight on foreign fields." Mr. President, I am not so brave. Mr. President, I am afraid. I, myself, am not afraid to go again; but I am afraid of the suggestion being made on this floor and in other places that it is justifiable to send American boys halfway around the world to die to protect the paltry investments of the Standard Oil Co., or to die to protect England or France or any other foreign country in any of its suzerainty over subject peoples.

Mr. President, more than 20 years ago, just before the entrance of the United States into the World War, I sat in a room in the Senate wing of the Capitol, the room now occupied by the Committee on Naval Affairs but at that time the office of the Committee on Foreign Relations. The great Senator from Missouri, one of my greatest predecessors in this body—a man whose seat I am proud to occupy—Senator William J. Stone, was then chairman of the great Senate Committee on Foreign Relations. I sat in his office in conversation with him. He had been my friend since my early boyhood. I saw him get up and walk over to the window and stand looking out, and I heard him say, "Bennett, we are going to have a war. I know it. I am going to vote against it. I am not foolish enough to think that my feeble

influence will keep us from getting into the war; and it is going to be the worst thing that ever happened to this country." He said, "It is not the lives it will cost, although, God knows, it is enough to break a man's heart to think of boys like you going away. Some of you won't come back. Some of you who do come back will wish to God you had not come back. Some of you will come back wounded and maimed and blinded and worthless for life; but that is not the worst of it." He said, "It is not the money it will cost, although your great-grandchildren, if you get back and have any, will not see the paying-off of this debt. It is the fact that after the war is over, after we have won the war—and we shall win the war, because we are too big and powerful to get into a war at this stage of the game and not decide it—we shall never again have the same sort of country that we had before."

Mr. President, I have thought about that conversation a thousand times; and I think of that conversation on the part of Senator Stone as that of a man who was smit with prophecy, a prophecy which has been too true. We never have had again the same sort of country we had before. We never again will have the same sort of country we had before.

Mr. President, war itself is the great enemy, the invincible enemy of democracy, and the invincible enemy of liberalism. Fascism on the one hand and communism on the other are the products of war. When I heard an eminent Senator on this floor on yesterday say that he was not afraid to fight a foreign war, that he was not afraid to send all the boys in this country to fight on foreign shores, I shuddered; not alone because I have three boys of my own; not alone because I have a knowledge and a feeling for the millions of American boys who would be sent away; not alone because I once took boys with me in 1917 and promised their fathers and mothers that I would take care of them, some of whom did not come back; but more especially, Mr. President, because of my feeling that if the United States were once again to engage in a foreign war we ourselves might win the war against foreign dictatorships and emerge as having lost the war by being ourselves a totalitarian state.

Mr. President, I merely desire to say that I do not want any vote cast for the pending measure, which I regard, in comparison with some of the grandiose schemes proposed by the Assistant Secretary of War and others, as an essentially modest proposal—I do not want a vote for this bill to be taken in any quarter of this country or in any quarter of the globe as being an endorsement of the statements made by the American Ambassador to France, or the President pro tempore of this body, the senior Senator from Nevada [Mr. PITTMAN], or the junior Senator from Kentucky [Mr. LOGAN] on yesterday, or anyone else, that the United States is or will be at any stage prepared to enter into an alliance or an understanding or any sort of agreement which will justify any nation whatever on the face of this globe in expecting us to come in and rake their chestnuts out of the fire for them.

Mr. President, I desire to come back to a very brief discussion of the committee amendment. The committee amendment, as I started out by saying, strikes out the limitation contained in the House text of 5,500 planes, without rhyme or reason, as I have heretofore stated, and raises it to 6,000 planes. I desire to call the attention of the Senate to the fact that the statement of every expert appearing before the Committee on Military Affairs of the Senate was that 5,500 planes was adequate. I am sorry the junior Senator from Texas [Mr. CONNALLY] is leaving the Chamber, because he was the one who sought a definition of "adequate," and I was just about to give it to him.

Mr. CONNALLY. If the Senator is getting down to his real speech, I will remain.

Mr. CLARK of Missouri. I shall be very glad to have the Senator stay or leave, as he pleases. I was about to answer his question as to what was adequate. The Senator asked, What is adequate defense?

According to General Arnold and General Craig and Secretary Woodring, 5,500 planes is adequate defense. My defini-

tion is, 5,500 planes. Let me read the testimony to the Senator again:

The CHAIRMAN. General, I find this note here: A report in the newspaper credits General Arnold with the statement he is in favor of constructing 10,000 airplanes. What about that, General?

General ARNOLD. Mr. Chairman, I am for this program here, hook, line, and sinker, because I believe it is a program that is well planned, and one that balances the personnel with the airplanes, and one that answers the problem of the aerial defense of the United States, and I cannot see any need at this time for anything more.

The CHAIRMAN. Then that is an inaccurate report?

General ARNOLD. That is an inaccurate report; yes, sir.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. MINTON. Did General Arnold say in that statement that he was for 5,500 planes?

Mr. CLARK of Missouri. The testimony is to be read in connection with the statement of the Secretary of War and the Chief of Staff who preceded General Arnold on the witness stand, who were testifying about a recommendation for 5,500 planes. General Arnold did go into a detailed explanation of it, with a map showing the bases to which the number of planes would be assigned, and he stated, and General Craig stated, and Secretary Woodring stated repeatedly, that the program of 5,500 was adequate and all that was necessary.

Mr. President, the argument which is being made for this increase in the number of planes is that for \$170,000,000 we can get 6,000 planes just as easily as we can get 5,500 planes, which is an indictment of the intelligence and the capacity of every American manufacturer of airplanes, if it were true that there was a limitation of \$170,000,000 in the bill.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I will yield to the Senator in just a moment. But, bless your life, there is not any limitation of \$170,000,000 in the bill, and I defy anyone to show any limitation of \$170,000,000 or of any other figure in dollars. The only limitation in the bill is on the number of planes.

It is a very poor rule which will not work both ways. If we could get 6,000 planes for \$170,000,000, why could we not get an adequate number of planes, all that would be necessary, 5,500, to be exact, for considerably less than \$170,000,000? But those who drew the bill were careful not to include any limitation whatever in it, and if the bill shall be enacted in the form reported by the Senate committee, there will be nothing in the law to prohibit the Secretary of War buying 6,000 planes for a billion dollars, then sending up a deficiency estimate, expecting Congress to appropriate the difference.

I now yield to the Senator from Kentucky.

Mr. BARKLEY. Getting back to the 5,500, not being on the Committee on Military Affairs, of course I am at a disadvantage, and all of us who are not on the committee are at a disadvantage in getting a consensus as to what the responsible Army officers and responsible heads of the Government really think would be adequate preparation along this line.

My impression has been, and I assume that before the Army officers testified before the Committee on Military Affairs, and before the President made his recommendations in his message, all these matters were gone over among the officers and in all the responsible departments, figuring on probable contingencies, and that the 5,500 was arrived at as a sort of minimum which they believed would be adequate.

I know that there were other officers, probably equally as intelligent officers, who thought that 5,500 would not be a sufficient number. There were some who went as high as 10,000.

Mr. CLARK of Missouri. Probably some would go as high as 30,000 if they thought there was any chance of putting it over.

Mr. BARKLEY. My impression was that the 5,500 recommended by the President was a reasonable minimum which had been the result of conferences and discussions all along the line, and that it was not regarded as a maximum. Am I correct in my interpretation of what seems to have been the consensus?

Mr. CLARK of Missouri. Mr. President, I merely repeat what I stated a while ago, which is borne out by all the testimony before the committee, that the Chief of the Air Service testified that he was for this program calling for 5,500 planes, hook, line, and sinker, because he thought that number was entirely adequate, and that we did not need any more.

Mr. BARKLEY. Of course, when men, after discussion over a wide range of possibilities, come to an understanding about what they will recommend, they feel it their duty to stand by the recommendation, frequently, in the same fashion that members of committees who disagree during the consideration of legislation in committee and come onto the floor with a report, feel that they are more or less bound to fight for what the committee has agreed on.

Mr. CLARK of Missouri. General Arnold is by no means mealy-mouthed; he is by no means hard to understand. I did not on any occasion see anyone put any words in General Arnold's mouth that he was not willing to have put in his mouth. He was entirely capable of taking care of himself and handled himself as an expert witness. I cannot imagine him not having meant what he said when he stated what I have read, speaking of the program of 5,500 planes.

One that answers the problem of the aerial defense of the United States, and I cannot see any need at this time for anything more.

If that did not mean that General Arnold thought that 5,500 planes was a sufficient number, what did it mean? And if he thought 5,500 was a sufficient number, how would he have expressed it any more emphatically than he did in those words?

Mr. FRAZIER. Mr. President—

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Does the Senator from Missouri yield to the Senator from North Dakota?

Mr. CLARK of Missouri. I yield.

Mr. FRAZIER. I was very much interested in the statement of the Senator from Missouri that there was no limitation on the amount.

Mr. CLARK of Missouri. There is no limitation whatever on the amount.

Mr. FRAZIER. Near the top of page 22 of the hearing it is shown that the Senator from Alabama [Mr. HILL] asked General Craig this question:

Do you find a substantial increase in cost in the last 2 or 3 years? General CRAIG. Yes, sir. It has been only a short time since a \$50,000 plane was a real plane. Now they run up as high as \$300,000, \$400,000, \$500,000, \$600,000.

Mr. CLARK of Missouri. That is absolutely true; and, as I stated a moment ago, there is no limitation of any sort whatever in this bill on the amount. There is a limitation as to the Panama Canal defense, but there is no limitation in the bill on the amount.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. NORRIS. I am interested to know what is contemplated in regard to the time, whether we have 5,500 or 6,000. How much time is contemplated as necessary to build them—over what period?

Mr. CLARK of Missouri. There was some conflict on the subject of the time within which the planes could be constructed, and particularly with regard to the effect which the sale of this large number of planes to the French would have on our own production program.

The original program of the Army, as stated by General Arnold and General Craig, contemplated the production of 5,500 planes within 2 years. As to what effect the sale of these planes to the French, and other complicating factors which may enter in, may have, there was no unanimity of opinion.

Mr. NORRIS. Mr. President, will the Senator yield further?

Mr. CLARK of Missouri. Certainly.

Mr. NORRIS. I am not figuring that they should be built immediately or in the immediate future. My own idea is that unless some emergency should arise to change the attitude of our Government, it would be better if the time within

which these planes are to be constructed were spread out over a considerable period, and I think such action would improve the quality of the planes.

Mr. CLARK of Missouri. I agree very fully with the Senator from Nebraska as to that point. Of course, everyone who is familiar with the facts knows that the rate of obsolescence of airplanes, due to the progress of the science, is very great indeed. For instance, a couple of years ago we put in an order for a certain class of bombers—I think 200 was the order; the planes were manufactured and delivered later in accordance with the specifications, as per contract. The last of the planes has just been delivered in the last few months. As the new planes were delivered from the factory, being in accordance with specifications, they were accepted, paid for by the Government, and placed on the list of obsolescent planes, because new developments had made them obsolescent before they were even delivered to us.

Mr. President, I do not think I violate any confidence in saying what I am now about to say, because it has appeared in the newspapers—although the suggestion was first made to us in committee in confidence—but the newspapers, by reason of the crash, or partial crash, of a plane in New York, have been familiar with the fact—I am certain that I violate no confidence when I say that a plane which was developed while other planes were being prepared for entry in the Army competitions, a plane which the Army itself developed, recently broke the record in a transcontinental flight and by reason of its greater speed it has probably made all the planes which are being prepared for the Army competition obsolete before they are even tried out by the War Department. That is the situation with regard to the development of the aviation science; that if we were to buy 10,000 planes or 12,000 planes or 20,000 planes, as has been suggested in some quarters and from more extravagant sources, we have no assurance whatever that every one of them will not be obsolete before they can even be delivered and accepted and paid for by the Government.

Mr. WALSH. Mr. President—

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. CLARK of Missouri. I yield.

Mr. WALSH. Is it not a fact also that if you have the model and the manufacturing facilities you can manufacture an exceedingly large number of airplanes in a very short period of time?

Mr. CLARK of Missouri. I do not think there is any question about that.

Mr. WALSH. And has it not heretofore been assumed to be the policy of the Army and the Navy that there ought not to be on hand at any one time a large number of airplanes because of the obsolescence which the Senator has referred to and because of the fact that if we should become involved in war we could rapidly build up a large Air Corps?

Mr. CLARK of Missouri. That has been the theory of the Army and the Navy up to date.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. MINTON. I do not understand that the War Department or the experts contend, as the Senator from Massachusetts just said, that if we were to become involved in a war we can easily expand our Air Corps and procure airplanes rapidly. That is just the thing we cannot do, and we found that out in the World War. We were in the war for 17 or 18 months and never got a plane over to the front. That is the thing which the War Department is trying to guard against.

Mr. CLARK of Missouri. I agree with the Senator that that is a historical fact, and the reason was that we had never had a military model before the war, and instead of taking models which had been approved by our Allies, we undertook to develop a new engine, the Liberty motor, which contained a lot of new bugs, which were not sufficiently worked out, and in spite of all our attempts to manufacture military airplanes and get them over to the western front,

we were able to send over only a few planes which were flown a day or two before the armistice.

Mr. MINTON. Mr. President, will the Senator further yield?

Mr. CLARK of Missouri. I yield.

Mr. MINTON. With respect to the program we are talking about, General Arnold testified on page 78 of the hearings:

It will take 2 years from the time they get the order.

To complete the program.

Mr. CLARK of Missouri. That is what I stated a moment ago.

Mr. MINTON. It does not seem that even in peacetime we could get along with a modest order of that kind and get production, if it takes 2 years to get such a program through.

Mr. CLARK of Missouri. In ordinary practice it takes 6 to 8 months from the time the first plane is delivered until the second plane, under the order, is delivered. Then it takes several months more, having worked out the bugs in the second plane, before they go into production. But after they get into production, which was what I understood the Senator from Massachusetts [Mr. WALSH] to refer to, they can step up the production to an almost indefinite extent.

Mr. MINTON. They never get into production until you give orders, and you would be waiting until a war comes on to give them an order, and they would get into production a couple of years later.

One other citation from the record might answer the question asked by the Senator from Nebraska [Mr. NORRIS] a moment ago. General Arnold says on page 85 of the Senate committee hearings:

The orders that France and England have pending in this country now were made with the understanding that they would not slow up our production. So if we go into this increased production, we would just quite naturally slow up their deliveries.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. LOGAN. There is one thing to which I should like to call the attention of the Senator from Missouri. If we had 5,500 planes now, obsolescence would not be as important as one might think, because, as I understand, there will have to be a replacement of 1,100 planes every year, or about 20 percent; is that not true?

Mr. CLARK of Missouri. I think that is true.

Mr. LOGAN. So if new planes were invented we would each year get one-fifth of them as fast as they were invented in order to maintain our active planes up to 5,500.

Mr. CLARK of Missouri. Mr. President, the point I have been making throughout my remarks was that the Chief of the Air Service in the War Department, and every expert witness who testified, testified that 5,500 was an adequate number of planes. The argument is made, as I said a while ago, that you can get 6,000 for \$170,000,000 as easy as you can get 5,500; and I think that seems to be an indictment of the intelligence of the American manufacturer. But, Mr. President, that is not true. No one will contend that it is true, although the inference is left that, if we were to get 6,000 planes instead of 5,500 planes, it would be at the same price; that they would not cost the Treasury of the United States anything additional.

Mr. President, the initial cost of the plane amounts to only about one-half of the original cost connected with it. I mean that what you pay the manufacturer for the plane is only about one-half of even the original cost, because the establishment of airdromes, the setting up of a technical organization on the ground, of ground forces, and all of the extra cost that goes into the operation of the plane itself amounts to as much or more than the original cost of the plane, simply as an initial outlay, and, of course, in addition to that you have to go on with these extra expenses year after year, year after year, as long as the plane is in operation.

Mr. DANAHER. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. DANAHER. Does the Senator know whether or not this particular record of the hearings contained all the testimony given before the committee?

Mr. CLARK of Missouri. I can say that none of them contained all of it.

Mr. DANAHER. Whether or not what happened at the White House is known generally, there is one man who knows what all the facts are, and he has recommended that we build and authorize 3,000 planes. Is that not so?

Mr. CLARK of Missouri. That is correct.

Mr. DANAHER. Will the Senator please tell me then from what source the demand for 5,500 planes emanates?

Mr. CLARK of Missouri. The total will be 5,500 planes.

Mr. DANAHER. Yes; I realize that.

Mr. CLARK of Missouri. That is the total, with what we have now.

Mr. LOGAN. Mr. President, the number of planes the bill authorizes is 3,200, which, with what has already been authorized, makes 5,500?

Mr. CLARK of Missouri. That is correct.

Mr. LOGAN. The suggestion of going above that, as I recall, came from the War Department. I do not know which one of the chiefs suggested that perhaps by procuring a large number of planes they could, with the amount of money appropriated, secure—

Mr. CLARK of Missouri. Mr. President, no one knows how much is authorized. No certain amount is authorized in the bill.

Mr. LOGAN. I thought there was.

Mr. CLARK of Missouri. I should be glad to have the Senator show what it is.

Mr. LOGAN. I may be wrong about that. I thought the amount was \$300,000,000, divided up—

Mr. CLARK of Missouri. I think the Senator and I will agree that the figure \$170,000,000 comes about in this way: The President in his message mentioned the sum of \$300,000,000. Three hundred million dollars was afterward broken down in a letter from the War Department which the chairman of the committee showed me the other day; \$170,000,000 for new planes and \$130,000,000 for airdromes and ground improvements, and one thing or another of that sort. But if we enact the bill in its present form, there is no limitation on earth to the amount of money that the War Department can spend, except a letter from the War Department saying they intend to spend \$170,000,000.

Mr. LOGAN. If a large sum is to be expended for planes—and not more than 3,200 planes could be obtained with that sum of money—we would have to raise that limit; but if they do not spend all the money, we simply have that much money left unexpended?

Mr. CLARK of Missouri. Mr. President, if we need only 5,500, it seems to me to be an entirely feasible matter to get the 5,500 at a sum less than \$170,000,000, and save that much for the hard-pressed taxpayers of the Nation.

Mr. LOGAN. So the question is not very material after all?

Mr. CLARK of Missouri. I think the question of whether to spend more or less money is very material.

Mr. LOGAN. The same amount of money is authorized in either event.

Mr. CLARK of Missouri. I will say that if the committee amendment is adopted, I then intend, when I have an opportunity, to offer a further amendment to fix the amount authorized at \$170,000,000, so we do not have to depend on the Secretary of War; so that we will have a congressional enactment on the subject. I think we ought to have both of them—an authorization of 5,500 planes and a limitation of not more than \$170,000,000.

Mr. LOGAN. There ought to be a limit in the bill.

Mr. CLARK of Missouri. There is no limit in it whatever, I think the Senator will agree with me, except the limitation on the new defenses and the provision for the defenses of the Panama Canal.

Mr. NORRIS. The Senator is speaking of a limit on the appropriation. Ordinarily I think that is very good legislative practice. Has the Senator given consideration to the

thought that we are now dealing with the production of airplanes, the cost of which, as I understand, is constantly increasing? It seems to me I can see a danger in limiting the money rather than the number of planes. The amount of money might be insufficient if some new development took place which would enable us to obtain a much better plane at a very much enhanced price.

Mr. CLARK of Missouri. I think there ought to be a limitation on both the number and the amount of money. I will say to the Senator from Nebraska that it seems to me that we are in the inevitable pre-war inflation period. When the Government starts to buy munitions on a tremendous scale, whether they be battleships, shells, powder, airplanes, or anything else, the manufacturers begin to hoist their prices, the cost of labor goes up, material men begin to raise their prices, and we soon have an inflation of values which leads to the inevitable concomitant of a depression after the war. It seems to me, Mr. President, in view of the experience of the Maritime Commission in the purchase of ships last year, the experience that is being had by the Navy Department in the letting of bids for naval vessels, and the bids which have come to us for airplanes, that we have already entered upon the tragic period of pre-war inflation; and that every safeguard the Congress can possibly put upon its appropriations in that pre-war period of inflation ought to be adopted in the interest of the American taxpayer.

Mr. NORRIS. By the questions I am asking I am seeking only to help.

Mr. CLARK of Missouri. I am very certain of that, Mr. President.

Mr. NORRIS. The Senator speaks of a combination to increase prices. As a result of our past experience, his remarks appeal to me very much. Has the Senator given any thought to the idea of regulating the price and avoiding a combination which might unduly increase the price by including, either in this bill or some other bill, an appropriation which would provide for a Government manufacturing plant by which the Government itself could engage in the airplane business if it wanted to do so? I do not mean with the idea of supplying all the airplanes we need.

Mr. CLARK of Missouri. I will say to the Senator from Nebraska that I am very much in favor of such a proposal. Together with the Senator from Washington [Mr. BONE] and two or three other Senators, I am one of the authors of a bill which has been introduced for that very purpose, having to do with naval vessels and every other type of munition. However, I should add that the War Department is very much opposed to the idea and has brought to bear every possible pressure. Whenever the matter has been suggested, the War Department has been very much opposed to the Government manufacture of airplanes. It is the position of the War Department that the Government cannot manufacture airplanes as well as private manufacturers. Why that is I do not know. As I say, my own personal feeling is that the Government ought to establish factories for the manufacture of every sort of munitions, at least to the extent that such action will provide an adequate yardstick on the fairness of bids which may be made to the Government by private manufacturers.

Mr. NORRIS. The question of the Government manufacture of ammunition and firearms and the building of naval vessels has always been very hotly contested ever since I have been in public life.

Mr. CLARK of Missouri. That is correct.

Mr. NORRIS. I think the same argument would apply to the question of the Government going into the building of airplanes. For reasons which it is not now necessary to go into, I have always felt that the Government was perfectly justified in the establishment of navy yards where it could build ships itself. I think the reduced prices that have come to the Government on account of the existence of the ability of the Government to manufacture its own naval vessels has much more than repaid what we should have lost in higher prices if we had not been able to build the ships ourselves. I think the same reasoning would apply to airplanes.

Mr. CLARK of Missouri. If the Senator will permit me, I will say that a complete illustration of the fact which he has just recited is afforded by a comparison of the tremendous increases in prices made by private shipbuilding companies to the Maritime Commission, which had no Government facilities for building its own vessels, as compared to the bids made to the Navy Department, which did have, to a certain extent, facilities for building naval vessels. The advance in bids in the case of the proffers made to the Maritime Commission was very much greater than the increase in the prices quoted to the Navy Department, because the Maritime Commission had no method of protecting itself against exorbitant bids, and the Navy Department had.

Mr. President, I have detained the Senate much longer than I intended. I urge upon the Senate the consideration of the entire waste of money, as I see it, in the committee amendment.

I now return to the proposition with which I started, that the only justification for the bill, the only ground upon which anyone can conscientiously vote for it, is that it is for the necessary defense of the United States. To appropriate more than is asked for, more than is testified by the most competent authorities and experts of the War Department as being adequate and necessary, is to my mind a pure waste of money.

Mr. President, to return for just a moment to the foreign policy of the United States—

Mr. WALSH. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. WALSH. From my study in the Committee on Naval Affairs of the problem of national defense through the air, I have been impressed with the thought that the first and most important factor in national defense from the standpoint of aviation is the training of reserve pilots and officers.

Mr. CLARK of Missouri. I do not think there can be any question about that.

Mr. WALSH. Two years are required to train a pilot, but only a few months to build an airplane. I am not familiar with the program in the Army, except as I have heard it discussed. I have not been able to follow the hearings. I should like to know what provision, if any, is made substantially and immediately to increase the number of pilots for aviation service?

Mr. CLARK of Missouri. As I recall, the only provision is for training certain college students. I may say to the Senator that I have received a protest from one of the leading aviators in the United States, who also has been one of the leading manufacturers of airplanes in the United States, a man who was formerly the squadron commander of Colonel Lindbergh during Colonel Lindbergh's service in the Missouri National Guard. He protests very bitterly against the provision in the bill limiting training to college students, because he says there are a great many mechanics and young men all over the country who did not have an opportunity to be college students, and do not now have an opportunity to be college students. They have been trained as mechanics, and more or less trained in aviation, and are equipped in every way to become excellent pilots. Under the terms of the bill they will be excluded from training. He points out that Colonel Lindbergh, for example, had no opportunity of going to college; that he, himself, had no opportunity of going to college; that many of our best war fliers had no opportunity of going to college; and that they would be excluded from training by the terms of the bill.

Mr. WALSH. Does the bill exclude enlisted men from becoming pilots?

Mr. CLARK of Missouri. The bill provides for the training of college students, and college students alone.

Mr. WALSH. Some of the best pilots in the Navy are enlisted men.

Mr. CLARK of Missouri. That is true in the Army as well.

Mr. WALSH. Are we now to limit to college men the vocation or art of piloting in the aviation field?

Mr. CLARK of Missouri. I would not say that there is a limitation. However, there is a provision in the bill for the training of college students, and college students alone.

Mr. WALSH. Are these planes to be built immediately? Over what period of time is it contemplated to build them?

Mr. CLARK of Missouri. I understand it is contemplated that they will be built within 2 years. I will ask the Senator from Texas [Mr. SHEPPARD] to answer that question.

Mr. SHEPPARD. The program contemplates construction over a 2-year period; and deliveries are expected to begin within 6 months after funds are made available.

Mr. WALSH. Have we a sufficient number of trained pilots to operate the planes expected to be delivered within the next 6 months?

Mr. SHEPPARD. The pilots are now in training, or will be, in sufficient numbers to meet the first increments. Additional training facilities will take care of additional increments.

Mr. CLARK of Missouri. Mr. President, very briefly to conclude, let me repeat that so far as the question of our obligation to put ourselves and our resources at the disposal of the so-called democracies of the world is concerned, I think the greatest contribution that the United States of America can render to democracy in the world is to take care of democracy in the United States of America, to preserve our institutions intact, and to give an example to the world of democracy in this country.

I again refer to the great speech made by President Roosevelt at Chautauqua on August 14, 1936, to which reference was made yesterday by the Senator from California [Mr. JOHNSON] and today by the Senator from North Dakota [Mr. NYE]. I wish again to read a few extracts from that speech. The President said:

Long before I returned to Washington as President of the United States I had made up my mind that pending what might be called a more opportune moment on other continents, the United States could best serve the cause of a peaceful humanity by setting an example. That was why on the 4th of March 1933 I made the following declaration:

"In the field of world policy I would dedicate this Nation to the policy of the good neighbor—the neighbor who resolutely respects himself and because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

This declaration represents my purpose; but it represents more than a purpose, for it stands for a practice. To a measurable degree it has succeeded; the whole world now knows that the United States cherishes no predatory ambitions. We are strong; but less powerful nations know that they need not fear our strength. We seek no conquest; we stand for peace.

In the whole of the Western Hemisphere our good neighbor policy has produced results that are especially heartening.

The noblest monument to peace and to neighborly economic and social friendship in all the world is not a monument in bronze or stone but the boundary which unites the United States and Canada—3,000 miles of friendship with no barbed wire, no gun or soldier, and no passport on the whole frontier.

Mutual trust made that frontier—to extend the same sort of mutual trust throughout the Americas was our aim.

A little later the President said:

Throughout the Americas the spirit of the good neighbor is a practical and living fact. The 21 American Republics are not only living together in friendship and in peace, they are united in the determination so to remain.

To give substance to this determination a conference will meet on December 1, 1936, at the capital of our great southern neighbor, Argentina, and it is, I know, the hope of all chiefs of state of the Americas that this will result in measures which will banish wars forever from this vast portion of the earth.

Peace, like charity, begins at home; that is why we have begun at home. But peace in the western world is not all that we seek.

It is our hope that knowledge of the practical application of the good-neighbor policy in this hemisphere will be borne home to our neighbors across the seas.

We shun political commitments—

Said the President—

We shun political commitments which might entangle us in foreign wars; we avoid connection with the political activities of the League of Nations; but I am glad to say that we have cooperated wholeheartedly in the social and humanitarian work at Geneva. Thus we are a part of the world effort to control traffic in narcotics, to improve international health, to help child welfare, to eliminate double taxation, and to better working conditions and laboring hours throughout the world.

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We are not isolationists except insofar as we seek to isolate ourselves completely from war. Yet we must remember that so long as war exists on earth there will be some danger that even the nation which most ardently desires peace may be drawn into war.

I have seen war. I have seen war on land and sea. I have seen blood running from the wounded. I have seen men coughing out their gassed lungs. I have seen the dead in the mud. I have seen cities destroyed. I have seen 200 limping, exhausted men come out of line—the survivors of a regiment of 1,000 that went forward 48 hours before. I have seen children starving. I have seen the agony of mothers and wives. I hate war.

I have passed unnumbered hours, I shall pass unnumbered hours thinking and planning how war may be kept from this Nation.

The Congress of the United States has given me certain authority to provide safeguards of American neutrality in case of war.

The President of the United States, who, under our Constitution, is vested with primary authority to conduct our international relations, thus has been given new weapons with which to maintain our neutrality.

Nevertheless—and I speak from a long experience—the effective maintenance of American neutrality depends today, as in the past, on the wisdom and determination of whoever at the moment occupy the offices of President and Secretary of State.

It is clear that our present policy and the measures passed by the Congress would in the event of a war on some other continent, reduce war profits which would otherwise accrue to American citizens. Industrial and agricultural production for a war market may give immense fortunes to a few men; for the Nation as a whole it produces disaster. It was the prospect of war profits that made our farmers in the West plow up prairie land that should never have been plowed, but should have been left for grazing cattle. Today we are reaping the harvest of those war profits in the dust storms which have devastated those war-plowed areas.

It was the prospect of war profits that caused the extension of monopoly and unjustified expansion of industry and a price level so high that the normal relationship between debtor and creditor was destroyed.

Nevertheless, if war should break out again in another continent, let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches—fools' gold—would attempt to break down or evade our neutrality.

I may say, Mr. President, that that condition which the President predicted 2 years ago is coming to pass in the United States today before a state of war is even in existence.

They would tell you—

Continued the President—

They would tell you—and, unfortunately, their views would get wide publicity—that if they could produce and ship this and that and the other article to belligerent nations, the unemployed of America would all find work. They would tell you that if they could extend credit to warring nations that credit would be used in the United States to build homes and factories and pay our debts. They would tell you that America once more would capture the trade of the world.

That is what we are hearing today over the radio and in the newspapers of the country. The President continues:

It would be hard to resist that clamor—

And it is now becoming hard to resist it—

It would be hard for many Americans, I fear, to look beyond—to realize the inevitable penalties, the inevitable day of reckoning that comes from a false prosperity. To resist the clamor of that greed, if war should come, would require the unswerving support of all Americans who love peace.

If we face the choice of profits or peace, the Nation will answer—must answer—"we choose peace." It is the duty of all of us to encourage such a body of public opinion in this country that the answer will be clear and for all practical purposes unanimous.

With that wise and experienced man who is our Secretary of State, whose statesmanship has met with such wide approval, I have thought and worked long and hard on the problem of keeping the United States at peace. But all the wisdom of America is not to be found in the White House or in the Department of State; we need the meditation, the prayer, and the positive support of the people of America who go along with us in seeking peace.

No matter how well we are supported by neutrality legislation, we must remember that no laws can be provided to cover every contingency, for it is impossible to imagine how every future event may shape itself. In spite of every possible forethought, international relations involve of necessity a vast uncharted area. In that area safe sailing will depend on the knowledge and the experience and the wisdom of those who direct our foreign policy. Peace will depend on their day-to-day decisions.

At this late date, with the wisdom which is so easy after the event and so difficult before the event, we find it possible to trace the tragic series of small decisions which led Europe into the Great War in 1914 and eventually engulfed us and many other nations.

Mr. President, with every word of that great address of the President, made at Chautauqua, N. Y., on August 14, 1936,

when he was a candidate, I am in entire accord, and the overwhelming majority of the American people are in entire accord. I pray, Mr. President, that the meditation and the study of these great problems for which the President then called on the American people may now be provided to us, because, as I predicted a year ago in the consideration of the extraordinary naval authorization bill, there can be no doubt whatever that we are in the midst of a definite effort of propaganda in this country to make this country war conscious; to assume that there is to be a war abroad, and to take it for granted that if there is to be a war abroad we shall make no substantial effort to preserve our neutrality and keep out, but must necessarily so shape our course in advance that we shall be prepared to enter into the war on the side of one set of belligerents.

Against that course on the part of any public man I protest. I pray to Almighty God that the American people may be sufficiently aroused to determine American public policy against any such course.

Mr. SHEPPARD obtained the floor.

Mr. VANDENBERG. Mr. President, will the Senator from Texas yield to me for just a moment?

Mr. SHEPPARD. I yield.

Mr. VANDENBERG. Before the Senator from Missouri leaves the floor I desire to express to him on my own account my deep gratitude for the address he has just made to the Congress and the country. I think it is one of the most courageous and most persuasive and most invincible and most unanswerable speeches I have heard in my day in the United States Senate.

Mr. CLARK of Missouri. I thank the Senator very much.

JOINT MEETING OF TWO HOUSES—ORDER FOR RECESS AND ADJOURNMENT

During the delivery of the speech of Mr. CLARK of Missouri,

Mr. BARKLEY. Mr. President, will the Senator from Missouri yield for the purpose of my making a unanimous-consent request, as I am compelled to leave the Chamber?

Mr. CLARK of Missouri. I yield.

Mr. BARKLEY. I ask unanimous consent that at the conclusion of the business of the Senate today it stand in recess until 11:30 o'clock a. m. tomorrow, and that, at the conclusion of the joint session of the two Houses tomorrow, the Senate stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

Mr. McNARY. Mr. President, I have no objection; but I should like to ask the Senator from Kentucky is it his purpose to have a vote on the pending amendment today?

Mr. BARKLEY. It is perfectly obvious we cannot vote on anything today.

Mr. McNARY. I assumed that to be so, but I wanted to be sure, because the inquiry has been propounded to me many times.

Mr. BARKLEY. The reason I make the request at this time is that I have got to leave the Chamber. I submit the request, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

The Chair hears none, and the order is made.

After the conclusion of the speech of Mr. CLARK of Missouri,

THE NATIONAL DEFENSE

The Senate resumed the consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

Mr. SHEPPARD. Mr. President, the Senator from Missouri [Mr. CLARK] stated that the Senate Military Affairs Committee adopted this increased maximum, namely, 6,000 planes, without rhyme or reason; in other words, that we picked it from the thin air. The fact is that we got it from the War Department itself. We followed the original suggestion of the War Department in its official effort to carry out the plan proposed by the President. In the bill on this

subject originally sent both to the House and to the Senate by the War Department, a maximum authorization of 6,000 planes was requested. Let me read the first section of the bill now before the Senate, which was first sent us by the War Department as a separate bill:

*Be it enacted, etc., That * * * the Secretary of War is hereby authorized to equip and maintain the Air Corps with not to exceed 6,000 serviceable planes—*

And so forth. It was the House Committee on Military Affairs that reduced the maximum from 6,000 to 5,500 and the House sustained that reduction. The War Department did not ask for 6,000 planes as a permanent operating number of planes. It asked for this as a maximum authorization, needed to maintain a practicable average which would carry out the War Department plan, that average being about 5,500.

This bill from the War Department undoubtedly represented the view of all the experts in the Department; and when the experts discussed the bill before the Senate committee they discussed it with the idea in mind of an average of 5,500 under a maximum authorization of 6,000.

I trust that the restoration by the Senate committee of the figure first sent down by the War Department as a maximum authorization will be accepted by the Senate.

The increase we have provided in this authorization will not involve the expenditure of a single dollar beyond the amount the President originally had in mind when he proposed the program. He suggested \$300,000,000 for the Air Service, and of that \$300,000,000 he has planned to use \$170,000,000 for airplanes, the rest to be used for organizational equipment, bombs, personnel, and so forth. We have his word that this will be the limit requested by the Department for airplanes in connection with this plan.

Mr. BONE. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. BONE. In view of the presence of the element of obsolescence in military and naval planes, which is apparently so great, and which of necessity would probably involve a much larger expenditure than in ordinary commercial operations, can the Senator give us some idea of what the over-all cost of a plane might be? I presume, of course, it would depend upon the character of the plane, whether a pursuit plane or a bomber; but what can we look forward to in the way of expense for the maintenance and replacement of planes of that type?

Mr. SHEPPARD. The estimate in connection with the present plan, if this bill should be passed, is that operation and maintenance after 1941 will amount to about \$233,000,000 a year. It is difficult to give the cost for a single plane.

Mr. BONE. We have no way of securing a really effective check on prices since the Government and Congress have refused to do anything, I know at my urgent request many times, with the airplane factory in Philadelphia. I wanted the Government to have some sort of a yardstick set up by which it could measure prices, for we have been through one or two very bad scandals in the matter of furnishing munitions of war, and apparently we are going to strip ourselves of any sort of a yardstick in this operation.

Frankly, I do not like that. I am not asserting that airplane companies will do anything vicious or bad in this respect; but we have had a very unhappy experience in the past, and I shall watch with interest what we do with the Government airplane factory in Philadelphia. Repeated efforts have been made to destroy that factory, and I am wondering what sort of check we are going to have on prices for airplanes.

Mr. SHEPPARD. I am in favor of any reasonable restriction that may be thrown about that matter. I am as much in earnest on that subject as is the Senator.

Mr. BONE. We ought not to let down all our guards, and permit private airplane manufacturers to make a Roman holiday of a program of this sort.

Mr. SHEPPARD. We are not letting them down. The Air Corps has one of the strictest and most effective sys-

tems of checking what these factories make in the way of profits and whether they are "putting anything over" on the Government—as strict a system, in my judgment, as has any other organization in America.

Mr. LEE. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield to the Senator from Oklahoma.

Mr. LEE. That point was pretty well discussed in the hearings. I shall not read what was said, but I call the Senator's attention to pages 54 and 55, where General Arnold definitely stated that the War Department knew to the fraction of a percent the profits made in each airplane factory to which they let contracts. He also suggested that it might be possible that legislation later would be helpful in limiting or putting a ceiling on those profits, and I am sure we should find no disagreement in this body to doing that.

Mr. KING. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. KING. The Senator stated, if I correctly understood him, that after a certain length of time the cost of maintenance would be more than \$230,000,000 a year.

Mr. SHEPPARD. The cost of operation and maintenance after this plan shall have gone into effect, 2 years from now, is estimated to be about \$233,000,000 a year.

Mr. KING. I presume that does not include the payments made to the technicians, and to the pilots, and to the enlisted men and officers who are connected with the operation of the planes.

Mr. SHEPPARD. Oh, yes; it includes all costs of operation.

Mr. BONE. Does it include replacements?

Mr. SHEPPARD. Yes; maintenance and operation include replacements.

Mr. BONE. I understand that; but, of course, there is the element of obsolescence in military and naval planes, which, perhaps, is of a stature not found in many forms of business. These planes are being continually improved by forms of streamlining, and in engine construction, and in various other ways, with primary stress, I suspect, on speed, which is becoming more and more the vital element.

Mr. SHEPPARD. That is true; but as the planes become obsolescent, say, for fighting purposes, there are other ways in which they can be used, namely, for training and transport. The average life of a plane in the Air Corps is about 5 years.

Mr. KING. May I ask the Senator one other question?

Mr. SHEPPARD. Certainly.

Mr. KING. What is the basis of calculation that the cost for maintenance and operation will amount to \$200,000,000 plus?

Mr. SHEPPARD. I asked the Air Corps Service for the total figure, and I did not go any further at the time. I shall endeavor to get for the Senator the information he desires.

Mr. KING. I was wondering how many planes they assume will be in operation in order to bring about the cost of \$200,000,000 plus.

Mr. SHEPPARD. They figure an average of 5,500 planes, which may mean sometimes more and sometimes fewer than that number.

Mr. KING. It does not contemplate, then, in excess of 5,500 planes?

Mr. SHEPPARD. Except what excess may be necessary to keep the 5,500 as an average; that is all.

To show that the President had in mind the probability of having more than 5,500 planes in order to maintain the average, let me quote from his message of January 12. He said:

It is proposed that \$300,000,000 be appropriated for the purchase of several types of airplanes for the Army. This should provide a minimum increase of 3,000 planes, but it is hoped that orders placed on such a large scale will materially reduce the unit cost and actually provide many more planes.

This shows that the President had in mind the probability of more planes than the minimum of 3,000.

It so happens that the minimum of 3,000 added to the planes which we shall have under the present plan—and it

will take 2 years to complete the present plan—makes 5,500. That is how the figure 5,500 came in; and the House adopted that figure as the maximum, which would, of course, prevent us from getting an average of 5,500.

As to the actual sum itself not being specifically authorized in the bill, let me say that I consulted the office of the Comptroller General and was told by him that the authorization of an additional activity for an existing agency was a sufficient authorization for the acquisition of that activity and an appropriation therefor; that the department concerned would come before the Committees on Appropriations and the Committees on Appropriations would then decide what was reasonably adequate in order to secure that activity. That is why we did not put the specific amount in the bill.

Mr. President, I call attention further to the fact that after the entire amount authorized in the bill shall have been secured, not only the additional planes but the planes now authorized, we will have a front-line fighting force of less than 2,500 planes, indicating to my mind a modest and conservative plan in view of the scope of our national defense.

Mr. President, I believe that is all I have to say at present.

Mr. LEE. Mr. President, I am unwilling to allow any Member of this body to make a stronger statement for peace than I. I am also unwilling for any Member to infer that those of us who vote for the pending committee amendment do not favor peace as ardently as those who vote against it.

I favor keeping America out of war, and I favor keeping war out of America, and the only defense against an air raid is to have enough planes of our own to repel the attack.

Mr. President, we have for a long time been short, so far as air defense is concerned. I believe this is because of our dual national defense program, that is, of the Navy and the Army, with air defense as an orphan bounced back and forth between the two. I do not say it with any disrespect to our fine Army aviation, but the fact is that our Army fliers were unable successfully to carry the mail. It is true it was not a fair test, but I submit that if they could not carry the mail they could not repel an attack of airplanes.

I will put my record in championing world peace alongside that of any man, and I heartily concur in the fine words spoken by my able colleague, the Senator from Missouri [Mr. CLARK]. We have served together shoulder to shoulder in the American Legion organization, we have joined hands in its programs, we see eye to eye in preventing war profits. Both of us ardently yearn for peace in the United States.

I call the attention of Senators to Ethiopia. Did Ethiopia meddle in the affairs of other countries? Did Ethiopia put her nose into other people's business? Was it a top-heavy air defense on the part of Ethiopia which caused Mussolini's war eagles to blast that nation off the face of the earth as a nation?

The Senator from Missouri in his able and eloquent manner presented a terrible picture of those buddies of ours who served in France as they returned. I could not but in my imagination see the pictures I have seen of the poor Ethiopian people, depending upon their bush warfare to defend their nation. I could not help remembering pictures I had seen of those men as their own hillsides were strewn with the dead who had died trying to fight with out-of-date weapons of defense. I could not but remember movie newsreels I had seen of the war in China, of hordes of slain Chinese, a little girl leaning over and shaking the body of her father, whose life had been blown out by a bomb dropped from the air. Do not Senators think that China would have been glad to have enough airplanes to send up to repel the air attacks and the air raids?

I will not allow any man in this body or anywhere else on the face of the earth to champion peace more than I. But there are two ways of looking at it. I favor keeping America out of war, and I favor keeping war out of America, and the only way we can do that is to have sufficient strength to repel an attack.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. LEE. I yield.

Mr. MINTON. For two days we have been hearing a lot of fervent oratory which would lead one to believe that the matter before the Senate at the present time was a resolution declaring war on some nation, and that the reason why we were going to declare war was that we wanted to police the lanes of the earth for some other nation, that we wanted to pull some nation's chestnuts out of the fire. Is there any such problem as that embraced in the bill now before the Senate?

Mr. LEE. There is not, and the Senator is quite correct; but the inference has been, in the speeches, that those of us who support this very modest effort to bring our air defense up to a reasonable figure are arguing in favor of war, or in favor of meddling in some other nation's business. Every expert before our committee testified that the program outlined in the pending bill was not of sufficient size to lead us to attack any country; was not of sufficient size to enable us to wage even a defensive major war; that it was simply the barest possible air defense which, in their judgment, would enable the United States to maintain a posture of respectable national defense, which would cause other nations to respect us. It is a program which is spread over 2 years; therefore, divide it in half, and it will be seen that it provides a very small air defense compared with that of Germany.

I wish the Senator from Missouri had remained in the Chamber, because I desire to call attention to the fact that I did not hear one witness who had any access to the facts at all who put the number of fighting planes in Germany below 9,000. That was the lowest and it ranged from that upward. One newspaperman put the number at 18,000, but he did not appear before the committee, although he had access to the facts, had been to Germany in person. Others who testified before the committee put the number of fighting planes in Germany alone far in excess of 9,000, and stated that the number in Italy was five or six thousand. I am not sure as to the last figure, but I am as to the figure for Germany.

Mr. MINTON. And the ability of Germany at the present time to produce 1,200 planes a month.

Mr. LEE. That is correct; and the most modest estimate of that was a thousand planes a month. The question was asked, "General Arnold, how long will it take to make some of these planes?" The answer was a shrug of the shoulders—"I do not know; perhaps in 6 months we might get two or three." Yet the effort is made here to make it appear that those of us who would have our country prepare sufficiently to be able to repel an attack are war lords, desiring to meddle in some other nation's business, desiring to rake some other nation's chestnuts out of the fire. This bill is for defense and defense only.

Antiaircraft guns are pitiful protection against an air raid. It is very difficult to hit a plane 5,000 or 10,000 feet in the air with one of those guns. The percentage of hits is so low that they do not provide a defense. When you hear the roar of an attacking air fleet coming, and see the horror and fear upon the faces of children and women, and see people running toward bomb-proof dugouts and grabbing gas masks, the only thing that gives you a feeling of security is the sound of a louder roar behind you, and the knowledge that from your own flying field there are certain of your own planes taking off into the air to meet the enemy and fight it out in the air. That is the experience of those abroad.

Germany is vaunting her air defense. Are we to believe those who know? Are we to believe the Ambassador to France? Are we to believe the Ambassador to England, who comes here and calls us together, not with the idea of keeping anything from the people but with the idea of keeping something for the people, calls us together in a joint meeting, all parties represented, and tells us the situation? We say, "Mr. Ambassador, that seems incredible." The reply is, "Nevertheless, that is the best knowledge we have of the situation."

We are given to believe that if we support the pending bill as the committee reported it we are asking for war, that we would go abroad. I heard the President of the United States say that the last thing he would ever want to see

done would be sending any American boys from our shores again. That is my feeling. I will not sit silently by and let anyone put words into my mouth, and I will say that in my opinion the Senator from Missouri read into the mouth of General Arnold words in effect stating that the number of planes asked by the House, 5,500, was entirely adequate. The Senator from Missouri said, "Where do you get that? You made it out of thin air."

The chairman of the committee, the Senator from Texas [Mr. SHEPPARD], has told the Senate that was the first and the original recommendation by the War Department itself, a maximum of 6,000 planes. That is written in the bill as it came from the House, and the Senate committee cut it down to 5,500.

The Committee on Military Affairs is made up of men assigned to that committee by request, in most cases, because they are opposed to war, and want to do everything they can to prevent war. After we heard the testimony, we almost unanimously recommended raising the House figure to 6,000.

That is how it happened. It was not constructed from a fictitious number. It was not an arbitrary figure. I asked the witness when I was there—

Do you think that is enough with which to fight a major war?

Certainly not.

How long will it take to get a program such as that operating?

Well, about 2 years.

Have we enough pilots to fly them?

No; but the bill provides training pilots in 14 colleges of the United States.

Why can we not train more pilots now?

Because the total number of officers we have in the air force today is 2,300.

Do you mean that is all you have in the United States in the entire air force?

That is correct.

Could you not place noncommissioned officers, General Arnold, in the different schools over the Nation, and let them train these students in the ground work?

No; we cannot spare them. We think it better for them to go out through the technological schools.

And that, Mr. President, is written in the bill.

We have seen in the last few months the almost unbelievable happen. We have heard on the floor of the Senate at least two Senators—I cannot challenge their motives; I never would think of questioning their purpose—but we have seen them make light, so to speak, of the number of airplanes that Germany has, of the number of airplanes that Italy has. We have seen them attempt to make the people believe that everyone who reported on that was mistaken; that it was a fairy story; that there is nothing to that. I wonder if they think it is a fairy story that a nation, without any provocation at all, would perpetrate upon a helpless nation what Mussolini perpetrated upon Ethiopia, the outrages perpetrated upon that nation, for which no other defense in the world was made except that Italy wanted that nation.

They would undertake to make you believe the only way that war comes to a nation is when that nation goes out of its way and does something to invite that war. I will tell the Senate what invites war in this day of dictator nations. It is weakness.

One could hardly believe in this day, if one did not know it, that a nation has expanded its territory with cold-blooded persecution of the head of the Austrian Government by the Brown Shirts and then has taken over the Government itself. Why? What had Austria done? Was that done because Austria had armed herself? No; certainly not. It was done because she had not armed enough. That is why war was thrust upon her. She did not invite war. She did not do anything to bring it about. She simply slept while the others prepared.

Mr. President, after seeing the situation as we saw it on those two committees, the one in the House and the one in the Senate, I think we would be unpatriotic if we did not come back and tell the Members on the floor the truth about the thing as we saw it, and we would be sleeping on our rights as patriotic citizens.

Here is the very barest, leanest preparation for defense, and it is made with a full consideration of the natural pro-

tection that the two oceans give us. That is taken into consideration. It is also taken into consideration that we are not expecting an air raid immediately. That is not what we fear. It is simply that when you are not armed, then you can expect attack. We do not expect it to come in our country. We know where it would come to us. We know it would come through the Latin-American countries.

I want to point out that we have never drawn a gun to enforce the Monroe Doctrine. Why have we been able to enforce it without that? Because of a psychology which existed. That is what the bill does—it creates a psychology. We saw Japan outrage helpless China. The Chinese are a docile, peace-loving people. We saw them blasted, we saw their homes wrecked, we saw the burnt earth in China.

We have seen all that. We have seen outrages upon humanity which would pale the occurrences depicted on history's pages, such as when Tamerlane finished his pyramid of 70,000 human skulls and stood at the gates of Damascus. It seemed then that the sun of civilization itself was setting in seas of blood. But when the dictator nations piled up a greater pyramid of human lives than was ever contemplated by the barbarian brains of old, it caused us to be resentful. Yet we held our tempers. It made the blood of every red-blooded American boil. That is when the President made his famous quarantine speech at Chicago, a speech that so many refer to as indicating he had changed his attitude. He has not changed that attitude. He is still for the same things. In that quarantine speech he threw the weight of American influence on the side of peace and the moral influence of America against those aggressor nations. That is what that speech did and nothing more.

The people of our country approve it, because what has been done so outraged humanity, it made every American want to speak to those dictators from the mouth of cannon, with flames of fire, but instead we maintained our composure and sent them a calm, regular note from the State Department urging peace. And then some have the nerve even to accuse our President of reversing his attitude and wanting war, when nothing of the kind is the case.

Mr. President, the House retracted on Guam, and in my opinion, that was an unfortunate thing, because of the psychology the inclusion of Guam in the bill had abroad. I do not know anything about whether, from a military standpoint, it would be a good thing to fortify Guam or not, but I know, from a psychological standpoint, it was a bad thing to retract on that point. I hope we can replace that provision in the Senate.

If we now retract, after the Committee on Military Affairs of the Senate almost unanimously raised the ceiling—not the average, but the ceiling, to a maximum of not over 6,000 planes—if we retract on that, then how much more will the press of the dictator nations say we are afraid; and the psychological result will be more and more aggression toward our Latin-American countries. It is not an impossibility that it might result in us having to exercise military force in order to carry out the Monroe Doctrine if they once think we have adopted a vacillating policy. We know that a firm hand prevents war. It was Teddy Roosevelt who at one time asked the German Government to get their battleships out of the Mexican waters. They were dilatory in their answer. He put a deadline—"Get them out in 24 hours." Still there was a sort of a vacillating note. He said, "If that fleet is not under sail in 8 hours"—I believe it was—"we will open fire." In less than that time the fleet was under sail. Thus a firm hand at the throttle prevented war.

I recommend that we accept the committee amendment.

RECESS

Mr. McNARY. Mr. President, under the order heretofore entered, I move that the Senate stand in recess until 11:30 o'clock a. m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 45 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Saturday, March 4, 1939, at 11:30 o'clock a. m.

HOUSE OF REPRESENTATIVES

FRIDAY, MARCH 3, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We draw near to Thee, our all-wise and loving Father, with grateful testimony for Thy goodness. So marvelous are Thy mercies and their manifestations that our hearts say: "Surely goodness and mercy shall follow us all the days of our life." Let the blessed thought inspire us to renewed efforts and consecration. Hear us, for since the ages began Thou hast heard the voices of this world. Thou art the refuge from all who bear false witness, from all who judge without knowledge, and from all who hate. Fill us with Thy spirit, with a new purpose, with new zeal and ardor, and let us reach forth toward a better manhood. Grant, O merciful Giver, that the inward and divine power of truth may be infused into every needy and hungry heart. May we do good when it tries our faith, may we do good when we are lightly esteemed among men, may we do good when no word is spoken and the response is noiseless, may we do good even as our Master did. In the dear Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3743) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1940, and for other purposes."

The message also announced that the Senate further insists upon its amendments Nos. 17 and 18 to the foregoing bill, disagreed to by the House; asks a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. BYRNES, Mr. RUSSELL, Mr. ADAMS, Mr. MCCARRAN, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

REORGANIZATION OF GOVERNMENTAL AGENCIES

Mr. COCHRAN, from the Select Committee on Government Organization, reported the bill (H. R. 4425) to provide for reorganizing agencies of the Government, and for other purposes (Rept. No. 120), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. TABER. Mr. Speaker, in connection with the report on the bill (H. R. 4425) to provide for reorganizing agencies of the Government, and for other purposes, I ask unanimous consent that the minority members of this committee may be permitted to file their minority views and that they be printed with the majority views.

The SPEAKER. How long a period of time does the gentleman desire to file the minority views?

Mr. TABER. Until, say, 6 o'clock tonight, or something like that.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and, of course, I am not going to object, may I ask when it is intended to call up this measure?

Mr. RAYBURN. I may say to the gentleman from Massachusetts [Mr. MARTIN] it has not been definitely determined when this will be called up. We hope to make an announcement on that matter during the day.

Mr. MARTIN of Massachusetts. Some time today we will be advised when this bill will be brought up for consideration?

Mr. RAYBURN. Yes.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

EXTENSION OF REMARKS

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short quotation on one side of a sheet from the hearings on social-security legislation.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. TABER]?

There was no objection.

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to insert therein a list of the former service men of the Spanish-American War, the Mexican punitive expedition, and the World War in the Seventy-sixth Congress.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. BULWINKLE]?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two short editorials from the St. Louis Post-Dispatch.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. ANDERSON]?

Mr. RICH. Mr. Speaker, reserving the right to object, to make an announcement publicly to the House and to the majority leader. The Joint Committee on Printing took up the matter of placing editorials in the RECORD. I stated to the Members on the Senate side it was not fair for us to get after the majority leader on this side; that the Senate should take some action. I am advised by the Senators on the committee that within 3 weeks they will try to take the matter up with the Senate, and we hope for some favorable action. I want to make this statement so that the majority leader will know that all of our seeming animosity is only in the nature of the best of friendship. It is for the best interest of the public and the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. ANDERSON]?

There was no objection.

Mr. STARNES of Alabama asked and was given permission to extend his own remarks in the RECORD.

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend in the RECORD certain remarks I expect to make later in the day.

The SPEAKER. Is there objection to the request of the gentleman from Colorado [Mr. LEWIS]?

There was no objection.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include brief radio talks made by ex-Congressman Binderup and the gentleman from California [Mr. VOORHIS].

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. HILL]?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief editorial on the social-security problem by the editor of the Glendale Star.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HINSHAW]?

There was no objection.

WAR DEPARTMENT APPROPRIATION BILL, 1940

Mr. SNYDER. Mr. Speaker, I move the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4630) making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes; and pending that motion, Mr. Speaker, I suggest that general debate run not more than 1 hour and 45 minutes. Is that satisfactory to the gentleman from New Jersey [Mr. POWERS]?

Mr. POWERS. The time to be equally divided?

Mr. SNYDER. Mr. Speaker, may I inquire how much time was consumed yesterday?

The SPEAKER. The gentleman from Pennsylvania has used 1 hour and 37½ minutes. The gentleman from New Jersey has used 2 hours and 22½ minutes.

Mr. POWERS. Mr. Speaker, I realize it would not be fair to divide the time today equally, but I may say to the gentleman from Pennsylvania that we have requests on this side of the House for 50 minutes. Suppose the gentleman modify his request and ask that the time for general debate extend not over 2 hours; and then, if we finish before the conclusion of the 2-hour period, we can immediately start reading the bill.

Mr. SNYDER. That is satisfactory, and all the time used in general debate is to be equally divided.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4630; and pending that motion, asks unanimous consent that general debate on the bill shall extend not to exceed 2 hours, the time on the basis of the whole debate to be divided equally between himself and the gentleman from New Jersey.

Mr. POWERS. Reserving the right to object, Mr. Speaker, and I shall not object, I just want it understood with the gentleman from Pennsylvania that the 50 minutes I have here allotted will be granted me.

Mr. SNYDER. Yes.

Mr. POWERS. That is satisfactory.

The SPEAKER. Is there objection to the request?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4630, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

Mr. SNYDER. Mr. Chairman, I yield 25 minutes to a member of the committee, the gentleman from Mississippi [Mr. COLLINS].

Mr. COLLINS. Mr. Chairman, my remarks today will be on the Air Corps of the Army principally, but will deal generally with the subject of airplanes for all services.

Mr. Chairman, I hope when the time comes to take positive action upon the provision of funds to increase our air forces, Army and Navy, the House will not be stampeded into pursuing a course that will mean equipping ourselves with vast numbers of planes which will be worthless 2 or 3 years from now.

Of course, if we are planning to send forces to Europe, that is one thing; but if we are building because some may feel there is danger of Europe, or some part of Europe, coming over here, we are simply wasting public money and approaching that much nearer to complete bankruptcy.

How many airplanes has Germany? How many airplanes has any European power? Who has seen them? Who has counted them? Who can speak authoritatively as to their superior characteristics, their superior speed? When did nations begin disclosing this sort of information in a way that all who run may read? Let me read from the report on this bill of last year. That report was dated March 23, 1938, less than a year ago.

There is evidence in the possession of the committee that we greatly excel any power in the world in naval aviation, and that, from the standpoint of project airplanes on hand, on order, and remaining to be ordered under funds heretofore made available, both Army and Navy, we are only excelled by the British Empire.

What was that statement based on? It was based on confidential information supplied to the Committee on Appropriations by the Intelligence Office of the Chief of Naval Operations. Not on general statements, but on detailed figures submitted and represented to be authentic.

We maintain military and naval attachés in every important foreign capital in Europe. At some we have more than one and at the principal ones we also maintain air

attachés. In God's name, what have these attachés been doing in the space of less than 12 months, unbeknown to them, a complete reversal of the picture has taken place and one power which ranked below Russia and Italy in the confidential report to which I refer is now represented to have a force the equal of almost the combined forces of all of the other large powers of the world? I understand this alleged astonishing superiority in the size of this nation's air force was unknown to this Government as late as last October and it was only recently that this supposed reversal in estimates was made.

I am not saying that these reports are not true; I am disposed to doubt their accuracy. I do say this: If they are true, the attachés who have been asleep on the job should be eliminated from the service, and I suggest that the Committee on Military Affairs of this body may very well call these officers before it and demand an accounting.

Mr. Chairman, I have a suspicion that some propagandist in the aviation industry is back of all this urge to build up a vast air force. It has been frequently stated that such propagandists in other industries have already been under suspicion in times past of inspiring programs for building up the surface Navy. At one time such a propagandist was in attendance at an arms limitation conference and was known to be quite active throughout its sessions. Why such a suspicion? What are the facts? This Budget began to take definite form last autumn just about the time the news broke about the alleged tremendous strides that had been made in aviation by Germany and Italy. At that time the Army and Navy were approaching their airplane objectives. It became obvious from a careful review of the planes on hand by both services that business from these sources would be confined to replacement airplanes. Planes last longer today than formerly and attrition will occur principally from crashes, and crashes today are not so numerous as formerly. Let me illustrate to you what the industry had to look for from the Army. On the basis of funds heretofore made available and the funds asked for in the pending Budget, apart from the supplemental estimates, these are the Army's predicted delivery figures as shown by War Department justifications:

Fiscal year 1939-----	673
Fiscal year 1940-----	285
Fiscal year 1941-----	286
Fiscal year 1942-----	77

Looking at the picture from another standpoint, the same justifications indicate that the planes on hand and on order June 30, 1940, will be 2,392, exclusive of National Guard planes—more than 200 planes above the well-known Army program. With the life of the plane estimated at 8 years and crashes fairly small as they have been in recent years, it would take about 300 planes each year, or perhaps less than that number, as a fairly accurate figure for the future replacement program in the Army. It is evident that this is not a very inviting picture to industry. After the Budget was made up and presented we were suddenly awakened and told we are going to the bow-wows unless we started immediately to building airplanes. Pronto, we get a supplemental estimate of \$50,000,000 to build 565 airplanes over and above what we have been continuously told was the authorized strength of airplanes for the Army, and we were further told that the money should be made immediately available.

I do not wish to do anyone an injustice. I hope this urge has nothing back of it but the highest patriotic motives. But why, in the name of heaven, are we now short on airplanes unless we are planning to fight overseas, is beyond my comprehension. There is not a plane in Europe today that can come over here and attack us and get back. If the Navy cannot prevent the establishment of an air base sufficiently near us for such an attack to be made from the air, something is radically wrong with it.

What of our air forces? I am one of those who still give high place in our scheme of military defense to the two oceans which isolate this hemisphere from other lands. The day has not yet come when we need fear air raids from across the seas. Of course, there are foreign aircraft which

can cross the Atlantic nonstop. But there are none that can cross the Atlantic and return without refueling.

We, too, have aircraft—military aircraft—which can do the same thing, but it must be borne in mind that foreign military airplanes—by far the greater portion of them—are designed and built for missions not relatively far from national boundaries; for use against adjacent or practically adjacent powers. Their radius of action is designedly short. Fuel loads are cut down to make room for munitions. We have nothing to fear of such aircraft so long as they cannot base near our borders, and if our Navy as at present constituted cannot prevent that, it should be scrapped. I hardly think we should pause to consider attacks by airplanes launched from airplane carriers against our country. They are the most vulnerable of all navy surface craft, as they present the best air target. No sensible nation would permit one to come within striking distance of an enemy coast line unless it was prepared to sacrifice the ship and its aircraft. There again I should say we have been recklessly squandering public funds, if we cannot depend upon the Navy, afloat and aloft, supported by Army aviation, to render negligible, if not impossible, any damage from that quarter.

It was understood until this year that the authorized strength of our air force is 5,320 useful or serviceable airplanes. That number has by this bill been increased to 5,855. That number divides 2,855 Army and 3,000 Navy. The latter number was increased, and I think unwisely so, in the Naval Expansion Act, approved last May, from 1,910. I should have given the increase to the Army, because I think the Navy is wasting a lot of money on slow and cumbersome seaplanes, and I think military defense would be better served by putting that money into faster and more easily maneuvered landplanes.

It is my firm conviction that 5,855 airplanes of the right types are adequate for our peacetime needs, and I should like to add that unless we do not wish to avoid bankruptcy we should get out of the notion of going much beyond that number. Fifteen to twenty thousand military airplanes, their upkeep, ground crews, and bases would bankrupt this or any other nation in the world today.

There is much hysteria abroad. There is need for reason to assert itself. We can do much to improve our peacetime air force, and there is much we can do and should do to pave the way for its rapid augmentation if and when a genuine need should arise.

Mere numbers of planes do not mean anything. Types and performance and rapid production facilities, and types that lend themselves to rapid production, should be our chief concern, plus a trained reserve of personnel. Today we have on hand and on order a multiplicity of types for identical missions, all, or practically all, of different performance qualities. We have no adopted type or design for a particular mission. We buy a certain number of a particular design today and tomorrow an improved design comes out and we buy a certain number of them, and in the end we shall wind up with a heterogeneous conglomeration. I maintain that the Congress has determined that we should have an air force, collectively speaking, of a certain number of airplanes, not on paper but actually on hand. Under the procurement systems in both services, however, purchases have been long deferred awaiting new developments. If there has been delay in purchasing planes, it is not because the money has not been forthcoming. Unquestionably, we have too many types and I ascribe that partly, at least, to the domination of the land and sea arms where there is a disposition to disregard the growing stature and importance of the air arm, which has outgrown simply "an adjunct" stage and has become almost a coordinate arm.

Before making further large purchases I should advocate the appointment of a director or coordinator of procurement. This official should immediately get the two services together and fix upon the missions for which planes are needed, and the number of planes deemed necessary to have on hand in peacetime for such missions, and then he should have supervision of their procurement. I should not clothe

this official with any powers over purely military questions. He should, however, be the arbiter of any differences involving military questions, his decision to be subject to change only by the President. Here at the outset we should get away from overlapping, and we should be assured of a dual force built, to the extent practicable, with the thought of one being complementary to the other. The missions should be narrowed as much as possible, having in view the practical question of wartime production.

With this start, I should expect the director of procurement to proceed to buy to the extent that available funds permitted the full incomplete quotas of planes for particular missions of the then proven best current designs. If the number were appreciable, I should deliberately fix a delivery date sufficiently advanced as to compel the contractor to sublet a portion of the work to other manufacturers in order to keep as many equipped establishments going as possible. This, most likely, would make the farmed-out planes cost more, and the contract should provide for such a contingency.

The foremost consideration at all times should be the enlarged demands in the event of national emergency. At all times a make of plane for each mission should be designated as standard and the expense incurred of providing patterns, mechanical devices, and other necessities essential to its production in the designer's plant or other plants to meet predetermined wartime needs. Then, in advancement of the art and science, and to make sure of thoroughly modern replacements, Federal and private research and design staffs should be continually encouraged and new types built in sufficient numbers for thorough test and trial. Study also should be made of short cuts in wartime production, both in manufacturing processes and by eliminating features which it might be better to dispense with than unduly to delay production.

We should strive toward powerfully supercharged airplanes capable of flying at high altitudes at maximum speed. By this I mean altitudes of 20,000 feet and speeds of 300 miles per hour and more. High rates of speed at low altitudes and low speeds at high altitudes are relatively unimportant. I advocate entrance in the Schneider and Pulitzer air races by our military planes so that we can find out if we can compete with foreign planes and learn real lessons from the competition. I advocate that all planes should be powerfully supercharged so that they can fly out of range of antiaircraft guns.

Expensive air bases are not necessary in our plan of military defense. They are targets for adversaries and to achieve protection air bases must go underground. In modern war, airplanes must be able to hide, to take off and land from fields or roads not necessarily adjacent to concealed air bases. In all instances air bases should be located at least 150 miles from the coast.

I advocate also increased aviation in the National Guard. In this organization the expense would be one-tenth of what it costs the Regular Army. National Guard men are paid only for the time they fly—not 365 days a year. They are used to the conditions of their own localities. For example, a National Guard air unit in Alaska would be more effective and very much less expensive than a Regular Army air unit there because the personnel would be conditioned to the climate and terrain. This would hold for National Guard units all over the country, each in their own locality. Therefore, it seems logical to have at least one modern air unit in the National Guard in each State in the Union, and in some States even more than one unit.

Mr. Chairman, it is agreed that this country should possess an adequate air force; one that is capable of immediately taking the offensive—for the airplane is an offensive weapon. Such a force should likewise be efficiently operated. The personnel—officers and enlisted men—should, in the main, be made up of capable young men. The planes should be up to date in both speed and performance. Extra emphasis should be placed on research and development so that ways and means of producing airplanes quickly and in considerable numbers can be attained and this can be done without

attempting to keep plants producing in peacetime at a rate that would answer the increased demands of an emergency. The Army and Navy certainly have enough ability in their organizations to work out successfully this problem. All this fanfare about building an air force second to none when no air power is nearer our shores than 3,000 miles seems to be particularly unfortunate. [Applause.]

Mr. SNYDER. Mr. Chairman, I yield to the gentleman from Colorado [Mr. Lewis] such time as he may desire.

Mr. LEWIS of Colorado. Mr. Chairman, I wish to make a statement concerning what has been done by the city of Denver and its citizens in cooperation with the Army in regard to the Air Corps Technical School, now known as Lowry Field, established at Denver by act of Congress, approved August 26, 1937 (Public, 394, 75th Cong.). I am glad to be able to report that Denver has taken great pleasure in more than fulfilling all its promises.

LOWRY FIELD, THE NEW AIR CORPS TECHNICAL SCHOOL AT DENVER, COLO.

When the matter of establishing a new Air Corps Technical School first came up for consideration, various cities were considered. A board of Air Corps officers, selected by the General Staff and the Chief of the Air Corps, visited 57 cities in the United States; and, after months of investigation and study, reported that Denver was the most suitable place for the location of the new Air Corps Technical School. At that time the Denver Chamber of Commerce and other civic organizations, and the mayor and council of Denver authorized me, as Denver's representative in the Congress, to assure the War Department and the Congress that, if the new Air Corps Technical School should be established in or in the vicinity of our city, Denver would donate to the Federal Government, for the use of the air school, 1 square mile of land suitable for a site, with certain large and valuable buildings thereon, and would also donate, for purposes of an aerial gunnery and bombing range, 100 square miles of land on the plains, at a location to be approved by the Army Air Corps.

Subsequently, as a result of the rapid development in the size and speed of airplanes, it was determined that an area of 1 square mile would not be quite sufficient as a site for the school proper and the landing runways. Accordingly the civic organizations and public officials of Denver, after consultation, authorized me to assure the War Department and the Congress that, if it was the desire of the Air Corps and the Army to have for the school proper a larger site, to wit, 1½ square miles in area, Denver and its citizens would be very pleased to acquire and to donate to the United States, without any expense whatsoever to the Federal Government, such larger area for the school site in addition to the 64,000 acres on the plains for an aerial gunnery and bombing range.

Some of our friends in the Congress, perhaps jocularly, and yet, I surmise, with a tinge of sincerity, suggested that we would not be able to fulfill our promise.

DENVER HAS DONATED 1½ SQUARE MILES OF LAND FOR THE SCHOOL SITE AND 100 SQUARE MILES FOR A BOMBING RANGE

It is my pleasure to inform the House today, and to state for the RECORD, that Denver has secured, at its own expense, and has turned over possession to the United States, 1½ square miles of land, in a single compact rectangular tract for the school site proper and for the runways. The northwest corner of this tract is 6½ miles southeast of the main post-office building in Denver. The tract is 1 mile north and south and 1½ miles east and west. The westerly 1 square mile of this school site is in the city of Denver; the easterly one-half square mile, immediately contiguous, is within the county of Arapahoe, Colo.

In addition to the school site proper, possession has been acquired, and there is in process of conveyance to the Federal Government an area of 100 square miles—64,000 acres—on the plains several miles east and southeast of the school site, in a location approved by the officers of the Air Corps and largely selected by them, for use as an aerial gunnery and bombing range.

At the northwesterly corner of this bombing range and connected with the main part of the range by a wide corridor is an auxiliary landing field, of 640 acres, or 1 square mile.

In addition to these tracts Denver has acquired and has donated to the United States a small, separate tract for use as the site for a radio range beacon to guide airships safely to the school at night. Denver has also acquired and has donated to the United States a strip of expensive land within the city limits, one-half mile long, for extension to the north of the north-and-south runway at the school site proper.

It has been no small task to get together these large tracts of land. The bombing range alone is as large in area as was the original District of Columbia. You will recall that the United States Constitution provides, article I, section 8, for a Federal District "not exceeding 10 miles square," containing 100 square miles. As a result of the retrocession of about 30 square miles to Virginia in 1846, the present area of the District of Columbia is only about 70 square miles.

On the lands acquired for this aerial gunnery and bombing range, were approximately 100 farms and ranches including many on which were dwellings in which the owners and their forebears had lived for 70 years or more. The selection and acquisition of these lands was in charge of Mayor Ben F. Stapleton and a committee of the board of councilmen and the city attorney of Denver, in consultation with officers of the Air Corps. The legal proceedings have been entirely in the hands of Malcolm Lindsey, Esq., the city attorney of Denver, and his staff.

Originally it was necessary to bring some 58 condemnation suits, and 11 other suits were instituted, making a total of 69. I am pleased to be able to report that last week all of these condemnation suits except 13 had been disposed of, either by trial or settlement out of court. Possession of all lands was, of course, acquired by court order immediately on filing condemnation proceedings.

The correction of any flaws in the titles has been, of course, a very tedious process, all of which has been handled by the city attorney and his staff. After obvious flaws in the titles have been corrected, the abstracts are referred to the representative of the Department of Justice. Any further corrections that the Department of Justice asks to have made are being made, all at the expense of the city of Denver, in accordance with our promise.

THIS DONATION, GLADLY MADE, HAS COST DENVER ABOUT A MILLION DOLLARS

The people of Denver, at the city election in May 1935 authorized a bond issue of three-quarters of a million dollars, all of which was sold at a premium and at a very low rate of interest. This \$750,000 proved to be not sufficient, and subsequently there have been transferred from time to time from the general fund of the city, additional amounts in various installments which have increased Denver's cash outlay up to the present time to \$985,000.

Furthermore, the city has put at the disposal of, or has allocated to this work of collecting these lands and correcting the titles, the force not only of the city attorney's office, but also of other city departments. This has somewhat increased the cost of operation of these regular departments and has increased the cost to the city of this gift to the Federal Government to well over a million dollars.

During the course of the proceedings, in both the House and the Senate, some Members from States other than Colorado, who were opposed to establishing this new Air Corps Technical School in Denver, expressed the opinion that Denver would not be permitted, under the Colorado laws, to use the city's funds for this purpose. But the Supreme Court of Colorado did not agree with our solicitous friends in the Congress. The highest court in Colorado upheld these expenditures.

Coming now to the buildings on the tract which is the site of the school proper and the landing runways: In the north-west corner of this tract are 10 large, substantial, and expensive buildings which were erected some years ago for purposes of a sanatorium. This sanatorium was closed about 1930.

SUBSTANTIAL EXISTING BUILDINGS ON THE LAND DONATED HAS SAVED THE GOVERNMENT MUCH MONEY AND TIME

With slight alterations, which have been made, these buildings have been found to be entirely suitable in all respects for

the use of the Army for barracks and for classrooms. They are now and for several months have been in use by the Air Corps personnel and students.

I have here for inspection by all Members interested aerial photographs of this group of buildings.

The presence of these buildings on this site has saved the United States several hundred thousand dollars in money, besides the element of time—very precious in these days of rapid expansion of the Air Corps.

DENVER IS FULFILLING ALL ITS PROMISES TO THE CONGRESS

This new Air Corps Technical School is now and for over a year last past has been in operation. Some of the needed additional buildings are now being constructed.

In addition to fulfilling Denver's express promises, it has given very great pleasure to our citizens and to the municipal government of Denver to do certain other things, which I trust it is entirely proper for me, as the representative of Denver, to mention.

The withdrawal of considerable valuable property from the tax rolls of Denver has reduced pro tanto the revenue derived by the city from taxes. But it has been Denver's very great pleasure to cooperate with the Federal Government to that extent. And, of course, the aerial gunnery and bombing range of 100 square miles, in the adjacent county of Arapahoe—a tract larger than the present District of Columbia, bought by Denver and donated to the Federal Government—has reduced tax revenues in that county to a certain extent.

But Denver and the nearby counties have been glad to do everything that they have done and are doing. Such has always been, and I trust always will be, the attitude of Denver and of our neighboring counties in welcoming to our city and vicinity and to Colorado any activities of the Federal Government.

THE STATE OF COLORADO AND THE SEVERAL COUNTIES, AS WELL AS DENVER, HAVE BEEN COOPERATING FULLY WITH THE WAR DEPARTMENT FOR THE DEVELOPMENT OF LOWRY FIELD

The State of Colorado, through its highway department, and the adjacent counties, through their boards of commissioners, have cooperated by relocating State and county roads which formerly traversed the bombing range.

All telephone, power, and telegraph lines in the vicinity of the Air School that the Air Corps regarded as possible flying hazards have either been removed or put underground by the public utilities.

Denver's municipal authorities have expressed to the War Department and to the Air Corps officers a willingness to vacate certain streets, if desired by the Army authorities. Denver has paved certain other streets for the convenience and use of this Air Corps Technical School. Under our zoning ordinances Denver has rezoned certain property in the vicinity of the school, as requested by the Army authorities.

When completed, three of the four landing runways at Lowry Field will each be $1\frac{1}{2}$ miles long. The fourth runway will be $1\frac{1}{16}$ miles long. A year ago, pending the completion and paving of these runways and the construction of the hangar now in course of erection at Lowry Field, our city placed at the disposal of the Army Air Corps one of the new hangars at the Denver Municipal Airport. This port, 2 miles north of the Air School, is one of the best equipped and, when enlargements now being made are completed, will be one of the largest airports in America.

Entirely at the city's expense, Denver is now extending a large new sewer to furnish ample sewerage facilities for the Air Corps Technical School.

Denver is also building a large new water conduit primarily to supply the Air School with an abundant supply of water, delivered at ample pressure for general use and for fire protection.

Denver has already built and now has in operation within three blocks of the Army Air School a new station of the city fire department, supplied with all modern equipment. Therefore there will be no serious danger from fire at Lowry Field. At a recent test, within 3 minutes after the alarm was put in, hose was laid and water being put on the building where there was assumed to be a fire. Therefore the Congress may feel assured that there will be no danger of any

such fires as have recently occurred at some other Air Corps facilities.

The main buildings formerly used by the sanatorium are of brick and stucco with tile roofs; the powerhouse and some other smaller buildings are of concrete. There are also some smaller one-story buildings of wood. All these buildings have been remodeled, are well adapted to the use of the school, and are now in use. Except for the concrete buildings, all have floors, doors, and interior finishing of wood, and therefore are not absolutely and completely fireproof. Furthermore, the older type of planes and certain materials and stores which must be kept on hand are inflammable.

Although the fire risk is very slight, Denver wishes to cooperate with the Army in still further minimizing it.

I believe the House may be interested in this recital in outline of how Denver has fulfilled its promise to the Federal Government. This is especially pertinent in view of the fact that some Members in the House and others in the Senate appeared to question either our sincerity or our ability to perform the promises our people made through me as Denver's representative in the Congress.

Since Denver was a frontier village, whatever Denver has promised—that it has performed. Our city will always keep its promises.

In considering any proposals for additional appropriations for Lowry Field, or for any other Army facility in or in the vicinity of Denver, the Congress may be assured that our city government and our citizens are always willing to cooperate with the War Department and with the Army. We are happy that the War Department saw fit to suggest the establishment of this Air Corps Technical School, now named Lowry Field, in Denver. We are grateful to the Congress for adopting the suggestion. We will always try to show our spirit of cooperation by doing at least our full share. [Applause.]

Mr. SNYDER. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. SHANLEY.]

Mr. SHANLEY. Mr. Chairman, I heartily agree with the statement attributed to our Ambassador to England, Joseph P. Kennedy, when he told the British Government that drastic restriction of Jewish immigration into Palestine and the abolition of the British mandate over the whole land "would have a disastrous effect on public opinion in the United States."

The Balfour declaration which promised a national home for the Jewish people was made in the most trying period of the World War. It was made to bring before the Jews of the world the high sincere principles of the allied cause for democracy. It was made also from an allied point of view to counteract the evident counter efforts of the enemy themselves to win over the Jews in Germany who certainly had been treated by old Germany in a way that had won their allegiance.

The celebrated Balfour declaration was known to President Wilson and was discussed with our late Justice Louis Brandeis when the Balfour mission was in America. It was given to Lord Rothschild in a letter signed by Mr. Balfour to the effect:

His Majesty's Government view with favor the establishment in Palestine of a national home for Jewish people, and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status enjoyed by Jews in any other country.

The Balfour declaration therefore was made on November 2, 1917, and pledged the British Government to facilitate the establishment of this national home. It had the endorsement and approval of the United States. Its principles were accepted by the allied and associated powers. Those high ideals were incorporated in the treaty in which Turkey released control over Palestine. They were ratified by the treaty between Great Britain and the United States on December 3, 1924, which was proclaimed by the President on December 5, 1925.

Article 6 of that pact between the United States and Great Britain includes a promise by the British to facilitate Jewish immigration, and it also includes a statement to the effect that no change will be made affecting American interests in Palestine without the approval of the United States.

There is no question in my mind but that this solemn pact to world Jewry has not been fulfilled. Great Britain had a duty under the mandate and to the League of Nations to honor this solemn compact. The entire history of the mandate is a culmination of widespread and organized disorder with absence of the strong authoritative action on the part of the British amounting almost to implied dissent. It is my belief that had there been a sincere attempt to fulfill this mandate hundreds of thousands of the surplus Jewish population could have been established in the Palestine area.

No one who is familiar with the tremendous work done in the city of Tel-Aviv can help leave the subject without a realization of the sincere efforts of the Jews themselves to go to Palestine and there rebuild their fortunes and find peace and comfort. No one who has read Lord Melchett in his very temperate book, *The Neighbor*, can deem his suggestions unwise or impracticable.

He said that the Governments of Poland, Rumania, and Austria, and three smaller countries, all admit that they have a larger Jewish population than they can successfully deal with, and if this population was reduced by 40 to 50 percent, their problem would be solved. It was hoped that these surplus people might by their eventual presence in Palestine and the Trans-Jordan amount to 3,000,000. Obviously this was going to take a long period of time, but his was a long-range plan and his vision was equally as farsighted.

Here is a quotation:

After a 10-year period it is, therefore, possible to envisage the evacuation of German Jewry, and the material diminution of the overcrowded Jewries of eastern Europe. After a period of 15 years, one might say that a total solution of this problem presents itself on the basis of an emigration of 100,000 a year, rising to 200,000.

When one knows the views of Lord Melchett and sees the practical demonstration of Tel-Aviv, one can see the possibilities of the fulfillment of the psalm:

Hide me from the secret council of the wicked, from the insurrection of the workers of iniquity.

Lord Melchett was realistic enough to see that the Arabs who were there would be satisfied with nothing less than a complete repudiation and a tearing up of the mandate as far as the Jews were concerned, but he also pointed out the tremendous gains and benefits that have already been given to the Arabs by the modern settlements of the transported Jews. Tel-Aviv is the first commercial city in the country. It has a population of 150,000. It is the world's most arresting spectacle today.

Mr. Chairman and my colleagues, as the United States is a signatory to the convention with Great Britain, a pact signed by Calvin Coolidge as President and Secretary of State Frank P. Kellogg, I believe that that solemn document which has in its proclamation word by word the Balfour declaration and the existence of the mandate, makes us as high contracting parties insist that article 2 be fulfilled.

The mandatory shall be responsible for placing the country under such political, administrative, and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble, and the development of self-governing institutions, and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.

Mr. SNYDER. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, as certain as is the rising and setting of the sun in the heavens was the supernatural guidance of the Holy Ghost which brought about the election by the sacred College of Cardinals of Eugenio Cardinal Pacelli to the papacy.

The new pontiff, Pius XII, spiritual leader of nearly 400,000,000 Catholics throughout the world and the direct successor of St. Peter, is most worthy of his saintly, brilliant, and peace-loving predecessor, Pius XI.

A paragon of all that the faithful may expect of the priesthood, he transcends those expectations in that he is a statesman of the first magnitude. A scholar without peer and a humanitarian in whom is combined extreme kindness and understanding of the problems of mankind—virile and fearless—we pray that God will preserve him for a long and productive reign in His service and in the service of all humanity.

The great work of the late lamented Pius XI, tragically broken, will now continue with renewed emphasis upon peace and tolerance. A yearning, heartsick world will offer a prayer of thanksgiving to God in Heaven for this most timely and wise elevation of the Cardinal Secretary of State to the throne of St. Peter.

From the worldly point of view, the people of the United States, and, in fact, all peace-loving and democratic people throughout the world, can appreciate in Pius XII those qualities of simplicity, modesty, and straightforward and direct action which differentiate between a great man and those of mediocre qualities.

The whole world rejoices—a new day is dawning. Peace and good will among men and nations will be restored to a trouble-burdened world.

Mr. SNYDER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, not since northern survivors many years ago lauded the graves of Confederate dead and thus in the language of the beautiful poem, "banished our anger forever," have the chords of human sympathy been played upon as when President Roosevelt this week ordered a United States cruiser into service to convey the body of Ambassador Saito 6,000 miles overseas to his homeland. The morning papers today state that the Japanese Government has advised our Government that it "deeply appreciates and gladly accepts the President's friendly offer."

In the present state of the world, with the strident din of war drowning the feeble voice of peace and with criminations and recriminations fanning the roaring fires of hate, our President could have done nothing finer, nothing nobler, nothing grander.

In this act of the President the hearts of 130,000,000 Americans touch the hearts of 98,000,000 Japanese and the mystic language of heart speaking to heart says, "Let us be friends."

As an approach to world peace such simple but gracious acts of those in authority in handling world controls are worth more than all of the battleships and bomber airplanes we have built or ever will build, even though our navy yards and airplane factories were speeded a thousandfold.

It is said that "a little act of kindness makes the whole world kin," and the masses of every country, accustomed to associating cruisers with belching guns raining death and destruction, will rejoice to see an American cruiser sent to Japan on this mission of mercy. May we not hope—or if we cannot hope, may we pray—that the President's wise and thoughtful act will open the way to a better world concord, so that international differences which are crowding so thick and fast and bewilderingly upon us may be dispelled by mutual understanding rather than by resort to mass murder.

Saito living was an ambassador of good will. Saito dead may be the means of averting a horrible war.

Mr. ENGEL. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I was intensely interested in the splendid presentation made by the gentleman from Mississippi [Mr. COLLINS]. The gentleman from Mississippi was chairman of the War Department subcommittee of the Appropriations Committee for a number of years. I know of no one in the House of Representatives who has a more thorough and comprehensive knowledge of the War Department and the needs of that Department. I wish to say just a word supplementing his statement.

General Arnold, Chief of the Air Corps, testified upon my questioning that it would cost \$230,000,000 annually to operate, maintain, and replace an air force of 5,500 Army planes, 3,300 in the air and 2,200 in reserve. He testified that it costs \$50,000 a year to operate and maintain every plane that we have in the air. This does not include replacement cost. If we should decide now or later to put the entire 5,500 planes

in the air as an active force, it would cost us \$110,000,000 a year more, or a total of \$340,000,000 a year to operate, maintain, and replace this Army air force. When we add the 3,000 planes the Navy has, we have a total of 8,500 planes. There is no question in my mind, nor can there be in the mind of anyone who has studied the question, that the cost of replacing, operating, and maintaining such an air force will approach or probably exceed half a billion dollars a year. This is more than it cost to operate either branch of the service until recently, including their respective air forces.

However, I did not rise to speak on that phase of the bill. I wish to speak on the question of housing in the Army. I believe my record shows that I have not been unfriendly to the Army or to the protective forces of this country. However, when I see money wasted, when I see extravagance, I am going to hit it wherever I find it. [Applause.]

For the last 2 years, as a member of this subcommittee, I have protested to the Army about the exorbitant cost of Army housing. The only result I obtained was an ever-increasing cost.

Under our law as it stands today, the Army is limited to \$8,500 for quarters for a noncommissioned officer, \$12,500 for a company officer—that is, a lieutenant or a captain—and \$14,500 for a field officer; that is, a major or a colonel.

This amount includes the cost of constructing the building but does not include the cost of the land. There is no financing charge, there is no charge for discount on trusts, there is no title expense included, but this figure simply represents the cost of the construction of the building.

In Panama we are proposing to erect quarters for noncommissioned officers at \$9,700 for one family; quarters for company officers, \$15,000, and field officers, \$17,400 for each officer. This does not include the cost of the land.

We are now engaged in a construction program with W. P. A. funds, and I have before me a break-down of that part of the funds which apply to quarters for noncommissioned and commissioned officers. This \$65,000,000 W. P. A. program covers every phase of Army construction.

We have here, for instance, 699 noncommissioned officers' quarters, \$8,624,000, or in other words, an average of \$12,380 for each noncommissioned officer's quarters. This is in the United States.

I have here a break-down of officers' quarters. Eighty field officers' quarters costing \$1,384,000, and 319 company officers' quarters, \$5,517,000, at an average of \$17,300 each. Bachelor quarters cost \$8,150. This does not include the cost of land. It does not include the cost of financing. There is no cost with respect to examining titles, appraisals, and so forth. That little high-school student whom you appoint to West Point is coming out in 4 years' time as a lieutenant and in 2 or 3 years, if married, may occupy quarters that cost \$17,300 each.

I would like to ask how many Members of Congress have a home that costs \$17,300, plus the cost of the land, the financing, and other charges. I know that here in the city of Washington, with the high building costs, you can go out on Massachusetts Avenue or elsewhere in excellent localities where they are putting up new homes. They will put you up a mansion there for \$17,300, which includes the cost of the land, the cost of the abstract of title, financing, and other costs.

Mr. WADSWORTH. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. WADSWORTH. Has the gentleman made any inquiry to ascertain how much in the way of additional cost in the matter of erecting these buildings is due to the act of Congress known as the Walsh-Healey Act? I am informed that the construction costs of the United States Government under that act, both for the Army and the Navy, are increased by about 20 percent.

Mr. ENGEL. I do not know whether they are or not, but suppose they are increased by 20 percent, 20 percent of \$17,000 is \$3,400, and you are still up to about \$14,000, and I am wondering how they can get around the limitation provided

by law of \$8,500 for a noncommissioned officer, \$12,500 for a company officer, and \$14,500 for a field officer.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. MAY. I have not had the pleasure of hearing all the gentleman has said about the matter of expense of housing in the Army, but the matter has been before our committee for a number of years and we have heard a great deal of testimony on the subject. The argument I get in justification, if there is any justification of these expensive buildings, is that they are built on Government property as permanent structures, and that they are not built for 20 or 30 years, but built for a century, and that the cost of repairs and insurance and things of that kind on them is largely provided for in the cost of the building itself, because they are built so substantially that they will not require any repairs.

Mr. ENGEL. Yes; but the Committee on Military Affairs, of which the gentleman is chairman and over which he presides so ably and efficiently, has decided, with all those facts before it, that \$8,500 is right for noncommissioned quarters, \$12,500 for a company officer, and \$14,500 for a field officer.

Here we come back and find \$12,380 for a noncommissioned officer, which is nearly \$4,000 above their allowance, and \$17,300 for company and field officers, \$17,300 for a dwelling for one officer.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield.

Mr. MAY. The Military Affairs Committee has no power or jurisdiction over the question of what a house shall cost. The only way that could be controlled would be through the Committee on Appropriations. The Committee on Appropriations could place in a bill a proviso that the funds shall be limited to certain purposes, with certain limitations.

Mr. ENGEL. There is a provision in the law, I think, that came from the gentleman's committee, which limits the amount which they can spend.

Mr. MAY. I was not aware of that.

Mr. ENGEL. That is a matter of legislation. I have been protesting in our committee for 3 years. I want to say to you that with 165,000 Home Owners' Loan Corporation homes being foreclosed upon, with 83,000 home owners actually dispossessed by the H. O. L. C., it is an outrage to spend \$17,300 for a company officer's quarters and \$12,380 for a noncommissioned officer's quarters and make the people who are dispossessed help pay taxes to build these quarters.

Mr. MAY. Will the gentleman yield further?

Mr. ENGEL. I yield.

Mr. MAY. I do not want to interrupt the gentleman.

Mr. ENGEL. I want you to interrupt me. If the gentleman from Kentucky has any pertinent facts, I want them in the RECORD.

Mr. MAY. No doubt the gentleman recalls that last year, in the interest of Army housing, so that it would be taken care of out of the vast expenditure for relief purposes, I had a bill that would have earmarked \$130,000,000 of that money for Army housing, with the provision that it be made in the ordinary plans. The gentleman was very enthusiastic for it, as I remember.

Mr. ENGEL. I did not express myself on the gentleman's bill. I am willing to go along with the decent housing program. However, I cannot see on what ground we can justify the expenditure of \$12,380 for a noncommissioned officers quarters and \$17,300 for an officers quarters. I think there ought to be some explaining done on the part of somebody.

Mr. Chairman, I yield back the balance of my time.

Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, I will not need all the 10 minutes this morning. Certainly there is very little left to say after the discussion we have had on this bill.

I do want to take the opportunity, however, to compliment the committee on the completeness of the report they have given to us. At least, to a new Member, all of these reports are very interesting. I perhaps should say too interesting.

I started to read this report last night and the next thing I knew it was a quarter of three o'clock this morning.

I want to mention one item in this bill under the heading of "Pay of the Army," and raise the question as to why it is necessary to disallow the request for 31 additional flight surgeons, or to give those flight surgeons a flight-pay status. I understand it involves a total saving of \$44,640.

I believe that the flying officers of our Army have no better friends than the flight surgeons. They play a very important part in developing and creating morale, in looking after the health of the flying personnel. I believe that the tremendous improvement—and I think you will all agree that there has been tremendous improvement in the past 20 years—in the morale of our flying personnel is partly, if not largely, due to the fact that 90 percent of our Air Corps officers are now flying officers. We have eliminated all the unnecessary "kee-wees," as we used to call them 20 years ago. It seems to me very important that the flight surgeons should have this flying status, not so much because of the dollars and cents involved, but so that when they get into a plane, perhaps in response to news or notice of a crash, they are undertaking an authorized flight and not an unauthorized risk. It is my understanding that these flight surgeons without flying status, of course, are not paying the additional premium required on their own life insurance, and it means that if they go on one of these unauthorized flights and meet with an accident resulting in their death, in many cases they would have voided their own life insurance.

In the past 2 years more than 200 members of our Air Corps have been transported under the direction of flight surgeons in airplanes. I do not question at all but what those flying surgeons will continue to fly unauthorized flights if a call comes for their services. I have the highest regard for the flight surgeons attached to our Air Corps. I know they are more concerned with other factors than the extra pay that would be given to them on that type of work. I also feel that those flight surgeons should be permitted and authorized to fly at every opportunity, as it gives them a chance to actually observe and study the mental and physical reactions of the pilot. It gives them an observation that they cannot get any other place, in spite of the modern equipment that we now have.

I do not like to plead for increased appropriations, certainly not in connection with the bill before us, but I do believe it would be good common sense to cancel one airplane at a cost of \$50,000 and give us 31 additional flight surgeons who will be authorized to fly whenever it is necessary. [Applause.] I am not one who believes that our participation in a war is inevitable.

I believe that we as Members of Congress, and certainly all officials of the Government, could contribute to bringing about our desired peace, if we would all be more guarded in our remarks, in our thinking and discussing matters of national defense and foreign relations in particular. I believe that our country can remain neutral if we make up our minds that we are going to. It has been demonstrated in European countries much smaller than ours and close to the battleground of the World War, countries which have managed to keep out of alliances and entanglements. I believe that if Congress is to carry out the wishes of the American people we should devote our thinking to carrying out measures of peace, and that we think of the maintenance of national defense from the standpoint of maintaining peace. If we do this we shall at least in some measure bring about the end desired by our people.

I confess that I am just as much confused and puzzled as are many other Members to know just what items of this appropriation are absolutely necessary for purposes of defense. I am sure there is not a Member of either House who is not willing to vote every dollar necessary if he can feel in his heart that it is a defensive measure. Beyond that not many of us want to go.

In connection with the Air Corps of the Army I am very much interested, and I am an enthusiastic friend of civil aeronautics. Yesterday I introduced a resolution asking for

the creation of a committee on air commerce and civil aviation. This resolution has been numbered 111. I respectfully urge the Members of the House to consider the importance of this resolution and the benefits to be obtained from such a standing committee. Certainly there can be no criticism of the way the members of the Interstate and Foreign Commerce Committee have dealt with matters relating to civil aviation. That is a most important committee, a busy committee, and its membership numbers many prominent and able Members of this House. Certainly our air industry is going to grow. It has shown remarkable growth so far, and most of it has come about in the depression period and can be called depression growth. The present, I believe, is the time for Congress to give consideration to ways and means to help the industry direct its efforts and thoughts toward civil aviation. The Congress has created a Civil Aviation Authority which is going to be a very useful administrative bureau. I can see untold value to result from a standing committee of the House to deal with civil aviation matters. In a very few years after the creation of such committee, we would have among its members men as expert in matters relating to aviation as we have men expert in military affairs on the Committee on Military Affairs.

The importance of the aviation industry should be apparent to all of us, because if there ever was a time in our history when we need new industries it is right now. The aviation industry is capable of great expansion and development and should have every possible assistance by Congress. I do not mean financial assistance, but moral support, so that the industry can go ahead. They will do more than their share in taking up some of the slack and providing employment. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. ENGEL. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. DARROW].

Mr. DARROW. Mr. Chairman, I am sure every Member of this House wants our Army and Navy to have the best airplanes in the world. We want them built of the best material and by the best workmen that can be provided.

As we are now about to enter upon an extensive program for construction of airplanes for the Army and Navy, it is appropriate that attention be called to the advantages in the use of stainless steel, in the hope that the Army and Navy will give immediate consideration to its use for mass production of seaplanes and landplanes.

This basic material is now out of the experimental stage; for, not counting individual experiments, there are two companies in the United States today who have spent millions of dollars in the research and development of stainless-steel fabrication which has been successfully applied not only to rail cars, superstructures of cruisers and destroyers, but to aircraft as well. Twenty-six trains have been built; in fact, the best trains we have in the United States are made of stainless steel.

For lack of time I will confine myself to a brief description of the work carried on thus far on various parts of land and marine aircraft made in stainless steel.

Our Air Corps has a fleet of Douglas twin-motor amphibians, seven of which have the wings made entirely of stainless steel. These planes have gone into service during the past 2 years. These wings have been very easily repaired when accidentally damaged.

In addition 77 pursuit planes have all movable tail surfaces and ailerons made of this material; 50 more sets were made for export.

A few months ago, in cooperation with the matériel division of the United States Army Air Corps of Dayton, the wing of a pursuit plane was developed and tested with success.

Five amphibians for sportsman use have been built in stainless steel. I have also learned that stainless-steel parts in considerable quantity are at this very moment being adopted and fabricated by leading aircraft manufacturers of very light commercial planes. This proves not only that the value

of this metal has been recognized but that its cost can favorably compete with present materials used.

There is no excuse whatsoever, therefore, to further postpone the use of stainless steel, since it is definitely out of its experimental stage.

The advantages of this material have been enumerated to me as follows by experts in whom I have full confidence:

First. Its melting point is more than three and four-tenths times as high, which is a decided advantage in case of fire. It is common knowledge that at temperatures up to 1,000° F. the stainless steel shows but little variation of property, while the material we now use begins to lose strength rapidly at 400° F. or less.

Second. On the other hand, spot-welded stainless steel increases its strength value in direct proportion with the lowering of the temperature and with the tendency to fly at high level where zero temperatures are normal; the safety factor of the plane itself is, therefore, automatically increased.

Third. Finally, I call your attention to the fact that in at least two European countries the use of stainless steel has been adopted recently for a great number of component parts for both bombers and pursuit planes, while here in America, where we are the leaders in the use of stainless steel in many fields, its outstanding qualities are not being adequately recognized.

Fourth. It is far more corrosion-resistant than any other currently used material suitable for aircraft structure.

Fifth. It does not require any anodic treatment, which thus eliminates cost, complication, and specialized skills relating to the provision of heat-treating and anodizing equipment necessary for light alloys.

Sixth. From a comparative test conducted in the wind tunnel by the N. A. C. A. on a stainless steel wing panel and an ordinary wing panel, it was proven that welded stainless steel reduces the drag so effectively as to increase by 10 miles an hour the speed of a pursuit plane whose normal speed is 300 miles per hour.

Seventh. The heads of the rivets alone on a transport plane, DC-3, I have been told, absorb 240 horsepower, something we do not have to contend with in welded stainless steel. Of course, I know that flush rivets can be made, but I also know that their price is exceedingly high. Incidentally, there is now in existence welding equipment that can make 1,000 spot welds per minute.

Eighth. Contrary to that which results on the finished product in dural, no matter how many times the surface of stainless steel may be scratched from having walked over it, it is no way damaged. Whereas, in aircraft factories where the present alloy is used as the basic material, it is common practice to post signs reading, "Scratched material is scrapped material."

Ninth. Stainless steel can also be left exposed to the elements resting on sand or gravel, or near the sea; and its physical properties remain the same.

Tenth. The price of stainless steel is one-half that of dural; and besides this our Government should be keenly interested in the fact that we have in the United States more than six stainless-steel mills competing with one another who are ready to deliver material in any quantities.

In order to speed up production, I do not see any reason why the Army and the Navy should not give immediate authorization to the aircraft manufacturers to use both metals so as to enable the present aircraft manufacturers to gradually switch to stainless steel without upsetting present production.

I have also been informed by experts that stainless steel can be easily, and very satisfactorily, electrically welded and that therefore a tremendous amount of time can be conserved as compared with riveting; hence making it possible in any emergency to speed up production with a fewer number of men.

Therefore, I want to see that the companies in America who have spent millions of dollars for research work in stainless steel receive adequate production orders, enabling

them to duplicate types of planes now made in dural and thus make it possible to recognize the advantages of stainless steel under the same service conditions.

Mr. SNYDER. Mr. Chairman, I yield 7 minutes to the gentleman from Colorado [Mr. MARTIN].

COMMUNISM—NAZI-ISM—FASCISM

Mr. MARTIN of Colorado. Mr. Chairman, judging from the appearance of the House, these remarks will be mainly for the RECORD, and that is all right with me. That is what I anticipated the other day on the remarks I made which have occasioned my reappearance on the floor today. A Member of Congress becomes habituated to the idea that he is immune from press publicity, and he is seldom wrong. I can say truthfully that the Nation-wide attention attracted by my remarks on Washington's Birthday about the Nazi rally in New York City was wholly unexpected. They seem also to have excited the ire of some gentlemen in the House who, like some of my critics, my mail critics, want to know where I stand on communism; and they want to know it in a way which causes some Members on the floor, my friends, to feel they are reflecting on my patriotism.

It will be impossible for me to answer the thousands of letters and telegrams, mostly commendatory, I have received from all over the United States on that speech; so I propose to answer it with a form letter. I ask unanimous consent to read this form letter as part of my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Colorado. Mr. Chairman, this form letter was sent to the editor of a Republican daily paper in my district, who was far from enthusiastic about my reelection last fall; but he has written me a letter on my Washington's Birthday speech which I shall treasure as long as I live. I hope in the letter, which I am about to read, to answer the gentleman from Wisconsin as to where I stand on communism to their satisfaction, even if the way in which I answer it does not satisfy them, as probably it will not. I read:

MARCH 1, 1939.

Mr. FRED E. WINSOR,

Editor, Chronicle-News, Trinidad, Colo.

MY DEAR MR. WINSOR: I regret that the very heavy volume of other work makes it impossible for me to write individual answers to the many thousands of letters and telegrams on my remarks in the House of Representatives on the Nazi meeting in New York City on February 20. I am therefore reduced to the necessity of a form answer, if they are to be answered at all.

The thing that fired my indignation to the speaking point was the newspaper pictures of Nazi storm troopers, the leaders of the New York meeting, in foreign military uniforms and insignia and floating a foreign flag before and above the American flag. Had it not been for the uniforms and flags I might have passed it over as just another of those things which, however, are becoming all too common in this country.

I shall have to content myself with an expression of sincere thanks to all who have written or wired me their approval of my stand on the New York meeting. I can assure you that if I had it to say over again I would retract no word. The only thing that could possibly be exaggerated about that meeting and the movement it represents is its power. There can be no exaggeration of its purpose. It is utterly un-American and anti-American.

It is an insult to the intelligence of the American people for the sponsors and sympathizers of such a gathering to characterize it as pro-American. Let no one be deceived; this movement is inimical to American institutions. The Constitution, the Congress, and the courts; freedom of speech, of religion, and of the press; and the Bill of Rights, priceless heritage of the centuries, have no place in its creed or its program, just as they have no place in the homeland of the movement.

Now for a paragraph about the content of the criticism I received. It is important to the consideration of the problem. Nearly all the critics wanted to know why I did not include communism, and they pretend to regard their movement as a first line of defense of Americanism against communism. One of the speakers at the New York meeting was quoted in the press as saying there is no middle ground between communism and Nazi-ism. On the other hand, the Communists seek to build up the position that communism is America's first line of defense against Nazi-ism. Each is using the other as the proverbial red herring.

My answer to both is that in the United States of America there is no middle ground, foreground, or background; there is only American ground. Communism, Nazi-ism, and fascism are alien to the genius, the traditions, the institutions, and the very thought of the American people. These three ideologies may differ in technique, but when we consider the vital things on which they agree, their identities, we need not quarrel among ourselves over the

things wherein they differ. No worse despotisms ever cursed any civilization. There is no place for our America in either of their systems, if we may call absolute dictatorships, in which one man is the state and his will the law, by the name of system.

I would like at this point to refer to a similar characterization in a leading editorial on Russian atrocities in the Washington Post of yesterday. After reciting these conditions and the type of government which is responsible for them, this editorial states:

From this viewpoint communism, fascism, and Nazi-ism are identical, regardless of their essentially superficial differences. In each system a single party is supreme; its dominant members, vile though they may be, are ipso facto privileged persons. All who are not of the elect are without rights, safeguards, or reliable protection of any kind. Outright slavery, which at least placed a premium on preserving the individual's physical well-being, was by comparison a civilized system.

Such a system begins by crushing all opposition, proceeds to a framing of innocent people by those underlings who crave more power, and ends by swiftly destroying every human liberty, every safeguard against injustice which mankind has laboriously built up through centuries of concerted effort.

Mr. Chairman, the letter continues:

Apparently the time is at hand when Congress must take cognizance of the growing menace of these subversive activities and pass suitable legislation to deal with them. But we will be dealing with matters most vital to a free people, and we must exercise the greatest care not to supplant one evil with another and get a remedy worse than the disease, as in the case of the alien and sedition laws. Some things are clear. We want no secret armies in this country, no foreign military uniforms, no alien flag floating above the Stars and Stripes, no racial group fomenting strife against any other racial group. If the racial composition of this country does not suit them, let them go back to their own countries, which are being purged of all forms of alienism. We don't need them to preserve this country and its free institutions. That will be done by Americans who owe no allegiance to any foreign power or philosophy. I have every faith that such Americans are in the vast majority. These groups are warned not to mistake tolerance for acquiescence. America might wake up.

With my kindest regards, I am,

Very truly yours,

JOHN A. MARTIN.

Now, Mr. Chairman, a few personal words. If my loyalty is sought to be questioned by the Nazis or their sympathizers, I am willing to parallel-column my record with the record of any man in their ranks.

I count it as incomparably my greatest good fortune that my parents, who were immigrants, came to these shores in time to bestow upon me the priceless heritage of birth on American soil. Perhaps my freedom from foreign entanglements is due in part to the fact that they came of a people who cannot be charged with any great love for a foreign power. They came from the Emerald Isle. My father enlisted and served in the Union Army before his naturalization. That may have been due in part to the proverbial love of his blood for a fight, but the fact of his service remains.

When this country entered the World War, I was 49 years of age, had already served in Congress, had a paying public and private law practice and had no military training whatever; yet I went out and recruited a volunteer battalion at my own expense, in which I served a year, and which saw service in France.

Since the war, and because of my service and subsequent activities, I have received actual membership in the American Legion and the Disabled American Veterans, and honorary membership in the United Spanish War Veterans and the Veterans of Foreign Wars. I was an organizer and charter member of the American Legion post in my home city and wrote its constitution and have been its post commander. I have served as a member of the national Americanism commission of the American Legion.

In the Sixty-first, Sixty-second, Seventy-third, Seventy-fourth, and Seventy-fifth Congresses I voted for every dollar in every appropriation bill for the upbuilding and maintenance of the national defense. My philosophy of the national defense was long since summed up in four words: America only and ready.

Mr. Chairman, I make these statements with no thought in mind of laying any special claims to patriotism. The World War forever fixed my faith in the loyalty and patriotism of the great majority of all groups of our citizenship, racial, reli-

gious, or otherwise. They stood the acid test. I saw it with my own eyes. I know it as I know that I live. I could fill this RECORD with proofs. I know that should another emergency arise they will close ranks, answer the call, and follow the flag wherever it may lead. Since they can die together in war why may they not live together in peace?

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. TERRY].

Mr. TERRY. Mr. Chairman, I was much interested this morning in the very splendid presentation of my distinguished colleague the gentleman from Mississippi [Mr. COLLINS], with reference to the program for air defense in this country.

Last year when the expansion Navy bill was under discussion, I took the floor to make a few remarks in reference to the need for more coordination between the Army and the Navy air forces. Under the Baker Board recommendations, which provided for the Army having 2,320 planes, it was contemplated that the ratio between the Navy and Army should be about 60 percent for the Army and 40 percent for the Navy. Last year when a revision was made increasing the Navy air force, we authorized 3,000 planes for the Navy. This completely disrupted the proportion as contemplated by the Baker Board.

This year in the May bill the Army is authorized to have 5,500 planes, and this amount in the Senate has been increased to an authorization providing 6,000 planes. What the ultimate number will be, of course, we do not know at this time. What ultimate number the Navy will have we do not know.

Last year I made the statement that we should have in the Congress a coordinating committee on national defense which would afford more cooperation between the Navy committee functions and the Army committee functions. It is said that the Navy airplanes are supposed to go with the fleet. Of course, with the number of ships we have in the fleet, they could not possibly take on all of the naval aircraft which we are authorizing for the Navy.

Mr. Chairman, it seems to me if we had a committee on national defense in the House consisting of, say, members from the Military Affairs Committee of the House, the Naval Affairs Committee of the House, and the Subcommittees on Military and Naval Appropriations, the whole committee acting together, would more nearly coordinate the functions of the Navy and Army, especially with reference to the air forces.

Mr. Chairman, this bill that we have under consideration and the authorization contained in it for Army planes does not contemplate, with the exception of 565 planes that were requested by the President in his supplemental estimate sent down this winter, any expansion over the 2,320 planes that were contemplated by the Baker Board recommendation. In 1926 there was an authorization of 1,800 planes. This, added to the 2,320 contained in the Baker Board recommendation, gives us 4,120 planes, which, plus the 565 contained in the supplemental estimate, makes 4,685 planes.

We need not become alarmed at this time about future expansion of the air force until we have built up to the point authorized at the present time. We have on hand as of December 31, 1938, project planes for the Army and the Organized Reserves 1,680 planes and for the National Guard 117, a total of 1,797 planes. There are project planes, obsolete but usable, 336; nonproject planes, some usable, for the Army, 31; planes condemned and not usable, 44; a total of 75; or a grand total of all project planes, usable, obsolete, and nonusable, of 2,208 planes.

As of December 31, 1938, we have planes on order but not delivered, 558; on schedule, not ordered, 348 planes under the 1939 appropriation bill, and under the regular 1940 bill, 219 planes, or 1,125 planes on order authorized but not delivered. Add to that the 565 planes under the supplemental estimate of the President and we have 1,690 planes on order or on schedule. If you add the 1,797 that we have on hand of all types, the 1,690 on order, not delivered and on schedule, this makes a total of 3,487 planes. The May bill as passed by the

House authorized 5,500 planes. Of those 5,500 planes, as stated by General Arnold at page 300 of the hearings, 1,965 only will be operating combat planes, leaving 3,535 for transport, training, and other purposes.

I am calling these figures to your attention merely to show that it will take us a couple of years at least to complete this program. The bill that is now pending before you does not come up to the number of planes that are now under order and authorized.

Mr. Chairman, one of the things that worries me about the expansion of our national-defense program so far as the Army is concerned is what we are going to be confronted with in reference to the question of expensive upkeep and increased personnel. This bill that we have before us today is the normal Budget for 1940 only.

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. TERRY. Mr. Chairman, in the Regular Army we have 165,000 enlisted men. In the National Guard we have 205,000, with an authorization to bring this number up to 210,000.

As an illustration of what an increase in personnel does so far as the expense of the Military Establishment is concerned, we took off 1 cent a day from the 45 cents per day rations, which resulted in a saving, under this bill, of \$572,750. So you can see from this instance what personnel alone adds to the expense of national defense.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. TERRY. I yield to the gentleman from Idaho.

Mr. WHITE of Idaho. The gentleman spoke of a saving. Is it not a matter of fact that a great volume of relief money appropriated for relief purposes has been allocated to the Army and Navy, which will run into the hundreds of millions of dollars that the Army and Navy have received through relief appropriations?

Mr. TERRY. The Army has received some relief money for project work, building work, and things of that sort.

General Craig, at page 5 of the hearings, states:

The critical situation which has developed in world affairs since the preparation of these estimates has made it imperative to re-determine the minimum requirements of the armed forces of the United States to carry out the missions which they may be called upon to meet in an emergency. Studies are now under way in the War Department to determine the minimum personnel requirements of the peacetime establishment to carry out all of the tasks for which the War Department is responsible in time of peace and to be prepared to meet the immediate initial requirements in an emergency. A preliminary survey of these requirements indicates clearly that a substantial increase in personnel over and above that contained in these estimates will be required.

That is what gives me apprehension as to what the national-defense program is going to jump to as a whole if we have to provide for a greatly increased personnel.

I believe the House is very well satisfied with the bill that is before you. We have gone carefully into all the items and have pared them down as much as possible; yet as I say, the thing that gives me pause is what supplementary estimates will be brought to us in the future. I, for one, believe we should keep our Regular Army down to as small proportions as possible. I do not believe we should go so much above what we have now, with the exception of increasing the enlisted and officer personnel of the air force. We must have that increased. But I think we should depend principally upon the National Guard and the Reserve officers, and that we should not in the days to come get the jitters and increase our Regular Army to any undue extent.

Mr. Chairman, the question has been brought up as to whether or not we are justified in providing for the present increase in our air force. I am like Will Rogers; all I know is what I see in the papers. But we see that the nations abroad are increasing their air forces. We hear from travelers from abroad and from technical men and others, and through our Military Intelligence Department, the statement that there have been vast increases in foreign air forces.

England and France certainly must have got some scare thrown into them at Munich to have made them surrender as they did to Herr Hitler at that time. We heard much during

the great World War of treaties being made into scraps of paper, yet as fine and great a nation as is England stood by the elbow of France and consented to making a mere scrap of paper of a treaty France had with Czechoslovakia.

I feel on this question of the air force as did a private in a Mississippi regiment during the Civil War. The first platoon of his company was sent up to the front, the second platoon being held in the rear in reserve. This private was in the combat line. After the fighting had progressed for a while, he came rushing back and almost ran over the men in the reserve line. One of them said to him, "John, what are you running for?" He said, "By God, because I can't fly."

So I say that England and France ran at Munich because they did not have enough men to fly. [Applause.]

[Here the gavel fell.]

Mr. POWERS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we are considering this afternoon the appropriation bill for the Army for the next year. While I am not here to criticize the subcommittee or the committee on this appropriation bill, I wish to call your attention to the fact that we have increased the appropriation this year to \$499,857,000, whereas the bill last year called for \$460,201,000, or an increase of approximately \$40,000,000. Our appropriation bills are all increasing annually. It should not happen. We should and we must reduce them.

It is not so much the pending War Department appropriation bill I wish to discuss this afternoon as it is all the appropriation bills. Every one should be cut 20 percent below the Budget, and especially those we are dwelling on in preparation for war. Sometimes I believe we have gone a little war mad or have a little hysteria in this country that is creating a lot of unrest between our own Nation and Germany and other foreign countries. If there is ever a time in our history when we want to keep both feet on the ground, it is now. We also must be careful what we do and what we say, because we do not want war with any nation. It was Sherman who said, "War is hell." Also, Mr. Franklin Delano Roosevelt, at Chataqua, N. Y., in 1936 said, "I hate war." So we have now not only the criticism of war by Sherman and the President, but I believe everybody dislikes war. Yet what have we been doing in the past 6 years in preparation for that event? Notwithstanding the fact the President said "I hate war," he sure is preparing for it.

When you prepare for war, as a rule you generally get it. When a man is looking for trouble, if he looks far enough he can get into almost any kind of trouble he wants to. Mr. Roosevelt criticized the preceding administration because of the fact that we would soon have a billion-dollar war bill and the Nation would spend annually a billion dollars for war. What have we been doing since Mr. Roosevelt has been in office? We are spending over two billions annually for war. We passed the famous \$4,000,000,000 Vinson naval bill during his administration. We passed the Wilcox bill authorizing a great chain of air fortresses.

Last year we passed the famous naval bill authorizing at one time the expenditure of \$1,250,000,000 for naval construction. That bill alone, if we carried it out, would require the building of 400,000 additional tons of warships at a cost of \$1,250,000,000, and when we completed that program we would have a navy of 2,000,000 tons. Such a navy would be equal to four times the naval strength of Germany, three times the naval strength of Italy, three times the naval strength of France, and two times the naval strength of Japan, and would be equal to the naval strength of Great Britain. Some war program I would say.

Do you, living in the Western Hemisphere where we should live in peace and happiness and contentment with our neighbors, believe we should have any such program for naval strength? We talk about adequate defense. I am sure I am as much in favor of adequate defense as anyone, but let some one define it; let some one tell us just what is necessary in order that we may have adequate defense for our people. We are preparing for war; we are going way beyond the point of adequate defense—if I know anything about it. Who is re-

sponsible? Why, the President and the Congress for doing it. Do not prepare for war or we will get it.

Mr. POWERS. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to my colleague, the distinguished gentleman from New Jersey.

Mr. POWERS. The gentleman is speaking of adequate national defense. That is all we hear and have heard around the Halls of Congress during the past several months. I should like to ask the gentleman this question: Does not the gentleman believe that national defense depends entirely on what our foreign policy is?

I would further ask the gentleman this question. Does he have any idea what our foreign policy is, and by the same token does he or anyone else have any idea what our domestic policy may be?

Mr. RICH. I would say to the gentleman that I do not know what our foreign policy is, but I think the Congress should give the matter consideration and come to some conclusion on what that policy should be and not leave it to the other end of the Avenue to define our foreign policy. That is a most dangerous policy.

So far as protection of ourselves is concerned in the matter of adequate defense, I would like to have the Congress define what is essential to our adequate defense. We can and should do it; no, we leave it to the President and to the war generals and admirals and their assistants.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield to the distinguished gentleman from Minnesota.

Mr. KNUTSON. I would like to ask the gentleman if we would require as much preparedness if we would stay at home and attend to our own business, as we would if we continue the present policy of sticking our nose into everybody else's business?

Mr. RICH. Well, I may tell the gentleman from Minnesota that whenever a man sticks his nose into other people's business, he always gets himself into a lot of trouble. The only thing to do is to keep your nose and fingers out of the other fellow's business. That is sensible and sound business. We have enough to do at home without trying to rule the world.

However, I want to bring you to this point. The greatest and most essential element in any policy of sound, national defense, is having a sound currency and a sound Treasury. [Applause.] The greatest individual item essential to preparedness and essential to our national welfare is a sound balance in the Treasury, but where do we find ourselves today? We find that we are \$39,858,000,000 in the red, and \$20,000,000,000 of that amount has been created in the last 6 years. Think of it! The amount has more than doubled in the last 6 years and we have not had any war. We have been at war with depression, but instead of getting ourselves in a better position, we have spent 6 years and \$20,000,000,000 and we are worse off today than we were 6 years ago, with 12,000,000 people out of employment, when we should have only 10,000,000 out of employment to be where we were 6 years ago; but we should have conquered the depression, had all our people back to work, and have an annual balanced Budget. It could have been accomplished if we had a sound President and a dependable Congress.

Mr. PIERCE of Oregon rose.

Mr. RICH. It is a dreadful situation, and, Governor, let me tell you this: If we continue in this way, we will have the greatest Navy in the world, we will have the greatest Army in the world, but if we did not have a cent to operate it, we would be just like a manufacturing establishment with a fine, large building, with all the best and latest machinery and plenty of labor, without one cent to operate it. Then what would happen? The whole thing would not be worth a hoot and you just could not do a thing with it. This is the situation in which we find ourselves with respect to national defense. A big army, a big navy, and lots of men and no money to operate it. A broken-down New Deal Treasury.

Mr. PIERCE of Oregon. Mr. Chairman, will the gentleman yield?

Mr. RICH. Oh, it is a dreadful situation, a very disappointing position to be in, and I ask you where are you going to get the money to operate the Army and the Navy? [Laughter and applause.]

I now yield to the former Governor of Oregon for the purpose of telling us where we are going to get the money to operate the Government in time of war, if we find ourselves in that position.

Mr. PIERCE of Oregon. What about our vast supply of gold and silver, amounting to nearly \$20,000,000,000?

Mr. RICH. I am glad the gentleman brought that up. We have in the Treasury, as of February 28, in gold, \$14,874,317,055.51, over one-half of the world's gold supply.

Mr. PIERCE of Oregon. Two-thirds of it.

Mr. RICH. Yes; thank you for correcting me.

What did we do with it? The President took it down to Kentucky and buried it in a hole in the ground. You have heard about the man who had a talent and buried it, and you recall what happened to his talent. He lost everything, and it did not amount to anything. Now, when we do that with three-quarters of the world's supply of gold, is it not a horrible situation in which we find ourselves? We have taken this gold from the American people, from the banks of the country, and we have buried it in a hole in the ground. That is what ought to happen to this New Deal administration. [Laughter and applause.]

Mr. SNYDER. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon.

Mr. PIERCE of Oregon. Mr. Chairman, I have been present during all the hearings and debates connected with the Bonneville project on the Columbia River, and it appears to me, from my knowledge of the power business, that some vital points have not as yet been covered. I wish to call attention to some facts of vital importance which appear to have been passed over without sufficient emphasis.

We have heard stressed in the last several weeks the country's need for adequate defense. Modernized methods of defense are primarily based on supply of wartime essentials, and such supply is dependent largely on power facilities. I desire to discuss the relation of power production to the defense program in general, and to demonstrate that the Pacific Northwest definitely faces a power shortage.

The development of modern production methods has sharply inclined toward electrochemical processes. These processes are so dependent on abundant power that it can safely be said that power has become the indispensable base of wartime supply. This statement does not apply to any one group of necessary materials, but covers the entire field of such production.

POWER SHORTAGE DURING WORLD WAR

From 1914 to 1918 the output of all the country's generating stations increased 78 percent. It would have doubled had it not been for the shortage of water power during the extreme winter of 1917-18 and the dry spring and summer of 1918. The purchases of the Allies before our entry into the World War had speeded up the production of power, but the early strains of our own program soon brought out the existing shortage of generating capacity. This capacity shortage occurred simultaneously with the freeze up of the winter of 1917, the break-down of transportation, the dry summer of 1918, and the fuel shortage. In the latter part of 1917 this power shortage became acute in the major eastern producing centers, at Niagara and along the Pacific coast. It was this latter shortage that resulted in the early suggestion for the development on the Columbia at the time the Muscle Shoals installation was proposed.

This power shortage was extremely acute in the Niagara Falls district, a region of abundant but neglected potential power. At Niagara, the proprietary interests were more concerned with monopoly than in the efficient development of this vast source of potential power. These interlocked interests depended on the importation of Canadian current, rather than the efficient development of the power sources on

the American side. The pressure of Canadian wartime industrial requirements resulted in the forced curtailment of the Niagara-Canadian export power. With the curtailment of this power, the Niagara district, with its concentration of electrochemical plants, presented an acute problem.

A fuel shortage, together with a capacity shortage, forced a national betterment program. The first step in this program was the shutting down of old, inefficient steam plants and interconnection of the available water-power plants through transmission lines. This betterment program did not produce any material results. The problem became so critical that the House of the Sixty-fifth Congress passed H. R. 12776, giving the Federal Government wide powers for the construction, operation, requisition, and purchase of power plants and transmission lines. This bill, which passed the House, carried an appropriation of \$200,000,000. The armistice was signed before the bill had gone through the Senate.

The construction of power plants and interconnections require relatively long periods of time. This fact, together with the experience of 1917-18, should warn us as a nation of the hazards incidental to maintaining inadequate power reserves. Water-power plants are a vital part in any program of defense. Such plants relieve the wartime strain on mining and transportation. This is more especially true in those regions such as the Pacific Northwest not blessed with such native fuels as coal and oil. The national power survey shows that, at the time, no coal was burned in fuel-generating stations in the Pacific Northwest. I am working on a comparative study of Niagara and Bonneville, which I shall present in the near future. I intend to point out therein the necessity of avoiding at Bonneville certain operating conditions which would prevent the fullest realization of the conceptions of the Bonneville Act.

DISTRIBUTION OF DEFENSE SUPPLY

Before the days of the modern airship it was the custom to concentrate the Nation's supply and gun factories in comparatively narrow areas. Such a concentration plan makes these supply sources vulnerable to modern air attacks. Most of the Nation's supply factories are located along the Atlantic seaboard, and in such a narrow area that a small-size fleet of aircraft could put these sources out of commission and reduce this Nation's defense to a helpless condition. Modernized defense supply requires the distribution rather than the concentration of the sources. If the Nation is to have an adequate defense program, the Pacific coast should have its proportion of such supply facilities. If private capital will not consent to distribute these facilities, then the Government, out of necessity, must do so.

The high Cascade Range can be made an aircraft barrier from the west. The distribution of supply factories should be both east and west of the Bonneville Dam, which is just west of the range. Eastern Oregon and eastern Washington, due to their strategic location and close proximity to the water-borne transportation of the Columbia, are ideal locations for distributed supply sources. Bonneville's power transmission lines should therefore extend eastward. The program submitted by the Bonneville administrator this year contemplates such an extension. In the consideration of the Bonneville appropriation bill, which will shortly be before you, I urge that the defense features be accorded their full measure of importance. If neglected, the results will be tantamount to stripping the North Pacific section of all defense.

POWER MARKETS OF PACIFIC NORTHWEST

The point as to the power market has been raised by the opposition both in hearings and in debate. Independent of any national-defense program, I will briefly discuss one angle of this question. Unless we know the condition, adequacy, and efficiency of the existing power supply of the Northwest we are not in a position to say whether its present and future power facilities will meet the national and regional requirements.

SCHEDULE OF CONSTRUCTION AT BONNEVILLE

The dam and powerhouse at Bonneville were built to accommodate ultimately 10 generating units. This ultimate

development of 10 units was originally planned to total 432,000 kilowatts. Experience gained in the construction of the dam, powerhouse, and auxiliaries has convinced the Corps of Engineers that the first ultimate estimate can be economically and properly increased to 504,000 kilowatts.

The first section of the powerhouse has been completed. This section includes two generating units and the substructure for four additional units. The superstructure, however, was completed only to the extent of housing the two generating units now installed. These two generating units, which are now in operation, have a capacity of 86,400 kilowatts—a relatively small capacity. The water wheels driving these units are known as the Kaplan type of adjustable-blade propeller wheels. The adjustment of the blades permits the turbines to maintain their top efficiency under a wide variation in head conditions, ranging from about 30 to 70 feet.

The second step in the construction schedule was authorized in Public Act, 591, approved June 11, 1938, and funds for the addition of two units were carried in this War Department civil appropriation bill. This authorization carries with it the completion of the powerhouse superstructure for the four additional units and the immediate installation of two units with all necessary auxiliaries. Shop manufacture of the two additional units has been initiated, but will not be completed until a year hence. Field erection will take another year. Therefore the present authorization for two units which will give a total capacity of 190,000 kilowatts, cannot possibly be completed until the spring of 1941, and it will take at least the balance of that year before the additional capacity will be available to the market. Funds for the additional six units have not yet been appropriated. I understand that it is the War Department's plan to step this construction and erection by units of two. Under such a plan the earliest date for completion of the 10-unit power plant would be the midyear of 1944, with another year for transmission construction. Thus it will be 6 years before this power can be taken to its market, even if, through congressional appropriation, the units are built continuously.

Because of this building schedule, I will confine my discussion to the study of the potential power market in 1945. It will, no doubt, be remembered that I introduced a bill which was largely embodied in the Bonneville legislation which was passed by Congress—Public, 329, Seventy-fifth Congress. In this act the requirement is made that the Federal Government's investment in power facilities must be returned to the Treasury within a reasonable period. This amortization period has been set by the Administrator at 40 years, with interest on the unamortized balance at 3½ percent, which is approximately 1 percent higher than the current average rate of Government interest, including interest being charged private utilities under the R. E. A.

POWER MARKETS

Markets for Bonneville power will arise from the following necessities:

- First. National-defense utilization.
- Second. Power requirements of navigation.
- Third. Growth of load resulting from the lowering of rates.
- Fourth. Deficiency in existing dependable capacity for load growth.
- Fifth. Rural service.
- Sixth. Industrial service.
- Seventh. Irrigation load.
- Eighth. Processes for betterment of agricultural conditions.
- Ninth. Age retirement of existing private-plant capacity.

Practically all the previous discussion on Bonneville power market has been confined to items 3, 4, and 5, because the points raised in discussions have been limited to this field. I have covered these points fully during the past three sessions. In doing so I realized at the time that the whole field had not been covered. Incorrect impressions can arise if the extent of the market is not fully discussed. As a result of such impressions, it has been stated by the representatives of the private power companies that a market for Bonneville ca-

capacity does not exist, and that it will displace present investments. This is not the fact.

PRESENT CAPACITY OBSOLETE

For the last 9 years there has been practically no additional power capacity constructed in the Northwest. A substantial part of the present capacity is old, inadequate, and inefficient. By the time the Bonneville plant can be completed a sizable part of the present existing capacity will have to be retired, due to age, obsolescence, and inadequacy. In order that the pressing need for Bonneville project may be fully realized, I will set out and define the age, efficiency, and inadequacy of the existing power facilities of the Pacific Northwest. My study is based on official facts and figures.

In 1934 the Federal Power Commission investigated this situation throughout the country and sent questionnaires to the private power companies covering age and condition of existing installations. Factual information gathered by the Power Commission from these operating companies and published in their pioneer effort, entitled "National Power Survey," should be read by every Member of Congress. This survey constitutes the first appraisal of the efficiency of American generating plants. It can easily be brought down to date from the current operating figures released by the Power Commission. The National Resources Committee has just completed its report on the energy resources of the Nation. This is in process of being printed, and I have not as yet had an opportunity to study it.

INSTALLED CAPACITY

The installed utility generating capacity in the States of Oregon, Washington, and Idaho is given in the following table:

TABLE 1

Year	Kilowatts of hydro	Kilowatts of steam	Total all kinds
1920	442,740	148,671	591,571
1929	910,731	272,025	1,184,216
1934	1,111,294	363,100	1,428,118
1937	1,222,039	389,580	1,616,563

This information was taken from the reports of the United States Geological Survey and the Federal Power Commission. The installed plant capacity given in this table does not indicate that this is available or economic capacity. The capacity that governs is the dependable capacity available to meet the sum of the peak consumer demand plus a floating protective reserve and a reserve to handle load growth increases. For example, the 215 major operating systems in the United States reported that for 1934 they had installed capacity of 31.59 million kilowatts. This capacity was needed to meet a major demand of 23.1 million kilowatts maximum. The difference between this installed capacity and maximum demand represents a ratio of 1.37 to 1. This difference is necessary because of dependable capacity, allowance for the protective reserve, and an allowance for a reserve to take care of load growth. It takes anywhere from 1½ to 2 years to build a steam producing plant and anywhere from 2 years to 5 years to construct a hydro plant.

Installed capacity in run-of-the-river hydros is governed by the economic cost of this capacity and its utilization. Some hydros have been built with an installation around three times the output capacity available during periods of low-flow or minimum-head conditions. No piece of machinery can run 100 percent of the time. It is necessary to take machine units out of service for repairs. A floating reserve is therefore necessary to protect service from break-downs. All of these contingencies have to be considered in any calculation, and the capacity available to meet critical periods determines the dependable output capacity.

AGE OF PLANT INSTALLATIONS

The Federal Power Commission, in its National Power Survey of 1934, has tabulated the age of both steam and generating plant capacities in the Pacific Northwest. I pre-

sent this information in table 2, as an index to the dependable capacity available to meet the critical system peaks.

TABLE 2

Date of installation	Hydro		Steam	
	Kilowatts	Percent	Kilowatts	Percent
Prior to 1901.....	6,000	0.5	800	0.2
1901 to 1905.....	24,980	2.3	15,500	4.2
1906 to 1910.....	109,225	10.2	26,000	7.1
1911 to 1915.....	179,963	16.8	32,500	8.9
1916 to 1920.....	86,200	8.1	85,000	23.0
1921 to 1925.....	253,330	23.8	169,000	46.0
1926 to 1930.....	239,130	22.4	35,000	9.6
1931 to 1934.....	137,700	12.9	3,700	1.0
Year not given.....	31,678	3.0		
Total.....	1,068,206	100.0	367,500	100.0
Nondependable in 1934, Federal Power Commission.....	232,000	21.7	22,000	6.0
Estimated nondependable, 1945.....	325,000			
Total, nondependable, 1945.....	400,000			

This is a most striking fact—that 400,000 kilowatts, or 80 percent of the ultimate 1945 power capacity of Bonneville will have disappeared from the dependable classification of other existing systems before Bonneville is completed.

HYDRO CAPACITY

Seventy-six percent of the installed generating capacity of the Pacific Northwest is in hydro installations. Most of the hydro installed capacity in this section is located on the smaller streams. This situation arose from the early consideration of first cost.

These smaller streams have widely varying flow characteristics, and the critical periods for these plants occur in the months of November and December because of low stream flows. These are also the months of maximum consumer demand. During these months, the Bonneville plant will be running at its maximum load, as this plant has been so sized as not to be curtailed by low flows. Low flows, for example, in the smaller streams of Oregon, cause Oregon hydros in dry years, to lose 46 percent of their installed capacity.

In 1934 the Federal Power Commission found 232,000 kilowatts of nondependable hydro capacity in the Northwest out of 1,068,206 kilowatts of installed capacity surveyed. The nondependable capacity represented 21.7 percent of the total. The lack of availability is due to low flows, reduced loads, units down for repairs, lack of storage, and age of the units. This 1934 value of regional dependable capacity is the summation of figures reported by the operating organizations to the Commission. It is obvious that age alone is not the sole determining factor in plant retirement but it furnishes a reliable index.

Applying this 1934 percentage to 1937 installed capacity, we find that the present nondependable hydro capacity is 265,000 kilowatts. By 1945, age will have removed from the dependable category about one-third of that capacity installed between the years 1911 and 1915, or an additional installed capacity of 60,000 kilowatts. By this reasoning it is found that the estimated undependable hydro capacity in 1945 will amount to about 325,000 kilowatts.

STEAM CAPACITY

Twenty-four percent of the total installed generating plant capacity in the Pacific Northwest is represented by fuel-burning stations. No coal is burned in these plants. The fuel used is either oil or lumber refuse. The steam installed capacity in this region is practically all auxiliary or standby service used to back up the water-power plants during low flows. The power survey shows that these plants manufacture normally about 5 percent of the energy produced in the three States, though they have 24 percent of the installed capacity.

The modern supersteam station takes between 12,000 to 13,000 fuel heat units to manufacture a kilowatt. Steam stations carrying any considerable load must have a fuel efficiency from 13 to 18 thousand such units. At the time

of the national survey, only 70,000 kilowatts of such capacity existed in the Northwest. This is an insignificant proportion. The typical modern steam station built previous to 1922 is classed as inefficient under modern conditions. By a generally accepted rule the economic life of steam-power equipment is considered to be 20 years. By 1945, according to this rule, 159,000 kilowatts of steam capacity should be retired because of age. Steam plants, having a fuel consumption in excess of 25,000 heat units, are not now being used to carry any base load, but are used only for standby. One hundred and two thousand kilowatts of installed steam capacity in the Northwest have consumption values greater than the critical allowance. Such capacity is classed as inefficient. It is evident from these figures that less than one-third of the existing 24 percent of steam capacity in the Northwest is capable of being economically used for even a small amount of steady load. One hundred and two thousand kilowatts of existing steam capacity out of the total of 367,500 kilowatts cannot be counted on for use in picking up the underlying load increase. Because of age and inefficiency, around 150,000 kilowatts of existing steam capacity should be retired by 1945, but for the purposes of a conservative estimate, I have taken half of this figure as the least retirement capacity for 1945.

SPARE CAPACITY AND RESERVE

Spare capacity that can be immediately available must be held ready to be placed into service to prevent interruptions and to insure adequate service. Units break down and machines have to be taken off the line for overhauling. This contingency, with accidents, requires available spare capacity which is often referred to as a floating reserve.

The amount of this floating reserve varies with the section and the importance of the load. The New York City private companies maintain a floating reserve of 26 to 42 percent. Even with this high reserve percentage, the few stations of the New York company could easily be put out of commission. Several years ago New York City realized what a power shortage meant when the Hell Gate Station had its service disrupted from a minor initial accident. The companies of the Pacific Northwest reported a floating reserve of 14.3 percent of the dependable capacity.

This is a low percentage but can be accepted as a fairly reasonable one because of the preponderance of hydropower. Various authorities have estimated that a floating reserve of 20 to 33 percent is required. The major private power companies have invested their dollars to provide a leeway of 37 percent between installed capacity and demand. They would not have done this unless such a reserve was vitally needed. The experience of the World War demonstrated that such an over-all reserve was completely inadequate during 1917-18.

In addition to a floating reserve, additional reserves are needed to take care of normal load growth and for national defense. The load growth reserve is necessary because of the time element required in plant construction. A minimum load growth reserve of 10 percent is usually taken as an estimating figure, but this is low, as it only represents about 1 year normal growth in load. Plants cannot be projected and built in such a short period.

As I have previously pointed out, the World War experience produced a 78-percent increase in electric consumption. Under more modern conditions this figure will build up to at least 100 percent. This does not mean that after deducting the floating and normal load-growth reserve of, say, 25 percent that an additional 75 percent defense reserve is required. As a wartime measure, power requirements can be rationed and staggered. An initial defense reserve of 20 percent in hydro regions is a minimum reasonable protective defense measure. Such a percentage would not become a burden to the home and farm ratepayer. Fortunately, the Federal plants like T. V. A. and Bonneville can be used to meet such defense emergencies. The protection of the investing public requires that the private companies should amortize

and retire obsolete generating capacity. A steam plant not in use deteriorates rapidly, and a nonused steam reserve would be ineffective when necessity demands that such reserve be placed into service.

DEFICIT OF CAPACITY DUE TO SPECULATION

From 1930 to 1938 only 291,000 kilowatts of additional generating capacity have been installed in the Northwest by public and private plants. This is exclusive of the 86,400 now completed at Bonneville. This 8-year installed figure represents 18 percent of the existing installed capacity, a ridiculously small increase for an 8-year period. Of this increase 120,000 kilowatts is represented by the Diablo plant of Seattle's public power system. Therefore, we see that there has been only an increase of 171,000 kilowatts installed in the Northwest during the past 8 years by all interests. Assuming that this increase was all private, we find only a 10½-percent total increase in this 8-year period. Before the depression, covering the boom period from 1920 to 1929, private interests installed an additional capacity each year at an average yearly rate of 11.7 percent. No wonder there is a capacity shortage in this section.

The banks have been overflowing with money and funds could easily be secured for additional capacity if the private power interests were so inclined. The fundamental reason why they have not, results from the passage of remedial legislation tending to prevent manipulation by holding companies. My observation has been that the private utilities were more interested in profits from security juggling than they were in plant operation and construction. Electric-power extension has been governed by speculative motives.

PRODUCTION INCREASES

In 1920, 2,200 million kilowatt-hours were produced in these three States. This production figure rose to 4,600 million kilowatt-hours in 1930 and dropped to 3,970 million at the depth of the depression, in 1933. In 1934, the year of the national power survey, this production had risen to 4,350 million kilowatt-hours. At the end of 1937 the production had risen to 6,000 million kilowatt-hours. Therefore from 1934 to 1938 power production increased 38 percent, with practically no additional capacity being added. Experience from 1934 to 1937 in this region represents a doubling rate of 5½ to 6½ years. Eugene, Oreg., with very much lower rates, has been doubling its output about every 4 years. This increase is principally due to increased residential and farm consumption.

DEMAND INCREASE

Demand figures are not given in the official statistical power releases. However, the 1934 estimated section demand as given by the power survey was 1,066,000 kilowatts. By taking a low estimate of 19 percent for a demand increase under a 38-percent consumption increase, the present expected demand will be around 1,270,000 kilowatts. A 14.3-percent floating reserve requirement will raise the active machine requirements in the Northwest to 1,450,000 kilowatts. Out of the installed capacity of 1,617,000 kilowatts, 297,000 kilowatts is nondependable. This leaves a dependable supply of 1,320,000 kilowatts to meet an active machine requirement of 1,450,000 kilowatts.

The normal present peacetime resumption will find this section with a capacity shortage of 130,000 kilowatts. This estimate which I present does not allow for any low-growth increase as I have considered that the Bonneville plant would take care of such increase. In 1934 the Power Commission estimated the regional shortage to be 100,000 kilowatts—half being in the Puget Sound area and half in south Washington and northern Oregon. Practically all the shortage is in a region contiguous to the Bonneville plant. The normal load increase per year will average about 50,000 kilowatts.

RESERVE CAPACITY

This shortage has been met by operating on a floating reserve. Such a condition cannot be continued, and this necessity is shown by the press reports, stating that the private companies have applied for Bonneville power and

some 12,000 kilowatts are being used by such companies even before any transmission lines are built.

The sum of the floating and load-growth reserve in this section amounts to around 25 percent of the peak load. Full wartime production cannot be geared up immediately and, therefore, it seems reasonable that an additional defense reserve of 20 percent in a preponderant hydro section, together with a rationing program for other users, will take care of the initial period of the defense supply program. During such an initial period machines could be installed in those projects with completed dams.

The Columbia Basin has 41 percent of the available potential water power in the United States. This additional defense power reserve in the Northwest should be, at the very minimum, 250,000 kilowatts, or half the ultimate capacity of the Bonneville plant.

The proposal of a 20-percent reserve in connection with the temporary use of the other two reserves, floating and load growth, account for approximately half of the increase encountered during the World War period when there was a definite and crippling shortage.

Hydro power is the ideal reserve, as such a plant equipment does not deteriorate from nonuse like equipment in a steam plant. Hydro costs under partial loads are much less than those of a steam plant. A hydro plant can be placed in service immediately in case of an emergency whereas a steam plant takes considerable time to fire up and warm the turbines so that it will be safe to operate.

Washington, D. C., receives a trifle under one-third of its power consumption from the transmission lines originating at the Susquehanna hydro plants. This Susquehanna power is delivered in Washington for about 2.1 mills per kilowatt-hour net. The most modern steam plant, as represented by one of the plants here in Washington with \$4.34 coal, delivers current costing double the Susquehanna delivered cost.

CHEAP POWER AN ASSET

Electrochemical processes require current costing 3 mills or less to produce economically. Bonneville's current, for such use under the established rates, will cost around 2 mills per kilowatt-hour.

I have pending an important bill (H. R. 196) providing for Government construction and operation of a chemical plant to manufacture sodium chlorate at Bonneville. This plant is necessitated by the ravages of noxious weeds which are rapidly destroying farm values. It would be most valuable for the defense of our country in case of war.

PRIVATE UTILITY DEBT STRUCTURE

The statement of these incontrovertible facts very naturally brings to mind the situation of the investors in private utility resources. How will they come out? I have many times pointed out that their investments have been rendered hazardous because of manipulation by utility holding companies with their policy of maintaining permanent debt structures and making no efforts toward paying off the debt load. Faced with inevitable deterioration, investors can protect themselves only by unitedly insisting that company managements amortize debt for equipment which must be retired.

SUMMARY OF POWER NEEDS OF PACIFIC NORTHWEST

To realize the effect of plant obsolescence and inadequacy in the Pacific Northwest in connection with power markets, it is well to summarize the points developed.

First. Bonneville's present capacity is only 86,400 kilowatts.

Second. The capacity available at the beginning of 1942 will be 190,000 kilowatts.

Third. The earliest scheduled date for the ultimate completion will be 1945.

Fourth. By 1945 there will be 400,000 kilowatts of nondependable installed capacity in existing systems of the Pacific Northwest, with about 50 percent in the Bonneville territory.

Fifth. Normal peacetime load increase, by 1945, in Bonneville area, will total 250,000 kilowatts to 300,000 kilowatts.

Sixth. Irrespective of irrigation pumping needs, major industrial load, agricultural betterment loads, and defense re-

serve, conditions now exist to absorb all of Bonneville's power capacity by the time it can be completed, under a peacetime normal growth schedule.

Seventh. A national defense reserve of 250,000 kilowatts will be needed.

Mr. SNYDER. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. STARNES].

Mr. STARNES of Alabama. Mr. Chairman, in presenting this supply bill for the fiscal year 1940, your Subcommittee on Appropriations handling this particular phase of the Budget for the year has endeavored to present to you a well-rounded program with a proper balance of personnel and matériel.

The bill provides in the form of personnel for the Regular Army 13,031 officers and 165,000 enlisted men; for the National Guard, 210,000 officers and men; and for the Reserve Corps, approximately 100,000 officers.

What is an adequate national defense? This question is often asked. An adequate national defense is a defense adequate to take care of this country and its people any time, anywhere, having in view the state of affairs existing throughout the world and taking into consideration our position as a world power among the sister nations of the earth, our wealth, our commerce, our people and their relations to other people.

We shall also have to take into account at any given time the amount of money that other nations expend for national defense and the care and the condition of their armed forces.

It is a changing term. There is nothing fixed about it. It cannot be fixed unless you can fix or freeze world conditions. If you can do that, if you can strait jacket the earth and know for a certainty, year after year and generation after generation what the wealth and the power of nations are to be, then we will know whether or not we are adequately prepared.

I am not at all alarmed because we have had to make some changes during the past 12 or 18 months in meeting world conditions. I think that is a tribute rather than otherwise to the men in the Army and Navy whom we have charged with the responsibility of keeping us advised about conditions. No one could foresee in the whole world, let alone in the United States, what would take place in Europe last year. I can assure you England, France, and other European nations were much more shocked at the revelations at Munich than was the United States.

There is one phase of our national defense to which I want to direct your attention at this time.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield.

Mr. McCORMACK. Is it not true that one thing stands out—that lack of preparation was a very contributing factor to what did occur there?

Mr. STARNES of Alabama. Absolutely. There is no question about that; and England and those nations who were reminded at that hour have taken unprecedented action during the past 6 or 8 months in order to remedy the conditions which they found existing at that time.

I think the \$499,000,000 which we are appropriating here for our own national-defense needs is a modest sum when you take into consideration the fact that this year England is expending \$2,510,407,800 for her national-defense budget.

One thing to which I wish to call attention at this time as being of vital importance to us is the preparation of industry for wartime needs. This preparation is the principal key-stone of our modern national-defense policy. The Army has wisely taken cognizance of our lack of industrial preparation and has urged upon the Congress, and the Congress has adopted a national policy pursuant to their recommendation for bringing about proper coordination of industry and the Army to supply the Army for its needs in an emergency. That was provided for in legislation which was passed last year, setting up a system of educational orders. The system or policy of "educational orders" is merely a cooperative

means of bringing together the Army's industrial planning officers and industry's production men so that their common problems may be best attacked. These orders can be given only on what we term critical items. We have 55 of those so-called critical items. The following qualifications must be met:

First, those items must be essential.

Second, they must be standard.

Third, they must be noncommercial.

Fourth, they must be required in mass quantities in wartime.

Fifth, it must be shown that mass production could not be attained in 6 months by any other method.

In pursuance of that policy we appropriated \$2,000,000 last year, and the program is now under way. Two million dollars will be provided for in this bill, as authorized under the act of 1938.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield.

Mrs. ROGERS of Massachusetts. As I understand, if these orders are not given to business, many of the workmen will be so out of practice that they will be untrained at a time when we will need them?

Mr. STARNES of Alabama. Unquestionably. It is for the purpose of providing trained personnel as well as giving industry some encouragement to change their plants so that they can be transformed from peacetime to wartime production overnight.

Mrs. ROGERS of Massachusetts. I am delighted. I introduced a bill providing for the first educational orders bill away back in 1926.

Mr. STARNES of Alabama. I am pleased at the lady's interest in the subject.

The five things that can come from this educational program, the objectives which the War Department hopes to obtain are—

First, the testing of the specifications;

Second, development of mass-production designs;

Third, conduct of the production study, showing the methods used;

Fourth, creation of dies, gages, jigs, tools, and other necessary implements peculiar to the article;

And finally, the manufacture of sufficient numbers to test this method.

The War Department has already received bids on six of these items which were given priority. Those bids were for gas masks, recoil mechanism for the 3-inch antiaircraft guns, searchlights, forgings for 75-millimeter shells, machining 75-millimeter shells, and for semiautomatic rifles.

Pursuing further this thought, I call to your attention this fact: Of the five munitions plants we have owned and operated by the Government, four are located north and east of Philadelphia. The other plant is located at Rock Island. In all this vast expanse of territory which we call the United States, these are the only munition plants which the Army has. All except the Rock Island plant are located in comparatively vulnerable areas. We need decentralization of industry in this country, and we need decentralization of munition plants for the manufacture of essential items for our national defense. [Applause.] These plants should be located away from the seacoast, and we should construct plants away from the seacoast, behind the mountains, where they will be close to the source of raw material and an available labor supply, with a transportation net available, and where they will be practically invulnerable from attack. This applies particularly to the manufacture of chemical warfare ingredients as well as to munitions.

We have all of our eggs in one basket insofar as this one particular arm of the service is concerned, and there is pressing and vital need for the construction of an additional chemical warfare plant in this country at the present hour.

It takes too long to make proper industrial plans and adjustments to wartime needs for us to delay action in this

matter until we are threatened with an emergency. We learned this lesson in the last war in which we engaged. We did not fly a single American plane over the front line. We borrowed our artillery from the British and the French, and at one time we had to borrow rifles and machine guns from the British and the French during the great conflict.

This one subject—the preparation of industry, the keystone of our modern national-defense policy—in my judgment, is the outstanding need of the hour, and the one to which we must first direct our attention. We can get the personnel in abundance. Our supply of manpower is practically inexhaustible; and while our raw material in most of the critical items is also practically inexhaustible, we do not have adequate facilities for the preparation of the items so essential to our national defense.

What I said with reference to munitions in the Chemical Warfare Service applies to our manufacture of planes. Sixty percent of the plane industry today is located along the Pacific coast in the Los Angeles and Seattle areas.

Decentralization, in my judgment, is the answer. The construction of additional munitions plants in other sections of the country, one in the Southeast, one in these mountains out here to the west of us in West Virginia and Pennsylvania, one along the Great Lakes area, and the development of that magnificent new plant we have at Ogden, Utah, would fill the bill admirably in this respect.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield.

Mr. TAYLOR of Tennessee. I am very much interested in the suggestion made for the decentralization of our munitions plants. About 2 years ago I took up with the Chief of Staff of the Army the thought of locating such a plant at Norris, Tenn., where the Government already has a town consisting of a hundred or so fine buildings that are not suitable for ordinary industry because it would cost too much to rent them; but in these munition plants, of course, highly skilled labor is employed, and their operations are of such a nature they could afford to pay the rent necessary for the use of such buildings. The Chief of Staff later reported to me that he had had a survey made and said that he was very much impressed by the suggestion, but I have heard nothing further about it.

Mr. STARNES of Alabama. I can assure the gentleman from Tennessee that this matter is being seriously considered by the War Department and is undergoing study at the present time. A resolution has been introduced in the Military Affairs Committee of the House seeking to have a survey conducted immediately with reference to certain points I have raised here in this discussion. The great area to which the gentleman has referred is vitally essential to our national defense system and is admirably suited for the location not only of munitions plants, but of chemical warfare plants as well.

In conclusion, Mr. Chairman, I may say that it was my pleasure during the past summer to make a visit of inspection to numerous Army posts in continental United States, as well as in some of our insular possessions. There are some observations I wish to make with reference to that trip and give you the benefit of my experiences.

There has been remarkable progress in the arming and equipping of our armed forces during the past 5 years. Much remains to be accomplished. At El Paso the Army should acquire additional land for maneuvering purposes. The same can be said in the Monterey area of the great State of California. They have a wonderful site there for training of divisions, or even of an army, which should be taken advantage of.

[Here the gavel fell.]

Mr. SNYDER. Mr. Chairman, I yield 3 additional minutes to the gentleman from Alabama.

Mr. STARNES of Alabama. Much has been said about our air forces. Regardless of the strength of the air forces of other nations, man for man and ship for ship, the United States of America has the best air force in the whole wide world today.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. Certainly.

Mr. BROOKS. I am very much interested in seeing the air forces brought up to the authorized strength. What provision is the committee making in reference to bringing it up to present authorization strength?

Mr. STARNES of Alabama. The air forces?

Mr. BROOKS. Yes.

Mr. STARNES of Alabama. This bill calls for the completion of the Baker Board program, and in addition thereto the construction of 565 additional planes.

Mr. BROOKS. Will that bring it up to the 4,100 authorization?

Mr. STARNES of Alabama. No; it brings it up to 2,985 planes, if I recall correctly.

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. STARNES of Alabama. I yield.

Mr. COLLINS. We never had any 4,100 authorized until this year. The only number authorized has been 2,320.

Mr. STARNES of Alabama. That is true; but in view of the recent action of the House, raising the authorization to 5,500 planes, I consider that a moot question.

I found a high esprit de corps among both officers and enlisted men. They are meeting the responsibility thrust upon them and providing for our national defense in a magnificent manner, one in keeping with true American traditions. [Applause.]

Mr. SNYDER. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. COFFEE].

THE CIVILIAN CONSERVATION CORPS

Mr. COFFEE of Washington. Mr. Chairman, within the next few weeks the Civilian Conservation Corps will complete 6 years of activity as an organization for the conservation of natural resources and unemployed youth. I want to take this occasion to express my deep appreciation for the excellent work which the C. C. C. has done throughout the whole country, and especially in my home State of Washington. I am certain that none of the New Deal agencies has made a finer record for itself than has the C. C. C. An experiment when it started, the corps rapidly placed itself upon a firm foundation, and over the last 5 years it has had the wholehearted approval of the entire country.

THE C. C. C. HAS A RECORD OF ACCOMPLISHMENT

In the approximately 6 years that it has been in operation it has operated an aggregate of more than 4,000 camps and furnished employment to approximately 2,000,000 young men and more than 200,000 war veterans, Indians, and residents of Puerto Rico, Alaska, the Virgin Islands, and Hawaii. The young men who have gone to the C. C. C. camps have had a wonderful experience. In the approximately 9 months which the average boy remains in the C. C. C. he learns how to work, develops physical hardihood, learns something of discipline, and, if he takes advantage of the opportunities offered him, develops skills which improve his chances for obtaining private employment. The C. C. C. records show that thousands of young men who entered the camps without work experience were able to obtain outside jobs within a few months, largely as a result of the training and education obtained in the corps.

IT IS A WHOLESOME LIFE

There is no doubt but that the life of the C. C. C. camps has been a wholesome one for the average young man who has enrolled in the corps. The C. C. C. has also proved a boon to the country, for it has given the Nation its first nationwide, worth-while conservation program. At the time the C. C. C. was initiated America's natural resources of forests and soil were on the downgrade. In a recent statement before the House Labor Committee, Dr. H. H. Bennett, chief of the Soil Conservation Service, stated that over the last 50 years soil resources valued at \$20,000,000,000 had been destroyed by erosion. Over the last 6 years the C. C. C. has labored to repair some of the damages caused by past generations of neglect. The records of the C. C. C. show that the men have worked on some 150 different types of jobs,

including the planting of trees, forest improvement, the construction of fire towers, laying of telephone lines, building of truck trails, erosion control, flood control, and recreational and wildlife development. I am advised that the national reforestation program has been advanced by the planting of more than 1,500,000,000 forest tree seedlings—more trees than were planted during a whole decade prior to the beginning of the C. C. C. Forest stands have been improved over more than 3,000,000 acres and campaigns to reduce the damages caused by tree diseases and tree-attacking insects have been carried on over more than 17,000,000 acres.

A tremendous amount of work has been done in the field of forest protection. Close to 100,000 miles of truck trails and minor roads have been built. Something like 67,000 miles of telephone lines have been built through forest areas to improve communication systems. More than 3,400 lookout houses and towers have been built in forests and parks for fire-protection purposes. Enrollees have constructed 41,303 bridges and 45,000 other buildings of various sorts. The presence of the enrollees in the woods has furnished the Nation with a fine forest fire-fighting patrol force, which has undoubtedly saved millions of dollars worth of timber. Through its work the C. C. C. has aroused national interest in conservation and awakened the whole country to the need for a continued program for the development and protection of our natural resources.

THE C. C. C. AND THE STATE OF WASHINGTON

The C. C. C. has been of great value to the people of my State. While protection of forests from fire has been one of the major accomplishments of enrollees working out of Washington C. C. C. camps, they have also done much to aid the United States Forest Service, the National Park Service, and other bureaus of the Departments of Interior and Agriculture to advance their work programs. Because of the camps, much has also been accomplished in the way of developing park and forest recreational facilities, aiding in the restoration and conservation of wildlife, control of white-pine blister rust, pine beetles, and the control of harmful soil erosion and other improvement and development work on public lands.

A total of 37 camps are in operation at the present time in the State. Of these, 16 are on national-forest lands. Seven camps are working on privately owned timberlands, and one on State-forest land in Snohomish County. All of the forest camps operate under the direction of the United States Forest Service. Combating soil erosion is carried on by six camps on projects directed by the Soil Conservation Service. Two camps are on reclamation projects under the Bureau of Reclamation; the National Park Service directs the work of four camps; four are on State parks and one on the Mount Rainier National Park.

VARIED FORMS OF FOREST PROTECTION

Forest protection and improvement are the major activities of C. C. C. enrollees within the State. All forest camps engage in activities dealing with forest-fire control; those on National and State forest land, in addition to fire control, operate on improvement and development projects. Camps on private timberland, however, are limited to fire-protection operations carried out under Federal-State private-owner agreements.

There are two general phases of C. C. C. work on forest-fire protection in the State. The first is the provision of manpower for fire fighting in groups strategically located throughout the timbered areas. The Corps has, in many respects, become the first line of fire defense. Since the Corps was started, C. C. C. enrollees have spent a total of 203,000 man-days fighting forest fires in Washington.

The second phase of fire-protection work is, in reality, a form of insurance for the State's forest resources. The camps have constructed 3,650 miles of truck trails and minor roads and many hundreds of miles of new foot and horse trails. Over 2,800 miles of telephone lines have been erected, plus 215 lookout towers and houses and other physical improvements which materially strengthen the detection, communication, and transportation systems in forests and parks,

thus resulting in the speedier movement of adequate control forces to the scene of the fires. In all, this type of work has resulted in the saving of millions of dollars' worth of timber which might otherwise have gone up in smoke and flame, not to mention the losses of watershed regulation, recreational possibilities, and the ruination of wildlife habitat.

EMPHASIS IS PLACED ON SAFETY OF ENROLLEES

Because of the importance in the personal safety of enrollees themselves and to enable them to carry on the most effective work possible while engaged in fire fighting, all camps receive chances for fire-fighting training. This is carried out systematically by field officers and technical experts of the Federal and State forestry offices. Lectures and demonstrations are given, coupled with instruction on actual fires, in order to fully train leaders and foremen and to familiarize enrollees with special tools and equipment and the various specialized methods of fire fighting used in the region.

In addition to saving many millions of board feet of timber from fire, the C. C. C. has been credited with being the main bulwark of defense during periods when fires threatened many communities with destruction. In speaking of the relation of the C. C. C. to the State's forest program, C. W. Cowan, chief fire warden of the Washington Forest Fire Association, said in an annual report:

The efforts of the Civilian Conservation Corps have been most successful in fire suppression; it has done a tremendous job in its trail and road work and is, in the main, responsible for the decrease in incendiary fires.

In this State there is the problem of the recreation-seeker fires, as well as the problem of hazard reduction. The corps in its several years of practical experience now brings to its physical efforts an understanding of the problem of whys and hows of what to do. Its effort in road building, as outlined, promises to make the problem of forest protection more effective and is more than a statement of miles built. The location of these roads, covering, as they do, an empire of young and vigorous second growth as well as potential forest lands, is a matter not only of State and National importance; it is a matter of pride in the intelligent and vigorous effort. The number of miles of telephone lines, the lookout towers built, firebreaks constructed, the establishment of a forest nursery—all are details in a complete forest program. Such efforts will, to the greatest extent, repay the Nation.

CONTROL OF INSECT PESTS

In addition to fire protection, C. C. C. enrollees covered many thousands of acres on control measures against pine beetle and white-pine blister rust, destructive insect pest and tree disease. Work against the spread of pine beetles consists of locating infested trees and burning them to prevent spread of the insects to host shrubs. To control white-pine blister rust, C. C. C. crews destroy currant bushes and other plants of the genus *Ribes*, which act as alternate host to the disease, to block the spread of the disease from tree to bush and again to trees.

Development and improvement activities were other major tasks of the National and State forest and park camps. The construction of forest roads and trails, in addition to strengthening fire-control systems, also aid administration and other uses of the areas. They have made forest resources more easily available and allowed more people to utilize the superb recreational possibilities of Washington's forests and parks. Many new public campgrounds are now available to visitors from Washington and other States. In carrying out improvement of recreational areas, simple bench and table combinations, outdoor stoves and sanitary conveniences, water supplies, and other facilities have been constructed.

REFORESTATION IS ASSISTED

Timber stands were improved for future usage by cultural operations carried on by C. C. C. crews under the guidance of forest technicians over more than 4,700 acres. A total of 17,526,000 trees were planted by C. C. C. enrollees in Washington as part of the Nation-wide reforestation program being carried on by the corps. Under the direction of State foresters C. C. C. enrollees have provided much of the labor for the growing of seedlings used in reforestation operations in a State-owned tree nursery near Olympia and in a Federal nursery in the Wind River Valley.

Camps operating under the direction of the Soil Conservation Service have completed a large amount of work in the demonstration of modern methods of soil erosion control practices. Since the start of the C. C. C. more than 8,400 erosion check dams were built. Thousands of acres of rich agricultural and range lands in the eastern part of the State have benefited from this work. Operations include the control of gully and sheet erosion and the protection of range lands by contour furrows and the digging of diversion ditches.

Some of the accomplishments of the erosion-control program during the past fiscal year alone include the following: The protection of 47,000 square yards of stream and lake bank protection, more than 800,000 square yards of bank sloping completed, and a total of 1,452 check dams of all kinds constructed. More than 440,000 square yards of banks were seeded and sodded.

PRACTICAL EDUCATIONAL TRAINING IS PROVIDED

In addition to the great benefits provided the State, through the work of the corps, those young men from Washington who have enrolled in the C. C. C., and the enrollees of other States in the camps in Washington, have received valuable training which will greatly influence their future lives. Enrollees of all camps joined in training classes and groups which made use of the work being actually accomplished in the field to learn work techniques and become familiar with various tools and equipment. The Washington camps have furnished many private concerns and Federal and State organizations with truck drivers and operators of road and heavy machinery, young men who have had preliminary experience in various types of woods work, clerical help, and employees in other fields due to C. C. C. training.

During the first 5 years of the C. C. C. the program provided 44,405 Washington men with employment, a figure which includes more than 38,000 enrollees, as well as Reserve officers, work supervisors, and others. Total C. C. C. obligations during the same period in Washington were estimated at close to \$50,000,000.

Before concluding, I want to say that I have been profoundly impressed by the tremendous amount of sound and worth-while work which the young men and the war veterans of the corps have been able to accomplish throughout the country over the last 5 years. I am also greatly impressed by the fine record which the corps has made in the development of young men. Entering the C. C. C. camps as green, awkward, skinny boys, they go out as young men with bodies filled out, shoulders thrown back, and heads held high. Their spirits, their self-respect, and morale have been improved. They return to their homes with faces aglow, with confidence to tackle any job. I am confident that Congress will act promptly to insure that the fine work which the C. C. C. is doing will be continued. [Applause.]

Mr. SNYDER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4630, the War Department appropriation bill, 1940, had come to no resolution thereon.

GOVERNMENT REORGANIZATION BILL

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that in the consideration of the bill (H. R. 4425) to provide for reorganizing agencies of the Government, and for other purposes, the time for general debate be limited to not to exceed 8 hours, to be confined to the bill and be equally divided between myself and the gentleman from New York [Mr. TABER].

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

WAR DEPARTMENT APPROPRIATION BILL, 1940

Mr. SNYDER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

state of the Union for the further consideration of the bill H. R. 4630, the War Department appropriation bill, 1940.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4630, the War Department appropriation bill, 1940, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Sec. 2. No part of any money appropriated by this act shall be used for maintaining, driving, or operating any Government-owned motor-propelled passenger-carrying vehicle assigned for the exclusive use of persons other than the Secretary of War and medical officers on out-patient medical service.

Mr. MILLER. Mr. Chairman, I ask unanimous consent to return to page 11 for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut [Mr. MILLER]?

Mr. SNYDER. Mr. Chairman, I am sorry, but we cannot go back, under the rules.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. SNYDER] object?

Mr. SNYDER. Mr. Chairman, I object.

Mr. MILLER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MILLER. According to my understanding, an agreement was reached this morning that general debate would last for 2 hours. I came into the Hall at 12 minutes past 2, which would be less than 2 hours.

The CHAIRMAN. The agreement reached in the House was that general debate should not exceed 2 hours.

The Clerk concluded the reading of the bill.

Mr. SNYDER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that it pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. COOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 4630, the War Department appropriation bill, 1940, had directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. SNYDER. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SNYDER. Mr. Speaker, this is the eve of the one hundred and fiftieth anniversary of the First Congress of the United States under the Constitution. May I take this occasion to congratulate the House and to thank my committee and my colleagues for their splendid cooperation in passing the first Army appropriation bill in 150 years without even an amendment being offered.

THE JOURNAL

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the reading of the Journal be postponed from tomorrow until Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

EXTENSION OF REMARKS

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter which I received from the Governor of New York, the Honorable Herbert H. Lehman.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. ANDREWS]?

There was no objection.

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made by a colleague of mine on national defense last night.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from Frank C. Balfour.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. HINSHAW]?

There was no objection.

Mr. KITCHENS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill (H. R. 4630) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. KITCHENS]?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution passed yesterday by the Thomas Jefferson Memorial Commission in reference to the death of the late John J. Boylan, of New York; also a brief statement by Joseph P. Tumulty.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. SMITH]?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DALY (at the request of Mr. BRADLEY of Pennsylvania), indefinitely, on account of illness.

ADJOURNMENT

Mr. SNYDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 22 minutes p. m.) the House adjourned until tomorrow, Saturday, March 4, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Monday morning, March 6, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Monday, March 6, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

Beginning at 10 a. m. on Wednesday, March 22, 1939, there will be a hearing held before the Subcommittee No. 4 of the Committee on the Judiciary on House Joint Resolution 176, declaring the conservation of petroleum deposits underlying submerged lands adjacent to and along the coast of California, below low-water mark and under the territorial waters of the United States of America, essential for national defense, maintenance of the Navy, and regulation and protection of interstate and foreign commerce; reserving the same as a naval petroleum reserve, subject to any superior vested right, title, or interest; and authorizing appropriate judicial proceedings to assert, ascertain, establish, and maintain the right and interest of the United States of America in such reserve and to eject trespassers.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, March 7, 1939. Business to be considered: Railroad rate differentials.

There will be a meeting of the Wool Subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Tuesday, March 7, 1939. Business to be considered: Opposition to wool labeling bill, H. R. 944.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, March 7, 1939, at 10:30 a. m., to continue hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

The Committee on Coinage, Weights, and Measures will meet on Tuesday, March 7, 1939, at 10 a. m., in room 115, House Office Building.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445 of the House Office Building at 10:30 a. m. Wednesday, March 8, 1939, for the public consideration of H. R. 4100 and H. R. 4646, and on private bills H. R. 4353, H. R. 4354, H. R. 4357, and H. R. 4358.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Wednesday, March 15, 1939, at 10 a. m., in room 328, House Office Building, to consider H. R. 3794, to establish John Muir-Kings Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes.

There will be a meeting of the Committee on the Public Lands on Thursday, March 23, 1939, at 10 a. m., in room 328, House Office Building, to consider H. R. 3759, to authorize a National Mississippi River Parkway and matters relating thereto.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. COCHRAN: Select Committee on Government Organization. H. R. 4425. A bill to provide for reorganizing agencies of the Government, and for other purposes; without amendment (Rept. No. 120). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3436) granting an increase of pension to William E. Norton; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4730) granting a pension to Jackson McCoury; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H. R. 4739. A bill to amend section 132 of the Criminal Code of March 4, 1909; to the Committee on the Judiciary.

By Mr. BOREN:

H. R. 4740. A bill to extend the services of the National Bureau of Standards by providing for establishing performance standards when in the public interest, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CLUETT:

H. R. 4741. A bill to authorize the construction of flood-control works on the Hoosic River, N. Y., Vt., and Mass.; to the Committee on Flood Control.

By Mr. FERNANDEZ:

H. R. 4742. A bill to provide for the establishment of the Chalmette National Historical Park in the State of Louisiana, and for other purposes; to the Committee on the Public Lands.

By Mr. HARNES:

H. R. 4743. A bill to repeal section 350 of the Tariff Act of 1930, as amended, and to terminate all foreign-trade agreements entered into thereunder; to the Committee on Ways and Means.

By Mr. LANHAM:

H. R. 4744. A bill to provide for the registration of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes; to the Committee on Patents.

By Mr. RANDOLPH:

H. R. 4745. A bill relating to benefit assessments from condemnation proceedings for the opening, extension, widening, or straightening of alleys or minor streets; to the Committee on the District of Columbia.

By Mr. SMITH of West Virginia:

H. R. 4746. A bill authorizing the Secretary of War to convey to the town of Marmet, W. Va., with certain reservations, two certain tracts of land; to the Committee on Military Affairs.

By Mr. TENEROWICZ:

H. R. 4747. A bill to amend section 23 of the Internal Revenue Code of 1938 by providing for deductions for sickness and death; to the Committee on Ways and Means.

By Mr. THOMAS of New Jersey:

H. R. 4748. A bill to authorize a preliminary examination and survey of the Pequest River and its tributaries in the county of Warren, State of New Jersey, for flood control, for run-off and water-flow retardation; to the Committee on Flood Control.

By Mr. BARDEN:

H. R. 4749. A bill to amend the National Labor Relations Act (Public Law No. 198, 74th Cong., approved July 5, 1935); to the Committee on Labor.

By Mr. GARRETT:

H. R. 4750. A bill for the relief of officers who failed to file applications for benefits within the time limit fixed by the act of May 24, 1923; to the Committee on World War Veterans' Legislation.

By Mr. HOUSTON:

H. R. 4751. A bill to provide for establishing the United States Aeronautical Academy in Sedgwick County, Kans.; to the Committee on Military Affairs.

By Mr. WEAVER:

H. R. 4752. A bill for the relief of the counties of Haywood and Swain in the State of North Carolina by reason of their loss in taxable valuation by the establishment of the Great Smoky Mountains National Park; to the Committee on the Public Lands.

By Mr. REES of Kansas:

H. R. 4753. A bill to increase the payments to small operators and decrease payments to large operators under the Soil Conservation and Domestic Allotment Act; to the Committee on Agriculture.

By Mr. NICHOLS:

H. R. 4754. A bill to amend section 344 of the Agricultural Adjustment Act of 1938; to the Committee on Agriculture.

By Mr. SHANLEY:

H. J. Res. 193. Joint resolution relating to the petitions for naturalization and the oaths of allegiance of citizens of Eire who desire to become citizens of the United States; to the Committee on Immigration and Naturalization.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By The SPEAKER: Memorial of the Legislature of the State of Wyoming memorializing the President and the Congress of the United States to consider their Senate Joint Memorials Nos. 2, 3, and 5, being original Senate Joint Memorials Nos. 2, 3, and 6, with reference to reciprocal-trade agreements (H. R. 2662) concerning Federal Oil and Gas Leasing Act; and authorizing the coinage of 50-cent pieces in commemoration of the fiftieth anniversary of the admission of Wyoming into the Union as the first State guaranteeing equal suffrage to women; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANGELL:

H. R. 4755. A bill for the relief of Albert Fraser, alias Henry Bennett; to the Committee on Naval Affairs.

H. R. 4756. A bill for the relief of Edd Nevins; to the Committee on Claims.

By Mr. CUMMINGS:

H. R. 4757. A bill for the relief of Charles O. Plumb; to the Committee on Claims.

By Mr. D'ALESSANDRO:

H. R. 4758. A bill for the relief of John Ricker; to the Committee on Claims.

By Mr. DARDEN:

H. R. 4759. A bill to extend the benefits of the Employees' Compensation Act of September 7, 1916, to Emma A. Quillin; to the Committee on Claims.

By Mr. DEMPSEY:

H. R. 4760. A bill for the relief of Andrew J. Crockett and Walter Crockett; to the Committee on Indian Affairs.

By Mr. GARRETT:

H. R. 4761. A bill for the relief of R. H. Snyder; to the Committee on Military Affairs.

By Mr. HENNINGS:

H. R. 4762. A bill for the relief of William S. Huntley; to the Committee on Claims.

By Mr. HESS:

H. R. 4763. A bill granting death compensation to Ida L. Becker; to the Committee on World War Veterans' Legislation.

By Mr. MARTIN of Iowa:

H. R. 4764. A bill for the relief of Everett L. Foster; to the Committee on Naval Affairs.

By Mr. McANDREWS:

H. R. 4765. A bill for the relief of Joseph R. Skidmore; to the Committee on Naval Affairs.

By Mr. REES of Kansas:

H. R. 4766. A bill granting an increase of pension to Rhoda A. Stewart; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1504. By Mr. ANGELL: Petition of sundry citizens of Multnomah County, Oreg., asking for the enactment of the Townsend national recovery plan into law; to the Committee on Ways and Means.

1505. By Mr. ANDREWS: Petition of approximately 900 persons, protesting against a processing tax on wheat; to the Committee on Agriculture.

1506. Also, petition of approximately 6,000 names having to do with neutrality and the corollary principle enunciated in the act of May 1, 1937; to the Committee on Foreign Affairs.

1507. By Mr. CHIPERFIELD: Petition of Townsend Club, No. 2, Victoria, Ill., petitioning for action on the floor of the House on House bill 2; to the Committee on Ways and Means.

1508. Also, petition of Townsend Club, No. 1, Kewanee, Ill., urging the committee to report out House bill 2; to the Committee on Ways and Means.

1509. Also, petition of the minister and congregation of the Methodist Church, Oneida, Ill., opposing the extension of the Social Security Act to include ministers who already have an adequate pension plan; to the Committee on Ways and Means.

1510. By Mr. FULMER: Concurrent resolution submitted by James E. Hunter, Jr., clerk, house of representatives, of Columbia, S. C., endorsing the aims and purposes sought to be accomplished in House bill 800, a bill introduced in the Congress of the United States by Representative FULMER, of South Carolina, for forestation and other forestry purposes to insure the quantity and quality of the future timber supply, to provide constructive emergency work and the increasing of the purchasing power of farmers and wage earners; to the Committee on Agriculture.

1511. By Mr. HOUSTON: Petition of the Christian Missionary Society of Wellington, Kans., urging upon the Government of the United States to put into effect a policy of nonparticipation in aggression by stopping the shipment to aggressor nations of all goods that can be used by their military forces, and that immediate steps be taken to stop their shipment to Japan; to the Committee on Foreign Affairs.

1512. By Mr. SCHIFFLER: Petition of Rev. C. E. Woodward, minister, the trustees, and elders of the First Presbyterian Church, Cameron, W. Va., protesting against the proposed amendment to include ministers in the Social Security Act; to the Committee on Ways and Means.

1513. By Mr. MARTIN J. KENNEDY: Letter from the Izaak Walton League of America, Inc., urging support of House bill 4170, introduced to prevent the pollution of the navigable waters of the United States; to the Committee on Rivers and Harbors.

1514. By Mr. KEOGH: Petition of the Izaak Walton League of America, Inc., Chicago, Ill., concerning House bill 4170, to prevent the pollution of the navigable waters of the United States; to the Committee on Rivers and Harbors.

1515. Also, petition of the Pioneer Panama Canal Builders Legislative Association, Miami, Fla., concerning the Peterson bill (H. R. 1674); to the Committee on Merchant Marine and Fisheries.

1516. Also, petition of the clerks of post-office Station J, New York City, favoring the passage of House bill 3812; to the Committee on the Post Office and Post Roads.

1517. Also, petition of the carriers of post-office Station J, New York City, favoring the passage of House bill 3812; to the Committee on the Post Office and Post Roads.

1518. Also, petition of friends of the public schools of America, Chicago, Ill., concerning House bill 3517; to the Committee on Education.

1519. Also, petition of the Central Civic Association of Hollis, Inc., Hollis, N. Y., favoring the passage of House bill 2552; to the Committee on the Post Office and Post Roads.

1520. By Mr. PFEIFER: Petition of the carriers of post-office Station J, New York City, favoring the passage of House bill 3812; to the Committee on the Post Office and Post Roads.

1521. Also, petition of the clerks of post-office Station J, New York City, favoring the passage of House bill 3812; to the Committee on the Post Office and Post Roads.

1522. By Mr. ROUTZOHN: Petition of 150 Negro ex-soldiers supporting Representative FISH's bills (H. R. 3317 and H. R. 3318) for the benefit of Negroes in the United States Army; to the Committee on Military Affairs.

1523. By Mr. THORKE: Petition of the board of vestry of St. Peter's Pro-Cathedral, of Helena, diocese of Montana, opposing the inclusion of religious bodies under provisions of the Social Security Act; to the Committee on Ways and Means.

1524. Also, petition of the Legislature of the State of Montana, encouraging a more extensive use of copper in Federal projects; to the Committee on Mines and Mining.

1525. Also, petition of the Legislature of the State of Montana, requesting amendment of the Social Security Act of Congress to provide for payment by the Federal Government of one-half the money used in aid of dependent children; to the Committee on Ways and Means.

1526. Also, petition of the Legislature of the State of Montana, requesting Congress to favorably consider Senate bill 30, granting 500,000 acres of land to the State of Montana for the use and benefit of the Northern Montana College; to the Committee on the Public Lands.

1527. Also, petition of the First Baptist Church of Montana, at Helena, opposing extension of the Federal Social Security Act to include religious bodies, either for purposes of old-age pensions or unemployment compensation; to the Committee on Ways and Means.

SENATE

SATURDAY, MARCH 4, 1939

(Legislative day of Monday, February 27, 1939)

The Senate met at 11:30 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Almighty God, in whose keeping are the destinies of men and nations, incline Thine ear and hearken unto our prayer on behalf of the people of these United States, that we may prove ourselves ever mindful of Thy favor and glad to do Thy will. Save us from violence, discord, and confusions, from pride and arrogance, and from every evil way. Grant to us dignity in our own eyes by taking us into Thy service, humble us by laying bare before us our littleness and our sin, and then exalt us by revealing Thyself to us as our Counselor, our Father, and our Friend.

Bestow upon the Members of the Congress Thy special blessing, open their eyes to receive new light, open their ears that they may hear the voices that are calling for a world made new by the power of love, and do Thou send them forth this day as springs of strength and concord to this people whom they have pledged themselves to serve. Through Jesus Christ our Lord. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 4630) making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Barbour	Bulow	Clark, Idaho
Andrews	Barkley	Burke	Clark, Mo.
Ashurst	Bilbo	Byrnes	Connally
Austin	Bone	Capper	Danaher
Bailey	Borah	Caraway	Davis
Bankhead	Brown	Chavez	Donahey

Ellender	Hughes	Minton	Smathers
Frazier	Johnson, Calif.	Murray	Smith
George	Johnson, Colo.	Neely	Stewart
Gerry	King	Norris	Taft
Gibson	La Follette	Nye	Thomas, Okla.
Gillette	Lee	O'Mahoney	Thomas, Utah
Glass	Lewis	Overton	Tobey
Green	Lodge	Pepper	Townsend
Guffey	Logan	Pittman	Truman
Gurney	Lucas	Radcliffe	Tydings
Harrison	Lundeen	Reed	Vandenberg
Hatch	McCarran	Reynolds	Van Nuys
Hayden	McKellar	Russell	Wagner
Herring	McNary	Schwartz	Walsh
Hill	Maloney	Schwellenbach	White
Holman	Mead	Sheppard	Wiley
Holt	Miller	Shipstead	

Mr. LEWIS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from Montana [Mr. WHEELER] are detained from the Senate because of illness.

The Senator from Virginia [Mr. BYRD] is detained on public business.

The VICE PRESIDENT. Ninety-one Senators having answered to their names, a quorum is present.

SOIL CONSERVATION AND DOMESTIC ALLOTMENT, AND AGRICULTURAL ADJUSTMENT ACTS—PROPOSED AMENDMENTS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting suggested amendments to the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1933, which, with the accompanying papers, was referred to the Committee on Agriculture and Forestry.

PETITIONS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of Colorado, which was ordered to lie on the table:

Senate Joint Memorial 11

Whereas there is now pending in the Congress of the United States, legislation which will provide for the taxing of the incomes of employees of all State, county, city, school district, and other political subdivisions of the States by the Federal Government; and

Whereas said legislation also provides for the taxing of incomes of all Federal employees, within the jurisdiction of the several States, by the States; and

Whereas it is to the best interests of the people of the State of Colorado that said measures be enacted into law: Now, therefore, be it

Resolved by the Senate of the Thirty-second General Assembly of the State of Colorado (the house of representatives concurring herein), That the Congress of the United States is hereby urged to enact into law measures providing for the reciprocal taxation of the incomes of State and Federal employees by the States and the Federal Government; be it further

Resolved, That copies of this memorial be forwarded to the President of the Senate of the United States, the Speaker of the House of Representatives of the United States and the Senators and Representatives from the State of Colorado in the Congress of the United States.

Mr. BYRNES presented the following concurrent resolution of the Legislature of South Carolina, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution requesting Congress of the United States to make provision for the repayment to farmers of taxes paid by them for exemption certificates into Government-sponsored pools

Whereas the last session of the Congress of the United States passed suitable legislation and appropriation to repay the cotton and tobacco farmers of the South the taxes actually paid by them to the Internal Revenue Department for tax-exemption certificates under the Bankhead Cotton Control Act and the Kerr-Smith Tobacco Control Act;

Whereas many of the farmers of the South purchased from the local county agents, as operator of a Government-sponsored cotton-exemption certificate pool and/or a tobacco-exemption certificate pool, the necessary certificates to gin and/or sell their cotton and tobacco; and

Whereas the farmers of the South are justly entitled to be repaid for all moneys spent for said exemption certificates from Government-sponsored pools and to deny them such refund is contrary to common justice in view of the fact that said farmers were urged by the Government to purchase said certificates from said pools: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the Congress of the United States is hereby respectfully urged and requested to provide at the seventy-sixth session now convened the necessary appropriation and act to refund all money paid by cotton and tobacco farmers for the purchase of all certificates under the regulations of the Bankhead cotton-control bill and the Kerr-Smith tobacco-control bill, whether the same was

paid direct to the Internal Revenue Department or to Government-sponsored pools; be it further

Resolved, That a copy of this resolution be mailed by the clerk of the Senate of South Carolina to each of the Senators from South Carolina, to each of the Members of the House of Representatives from South Carolina, and a copy to President Franklin D. Roosevelt, President of the United States of America.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY:

S. 1696. A bill to terminate the power to issue United States notes under the provisions of section 43 (b) (1) of the act of May 12, 1933, as amended; to the Committee on Banking and Currency.

By Mr. TRUMAN:

S. 1697. A bill granting an increase of pension to Mary E. Ozenberger; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

S. 1698. A bill for the relief of Alfred Y. Davenport; to the Committee on Military Affairs.

HOUSE BILL REFERRED

The bill (H. R. 4630) making appropriations for the Military Establishment for the fiscal year ending June 30, 1940, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

EXEMPTION OF RELIGIOUS ORGANIZATIONS FROM SOCIAL SECURITY ACT

[Mr. BAILEY asked and obtained leave to have printed in the Appendix a statement concerning a proposed amendment to the Social Security Act made by John R. Sampey, president of the Southern Baptist Theological Seminary, Louisville, Ky., which appears in the Appendix.]

LABOR ORGANIZATIONS AND LABOR LEGISLATION—ARTICLE BY RAYMOND MOLEY

[Mr. BURKE asked and obtained leave to have printed in the RECORD an article entitled "Reforming Reform," written by Raymond Moley and published in Newsweek of the issue of March 6, 1939, which appears in the Appendix.]

GREETINGS TO THE CONGRESS FROM GEORGETOWN UNIVERSITY

Mr. WALSH. Mr. President, an interesting and historical event took place this morning in the office of the Speaker of the House of Representatives in connection with the ceremony commemorating the one hundred and fiftieth anniversary of the first session of the Congress of the United States.

In the presence of the Vice President, the Honorable JOHN N. GARNER, and the Speaker of the House of Representatives, the Honorable WILLIAM B. BANKHEAD, greetings were extended by the president, the directors, the faculty, and the students of Georgetown University to the Congress of the United States assembled in Washington March 4, 1939, to commemorate the first session of the Federal Congress held in New York on March 4, 1789.

The special appropriateness of Georgetown University extending greetings is set forth in the scroll containing the greetings, as follows:

1789—COLLEGIUM GEORGIOPOLITANUM—1939

The president, the directors, the faculty, and students of Georgetown University

To the Congress of the United States, assembled in Washington, March 4, 1939, to commemorate the first session of the Federal Congress, held in New York on March 4, 1789—

Greetings in the Lord:

Mindful of the historic event commemorated on this day, and mindful of the fact that in the year 1789 Georgetown College was founded, thus beginning its service to the Nation simultaneously with the Congress of the United States, then assembled for the first time under the newly adopted Constitution, we desire to express herewith our felicitations to the two branches of the National Legislature, together with our heart-felt prayer that the two institutions, born in the same year, may long continue their mutual respect and unbroken cooperation in the service of God and country.

Mindful, too, that the Thirteenth Congress of the United States, on motion of the first student enrolled in Georgetown College after its foundation—the illustrious William Gaston, later Representative from North Carolina—did, in 1815, grant a charter for educational purposes to the same college, we extend to the successors of the said Thirteenth Congress our gratitude and appreciation for the continued safeguard of the inalienable rights guaranteed by our organic

law and do hereby pledge ourselves anew to the defense of the civil and religious liberties enumerated in that document, under which both the Nation and the university have subsisted for the past 150 years.

[Seal containing the words: "President and directors of Georgetown College, District of Columbia."]

Arthur A. O'Leary, S. J., president; Edmund A. Walsh, S. J., chancellor; John E. Grattan, dean of the college; Wilfrid Parsons, S. J., dean, graduate school; David McCauley, S. J., dean, medical school; George E. Hamilton, dean, law school; Joseph L. B. Murray, dean, dental school; Thomas H. Healy, dean, school of foreign service; Thomas J. Gildea, Thomas A. Dwyer, Marlin S. Reichley, Francis McAdams, Edward A. Salloom, James R. O'Connell, for the student body.

SIXTH ANNIVERSARY OF THE FIRST INAUGURATION OF PRESIDENT FRANKLIN D. ROOSEVELT

Mr. BARKLEY. Mr. President, today we observe the sixth anniversary of the first inauguration of President Franklin D. Roosevelt. During that period the Chief Executive has faced an unprecedented series of trials at home and perils abroad. I should like to review briefly the problems which he has faced and the courageous and statesmanlike manner in which he has moved to meet them.

President Roosevelt assumed office at the peak of an acute financial and industrial crisis. Business was prostrate; agriculture was crushed under the weight of ruinous prices and glutted markets; millions of worthy citizens were out of employment, their meager savings washed away in bank failures and their homes threatened by foreclosure. The so-called leaders of the day were terrified into inaction, doing nothing while they whispered behind drawn curtains that democracy was on trial and might flounder in the general catastrophe.

Substituting confidence for caution and courage for timidity, President Roosevelt rode out the storm by brilliant and decisive leadership. He conquered the depression and restored economic progress. Over the angry protests of the defeatists, who suddenly became vocal when conditions improved, President Roosevelt pushed through to enactment a constructive program of reforms designed to wipe out for all time the wrongs and abuses that brought on the depression. The Nation has given its wholehearted endorsement to these splendid reforms, and no political party will ever dare propose their repeal.

Bank depositors are now insured against loss. The Social Security Act has given a new hope in life to those who must face old age without financial independence. The wholesale swindling of honest investors has been curbed by the Securities and Exchange Commission. Food, clothing, and shelter have been provided for the needy. Labor has been given the right to collective bargaining and a way has been provided to settle disputes between employer and employee without resort to industrial anarchy. The C. C. C. camps have given hundreds of thousands of young men a new start in life, both in health and occupation. The farmers have been given abundant Federal assistance to help them obtain a fair return for their labor. Business has been stimulated by generous loans from the Reconstruction Finance Corporation. Federal funds have been wisely expended to provide good schools, improved highways, and modern public buildings. The faith of the people in the integrity of their Government has been renewed.

In the field of foreign affairs the Roosevelt administration has acted with equal wisdom and foresight. The good-neighbor policy has been substituted for dollar diplomacy to improve our relations with the nations of Latin America. The Chief Executive has kept the peace and avoided entanglement in the vexatious controversies arising from the frightful war in Spain, the conflict in the Orient, and the recurring crises which threatened to involve the whole of Europe in armed combat. He has insured the United States against attack and won the respect of the world by the prudent policy of reconstructing the national armament.

We have come through this period vigorous and unafraid, untroubled by the menacing problems that confront less fortunate nations. We have preserved and vindicated democracy, retaining intact our God-given liberties of freedom of speech, freedom of worship, and freedom of the press. Reform has been accomplished and a firm foundation has been estab-

lished for a new and more permanent prosperity in which not only a favored few but all citizens shall justly participate.

We are a God-fearing and God-worshipping people and realize that the supplications for guidance have been answered.

Mr. President, I am happy to felicitate the Chief Executive, Franklin Delano Roosevelt, on his 6 years of worth-while accomplishment for the general well-being and to reaffirm my faith in the kind of genuine democracy that made such leadership possible.

DEFICIENCY JUDGMENTS IN CONNECTION WITH REAL-ESTATE LOANS

Mr. SHIPSTEAD. Mr. President, Senate Resolution No. 89, dealing with deficiency judgments in connection with real-estate loans, was submitted by me on February 27, and was ordered to lie on the table. The resolution requests that the Governor of the Farm Credit Administration furnish certain information to the Senate, for the benefit of the Senate and the Committee on Agriculture and Forestry.

I ask unanimous consent for immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. BARKLEY. I have no objection to the resolution.

There being no objection, the resolution (S. Res. 89) submitted by Mr. SHIPSTEAD on February 27, 1939, was read, considered, and agreed to, as follows:

Resolved, That the Governor of the Farm Credit Administration is requested to make a full and complete report to the Senate at the earliest practicable date with respect to the deficiency judgments which have been obtained by the Federal land banks and the land-bank commissioner in connection with loans made upon the security of real property. Such report shall include information with respect to (1) the number and total face amount of such judgments obtained by each of such banks and by the land-bank commissioner, (2) the sums which have been collected upon such judgments, and (3) any other facts in connection with the obtaining or collection of such judgments which the Governor may deem to be of interest to the Senate. Such information shall be listed by States and by calendar years and shall cover each of the years in which any such judgments may have been obtained by such banks or by the land-bank commissioner. For the purpose of this resolution any deficiency judgment which may have been obtained by the Federal Farm Mortgage Corporation shall be deemed to have been obtained by the land-bank commissioner.

RECESS

Mr. BARKLEY. Mr. President, if no Senator desires to be recognized for any purpose, I ask unanimous consent that the Senate stand in recess until 5 minutes to 12 a. m.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate (at 11 o'clock and 47 minutes a. m.) took a recess until 11:55 o'clock a. m., when it reassembled, and the Vice President resumed the chair.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF FIRST CONGRESS—JOINT MEETING OF THE TWO HOUSES

The VICE PRESIDENT. Under the terms of House Concurrent Resolution No. 4, heretofore agreed to by the Senate, today at 12 o'clock noon the Senate is to participate in a joint session of the two Houses for the purpose of commemorating the one hundred and fiftieth anniversary of the meeting of the First Congress of the United States. As the time from now until 12 o'clock will be required to enable the Senate to reach the Hall of the House of Representatives, the Chair suggests, if it is agreeable, that the Senate now proceed in a body to the Chamber of the other House.

Mr. BARKLEY. Mr. President, for the benefit of Senators who may not have been present yesterday, perhaps I should state that yesterday an order was entered that at the conclusion of the joint session the Senate stand adjourned until Monday.

The VICE PRESIDENT. The Senate will now proceed to the Hall of the House of Representatives.

The Senate, preceded by its Sergeant at Arms (Chesley W. Jurney), the Vice President, and the President pro tempore, proceeded to the Hall of the House of Representatives.

(The full text of the proceedings in the Hall of the House of Representatives will be found in the proceedings of the House, p. 2246.)

ADJOURNMENT

At the conclusion of the joint meeting (at 1 o'clock and 48 minutes p. m.), under the order previously entered, the Senate stood adjourned until Monday, March 6, 1939, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

SATURDAY, MARCH 4, 1939

The House of Representatives met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most gracious Lord of mankind, Thou wert our fathers' God. In Thee they trusted and were never put to shame. In darkness Thou didst give them light, in danger succor, and in perplexity guidance. Oh, blessed is the nation whose God is the Lord. Today we seek to do homage to it because of its ideals. Our soil bears the footprints of the glorious company of apostles of liberty and humanity. They closed old epochs and ushered in new ones by declaring the rights of God and man; may we ever love their labors with the breath of life. O breathe upon this great people the same wisdom, the same sacrificial devotion, and the same ambition for the highest treasures which bring in their train all earthly good. We love and cherish our homeland and rejoice that by Thy merciful providence we were reared beneath its benignant skies. Grant, blessed Lord, that a fervent and unwearied love of country may be so strong that tyrants and their cohorts may never be able to loosen the fireproof foundations of our democracy. Preserve us from all revolutionary passions and the rolling tides of war; continue to be the anchor of our Nation's thoughts and the guardian of its soul. Thine shall be the praise forever. Through Christ our Saviour. Amen.

At 12 o'clock and 5 minutes p. m., the Doorkeeper, Mr. Joseph J. Sinnott, announced the Vice President of the United States and the Members of the Senate.

The Members of the House rose.

The Senate, the Vice President, and the President pro tempore, preceded by its Chief Clerk, Mr. John C. Crockett, and Sergeant at Arms, Col. Chesley W. Journey, entered the Chamber.

The Vice President took the chair to the right of the Speaker, and the Members of the Senate took the seats reserved for them.

Whereupon, the Speaker relinquished the gavel to the Vice President, who, as the Presiding Officer of the Joint Session of the two Houses, called the meeting to order.

The Doorkeeper announced the following guests of honor, who were escorted to the seats assigned to them:

The Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States.

The Ambassadors, the Ministers, and the Chargé d'Affaires of Foreign Governments.

The Chief of Staff of the United States Army, the Chief of Naval Operations of the United States Navy, the Major General Commandant of the United States Marine Corps, and the Commandant of the United States Coast Guard.

The Commissioners of the District of Columbia.

The members of the President's Cabinet.

At 12 o'clock and 16 minutes p. m., the Doorkeeper announced the President of the United States, accompanied by the Joint Congressional Committee on Arrangements of the Senate and House, who was escorted to a seat on the Speaker's rostrum.

Miss Gladys Swarthout sang "America."

The VICE PRESIDENT. The Chair recognizes the gentleman from New York, Mr. BLOOM, a member of the Joint Committee on Arrangements, to read the concurrent resolution providing for the assembling of the two Houses of Congress in

the Hall of the House of Representatives on this day for the purpose of holding fitting and proper exercises in commemoration of the One Hundred and Fiftieth Anniversary of the Commencement of the First Congress of the United States under the Constitution.

Mr. BLOOM. On February 1, 1939, the following concurrent resolution was adopted by the Congress [reading]:

Resolved by the House of Representatives (the Senate concurring). That in commemoration of the one hundred fiftieth anniversary of the First Congress of the United States under the Constitution, begun and held at the city of New York on Wednesday, the 4th of March 1789, the two Houses of Congress shall assemble in the Hall of the House of Representatives at 12 o'clock m., on Saturday, March 4, 1939.

That a joint committee consisting of five Members of the House of Representatives and five Members of the Senate shall be appointed by the Speaker of the House of Representatives and the President of the Senate, respectively, which is empowered to make suitable arrangements for fitting and proper exercises for the joint session of Congress herein authorized.

That invitations to attend the exercises be extended to the President of the United States and the members of his Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, the Diplomatic Corps (through the Secretary of State), the General of the Armies, the Chief of Staff of the Army, the Chief of Naval Operations, the Major General Commandant of the Marine Corps, and the Commandant of the Coast Guard, and such other persons as the Joint Committee on Arrangements shall deem proper.

That the President of the United States is hereby invited to address the American people at the joint session of the Congress in commemoration of the one hundred fiftieth anniversary of the First Congress of the United States under the Constitution.

Adopted February 1, 1939.

Mr. BLOOM. Ladies and gentlemen, I have the honor to present the Speaker of the House of Representatives, Mr. WILLIAM B. BANKHEAD.

ADDRESS OF THE SPEAKER OF THE HOUSE OF REPRESENTATIVES HON. WILLIAM B. BANKHEAD

Mr. President, Mr. Vice President, gentlemen of the Supreme Court, Members of the Senate and House of Representatives, gentlemen of the Diplomatic Corps, ladies, and gentlemen:

I feel very deeply my great good fortune in being the Speaker of the House today, because of that position I am the one privileged to welcome you to this Hall on this memorable occasion.

A mere century and a half is relatively a short span in the history of a nation, but when that period is the limit of the official life of the most powerful nation on earth, it assumes a vastly more comprehensive significance.

One hundred and fifty years ago this day there assembled in the city of New York the First Congress of the United States of America under its newly adopted Constitution. The mere statement of that incident carries only a reflection of the years that have passed, but in terms of what that occasion meant there has been no more arresting episode in the history of modern civilization. The proprieties of this occasion forbid even a casual review on my part of the historical background of the event we are convened to celebrate.

The student of the records of civilization always remembers a few outstanding things that have marked the progress of man from the dawn of organized society on through the tortuous and halting centuries in his search for a decent and stable formula of government that would combine into a compact of action the peace and security of peoples.

The Ten Commandments, the Sermon on the Mount, St. Paul at Rome, the voyages of Columbus, the Napoleonic wars, Magna Carta, the Declaration of Independence, and the establishment of our Constitution illustrate a few of the milestones that mark the pilgrimage of men on the journey from chaos to stability.

Today we may find the temper to forget advances in the realms of religion, science, discovery, warfare, and the cultural arts and fix our contemplation on government, and particularly our own Government.

There has been no period within the recollection of this generation more full of signs and portents than this present hour of the necessity of reappraising the soundness and desirability of our democratic form of government, and if it yet maintains the confidence and support of our people, and of other great nations of the world, as I believe to be the case, then it is our solemn duty to take every needful step and to assume every required obligation to preserve for our posterity the form and essence of a justly balanced and wisely conceived government for a free people. This obligation does not bear upon us as of selfish national concern for our own people alone, although that should always be our primary interest, but in addition thereto, it carries a profound moral obligation to our neighbors across the seas and in the Western Hemisphere, who have honored the prudence and wisdom of our founders by adopting in substance the theory of government that God has not yet created any one man wise enough or benevolent enough to fix and enforce his individual pattern to govern the hearts and minds and conscience and property and lives of every citizen under his jurisdiction. Democracy asserts the inalienable right of the people themselves, through orderly processes and under due restraints to contrive out of their collective judgment, through their legally chosen representatives, the means and measures by which they are to be prospered and protected in the age-old search for security and happiness.

That doctrine the people themselves long ago engrained and chiseled into the structure of our National Constitution. It is yet the sanctuary of our freedom, and the sheet anchor of all our liberties, possessing upon this great anniversary the affection and reverence of our citizens. There are evidences of certain sinister influences and minorities now seeking to sap and mine the pillars of this temple of freedom. We may have been too generous in our hospitality to them. We may have been too tolerant of some of their recent manifestations of subversive treachery. We have sought with rather grim patience to respect the guaranty of freedom of speech; but it may be only fair to admonish all such groups that they take counsel of their prudence lest by going one step too far, it will be too late to escape the wrath and indignation of all real Americans.

After such fragmentary observations of our situation and attitude the time and occasion draw our attention back to our fundamental law which authorizes this legislative assembly. We are still officially celebrating the sesquicentennial of the ratification of the Constitution. Our reverence and devotion to that document is augmented by the passing of the years. Its wisdom and philosophy have been tested by the whirlwinds of party passions, fratricidal warfare, and grave economic convulsions. The inspiration of its construction and the tenacity of its existence have fully justified the praise bestowed upon it by Mr. Gladstone, which we should never tire of remembering in these words:

As the British Constitution is the most subtle organism which has proceeded from the womb and long gestation of progressive history, so the American Constitution is, so far as I can see, the most wonderful work ever struck off at a given time by the brain and purpose of man.

This anniversary conjures up in a parade of reverie and retrospection many solemn and yet comforting memories. Including the membership of the First Congress and up to the present session of the Seventy-sixth Congress 9,159 different individuals have served in the House and Senate. Thirteen hundred and sixty-two have served as Senators; 8,106 have served as Representatives; 450 have served in both Houses; 141 have served as Territorial Delegates and Commissioners.

What an intriguing pageant of brain and talent, of individuality and mannerism, of humor and pathos, of provincialism and scholarship! What a thrill of interest and admiration would we of this Congress obtain if we could see and hear

many of those stalwarts of the long ago who so enthralled the admiration of their partisans and capitivated the idolatry of the masses! What a stimulation of the intellect to peruse the older records of debate between the master minds of other but unforgotten days.

For 138 years such Representatives and Senators have come into these Chambers, played their parts in the drama of representative government, made their contributions of service to their country's progress and development, and then are seen no more—either "beckoned by the pallid messenger with the inverted torch to depart" or returned to the walks of private life from whence they came. They served their day and generation.

To my brethren in both branches of Congress this should be embraced as an occasion of rededication to the best interests of our Republic. Despite the limitations of our judgments and intellects—because, forsooth, at no time nor under any administration, have we infallibly measured up to the full needs of the hour—nevertheless, we are the emissaries of our constituencies and the symbols of representative government. May we this day find the grace to renew the prayer of Daniel Webster, deposited in the cornerstone of this wing of the Capitol on July 4, 1851:

If, therefore, it shall be hereafter the will of God that this structure shall fall from its base, that its foundation be upturned, and this deposit brought to the eyes of men, be it then known, that, on this day, the Union of the United States of America stands firm, that their Constitution still exists unimpaired, and with all its original usefulness and glory; growing every day stronger and stronger in the affections of the great body of the American people, and attracting more and more the admiration of the world. And all here assembled, whether belonging to public life or to private life, with hearts devoutly thankful to Almighty God for the preservation of the liberty and happiness of the country, unite in sincere and fervent prayers that this deposit, and the walls and arches, the domes and towers, the columns and entablatures now to be erected over it may endure forever!

God save the United States of America!

The VICE PRESIDENT. The Chair recognizes the gentleman from Texas, Mr. RAYBURN.

Mr. RAYBURN. It is a privilege at this time to present the President pro tempore of the Senate of the United States, Mr. KEY PITTMAN.

ADDRESS OF THE PRESIDENT PRO TEMPORE OF THE SENATE HON. KEY PITTMAN

Mr. President, Mr. Vice President, Mr. Speaker, gentlemen of the Supreme Court, Members of the House of Representatives and the United States Senate, gentlemen of the Diplomatic Corps, ladies, and gentlemen:

This in my opinion is the most remarkable and happiest birthday ever celebrated on behalf of a parliamentary body. This celebration is honored by the President of the United States and by the Chief Justice of the United States as heads of the other two great independent departments of our Government, the commanders in chief of every branch of our military service, and the diplomatic corps of the world.

We have just listened with intense interest and pleasure to the able and comprehensive address by the distinguished Speaker of the House of Representatives with regard to the organization, the composition, and the services of Congress. There is little more to be said upon that subject. I would be pleased were the time permitted me to pay tribute to the unselfish, able, and patriotic services of the House of Representatives and the United States Senate throughout their entire history. The Congress and the people of the country are waiting, however, to hear from our President and the Chief Justice of the United States.

When we realize what has been accomplished in the last 150 years, that period is exceedingly brief. When we consider, however, that this Government, established in great adversity, has continued without interruption and without change, except to grow stronger each year, 150 years may be deemed in the history of governments a very long period of

time. In fact, I assume to assert that no other government has enjoyed the same undisturbed history.

The fundamental principles of our Government, embodied in our great Constitution and its Bill of Rights, have remained unchanged. The right and power of our citizens under their constitution to govern their own country has not been abridged, but has been broadened and strengthened. The three separate and independent branches of our Government—legislative, executive, and judicial—have remained inviolate and have constituted the anchor of our safety which has kept us off the rocks of chaos and revolution. Our Congress has held firmly to the principles under which and for which it was created. The Senate and the House of Representatives have always conscientiously and loyally performed the respective functions of their offices, and will, I am sure continue to do their part to protect our institutions and the liberty of our citizens. Their conduct and actions have conclusively demonstrated the wisdom of a representative form of government under a constitution such as ours.

Again I take the liberty of recalling to the minds of our citizens—although the history is well known to those present—the very difficult conditions under which our Government was formed, established, and maintained. Our population at that time consisted of only 4,000,000 people. These citizens were scattered over a pioneer country whose area was larger than that of Great Britain, France, Germany, and Italy combined. There were no railroads in those days; there were few wagon roads, and such as did exist were at times almost impassible. Our States were independent sovereignties, jealous of their rights and fearful of domination by a central government. This jealousy and fear was a natural threat to the successful formation and establishment of a sound central government under a constitution. That it was ever accomplished is the highest tribute that could be paid to the greatness and patriotism of our statesmen of that day.

The remarkable history of the creation, adoption, and ratification of our Constitution is recorded in the histories of every country.

On yesterday I picked up a musty old volume entitled "Annals of Congress, 1789-90." It is the original official proceedings of the First Congress of the United States. I think for historical purposes I may be permitted to read from this record just a few lines which to me are far more expressive than any language I could use relative to what actually took place upon the organization of the First Congress and the election of the first President and the first Vice President. I find here:

Proceedings of the Senate of the United States at the first session of the First Congress, begun at the city of New York, March 4, 1789.

And then follows this paragraph:

Wednesday, March 4, 1789: This being the day for the meeting of the new Congress, the following Members of the Senate appeared and took their seats:

From New Hampshire, John Langdon and Paine Wingate.
From Massachusetts, Caleb Strong.
From Connecticut, William S. Johnson and Oliver Ellsworth.
From Pennsylvania, William Maclay and Robert Morris.
From Georgia, William Few.

The Members present not being a quorum, they adjourned from day to day * * *

And so from day to day the Senate adjourned, awaiting the arrival of a quorum. The Senators were dragging their way through the muddy roads along the coast and over the Allegheny and Blue Ridge Mountains. And then I find this record:

Monday, April 6: Richard Henry Lee, from Virginia, then appearing, took his seat, and formed a quorum of the whole Senators of the United States.

The credentials of the Members present being read and ordered to be filed, the Senate proceeded, by ballot, to the choice of a President, for the sole purpose of opening and counting the votes for President of the United States.

John Langdon was elected.

This language may be confusing to one not familiar with the procedure. From March 4 until April 6, when Richard

Henry Lee took his seat, there being no quorum, the Senate could take no action. Until the ballots were counted it could not be officially determined who was elected Vice President. It was, therefore, necessary to elect a presiding officer to count the ballots. The record which I just read uses the word "President." What was meant was "Vice President pro tempore." Mr. Langdon was so designated in the record of April 21, which I will later read. He remained the Vice President pro tempore until the Vice President assumed the office. The office occupied by Mr. Langdon is now designated President pro tempore, as named in the Constitution.

This is the simple, yet dramatic statement of the organization of the United States Senate. Then continues the record of the counting of the electoral votes which resulted in the election of George Washington for President and John Adams for Vice President. It is but a brief statement, and, as it has probably been read by very few people, I believe it will be of interest to our citizens. I quote it:

Ordered, That Mr. Ellsworth inform the House of Representatives that a quorum of the Senate is formed; that a President is elected for the sole purpose of opening the certificates and counting the votes of the electors of the several States in the choice of a President and Vice President of the United States; and that the Senate is now ready, in the Senate Chamber to proceed, in the presence of the House, to discharge that duty; and that the Senate have appointed one of their members to sit at the clerk's table to make a list of the votes as they shall be declared; submitting it to the wisdom of the House to appoint one or more of their members for the like purpose.

Mr. Ellsworth reported that he had delivered the message; and Mr. Boudinot, from the House of Representatives, informed the Senate that the House is ready forthwith to meet them, to attend the opening and counting of the votes of the electors of the President and Vice President of the United States.

The Speaker and the Members of the House of Representatives attended in the Senate Chamber; and the President elected for the purpose of counting the votes declared that the Senate and House of Representatives had met, and that he, in their presence had opened and counted the votes of the electors for President and Vice President of the United States, which were as follows:

Then follows the vote of each State for each candidate. After the recording of this vote, we find the following entry in this old volume:

Whereby it appeared that George Washington, Esq., was elected President and John Adams, Esq., Vice President of the United States of America.

Mr. Madison, from the House of Representatives, thus addressed the Senate:

"Mr. President, I am directed by the House of Representatives to inform the Senate that the House have agreed that the notifications of the election of the President and of the Vice President of the United States should be made by such persons and in such manner as the Senate shall be pleased to direct."

And he withdrew.

Whereupon the Senate appointed Charles Thomson, Esq., to notify George Washington, Esq., of his election to the office of President of the United States of America, and Mr. Sylvanus Bourne to notify John Adams, Esq., of his election to the office of Vice President of the said United States.

What a precious record! How wonderful it is that so few men, acting with another small body of men in the House of Representatives, could so expeditiously and with such certainty—without precedent—safely and soundly inaugurate the greatest government in the world!

The next step upon the part of the Senate was the inauguration of the Vice President. It is interesting to see how simply this was done. I again read briefly from the Annals of that First Congress. I quote:

Tuesday, April 21: The committee appointed to conduct the Vice President to the Senate Chamber, executed their commission, and Mr. Langdon, the Vice President pro tempore, meeting the Vice President on the floor of the Senate Chamber, addressed him as follows:

"Sir, I have it in charge from the Senate to introduce you to the chair of this House, and also to congratulate you on your appointment to the office of Vice President of the United States of America."

After which Mr. Langdon conducted the Vice President to the chair, when the Vice President addressed the Senate.

I wish I had time to read you that speech.

This First Congress created the Supreme Court and the necessary inferior courts. It adopted complete rules for the government of the Senate. These rules remain substantially unchanged. There we find the rule providing for unlimited debate, which has made of the Senate the greatest deliberative body on earth.

On the 30th day of April George Washington took the oath of office and was inaugurated as President of the United States. And so was the modest beginning of our great Government, which has brought a greater degree of liberty, prosperity, and happiness to our people than is enjoyed anywhere else in the world—a government that is at peace with the world and respected by the world.

Mr. John Charles Thomas sang "God Bless Our Native Land."

The VICE PRESIDENT. The Chair recognizes the Senator from Kentucky, Mr. BARKLEY.

Mr. BARKLEY. Mr. President, since the 4th day of March 1789 there have been 8,124 men and women who have served in the House of Representatives. One thousand three hundred and eighty-four men and women have served in the United States Senate. The number of those who have served in both Houses is 461. The total number of persons who have served in the Cabinets of all the Presidents is 313. The number of individuals who have served as Governors of the various States is 1,558. There have been 42 Speakers of the House of Representatives; 32 different persons have served as Vice Presidents, of whom 6 have succeeded to the Presidency by virtue of the death of the President; 31 individuals have served as President. On the Supreme Court there have been 70 Associate Justices and 11 Chief Justices of the United States.

The Senate is sometimes referred to as the Nation's most exclusive club. In some respects it may be just that, but in many other respects it is no club. But if I might in my imagination create an exclusive club because of the small number of its Members, I would refer to it as the Association of Chief Justices. Two of the Chief Justices, Marshall and Taney, served a total of 63 years; only 12 years short of one-half the entire period since the organization of Congress in 1789.

The Supreme Court of the United States and the Chief Justices who have presided over it have exercised profound influence upon the political, social, and economic history of America and will undoubtedly continue to do so as the complexity of modern life continues to develop.

It is my great honor and no less a pleasure to present to you today the eleventh Chief Justice of the United States. He has already served longer than five of the other ten. Whether he shall outserve all of his predecessors, I make no prediction. I am happy to record that he seems to be in robust health of mind and body.

But whether he shall serve as long as Marshall or Taney or Waite or Fuller or White, I think posterity will assign to him a place among the ablest, most influential, and most profound jurists and legal philosophers who have ever served upon the bench or as its presiding Justice. In profound legal learning, in impressive exposition, in the dignity of his bearing, I dare say no previous Chief Justice excelled him. We all take pride in his contributions to the administrative and judicial history of America. I take pride in the broad accomplishments of his intellectual processes, as well as the depth of his moral foundations which are a part of his character and have made him so impressive a figure in whatever capacity he has chosen to occupy in his long public service.

I present to you the Chief Justice of the United States.

ADDRESS OF THE CHIEF JUSTICE OF THE UNITED STATES HON. CHARLES E. HUGHES

Mr. President, Mr. Vice President, Mr. Speaker, Members of the Senate and House of Representatives, gentlemen of the Diplomatic Corps, ladies, and gentlemen:

I thank you, Senator BARKLEY, from the depths of my heart for your very generous words.

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The most significant fact in connection with this anniversary is that after 150 years, notwithstanding expansion of territory, enormous increase in population and profound economic changes, despite direct attack and subversive influences, there is every indication that the vastly preponderant sentiment of the American people is that our form of government shall be preserved.

We come from our distinct departments of governmental activity to testify to our unity of aim in maintaining that form of government in accordance with our common pledge. We are here not as masters, but as servants, not to glory in power, but to attest our loyalty to the commands and restrictions laid down by our sovereign, the people of the United States, in whose name and by whose will we exercise our brief authority. If as such representatives we have, as Benjamin Franklin said, "no more durable preeminence than the different grains in an hourglass," we serve our hour by unremitting devotion to the principles which have given our Government both stability and capacity for orderly progress in a world of turmoil and revolutionary upheavals. Gratifying as is the record of achievement, it would be extreme folly to engage in mere laudation or to surrender to the enticing delusions of a thoughtless optimism. Forms of government, however well contrived, cannot assure their own permanence. If we owe to the wisdom and restraint of the fathers a system of government which has thus far stood the test, we all recognize that it is only by wisdom and restraint in our own day that we can make that system last. If today we find ground for confidence that our institutions which have made for liberty and strength will be maintained, it will not be due to abundance of physical resources or to productive capacity, but because these are at the command of a people who still cherish the principles which underlie our system and because of the general appreciation of what is essentially sound in our governmental structure.

With respect to the influences which shape public opinion, we live in a new world. Never have these influences operated more directly, or with such variety of facile instruments, or with such overwhelming force. We have mass production in opinion as well as in goods. The grasp of tradition and of sectional prejudice is loosened. Postulates of the past must show cause. Our institutions will not be preserved by veneration of what is old, if that is simply expressed in the formal ritual of a shrine. The American people are eager and responsive. They listen attentively to a vast multitude of appeals and, with this receptivity, it is only upon their sound judgment that we can base our hope for a wise conservatism with continued progress and appropriate adaptation to new needs.

We shall do well on this anniversary if the thought of the people is directed to the essentials of our democracy. Here in this body we find the living exponents of the principle of representative government, not government by direct mass action, but by representation which means leadership as well as responsiveness and accountability.

Here, the ground-swells of autocracy, destructive of parliamentary independence, have not yet upset or even disturbed the authority and responsibility of the essential legislative branch of democratic institutions. We have a national government equipped with vast powers which have proved to be adequate to the development of a great nation, and at the same time maintaining the balance between centralized authority and local autonomy. It has been said that to preserve that balance, if we did not have States we should have to create them. In our 48 States we have the separate sources of power necessary to protect local interests and thus also to preserve the central authority, in the vast variety of our concerns, from breaking down under its own weight. Our States, each with her historic background and supported by the loyal sentiment of her citizens, afford opportunity for the essential activity of political units, the advantages of which no artificial territorial arrangement could secure. If our checks and balances sometimes prevent the speedy action which is thought desirable, they also assure in the long run a

more deliberate judgment. And what the people really want, they generally get. With the ultimate power of change through amendment in their hands they are always able to obtain whatever a preponderant and abiding sentiment strongly demands.

We not only praise individual liberty but our constitutional system has the unique distinction of insuring it. Our guarantees of fair trials, of due process in the protection of life, liberty, and property—which stands between the citizen and arbitrary power—of religious freedom, of free speech, free press and free assembly, are the safeguards which have been erected against the abuses threatened by gusts of passion and prejudice which in misguided zeal would destroy the basic interests of democracy. We protect the fundamental rights of minorities, in order to save democratic government from destroying itself by the excesses of its own power. The firmest ground for confidence in the future is that more than ever we realize that, while democracy must have its organization and controls, its vital breath is individual liberty.

I am happy to be here as the representative of the tribunal which is charged with the duty of maintaining, through the decision of controversies, these constitutional guaranties. We are a separate but not an independent arm of government. You, not we, have the purse and the sword. You, not we, determine the establishment and the jurisdiction of the lower Federal courts and the bounds of the appellate jurisdiction of the Supreme Court. The Congress first assembled on March 4, 1789, and on September 24, 1789, as its twentieth enactment, passed the Judiciary Act—to establish the judicial courts of the United States—a statute which is a monument of wisdom, one of the most satisfactory acts in the long history of notable congressional legislation. It may be said to take rank in our annals as next in importance to the Constitution itself.

In thus providing the judicial establishment, and in equipping and sustaining it, you have made possible the effective functioning of the department of government which is designed to safeguard with judicial impartiality and independence the interests of liberty. But in the great enterprise of making democracy workable we are all partners. One member of our body politic cannot say to another—"I have no need of thee." We work in successful cooperation by being true, each department to its own function, and all to the spirit which pervades our institutions—exalting the processes of reason, seeking through the very limitations of power the promotion of the wise use of power, and finding the ultimate security of life, liberty, and the pursuit of happiness, and the promise of continued stability and a rational progress, in the good sense of the American people.

The VICE PRESIDENT. Ladies and gentlemen, the President of the United States.

ADDRESS OF THE PRESIDENT OF THE UNITED STATES HON. FRANKLIN D. ROOSEVELT

Mr. Vice President, Mr. Speaker, gentlemen of the Supreme Court, Members of the Senate and the House of Representatives, gentlemen of the Diplomatic Corps, ladies, and gentlemen:

We near the end of a 3-year commemoration of the founding of the Government of the United States. It has been aptly suggested that its successful organizing should rank as the eighth wonder of the world—for surely the evolution of permanent substance out of nebulous chaos justifies us in the use of superlatives.

Thus, we may increase our oratory and please our vanity by picturing the period of the War of the Revolution as crowded with a unanimous population of heroes dramatized by the admitted existence of a handful of traitors to fill the necessary role of villain. Nevertheless, we are aware today that a more serious reading of history depicts a far less pleasing scene.

It should not detract from our satisfaction in the result to acknowledge that a very large number of inhabitants of the thirteen revolting Colonies were opposed to rebellion and to independence; that there was constant friction between the Continental Congress and the Commander in Chief and his generals in the field; that inefficiency, regardless of the cause of it, was the rule rather than the exception in the long drawn out war; and finally that there is grave doubt as to whether independence would have been won at all if Great Britain herself had not been confronted with wars in Europe which diverted her attention to the maintenance of her own existence in the nearer arena.

We can at least give thanks that in the first chapter all was well that ended well, and we can at least give thanks to those outstanding figures who strove against great odds for the maintenance of the national ideal which their vision and courage had created.

The opening of the new chapter in 1783 discloses very definitely that assurance of continued independence could be guaranteed by none. Dissension and discord were so widely distributed among the 13 new States that it was impossible to set up a union more strong or permanent than that loose-end, shaky debating society provided for under the Articles of Confederation. That we survived for 6 years is more a tribute to the ability of the Confederation Congress gracefully to do nothing, and to the exhaustion that followed the end of the war, rather than to any outstanding statesmanship or even leadership. Again, we can properly say of the period of confederation that all was well that ended well.

Those years have rightly been called "the critical period of American history." But for crisis—in this case a crisis of peace—there would have been no union. You the Members of the Senate and the House; you the Chief Justice and Associate Justices; and I, the President of the United States, would not be here on this 4th of March, a century and a half later.

It is well to remember that from 1781 to 1789 the Thirteen Original States existed as a Nation by the single thread of congressional government and without an executive or a judicial branch. This annual assembly of Representatives, moreover, was compelled to act not by a majority but by States, and in the more important functions by the requirement that nine States must consent to the action.

In actual authority the Congresses of the Confederation were principally limited to the fields of external relations and the national defense. The fatal defect was, of course, the lack of power to raise revenue for the maintenance of the system, and our ancestors may be called, at the least, optimistic if they believed that 13 sovereign republics would promptly pay over to the confederation even the small sums which were assessed against them for the annual maintenance of the Congress and its functions.

Furthermore, the effect of the existing methods of transportation and communication retarded the development of a truly national government far more greatly than we realize today—and that was true throughout the first half century of our Union. You have heard the phrase "the horse-and-buggy age." We use it not in derogation of the men who had to spend weeks on the rough highways before they could establish a quorum of the Congress, not in implication of inferiority on the part of those who perforce could not visit their neighbors in other States and visualize at first hand the problems of the whole of an infant nation.

We use it rather to explain the tedious delays and the local antagonisms and jealousies which beset our early paths, and we use it perhaps to remind our citizens of today that the automobile, the railroad, the airplane, the electrical impulse over the wire and through the ether leave to no citizen an excuse for sectionalism, for delay in the execution of the public business, or for a failure to maintain a full understanding of the acceleration of the processes of civilization.

Thus the crisis which faced the new Nation through its lack of national powers was recognized as early as 1783, but the very slowness of contacts prevented a sufficient general perception of the danger until 1787, when the Congress of the Confederation issued a call for the holding of a Constitutional Convention in May.

We are familiar with the immortal document which issued from that Convention; of the ratification of it by sufficient States to give it effect; of the action of the Confederation Congress which terminated its own existence in calling on the First Federal Congress to assemble on March 4, 1789.

We know of the month's delay before a quorum could be attained, of the counting of the ballots unanimously cast for General Washington, of his notification, of his triumphal journey from Mount Vernon to New York, and of his inauguration as first President on April 30.

So ended the crisis. So from a society of 13 republics was born a nation with the attributes of nationality and the framework of permanence.

I believe that it has been held by the Supreme Court that the authority of the Articles of Confederation ended on March 3, 1789. Therefore, the Constitution went into effect the next day.

That Constitution was based on the theory of representative government, two of the three branches of its government being chosen by the people, directly in the case of the House of Representatives, by elected legislatures in the case of Senators, and by elected electors in the case of the President and the Vice President. It is true that in many States the franchise was greatly limited, yet the cardinal principle of free choice by the body politic prevailed. I emphasize the words "free choice" because until a very few years ago this fundamental, or perhaps I should call it this ideology of democracy, was in the ascendant throughout the world, and nation after nation was broadening its practice of what the American Constitution had established here so firmly and so well.

The safety of the system of representative democracy is, in the last analysis, based on two essentials: First, that at frequent periods the voters must choose a new Congress and a new President; and second, that this choice must be made freely, that is to say without any undue force against or influence over the voter in the expression of his personal and sincere opinion.

That, after all, is the greatest difference between what we know as democracy and those other forms of government which, though they seem new to us, are essentially old—for they revert to those systems of concentrated self-perpetuating power against which the representative democratic system was successfully launched several centuries ago.

Today, with many other democracies, the United States will give no encouragement to the belief that our processes are outworn, or that we will approvingly watch the return of forms of government which for 2,000 years have proved their tyranny and their instability alike.

With the direct control of the free choosing of public servants by a free electorate, the Constitution has proved that this type of government cannot long remain in the hands of those who seek personal aggrandizement for selfish ends, whether they act as individuals, as classes, or as groups.

It is, therefore, in the spirit of our system that our elections are positive in their mandate, rather than passive in their acquiescence. Many other nations envy us the enthusiasm, the attacks, the wild overstatements, the falsehood intermingled gayly with the truth that marks our general elections, because they are promptly followed by acquiescence in the result and a return to calmer waters as soon as the ballots are counted.

We celebrate the completion of the building of the constitutional house. But one essential was lacking—for the house

had to be made habitable. And even in the period of the building, those who put stone upon stone, those who voted to accept it from the hands of the builders, knew that life within the house needed other things for its inhabitants. Without those things, indeed, they could never be secure in their tenure, happy in their toil and in their rest.

And so there came about that tacit understanding that to the Constitution would be added a bill of rights. Well and truly did the First Congress of the United States fulfill that first unwritten pledge; and the personal guaranties thus given to our individual citizens have established, we trust for all time, what has become as ingrained in our American natures as the free elective choice of our representatives itself.

In that Bill of Rights lies another vast chasm between our representative democracy and those reversions to personal rule which have characterized these recent years.

Jury trial: Do the people of our own land ever stop to compare that blessed right of ours with some processes of trial and punishment which of late have reincarnated the "justice" of the Dark Ages?

The taking of private property without due compensation: Would we willingly abandon our security against that in the face of the events of recent years?

The right to be safe against unwarrantable searches and seizures: Read your newspapers and rejoice that our firesides and our households are still safe.

Freedom to assemble and petition the Congress for a redress of grievances: The mail and the telegraph bring daily proof to every Senator and every Representative that that right is at the height of an unrestrained popularity.

Freedom of speech—yes, that, too, is unchecked, for never has there been so much of it on every side of every subject; it is indeed a freedom which because of the mildness of our laws of libel and slander goes unchecked except by the good sense of the American people. Any person is constitutionally entitled to criticize and call to account the highest and the lowest in the land—save only in one exception. For be it noted that the Constitution itself protects Senators and Representatives and provides that "for any speech or debate in either House they shall not be questioned in any other place." And that immunity is most carefully not extended to either the Chief Justice or the President.

Freedom of the press: I take it that no sensible man or woman believes that it has been curtailed or threatened or that it should be. The influence of the printed word will always depend on its veracity, and the Nation can safely rely on the wise discrimination of a reading public which, with the increase in the general education, is able to sort truth from fiction. Representative democracy will never tolerate suppression of true news at the behest of government.

Freedom of religion: That essential of the rights of mankind everywhere goes back also to the origins of representative government. Where democracy is snuffed out, there, too, the right to worship God in one's own way is circumscribed or abrogated. Shall we by our passiveness, by our silence, by assuming the attitude of the Levite who pulled his skirts together and passed by on the other side, lend encouragement to those who today persecute religion or deny it?

The answer to that is "no," just as in the days of the First Congress of the United States it was "no."

Not for freedom of religion alone does this Nation contend by every peaceful means. We believe in the other freedoms of the Bill of Rights, the other freedoms that are inherent in the right of free choice by free men and women. That means democracy to us under the Constitution, not democracy by direct action of the mob; but democracy exercised by representatives chosen by the people themselves.

Here in this great Hall are assembled the present members of the Government of the United States of America—the Con-

gress, the Supreme Court, and the Executive. Our fathers rightly believe that this Government which they set up would seek as a whole to act as a whole for the good governing of the Nation. It is in the same spirit that we are met here today, 150 years later, to carry on their task. May God continue to guide our steps.

Miss Gladys Swarthout and Mr. John Charles Thomas sang "The Star-Spangled Banner."

BENEDICTION

Rev. Z. Barney Thorne Phillips, D. D., LL. D., Chaplain of the Senate, pronounced the benediction, as follows:

Unto God's graciousness, tender mercy, and protection we commit you and every citizen of this Nation this day. May the Lord bless us and keep us. May the Lord make His face to shine upon us and be gracious unto us. May He take us in His arms of love and mercy and give us a sense of His own indwelling and of His power. May He lift up the light of His countenance upon us and give us that peace which the world can neither give nor take away, that peace that passeth all understanding. Through Jesus Christ our Lord. Amen.

The VICE PRESIDENT. The Joint Session of the Congress which assembled for the purpose of holding fitting and proper exercises in commemoration of the One Hundred and Fiftieth Anniversary of the Commencement of the First Congress of the United States under the Constitution is now dissolved.

Thereupon,

The Joint Congressional Committee on Arrangements escorted the President of the United States and the members of his Cabinet from the Hall of the House.

The Doorkeeper escorted the other invited guests of honor from the Hall of the House in the following order:

The Chief Justice of the United States and the Associate Justices of the Supreme Court.

The Ambassadors, the Ministers, and the Chargés d'Affaires of Foreign Governments.

The Chief of Staff of the United States Army; the Chief of Naval Operations of the United States Navy; the Major General Commandant of the United States Marine Corps; and the Commandant of the United States Coast Guard.

The Commissioners of the District of Columbia.

Upon the retirement of the guests, the Senate returned to its Chamber, and the House of Representatives resumed its session.

The SPEAKER resumed the chair.

The SPEAKER. Without objection, the proceedings in the House today will be included in the RECORD of this date.

There was no objection.

ADJOURNMENT

The SPEAKER. Without objection, the House will stand adjourned until 12 o'clock on Monday.

There was no objection.

Accordingly (at 1 o'clock and 48 minutes p. m.) the House adjourned until Monday, March 6, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Monday morning, March 6, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Monday, March 6, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States,"

approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

Beginning at 10 a. m. on Wednesday, March 22, 1939, there will be a hearing held before the Subcommittee No. IV of the Committee on the Judiciary on House Joint Resolution 176, declaring the conservation of petroleum deposits underlying submerged lands adjacent to and along the coast of California, below low-water mark and under the territorial waters of the United States of America, essential for national defense, maintenance of the Navy, and regulation and protection of interstate and foreign commerce; reserving the same as a naval petroleum reserve, subject to any superior vested right, title, or interest; and authorizing appropriate judicial proceedings to assert, ascertain, establish, and maintain the right and interest of the United States of America in such reserve and to eject trespassers.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, March 7, 1939. Business to be considered: Railroad rate differentials.

There will be a meeting of the Wool Subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Tuesday, March 7, 1939. Business to be considered: Opposition to wool labeling bill, H. R. 944.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, March 7, 1939, at 10:30 a. m., to continue hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

The Committee on Coinage, Weights, and Measures will meet on Tuesday, March 7, 1939, at 10 a. m., in room 115, House Office Building.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445 of the House Office Building at 10:30 a. m. Wednesday, March 8, 1939, for the public consideration of H. R. 4100 and H. R. 4646, and on private bills H. R. 4353, H. R. 4354, H. R. 4357, and H. R. 4358.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Wednesday, March 15, 1939, at 10 a. m., in room 328, House Office Building, to consider H. R. 3794, to establish John Muir-Kings Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes.

There will be a meeting of the Committee on the Public Lands on Thursday, March 23, 1939, at 10 a. m., in room 328, House Office Building, to consider H. R. 3759, to authorize a National Mississippi River Parkway and matters relating thereto.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs, Tuesday, March 7, 1939, at 10:30 a. m., in the committee rooms, Capitol, for the consideration of the following: S. 1523, burial expenses in connection with last illness and death of native employees who die while serving in executive offices abroad. House Resolution 107, requesting the President to furnish the House of Representatives data in regard to seizure of certain American property in Mexico.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

479. A communication from the President of the United States, transmitting records of judgments rendered against the Government by the United States District Courts, in accordance with the Deficiency Act of April 24, 1904 (U. S. C., title 31, sec. 583, par. 2), as submitted by the Attorney General through the Secretary of the Treasury, and which require an appropriation for their payment amounting to \$10,465.58 (H. Doc. No. 185); to the Committee on Appropriations and ordered to be printed.

480. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Navy Department for the fiscal year 1939 (H. Doc. No. 186); to the Committee on Appropriations and ordered to be printed.

481. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Navy Department for the fiscal year 1939 (H. Doc. No. 187); to the Committee on Appropriations and ordered to be printed.

482. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1939 to remain available for the Department of State (H. Doc. No. 188); to the Committee on Appropriations and ordered to be printed.

483. A communication from the President of the United States, transmitting a supplemental estimate of appropriations for the fiscal year 1940 for the Supreme Court of the United States (H. Doc. No. 189); to the Committee on Appropriations and ordered to be printed.

484. A communication from the President of the United States, transmitting a schedule of claims allowed by the General Accounting Office (H. Doc. No. 190); to the Committee on Appropriations and ordered to be printed.

485. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year ending June 30, 1939, to remain available until June 30, 1940, for the War Department, for Army transportation (H. Doc. No. 191); to the Committee on Appropriations and ordered to be printed.

486. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1939 (H. Doc. No. 192); to the Committee on Appropriations and ordered to be printed.

487. A communication from the President of the United States, transmitting a supplemental estimate of appropria-

tion for the Civil Aeronautics Authority for the fiscal year 1940 (H. Doc. No. 193); to the Committee on Appropriations and ordered to be printed.

488. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1939 for the construction of water conservation and utilization projects (H. Doc. No. 194); to the Committee on Appropriations and ordered to be printed.

489. A communication from the President of the United States, transmitting a supplemental estimate of appropriation to pay claims for damages to privately owned property in the sum of \$3,818.51 (H. Doc. No. 195); to the Committee on Appropriations and ordered to be printed.

490. A communication from the President of the United States, transmitting a list of judgments rendered by the Court of Claims which have been submitted by the Attorney General through the Secretary of the Treasury and require an appropriation for their payment amounting to \$387,062.58 (H. Doc. No. 196); to the Committee on Appropriations and ordered to be printed.

491. A communication from the President of the United States, transmitting estimates of appropriations submitted by the Department of the Treasury to pay claims for damages by collision or damages incident to the operation of vessels of United States Coast Guard (H. Doc. No. 197); to the Committee on Appropriations and ordered to be printed.

492. A communication from the President of the United States, transmitting an estimate of appropriation submitted by the Department of Justice to pay a claim for damages to any person or damages to or loss of privately owned property caused by employees of the Federal Bureau of Investigation (H. Doc. No. 198); to the Committee on Appropriations and ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on World War Veterans' Legislation was discharged from the consideration of the bill (H. R. 3637) granting a pension to Joseph E. Williams, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DEMPSEY:

H. R. 4767. A bill relating to certain payments in connection with the 1937 Range Program under the Soil Conservation and Domestic Allotment Act, as amended; to the Committee on Agriculture.

By Mr. HOBBS:

H. R. 4768. A bill to vest in the circuit courts of appeals of the United States original and exclusive jurisdiction to review the order of detention of any alien found subject to deportation from the United States who cannot be deported within 60 days thereafter because of the failure or refusal of the authorities of the alien's nationality to grant passport or similar authorization; to authorize such detention orders in certain cases; to authorize provision of suitable places for such detention; and for other purposes; to the Committee on the Judiciary.

By Mr. OLIVER:

H. R. 4769. A bill to adjust the pay status of certain warrant officers now on the retired lists of the United States Marine Corps; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. SCHAFER of Wisconsin introduced a bill (H. R. 4770) for the relief of John Wittkop, which was referred to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1528. By Mr. ENGLEBRIGHT: Petition of 103 citizens of the town of Susanville, Lassen County, Calif., praying that the National Labor Relations Board remove Mrs. Alice M. Rosseter, director of the twentieth regional office of that Board, and John T. McTernan, attorney for said regional office, for dereliction of their duties; to the Committee on the Judiciary.

1529. Also, petition of citizens of the town of Westwood, Calif., praying that the National Labor Relations Board remove Mrs. Alice M. Rosseter, director of the twentieth regional office of that Board, and John T. McTernan, attorney for said regional office, for dereliction of their duties; to the Committee on the Judiciary.

1530. By Mr. LUTHER A. JOHNSON: Petition of House of Representatives of State of Texas, opposing the Nye resolution; to the Committee on the Judiciary.

1531. By Mr. HOUSTON: Petition of members of the First Baptist Church of Wichita, Kans., urging the President of the United States and Congress, in accordance with the principle of the good neighbor and in the interests of the people of the United States, China, and Japan, to take every practicable means, direct or indirect, to bring to an end a traffic from our country which is compelling us to be a partner in the destruction of the Chinese people; to the Committee on Foreign Affairs.

1532. By Mr. SCHIFFLER: Petition of Rev. Joseph I. Gregory, of Cameron, W. Va., urging that ministers be excluded from the provisions of the Social Security Act; to the Committee on Ways and Means.

1533. By Mr. WOLCOTT: Petition of Mr. Tom O'Shea and nine others, of Kinde, Mich., extending the Neutrality Act of August 31, 1935, to include civil as well as international conflicts, and to retain on our statute books the principle enunciated in the act of May 1, 1937; to the Committee on Foreign Affairs.

1534. Also, petition of R. L. Tibbetts and 49 others, of Vassar, Caro, Tuscola, Mich., to continue the Dies committee investigation; to the Committee on Rules.

SENATE

MONDAY, MARCH 6, 1939

The Senate met at 12 o'clock meridian.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Eternal God, who livest and reignest, throned above space and time, in that realm where freedom and law are one: Move with Thy creative word, new every morning, upon the chaos of our world, that peace and harmony may be established among us. Thou knowest us to be set in the midst of so many and great dangers that, by reason of our frailty, we cannot always stand upright; we, therefore, pray Thee to renew in us the eternal miracle of faith, made ampler as we listen to the simple seas that ebb and flow, and reason is revealed as song breathed into our quiet hearts; impart to us Thy strength to walk with love through joy and grief as we lay hold of life's infinitude, that at the last we may find Thee waiting, beyond our wildest hope, beyond the last horizon of our pain, to receive us to Thy heart into the heaven of heavens. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, March 4, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations and a treaty were communicated to the Senate by Mr. Hess, one of his secretaries.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum, and ask that the roll be called in order to secure one.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Lee	Reynolds
Andrews	Donahey	Lewis	Russell
Ashurst	Ellender	Lodge	Schwartz
Austin	Frazier	Logan	Schwellenbach
Bailey	George	Lucas	Sheppard
Bankhead	Gerry	Lundeen	Shipstead
Barbour	Gibson	McCarran	Smathers
Barkley	Gillette	McKellar	Smith
Billbo	Glass	McNary	Taft
Bone	Green	Maloney	Thomas, Okla.
Borah	Guffey	Mead	Thomas, Utah
Brown	Gurney	Miller	Tobey
Bulow	Harrison	Minton	Townsend
Burke	Hatch	Murray	Truman
Byrd	Hayden	Neely	Tydings
Byrnes	Herring	Norris	Vandenberg
Capper	Hill	Nye	Van Nuys
Caraway	Holman	O'Mahoney	Wagner
Chavez	Hughes	Overton	Walsh
Clark, Idaho	Johnson, Calif.	Pepper	Wheeler
Clark, Mo.	Johnson, Colo.	Pittman	White
Connally	King	Radcliffe	Wiley
Danaher	La Follette	Reed	

Mr. LEWIS. I announce that the Senator from California [Mr. DOWNEY] and the Senator from West Virginia [Mr. HOLT] are detained from the Senate because of illness.

The Senator from Tennessee [Mr. STEWART] is detained on important public business.

The VICE PRESIDENT. Ninety-one Senators have answered to their names. A quorum is present.

PRINTING OF PROCEEDINGS COMMEMORATING ONE HUNDRED AND FIFTIETH ANNIVERSARY OF FIRST CONGRESS

Mr. BARKLEY. Mr. President, last Saturday, at the joint session of the two Houses, very impressive ceremonies were conducted, celebrating the one hundred and fiftieth anniversary of the beginning of Congress, on the 4th of March 1789. There has been, among all classes of people, universal acclaim with reference to that program. It was one of the most impressive ceremonies I have ever witnessed in the Congress or out of it. The desire has been very generally expressed that the entire proceedings be given as wide circulation as possible throughout the country. Looking to that end, I ask unanimous consent that the entire proceedings of the joint session, held last Saturday in the Hall of the House of Representatives, be made a Senate document.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I wish to say that I intend to confer with the Joint Committee on Printing and the Committee on Appropriations to see whether we may not, within reasonable expense, secure the printing of a large number of copies of this document for circulation throughout the country.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolution of the Legislature of Vermont, which was referred to the Committee on Banking and Currency:

Whereas it is very apparent to the residents of the State of Vermont and particularly to the producers of primary products that there is a grave disparity between prices received by primary producers for their products produced in Vermont and the fixed charges which are attendant upon the producers; and

Whereas it appears that the price structure in our country is not in equilibrium as between agriculture, industry, and labor; and

Whereas our natural instinct tells us that something is wrong with the present monetary situation in this country; and

Whereas article I, section 8, clause 5 of the United States Constitution gives exclusive power to the Federal Government to provide a currency for all the States, to coin money, and regulate the value thereof: Therefore be it

Resolved by the senate and house of representatives, That it is the opinion of this legislature that there should be an immediate and thorough study by the Congress of the United States, through a special committee, of the reason for the grave disparity that now exists in all parts of the country between prices to primary producers and the fixed charges that are attendant upon them; to investigate carefully the monetary system of this country with the view of correcting evils that are now apparent and with a view of bringing to this country a better monetary system; and to report their findings at an early date to the Congress of the United States for proper action;

That the secretary of state be directed to send a certified copy of this resolution to the President of the United States Senate, the Speaker of the House of Representatives, and to each of Vermont's Senators and Representative in Congress.
Approved March 3, 1939.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of New Mexico, which was referred to the Committee on Public Buildings and Grounds:

Resolution memorializing Congress to erect an additional building in Santa Fe to house United States Government departments and employees located in Santa Fe

Be it resolved by the Legislature of the State of New Mexico, That whereas the State of New Mexico at the present is permitting the use of her buildings by the United States Government for its departments and officials, located in the State of New Mexico; and

Whereas some of the departments of the State of New Mexico are required to rent other buildings or establishments for its own State departments in Santa Fe and other cities; and

Whereas the State of New Mexico is greatly in need of its buildings, already constructed; and

Whereas this State has no desire to inconvenience the Government of the United States in the State of New Mexico: Therefore be it

Resolved by the Legislature of the State of New Mexico, That the Congress of the United States, be and it is petitioned and memorialized to erect additional buildings of the United States Government, for the purpose of housing and furnishing offices for its departments and officials in this State, and that such buildings be erected in the city of Santa Fe, in the State of New Mexico, to the end, that the State of New Mexico and its several departments located at its State capitol, may expeditiously and economically cooperate with the United States Government in its activities in this State; be it further

Resolved, That certified copies of this resolution under the great seal of the State be forwarded to the Right Honorable JOHN N. GARNER, Vice President of the United States of America, and to the Honorable Speaker of the House of Representatives of the United States and to the Honorable Senator CARL A. HATCH, the Honorable Senator DENNIS CHAVEZ, and the Honorable JOHN J. DEMPSEY, Member of the House of Representatives for the State of New Mexico in the Congress of the United States.

Approved by me this 1st day of March 1939.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of Idaho, which was referred to the Committee on Public Lands and Surveys:

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that—

Whereas there exists within the Pacific Northwest a condition of economic distress which has caused widespread unemployment, creating much suffering and want of necessities of life among a great many of the people of said area; and

Whereas the Pacific Northwest is without proper military protection, in that said section is wholly cut off from the East by the Bitter Root Mountains, with only one passage through said range from the Canadian border to Bannock Pass, a distance of some 800 miles; and

Whereas it has become the public policy as well as the urgent need of the United States to take affirmative steps to relieve the conditions aforesaid; and

Whereas the Lewis and Clark Highway follows a low-elevation water grade from Portland, Oreg., across the States of Oregon, Washington, and Idaho, through the Lolo Pass, the lowest pass in the Bitter Root range, and which is centrally located, to Missoula, Mont., and will provide an adequate military and commercial route, which is so badly needed; and

Whereas the Lewis and Clark Highway has been completed with the exception of only 50 miles which lies wholly within the national forests of Idaho, and appropriations for forest roads in national forests, which in Idaho cover 34,000,000 of its total 53,000,000 acres, are inadequate to provide for completion of said highway from that source; and

Whereas these national forests are of the largest, most beautiful, interesting, and valuable of the national forests, affording unsurpassed recreational opportunities for the people of the entire Nation, and is not accessible either by rail or national highway; and

Whereas this highway would be of great benefit to the States of Idaho, Montana, Washington, and Oregon to facilitate marketing of their products; would provide adequate military protection to the Pacific Northwest; would provide adequate employment to reduce the critical effect of the present economic distress in this area; and would stimulate national trade and commerce; and

Whereas the Lewis and Clark Highway has been designated as eligible for Federal aid:

Now, therefore, we, the Legislature of the State of Idaho, do hereby most respectfully urge on your honorable body, the Congress of the United States, that your honorable body pass such legislation and make the necessary appropriations to provide for and complete construction of the unfinished portion of said highway above mentioned, and that the Forest Service in the Depart-

ment of Agriculture and/or the War Department and/or the Department of the Interior of the United States be authorized and directed to begin immediate construction thereon: Be it

Resolved, That the secretary of state of the State of Idaho be authorized, and is hereby directed, to immediately forward certified copies of this joint memorial to the Secretary of Agriculture, the Secretary of War, the Senate and House of Representatives of the United States, to Senators and Representatives in Congress from the States of Idaho, Oregon, Washington, and Montana, and to the President, Franklin D. Roosevelt.

The VICE PRESIDENT also laid before the Senate the following letter from the Governor of Nevada and a joint resolution of the Legislature of Nevada, which were referred to the Committee on Public Lands and Surveys:

STATE OF NEVADA,
EXECUTIVE CHAMBER,
Carson City, February 22, 1939.

HON. JOHN N. GARNER,

President of the United States Senate, Washington, D. C.

DEAR SIR: I have the honor to transmit to you herewith copy of Senate Joint Resolution No. 2, relative to the protection, use, and development of the natural resources of the western region, which was passed by the Nevada State Legislature during the current session and approved by me on February 18, 1939.

Very sincerely yours,

E. P. CARVILLE, Governor.

Senate joint resolution relative to the protection, use, and development of the natural resources of the western region

Whereas Nature has bestowed upon the State of Nevada a priceless heritage of natural resources of soil, water, forests, minerals, forage, game animals, birds, fish, and scenic and recreational attractions; and

Whereas these natural resources are vital to the permanence and future growth and prosperity of the basic industry of the State and to the welfare and happiness of its citizens; and

Whereas the protection and wise use of our valuable natural resources is the responsibility of the Federal and State Governments and the civic duty of all our people; and

Whereas large areas of Nevada's important watersheds, forests, grazing and mineral lands, fishing streams and lakes, wildlife ranges, free public playgrounds, and scenic features are found within the national forests in the State; and

Whereas these national-forest resources are protected and managed for the benefit of all our citizens and the permanence of our industries and are open at all times to full utilization and economic development; and

Whereas there is now pending national legislation which will create a new national park in the middle and south forks of Kings River that will remove large water and other natural resources from the use and development of adjacent dependent communities; and

Whereas similar lands and resources are embraced in the Mono, Tahoe, Toiyabe, and other national forests in Nevada and immediately adjacent thereto and may eventually be affected by similar legislation: Now, therefore, be it

Resolved by the Senate and the Assembly of Nevada, jointly, That the State of Nevada through its legislature recommends to the President and to the Congress of the United States that all national-forest lands and their valuable natural resources be permanently retained in national-forest status under the protection and administration of the Forest Service, United States Department of Agriculture, where they will be perpetually open, as needed, to all measures, developments, and activities necessary for the full use, regulation, and control of the land and the resources thereof; and be it further

Resolved, That the Governor of the State of Nevada is hereby requested to transmit copies of this resolution to the President and to Members of the Senate and the House of Representatives, and to the Secretary of Agriculture and the Chief of the Forest Service.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of South Dakota, which was referred to the Committee on Indian Affairs:

House Concurrent Resolution 13

Concurrent resolution proposing by this resolution intended as a petition to the Congress of the United States that the Congress provide by law for the creation of a Special Claims Commission to meet with the Sioux Indians of South Dakota to effectuate prompt settlement of individual or tribal Indian claims presented and filed under the laws and treaties of the United States with said Indian tribes

Be it resolved by the House of Representatives of the Twenty-sixth Legislative Session of the State of South Dakota (the senate concurring):

Whereas Congress did enact into law, during the fiscal year ending June 30, 1877, certain provisions intended to fulfill, and make compliance with, various stipulations and agreements as were provided for in treaties with the several Indian tribes; and

Whereas many claims presented by the Indians and Indian tribal organizations over a period of many years, which claims arose from alleged violations of treaty rights and under the provisions of said above-mentioned act of Congress, have not been acted on or finally

determined, and such claims are now pending in the courts of the United States, in some cases for many years; and

Whereas other and additional claims under such act and treaties will be filed from time to time, for redress or for benefits claimed to be due to such Indians and Indian tribes, and according to the present laws with respect to Indian claims must be litigated in the courts with no prospect of final adjudication for many years, after the instituting of said actions; and

Whereas the Sioux and other tribes of Indians are, and have been, entitled to a prompt settlement of said claims, and the delay experienced has been to the great loss and inconvenience of said Indians; and

Whereas the Sioux Indians of South Dakota are now in dire need, and that it is imperative for their best interest and health that their claims be promptly adjusted, and that in the meantime adequate provisions be made for them as to necessary food and clothing and necessities of life: Now, therefore, be it

Resolved, That for the best interests of the Sioux Indians of South Dakota, the Congress provide by law for the creation of a Special Claims Commission, with the power and authority and jurisdiction to meet with such Indians or tribal councils and their attorneys, promptly after the filing of any claim or claims, and settle, compromise, and adjudicate said claim or claims; be it further

Resolved, That this joint resolution is intended as a petition to the Congress.

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of South Dakota, which was referred to the Committee on Public Lands and Surveys:

House Concurrent Resolution 11

Concurrent resolution memorializing the Congress of the United States of America to enact suitable legislation if necessary, or if not necessary, to secure such department rulings as will provide for a reimbursement to counties and their several units of the funds lost to such by the withdrawal of so-called submarginal lands from taxation

Be it resolved by the House of Representatives of the State of South Dakota (the senate concurring):

Whereas the Federal Government of the United States has purchased large tracts of deeded land in the State of South Dakota and other Northwestern States, which lands were termed as "submarginal" and by such purchase and acquirement has taken such lands off the tax lists where such lands exist, thereby eliminating, to a greater or less extent, the resources for the proper function of local government and the payment of bonded indebtedness existing on said land at the time it was so purchased; and

Whereas the burden of taxation on the property owners who were not given an opportunity to sell their property is by reason thereof increasing to a point beyond their ability to pay: Therefore be it

Resolved, That Congress be urged to enact suitable legislation, if necessary, or if not necessary, to secure such department rulings as will provide for an equitable reimbursement to counties and their several units of the funds lost to such by the withdrawal of such so-called submarginal lands from taxation; be it further

Resolved, That copies of this resolution be transmitted to the Secretary of the Senate and the Chief Clerk of the House of Representatives of the United States and to each Senator and Representative of the State of South Dakota in the Congress of the United States.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the Territory of Alaska, which was referred to the Committee on Appropriations:

House Joint Memorial 17

To the honorable the Congress of the United States:

Your memorialist, the Legislature of the Territory of Alaska, in fourteenth regular session assembled, respectfully submits that:

Whereas by authority of Congress (Public, No. 564, ch. 299, 75th Cong., 3d sess.) there has been appointed an "Alaskan International Highway Commission" which is directed and empowered to cooperate with a similar Canadian commission "for the survey, location, and construction of a highway to the Pacific Northwest part of continental United States with British Columbia and the Yukon Territory . . . and the Territory of Alaska"; and

Whereas said Commission has entered into negotiations and is cooperating with a similar commission representing the Dominion of Canada, and jointly they are studying routes, costs, and methods of financing; and

Whereas the construction of such a highway would promote a more orderly and systematic development of the natural resources of Alaska and further the cause of orderly development; and

Whereas the interests of national defense would be greatly served by this project; and

Whereas to connect the proposed highway from the western boundary of the Yukon Territory with the existing interior Alaskan road system will require the construction of 183 miles of road in Alaska, at an estimated cost of \$2,250,000; and

Whereas the route for this road traverses regions known to be highly mineralized and where industrial development is now

almost impossible because of lack of transportation facilities and abnormally high costs of operation: Now, therefore

Your memorialist respectfully urges that an appropriation in that amount be immediately made to the end that work may be initiated without delay.

And your memorialist will ever pray.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the Territory of Alaska, which was referred to the Committee on Commerce:

House Joint Memorial 27

To the President of the United States, to the Congress of the United States, to the Secretary of the Treasury of the United States, and to the Commandant of the United States Coast Guard:

Your memorialist, the Legislature of the Territory of Alaska, respectfully represents:

Whereas the city of Nome is the principal port in northwestern Alaska, where the commerce and business of that large part of the Territory of Alaska centers; and

Whereas it is the principal port in the second division of Alaska, where freight and passenger steamers and other vessels unload their passengers and cargo; and

Whereas it is an unprotected roadstead and subject to severe storms; and

Whereas there are seven other ports within 150 miles of Nome where freight and passenger steamers and other vessels unload their freight and passengers from unprotected roadsteads; and

Whereas, due to long distances from Nome to other coastal ports, towns, and villages that from time to time are in need of immediate succor and aid, a Coast Guard plane equipped for northern flying should be a part of the station's equipment; and

Whereas for more than 29 years the United States Government has maintained at Nome a Coast Guard station efficiently manned and equipped, which has been of great service in saving life and property; and

Whereas said Coast Guard station and a portion of its equipment were destroyed by fire on September 17, 1934:

Now, therefore, we, your memorialists, respectfully pray that said Coast Guard station be rebuilt at Nome, Alaska, without delay and be adequately equipped and manned for service.

And your memorialists will ever pray.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the Territory of Alaska, which was referred to the Committee on Territories and Insular Affairs:

Senate Joint Memorial 6

To the honorable the President of the United States, the Congress of the United States, the Secretary of the Interior, and the Delegate in Congress from Alaska:

Your memorialist, the Legislature of the Territory of Alaska, in fourteenth regular session assembled, respectfully submits that:

Whereas there is now operating in the Territory of Alaska a native-owned cannery located on a Federal Government reservation which competes in one of Alaska's major industries, but which is exempt from all Territorial taxation; and

Whereas the establishment of more fisheries reservations of a like nature is being urged by Federal Government officials and others; and

Whereas Federal Government loans are now being granted to subsidize native-owned cooperative canneries; and

Whereas if such reservations and cooperatives are allowed to operate without being subject to equal Territorial taxation with other members of the industry the Territorial income will be jeopardized: Now therefore

Your memorialist respectfully urges that Congress immediately empower the Legislature of the Territory of Alaska to impose and collect equal taxes on all canneries and cannery products established on and operated on Indian reservations or a cooperative basis in Alaska.

And your memorialist will ever pray.

The VICE PRESIDENT also laid before the Senate a concurrent resolution of the Legislature of the State of Utah, favoring the enactment of the so-called McCarran bill to stabilize the price of silver at \$1 per ounce, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when presented today by Mr. THOMAS of Utah.)

The VICE PRESIDENT also laid before the Senate a resolution adopted by a meeting held under the auspices of the American Labor Party Clubs in the fourteenth, fifteenth, and sixteenth assembly districts of New York, N. Y., favoring an additional appropriation of \$150,000,000 for the activities of the W. P. A. during the remainder of the current fiscal year, which was referred to the Committee on Appropriations.

He also laid before the Senate the petition of Local Industrial Union No. 2, United Chocolate Workers, of Hershey, Pa.,

favoring an adequate appropriation for the National Labor Relations Board and protesting against any amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Board of Supervisors of the City and County of San Francisco, Calif., favoring the permanent assignment of one-half of the fleet for operations in Pacific waters, with San Francisco Bay as its headquarters and base, which was referred to the Committee on Naval Affairs.

Mr. WHITE presented the petition of members of the Portland (Maine) League for Peace and Freedom, praying that the embargo be lifted on the shipment of arms and munitions to Spain, which was referred to the Committee on Foreign Relations.

Mr. WALSH presented a resolution of Puritan Lodge No. 621, Brotherhood of Railroad Trainmen, of Boston, Mass., favoring the enactment of the bill (S. 1112) to further amend the act entitled "An act to establish a retirement system for employees of carriers subject to the Interstate Commerce Act, and for other purposes," approved August 29, 1935, as amended, which was referred to the Committee on Interstate Commerce.

Mr. CAPPER presented a petition of sundry citizens of Galesburg, Kans., praying for the enactment of legislation to exempt small independent telephone companies from the provisions of the Labor Standards Act of 1938, which was referred to the Committee on Education and Labor.

He also presented petitions of sundry citizens of Oxford and members of the First Baptist Church of Wichita, in the State of Kansas, praying for the adoption by the United States of a policy of nonparticipation in aggression and also the discontinuance of shipments of war supplies to Japan, which were referred to the Committee on Foreign Relations.

He also presented the petition of members of Parent-Teacher Association units of Ford County, Kans., praying for the enactment of the so-called Neely bill, to prohibit the block booking and blind selling of motion-picture films, which was referred to the Committee on Interstate Commerce.

He also presented memorials of members and friends of the Friendship Baptist Church, of Patterson; the pastor and officers of the Presbyterian Church of Carlton; the pastor, officers, and members of the First Baptist Church of Belle Plaine, and members and friends of the First Baptist Church of Hope, all in the State of Kansas, remonstrating against the enactment of legislation to include religious bodies under the operation of the social-security system, which were referred to the Committee on Finance.

Mr. TYDINGS presented a resolution of the Parent-Teacher Association of the John Burroughs School, Washington, D. C., favoring a deficiency appropriation for heating and lighting school buildings, and also for teachers' salaries in the District of Columbia, which was referred to the Committee on Appropriations.

Mr. TYDINGS and Mr. RADCLIFFE jointly presented the following resolutions of the Legislature of Maryland, which were referred to the Committee on Interstate Commerce:

Senate resolution concerning certain bills which have been introduced in the Seventy-sixth Congress of the United States

Whereas certain bills have been introduced in the Seventy-sixth Congress, including Senate Joint Resolution 27, Senate Joint Resolution 58, S. 126, S. 137, S. 158, House Joint Resolution 152, H. R. 188, H. R. 3369, and H. R. 3749, which, if passed, would adversely affect the interests of labor and all forms of business in Maryland; and

Whereas the objective of these bills is the dissolution of the present territorial freight rate structure of the country and the establishment of a structure under which (1) the rates within and between all territories would be on the same mile-for-mile level or (2) the rates from one territory into another would not exceed the level, distance considered, within the destination territory, which would result in higher interterritorial rates in one

direction than in another between the same points and over the same routes; and

Whereas in the natural development of the rate structure, the United States has been divided into several recognized rate territories or zones because of differences in volume of tonnage, traffic density, and cost of transportation, which natural grouping has existed for many years and to which industry and business have become adjusted; and

Whereas Maryland is located in the rate territory lying to the east of the Mississippi River and roughly north of the Ohio and Potomac Rivers, designated as official classification territory, in which, by reason of the great industrial activity and consequent high traffic density and low operating costs, the average per-mile rate level is lower than in other rate territories; and

Whereas passage of these bills, or any of them, would deprive the Interstate Commerce Commission of its present authority and duty as the agency of Congress, to determine rate levels within and between the several rate territories, upon consideration of evidence as to traffic density, operating costs, or other factors affecting transportation, and, by specific rule of Congress, require revision of existing territorial rate differences without regard to the varying transportation conditions in the different territories; and

Whereas any such legislation would, by disregarding the natural advantages existing in the territory in which Maryland is located, seriously and permanently injure industry and business in Maryland, and correspondingly reduce employment and the opportunity for employment, and discourage industrial expansion and induce the removal of industry to other territories, contrary to the public interest: Therefore be it

Resolved, by the Senate of Maryland, That the Senators and Representatives in Congress from Maryland be and they are hereby urged to use their every effort to prevent passage of any of the said bills or resolutions or any other legislation of like character; and be it further

Resolved, That the secretary of the senate forward a copy of this resolution to each Member of the present Congress from Maryland.

House resolution concerning certain bills which have been introduced in the Seventy-sixth Congress of the United States

Whereas certain bills have been introduced in the Seventy-sixth Congress, including Senate Joint Resolution 27, Senate Joint Resolution 58, S. 126, S. 137, S. 158, House Joint Resolution 152, H. R. 188, H. R. 3369, and H. R. 3749, which, if passed, would adversely affect the interests of labor and all forms of business in Maryland; and

Whereas the objective of these bills is the dissolution of the present territorial freight-rate structure of the country and the establishment of a structure under which (1) the rates within and between all territories would be on the same mile-for-mile level, or (2) the rates from one territory into another would not exceed the level, distance considered, within the destination territory, which would result in higher interterritorial rates in one direction than in another between the same points and over the same routes; and

Whereas in the natural development of the rate structure, the United States has been divided into several recognized rate territories or zones because of differences in volume of tonnage, traffic density, and cost of transportation, which natural grouping has existed for many years and to which industry and business have become adjusted; and

Whereas Maryland is located in the rate territory lying to the east of the Mississippi River and roughly north of the Ohio and Potomac Rivers, designated as official classification territory, in which, by reason of the great industrial activity and consequent high-traffic density and low-operating costs, the average per-mile rate level is lower than in other rate territories; and

Whereas passage of these bills, or any of them, would deprive the Interstate Commerce Commission of its present authority and duty, as the agency of Congress, to determine rate levels within and between the several rate territories, upon consideration of evidence as to traffic density, operating costs, or other factors affecting transportation, and, by specific rule of Congress, require revision of existing territorial rate differences without regard to the varying transportation conditions in the different territories; and

Whereas any such legislation would, by disregarding the natural advantages existing in the territory in which Maryland is located, seriously and permanently injure industry and business in Maryland, and correspondingly reduce employment and the opportunity for employment, and discourage industrial expansion and induce the removal of industry to other territories, contrary to the public interest: Therefore be it

Resolved by the House of Delegates of the General Assembly of the State of Maryland, That the Senators and Representatives in Congress from Maryland be, and they are hereby, urged to use their every effort to prevent passage of any of the said bills or resolutions or any other legislation of like character; and be it further

Resolved, That the chief clerk of the house forward a copy of this resolution to each Member of the present Congress from Maryland.

Mr. THOMAS of Utah presented the following resolution of the Legislature of Utah, which was referred to the Committee on Agriculture and Forestry:

Memorializing Congress to initiate a movement to give silver a standing by the approval of the McCarran bill to stabilize the price of silver at \$1 per ounce

Be it resolved by the Legislature of the State of Utah:

Whereas most of the States west of the Missouri River produce silver, thus making mining of nonferrous metals containing silver basic industries in the respective States mentioned below; and

Whereas the present price of domestically mined silver in the United States expires by statutory limitations on July 1, 1939; and

Whereas it is essential to the well-being and future welfare of these States that something be done by the Congress of the United States, now in session, to stabilize domestically mined silver; and

Whereas there has lately been introduced in the Senate of the United States a bill by Senator PAT MCCARRAN, of Nevada, stabilizing the price of silver at \$1 per ounce; and

Whereas this legislature believes that the stabilization of silver at that price will be conducive of future prosperity of the nations; and

Whereas if something drastic is not done by Congress relative to silver before July 1, 1939, many thousands of miners will be unemployed and interdependent industries affected: Now, therefore, be it

Resolved, That the Legislature of the State of Utah declares its endorsement of the McCarran bill and respectfully urges the Congress of the United States to enact said bill into law; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, the Senate and House of Representatives of the United States, and the congressional representatives of Utah; be it further

Resolved, That a copy of this resolution be forwarded by the Governor and secretary of state to the respective legislatures of the following: Territory of Alaska, Arizona, California, Colorado, Idaho, Michigan, Missouri, Montana, Nevada, New Mexico, Oregon, South Dakota, Tennessee, and Texas.

Mrs. CARAWAY presented the following concurrent resolution of the General Assembly of Arkansas, which was referred to the Committee on Public Lands and Surveys:

House Concurrent Resolution 19

Whereas the citizens of 10 States bordering on the Mississippi River have initiated a movement to obtain the authorization by Congress of a National Parkway to begin at the source of the Mississippi River in Minnesota and extend to the Gulf below New Orleans; and

Whereas the States through which such a highway will be located have one-fourth of the Nation's population and have 6,000,000 registered automobiles and is the Nation's most fertile agricultural section, and such a roadway as the Mississippi River Parkway would be a means of bringing a "market to the farms" as a result of a vast movement of tourists; and

Whereas this legislature has passed, and the Governor has approved Act No. 45, 1939, making it possible for this State to cooperate with the Federal Government in this project, being the first of the 10 States to pass enabling legislation with respect to this project; and

Whereas the Congress has authorized the construction of two parkways of the nature of the Mississippi River Parkway, both of which are now under construction, namely, the Blue Ridge Parkway of Virginia and North Carolina, between the Shenandoah National Park and the Smoky Mountain National Park and the Natchez Trace Parkway through the States of Tennessee, Alabama, and Mississippi. These projects are now employing thousands of people who would be otherwise unemployed. We have in this State a large number of unemployed persons who can be given employment on a project of the magnitude of the proposed Mississippi River Parkway; and

Whereas a bill has been introduced in Congress (H. R. 3759, by Congressman DeROUEN) which has for its purpose the authorization of the Mississippi River Parkway, surveys, and estimates: Now, therefore, be it

Resolved by the fifty-second general assembly (both houses concurring therein), That this representative group of Arkansas citizenship hereby petition the United States Congress to enact the legislation embodied in Congressman DeROUEN's measure (H. R. 3759) to authorize surveys and estimates for the Mississippi River Parkway, and upon completion of such surveys that the Congress make necessary appropriations from time to time until this meritorious project has been completed; and be it further

Resolved, That copies of this resolution shall be forwarded to His Excellency the President of the United States, the Honorable Franklin D. Roosevelt; to the Secretary of the Interior, the Honorable Harold Ickes; to the Secretary of Agriculture, the Honorable Henry A. Wallace; and to each member of Arkansas' delegation in the United States Congress.

RAILWAY LEGISLATION

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and referred to the Committee on Interstate Commerce, resolutions adopted by the Order of Benefit Association of Railway Employees, on February 28, 1939, and sent to me by P. W. Kolip, secretary of

Dunmore Division, No. 80, 976 Union Avenue, Scranton, Pa., which I have received, together with many similar resolutions or petitions.

There being no objection, the resolutions were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

Whereas the welfare of the public generally and the welfare of hundreds of thousands of railroad employees particularly is being damaged by delay in the enactment of legislation to establish a new transportation policy fitted to the competitive conditions under which rail transportation must now be furnished to the public; and

Whereas it is commonly agreed that the railroads and their employees are suffering from unnatural conditions in large part due to unequal and unjust public policies with respect to all transportation; and

Whereas President Roosevelt in recognition of these facts appointed a joint committee consisting of qualified representatives of railroad managements and railroad employees to formulate suitable recommendations for legislation to right the damage and wrongs of the present policies and which committee has presented its recommendations to President Roosevelt: Therefore be it

Resolved, That this lodge endorse the program submitted by the President's committee and that the special attention of our representatives in Congress be directed to our support of that program and the interest of railroad employees generally in the subject, and the present need of legislation to remove present injustices which affect our jobs and wages adversely; and be it further

Resolved, That our representatives in Congress be requested to join us in active and persistent support of this program, especially as to changes in rate-making regulations, including modification of the long-and-short-haul clause, as being necessary to enable railroads to meet rate competition of highway and waterway carriers, to removal of subsidies to other forms of transportation and repeal of the land-grant rate law; and be it further

Resolved, That our secretary forward copies of these resolutions to our Senators and Representatives in Congress and that he request them to advise us periodically as to their progress in enacting legislation to make the recommendations of the President's committee effective.

REPORTS OF COMMITTEES

Mr. LOGAN, from the Committee on the Judiciary, to which was referred the bill (S. 1281) to prohibit reproductions of official badges, identification cards, and other insignia, reported it without amendment and submitted a report (No. 132) thereon.

Mr. FRAZIER, from the Committee on Civil Service, to which was referred the bill (S. 827) for the relief of John H. Barry, reported it without amendment and submitted a report (No. 133) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 840. A bill to amend and clarify the provisions of the act of June 15, 1936 (49 Stat. 1507), and for other purposes (Rept. No. 134); and

S. 509. A bill to add certain lands of the Front Royal Quartermaster Depot Military Reservation, Va., to the Shenandoah National Park, and for other purposes (Rept. No. 135).

Mr. AUSTIN, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 2) providing for consideration of a recommendation for decoration of Sgt. Fred W. Stockham, deceased, reported it without amendment and submitted a report (No. 136) thereon.

Mr. LEE, from the Committee on Military Affairs, to which was referred the bill (S. 511) for the relief of Dolores P. de Williamson, reported it without amendment and submitted a report (No. 137) thereon.

Mr. SCHWARTZ, from the Committee on Military Affairs, to which was referred the bill (S. 454) for the relief of Ernest S. Frazier, reported it with amendments and submitted a report (No. 138) thereon.

Mr. REYNOLDS, from the Committee on Military Affairs, to which was referred the bill (S. 510) to authorize certain officers and enlisted men of the United States Army to accept such medals, orders, and decorations as have been tendered them by foreign governments in appreciation of services rendered, reported it without amendment and submitted a report (No. 139) thereon.

Mr. LUNDEEN, from the Committee on Military Affairs, to which was referred the bill (S. 512) for the relief of certain disbursing officers of the Army of the United States and for

the settlement of individual claims approved by the War Department, reported it without amendment and submitted a report (No. 140) thereon.

Mr. LEWIS, from the Committee on Military Affairs, to which was referred the bill (S. 339) for the relief of Benjamin H. Southern, reported it without amendment and submitted a report (No. 141) thereon.

Mr. BANKHEAD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 518) to provide for the further development of cooperative agricultural extension work, reported it without amendment and submitted a report (No. 143) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which was referred the joint resolution (S. J. Res. 76) to authorize the Postmaster General to withhold the awarding of star-route contracts for a period of 60 days, reported it with an amendment.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S. Res. 85) authorizing the Committee on Patents to employ a temporary assistant clerk, reported it with an amendment.

REORGANIZATION OF GOVERNMENTAL AGENCIES

Mr. BYRD, from the Special Committee to Investigate Executive Agencies of the Government, reported a bill (S. 1706) to provide for reorganizing agencies of the Government, and for other purposes, which was read twice by its title, and he also submitted a report (No. 142) thereon.

The VICE PRESIDENT. The report will be received and printed, and the bill will be placed on the calendar.

INVESTIGATION OF RAILROADS, HOLDING COMPANIES, AND AFFILIATED COMPANIES

Mr. WHEELER, from the Committee on Interstate Commerce, submitted an additional report (Rept. No. 25, pt. 5), pursuant to Senate Resolution 71 (74th Cong.), relative to the Chicago & Eastern Illinois Railway Co.—Concealment of Loan Transaction with Chesapeake & Ohio Railway Co.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WHITE:

S. 1699. A bill granting a pension to Elmer L. Donney; to the Committee on Pensions.

(Mr. KING introduced Senate bill 1700, which was referred to the Committee on Finance, and appears under a separate heading.)

By Mr. NYE:

S. 1701. A bill to amend section 12B of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

S. 1702. A bill relating to the maximum rate of interest on loans secured by Government life-insurance policies; to the Committee on Finance.

S. 1703. A bill granting a pension to Julia E. Hart; to the Committee on Pensions.

By Mr. GUFFEY:

S. 1704. A bill to transfer, assign, and convey to the Commonwealth of Pennsylvania a certain tract of land, containing about 6½ acres, situate in Tinicum, Delaware County, Pa.; to the Committee on Public Lands and Surveys.

By Mr. LEE:

S. 1705. A bill providing for admission to the United States and naturalization of Sarah Holmes Beeman; to the Committee on Immigration.

(Mr. BYRD, from the Special Committee to Investigate Executive Agencies of the Government, reported Senate bill 1706, which was ordered to be placed on the Calendar, and appears under a separate heading.)

By Mr. MEAD:

S. 1707. A bill to provide for the classification of star routes, the employment and compensation of star-route mail carriers, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. NEELY:

S. 1708. A bill to amend section 51 of chapter 2, title 45, of the Code of Laws of the United States of America; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 1709. A bill authorizing the expansion of the Aviation Reserves of the Army, Navy, and Marine Corps, and the Aviation Divisions of the Coast Guard and the National Guard; to the Committee on Military Affairs.

By Mr. WHEELER:

S. 1710. A bill to provide for the cancellation of certain notes acquired by the Farm Credit Administration as a result of the activities of the Federal Farm Board; to the Committee on Agriculture and Forestry.

S. 1711. A bill for the relief of J. Harry Walker; and

S. 1712. A bill for the benefit of the Indians of the Crow Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

By Mr. THOMAS of Oklahoma:

S. 1713. A bill for the relief of Milton J. Byars; to the Committee on Claims.

By Mrs. CARAWAY:

S. J. Res. 87. Joint resolution to authorize the painting of the scene at the signing of the Constitution for placement in the Capitol Building; to the Committee on the Library.

REPEAL OF UNDISTRIBUTED-PROFITS TAX

Mr. KING. I introduce a bill, the purpose of which is to repeal absolutely even the shadow, if there be any shadow or substance left of it, of the undistributed-profits tax.

The bill does not change the provisions of existing law extending special relief to small corporations with net incomes of less than \$25,000. However, those corporations which under the existing law are subject to a rate ranging from 16½ to 19 percent, depending upon the amount of their corporate distributions, are under my bill now subject to a flat rate of 16½ percent. There are some who say that the rate of undistributed-profits tax is now so small that it does not now have any deterrent effect upon business. But the germ is still there. If we leave it in the law, it may be increased at any time, and we will again be faced with the same situation which we were confronted with by the enactment of the Revenue Act of 1936. I believe we all realize that the undistributed-profits tax is unsound in principle and should be immediately repealed. So long as it remains a part of our law, it is a threat against new and struggling corporations as compared to those who have large accumulated surplus. Nothing could be more satisfying to business as a whole than to see this unsound tax forever stricken from our laws.

I ask unanimous consent that the bill be referred to the Committee on Finance, and that it be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and referred, as requested by the Senator from Utah, and, without objection, will be printed in the RECORD.

The bill (S. 1700) to amend the Revenue Act of 1938 and the Internal Revenue Code was read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That, effective as to taxable years to which they are applicable, sections 13 and 15 of the Revenue Act of 1938 and of the Internal Revenue Code are repealed.

Sec. 2. Effective as to taxable years to which they are applicable, section 14 of the Revenue Act of 1938 and section 14 of the Internal Revenue Code are amended to read as follows:

"Sec. 14. Tax on corporations. (a) Adjusted net income: For the purposes of this title, the term 'adjusted net income' means the net income minus the credit provided in section 26 (a), relating to interest on certain obligations of the United States and Government corporations.

"(b) Special class net income: For the purposes of this title the term 'special class net income' means the adjusted net income minus the credit for dividends received provided in section 26 (b).

"(c) Imposition of tax: There shall be levied, collected, and paid for each taxable year upon the special class net income of the following corporations the tax hereinafter in this section specified.

"(d) Corporations with net incomes of not more than \$25,000: If the net income of the corporation is not more than \$25,000, the tax shall be as follows:

"Upon special class net income not in excess of \$5,000, 12½ percent.

"\$625 upon special class net incomes of \$5,000, and upon special class net incomes in excess of \$5,000 and not in excess of \$20,000, 14 percent in addition of such excess.

"\$2,725 upon special class net incomes of \$20,000, and upon special class net incomes in excess of \$20,000, 16 percent in addition of such excess.

"(e) Corporations with net incomes of more than \$25,000: If the net income of the corporation is more than \$25,000, the tax shall be 16½ percent of the special class net income: *Provided, however*, That in no case shall the tax under this subsection exceed the sum of \$3,525 plus the amount by which the special class net income exceeds \$25,000."

THE NATIONAL DEFENSE—AMENDMENTS

Mr. BARKLEY, Mr. CLARK of Missouri, Mr. McKELLAR, and Mr. TOBEY each submitted an amendment intended to be proposed by them, respectively, to the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress, which were severally ordered to lie on the table and to be printed.

STUDY OF COMMUNICATIONS PROBLEMS

Mr. WHITE submitted the following resolution (S. Res. 94), which was referred to the Committee on Interstate Commerce:

Resolved, That the Committee on Interstate Commerce or a subcommittee thereof, as the committee may determine, is authorized and directed to make a thorough and complete investigation of:

1. The acts, rules, regulations, organization, and policies of the Federal Communications Commission.

2. Whether a censorship of communications has been practiced in the United States, the character and extent, and the principles which have been followed in the exercise thereof; whether the same has been exercised by the Commission, or has been influenced by other governmental departments, agencies, or officials or by licensees and against whom directed; whether broadcasting stations have been requested or influenced by the Commission or other governmental departments, agencies, or officials in any manner or degree to broadcast or to refuse to broadcast programs or parts thereof, or to permit or refuse opportunity for particular persons to broadcast; and in what circumstances, to what extent, and in what jurisdiction a broadcasting station shall be jointly or severally liable for words broadcast through its facilities, or by its officers or employees or whether stations shall be exempted from liability for words broadcast by its facilities.

3. The terms for which radio licenses for all classes of stations shall be issued and, in particular, whether a minimum length of term shall be fixed by statute for all classes of radio stations.

4. Whether a system of license fees shall be established, designed to produce sufficient revenue to meet the cost of maintenance of the Federal Communications Commission, or whether some other system of taxation for this specific purpose shall be enacted into law.

5. The extent to which and the circumstances under which the ownership, control, management, or interest in more than a single broadcasting station has become vested in any person or group of persons; whether such concentration of ownership, control, management, or interest has come about through assignment of licenses, through leases, stock ownership, arrangements with respect to management, or by other means and devices, and whether such transfers of ownership, control management, or interest in whatsoever form effected have been submitted to the Commission for approval and have received Commission approval or acquiescence; and whether such arrangements have seemed to recognize a right in a license or a frequency other than specified in the terms, conditions, and time of the license and beyond statutory limitations.

6. The extent to which broadcast stations are owned, controlled by, or are affiliated with newspapers or other publishing interests or by other media of information or entertainment, and the effect of such ownership, control, or affiliation upon competing newspapers not possessing such facilities and upon the public interest.

7. The development and present facts concerning broadcasting networks or chains, including the effects of chain association upon the licensee's control of his station; the effect of chain operations upon the financial results and status of chain-affiliated stations and of independent stations; the ability of chain owned or affiliated stations to render a local service, both sustaining and commercial; the duplication of broadcasting programs through chain broadcasting; and the desirability of special regulations governing chains and stations engaged in chain broadcasting.

8. The effects upon the broadcasting systems of the United States of the use of high power by broadcasting stations and whether there should be a limitation by statute or by regulation upon the power to be used; the experience of other countries in the use of superpower; and the effects of high power upon local stations and the service by them.

9. The character and extent of information required of licensees of broadcasting stations by the Communications Commission upon the filing of applications for construction permits, licenses, modifications or renewals of licenses, or assignments thereof or at other times.

10. Competition between communication companies in domestic service and competition between companies, both wire and radio, in communication between the United States and foreign countries; the financial results thereof to the competing companies; whether these results threaten the financial soundness of any of the companies, loss of employment, or other adverse effect upon labor; the efficiency of said companies; and, in particular, whether the merger or consolidation of communication carrier companies within the United States and in the field of foreign communications should be permitted in the public interest; and if to be permitted, the terms and conditions thereof.

11. Said committee is further authorized and directed to make a study of the policies and principles which should be declared and made effective in legislation providing for the regulation and control of communications by wire or radio, whether interstate or foreign.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and to act at such times and places, either in the District of Columbia or elsewhere, during the sessions, recesses, and adjourned periods of the Senate during the Seventy-sixth Congress; to require by subpoena or otherwise the attendance of such witnesses and the production and impounding of such books, papers, and documents; and to administer such oaths and to take such testimony as it may deem advisable.

Upon the conclusion of its hearings and study, or from time to time during the progress thereof, the committee shall report to the Senate the results of its studies and its recommendations as to legislation it deems advisable.

THE SILVER PURCHASE PROGRAM

Mr. TOWNSEND. Mr. President, I present a list of certain statements which I have made concerning the American Government's silver program, and comments on the same points which I have excerpted from testimony which the Secretary of the Treasury has given before the House Appropriations Committee and the Senate Special Silver Committee recently.

It will be noted from the Secretary's testimony that it confirms the validity of my comments with reference to silver.

I have prepared for insertion in the CONGRESSIONAL RECORD some of these contentions and the Secretary of the Treasury's testimony in parallel columns. In some instances it has been necessary to precede the Secretary's testimony by the questions which one Congressman or another had asked and in answer to which testimony was given. In a single instance the Treasury official quoted is not the Secretary of the Treasury, but Daniel W. Bell, Special Assistant to the Secretary.

I ask consent that this statement be inserted in the CONGRESSIONAL RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CONTENTIONS OF SENATOR JOHN G. TOWNSEND, JR., REGARDING SILVER, AND TREASURY ADMISSIONS OF THEIR VALIDITY

Regarding unattainability of objectives of Silver Purchase Act

SENATOR TOWNSEND

SECRETARY MORGENTHAU

The technical goal of the Silver Purchase Act, after approximately 4 years of large-scale silver purchases, actually is further from attainment than it was at the time the act was passed by Congress.

(Answering question of Congressman LUDLOW regarding attainability of objects of Silver Purchase Act, namely, that "silver will ever become one-fourth of the entire monetary stock?")

I am not that much of an optimist.

(Congressman LUDLOW. Do you see any prospect that silver will ever reach \$1.29 per ounce?)

No, sir. At least, not under existing conditions.

The silver subsidy, whatever its real object, is an apparent attempt at Government price fixing contrary to common sense and to economic law and against public interest. In the end, like all such experiments, it is bound to fail. Let us therefore terminate the program now.

The American Government—alone among the governments of the world—is attempting to maintain the price of silver, thus engaging in a futile gesture in defiance of economic law and foredoomed to fail.

Regarding the fact that the United States buys all silver offered, whatever the source

Question. Have not the purchases of foreign silver under the American program been reduced to a mere nominal amount?

(Congressman TABER. You take all [silver] that is offered in New York, regardless of where it comes from?)

That is right.

SENATOR TOWNSEND—continued

Answer by Senator Townsend. No. During the last quarter of 1938 the United States imported \$72,000,000 worth of silver, as compared with \$40,000,000 worth in the corresponding quarter of 1937.

Regarding United States coinage needs

It is entirely unnecessary, undesirable, and indefensibly wasteful for this country to purchase foreign silver.

Five hundred thousand ounces of this Government's present silver holdings, * * * Senator TOWNSEND estimates, will insure an adequate supply of silver bullion until approximately the year 2039.

Regarding lack of need for more silver

Yet the astonishing fact, which betrays the greatest weakness of the silver program, is that the United States Treasury now has an additional hoard of idle silver exceeding 1,000,000,000 ounces. This is silver which is not used as a basis for silver certificates. It cost the country over half a billion dollars. Yet, since there is no need for it, and since the amount of currency already outstanding is ample for our requirements, the United States Treasury just holds that 1,000,000,000 ounces idle, while it borrows from the market to meet its daily expenses.

Regarding lack of connection between Gold Reserve Act and silver-purchase powers

Question. Does not your proposal to deprive the President of his power to revalue the silver dollar impair his corresponding power to revalue gold, as set forth in the Gold Reserve Act of 1934?

Answer (by Senator TOWNSEND). No. The gold power is completely separate from the silver power.

Regarding wide distribution to foreigners of the benefits of United States silver program

The silver program was supposed to benefit West. Yet about four-fifths of its benefits have gone to foreigners. Does that make sense?

The Government already has had to build a costly vault at West Point to hold the melted coins that a dozen foreign countries have gladly sold us for gold or other real wealth. China, Japan, Persia, Colombia, Mexico, Germany, Peru, and many other countries have melted up coin to take advantage of our unbelievably wasteful silver program. While we have supported the silver market they have sold.

For, by authority of Congress, the United States Treasury has been buying silver abroad as well as at home. It has bought silver in London, in Bombay, in Shanghai. It has purchased Canadian silver, Australian silver, Peruvian silver, Japanese silver, German silver.

Question. Apart from China and Mexico, have other foreign countries profited as a result of our silver policy?

Answer by Senator TOWNSEND. Every silver producing and selling country has profited, including Germany, which has been demonetizing silver; Italy,

SECRETARY MORGENTHAU—CON.

(Congressman LUDLOW. Mr. Secretary, we have on hand enough silver to supply many times over the coinage needs of the United States for 100 years, have we not?)

A good many years.

(Congressman LUDLOW. So there is no necessity, from that standpoint, to buy any more silver?)

No; there is not.

SENATOR TOWNSEND—continued

which called in silver coins to help finance the Ethiopian conquest; Japan; Canada; Russia; Peru; Ecuador; Australia; Spain; etc., and the London bullion market. And it must be remembered that, while China and Mexico have received enormous "gifts" from this Nation through its silver policy, the latter caused severe financial crises in China and Mexico, and unfavorable repercussions in many other countries, in 1934 and 1935. The official protests which were sent to this Government are a matter of public record, as is the critical and sarcastic editorial comment on our silver program from many parts of the world, even from the very beneficiaries of our indefensibly wasteful program.

Regarding benefit to speculators

Naturally, the speculators have profited handsomely from this "nationalization."

To the silver producers, speculators, and foreign governments who sell silver, silver certificates, or Government checks are fine.

Regarding continued buying of Mexican silver

The Treasury continues to buy Mexican silver, despite the treatment accorded to American interests by Mexico.

Question. Did not the Government cease buying Mexican silver following Mexico's increase in tariffs on imports of American goods and the seizure of American property early last year?

Answer by Senator TOWNSEND. No. The Treasury today has no agreement to buy Mexican silver from the Mexican Government or the Bank of Mexico, but it still buys newly mined Mexican silver just as much as it did before it seized American property.

Regarding Treasury's nonendorsement of the silver program

The Treasury has never endorsed the silver program and * * * the Secretary of the Treasury has stated he is opposed to all subsidies.

Regarding the loss we are taking on silver

We couldn't sell our national silver hoard at a small fraction of what we, as a nation, have paid for it.

But, quite apart from its market value now or in the future, this silver—now owned by all the people of the United States—is for the most part entirely unneeded and much of it is also actually sterile and unused. From this particular standpoint, that silver has no value to the American people, and will not have until it is sold by the Government.

* * * Mere cessation of the United States Government purchases of silver would be followed by a decline in the open market price of the metal to considerably below 43 cents per ounce. See, for example, the article of a well-known mining engineer, Mr. Percy E. Barbour, in the New York Sun of January 7, 1939.

WAR REFERENDUM—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. LEWIS asked and obtained leave to have printed in the RECORD a radio address on the subject of war referenda

SECRETARY MORGENTHAU—CON.

(Senator KING. And also, some who do not produce it have speculated in silver * * * and have benefited—unfortunately?)

Yes, sir.

Since that time [March 1938] the Mexican producers have shipped their own silver into New York and have sold it there * * *.

(Congressman LUDLOW. Last year * * * you were opposed to any kind of subsidies * * *. Do you still stand on that statement?)

Yes; I still stand on that statement.

(Congressman LUDLOW. How much did that silver cost us?)

Mr. BELL. It cost us between \$1,500,000,000 and \$1,750,000,000.

(Congressman LUDLOW. How much would it sell for at the market price?)

Mr. BELL. If we could sell it at the present price, it would bring around \$300,000,000 to \$1,000,000,000.

delivered by Senator THOMAS of Utah on the evening of March 5, 1939, which appears in the Appendix.]

THE CHURCH AND THE STATE—ADDRESS BY BISHOP WHITEMORE

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an address on the subject The Church and the State delivered by the Right Reverend Lewis D. Whitemore, D. D., Bishop of Western Michigan of the Protestant Episcopal Church, which appears in the Appendix.]

WISCONSIN DAIRY FARMING

Mr. WILEY. Mr. President, the situation of the milk farmers in my own State of Wisconsin is indeed desperate. There are a few farmers who get the benefit of the retail price. They are sitting on top of the world; but the large percentage of farmers are in a very serious condition. I desire to read a letter that came to my office this morning:

DEAR SIR: After reading your article in the Dunn County News about letters you have received from various W. P. A. workers condemning you for voting against the President's W. P. A. allotment, I felt you should know how we who are footing these huge debts feel. We are proud you voted against it, and we hope you can do something to help wipe out W. P. A. entirely. Congress has made W. P. A. so attractive that we farmers can't get help any more. Let me tell you our situation. We have a 537-acre farm in northern Dunn County and employ several men the year around. At present we have two married couples. We are paying \$50 per month, with a very comfortable house for each family, 1 gallon of milk per day, all the wood they need, telephone and electric lights—they get all of this in addition to the \$50 salary. The one man has found W. P. A. so attractive with only 3 days work per week, and all the things which are handed out to relief clients, that he is leaving to go on relief. We have one man in this town who holds down two W. P. A. jobs; that is, he works all 6 days, first in the Barron County lime pit and then in the Dunn County lime pit. Is this fair? It's getting so that a farmer just can't keep going with butterfat and eggs way out of sight and taxes \$75 higher than last year. That is the way our farm was taxed. We have to deny ourselves and skimp on this and that to keep going while the relief people don't care what happens—they know Santa Claus will come to the rescue. We have a neighbor who has a small farm, a team of horses, five cows—just he and his wife—they are on relief, when it isn't necessary; they could live very comfortably out of their farm income.

It is very discouraging, my husband is a very good farmer, a graduate from the university where he specialized in animal husbandry, but he is just simply baffled by what will happen next. We feel as though we want to sell the entire herd, disperse with hired help, and get along as best we can. In other words, we are going backwards. Does the President prefer to have the whole United States on relief? It's beginning to look as though he is more in sympathy with the relief people than he is with the taxpayer. It looks to me as though it's getting so one-sided something will topple over one of these days.

I know you are a busy man and I probably shouldn't have written this at all, only I saw red when I read what the relief people had written to you, and I feel you should know how one of the millions of taxpayers feel.

Yours truly,

Clear Lake, Wis.

I have received many letters of similar tenor. I want to read another letter into the RECORD. It is from a small town banker:

It has been very gratifying to myself as well as your other Wisconsin friends to learn of the interest you are taking in the Wisconsin dairy farmer.

I can think of no class of people that are more worthy or in greater need of help at the present time. This county, as you may know, is largely populated by Swiss people. They are a hard-working, thrifty class of people who believe in paying their obligations 100 cents on the dollar, and it is very seldom that one of them is found working on a relief job of any kind but now for the first time they, too, are getting right up against a tough proposition.

They take the best of care of their dairy herds, many of which they have been building up for the past 50 years, but the income from milk has now gone down to a point where many of them are beginning to be very much discouraged and are beginning to wonder if it is really worth while to make the effort they have been making to pay 100 cents on the dollar and stay off of relief when they see so many others enjoying more of the good things of life than they are able to secure, and it is only a question of time when this is going to have a demoralizing effect on this thrifty class of people and I cannot help but believe the dairy farmer is entitled to more consideration than he has been receiving up to the present time.

I am also firmly in the belief that it would be good business on the part of our Government to give due consideration to the dairy industry so that an honest, hard working dairyman, willing to work from 14 to 18 hours a day at hard labor, could secure enough for

his product so that he would be able to keep his family together, at least under moderate circumstances.

Only a few years ago Green County was rated as the wealthiest dairy community per capita in the United States. This has all changed within the past few years, and only very recently I saw statistics showing that the mortgages per farm on Green County farms was greater than that of any other county in the State. These people do not need the extravagant things in order to be happy and contented but it will be too bad if they are going to be allowed to become discouraged and take what might prove to be an easier way instead of going along the lines they have been following ever since they came to this country and we, ourselves, have always been proud of the manner in which they fulfilled their obligations, but I am afraid this is all going to be due for a change unless something can be done in the near future for the Wisconsin dairy farmer.

Very sincerely,

Monroe, Wis.

I have another letter from an individual, farmer and county agent:

* * * I realize that you have a true picture of the agricultural situation in Wisconsin as it is today, not so marvelous to look at, in fact, it is staring at us.

No doubt after you have painted a picture of the agricultural situation for some of the agricultural artists using a jar of paint labeled "practical experience" they may realize that the wrong kind of paint has been used in patching up the old picture.

Do I hear farmers complaining about high taxation? Yes, I do. Greater taxation with less ability to pay seems to be the set-up at present.

How little have so many of our farmers realized that after farming our farms for years and years they would become exhausted of the many necessary fertility elements for profitable production; but now the time has come that many realize this fact, that our farms have been hauled away to market in milk cans, baled hay, grain bags, also with the hazard of leaching erosion and wind.

The farmer that has watched all of the leaks of the farm over the past years and replaced that diminishing fertility has not so much to complain about; even though prices are low, he manages to get along, having the ability of purchasing power to keep the wheels of industry turning which helps to provide employment, and I guess that is what we need most.

Relief situation seems to be another large picture, and I hear it discussed from many angles. Short hours for the relief worker is contrary to the hours on the farm. Therefore it is necessary for the farmer to pay a larger salary than his income can afford to hire enough help to properly operate his farm.

I do not know of any way to shorten the hours on a dairy farm; but, until the relief worker's job is made equally as hard as the jobs on the farm, there will continue to be a lot of applications for relief, and when this change takes place I believe we will see a difference in the difficulties of relief.

Sincerely,

Eleva, Wis.

I have a number of letters that bring out this truth, that any farmer in Wisconsin today who has worked hard and accumulated a farm that 2 years ago was worth \$20,000 is worse off than the man on W. P. A., because (1) the farmer has to pay taxes, insurance, and has to work 15 hours a day; and (2) he does not get as much as the W. P. A. man who works not more than twice 15 hours in a week.

THE NATIONAL DEFENSE

The VICE PRESIDENT. If there be no further morning business, the calendar, under rule VIII, is in order.

Mr. BARKLEY. I ask unanimous consent that the calling of the calendar be dispensed with.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I move that the Senate resume the consideration of House bill 3791.

The motion was agreed to; and the Senate resumed the consideration of the bill (H. R. 3791) to provide more effectively for the national defense by carrying out the recommendations of the President in his message of January 12, 1939, to the Congress.

Mr. TOBEY. Mr. President, I have listened to the debate on this bill for the past 8 or 9 days and have heard the greater part of it. I have also read from the printed record of the hearings consistently as they have been published. After reading these things through I have come to the conclusion that a large part of this debate has centered around the feature of our international policy. This is natural, coming from a debate upon an appropriation like this for future war, or preparation for war.

A second factor which has had a place in this debate has been the controversy over the number of planes to come out of this program.

But there is another factor which has been conspicuous by its absence, and to a large extent it appeals to me, coming from New England, where we believe that thrift and prudence are still national virtues, and I feel the rest of the country coincides with that view. I refer now to the cost of these planes. Of course, that is a factor in the consideration before us.

We are handling other people's money when we appropriate this money. My mind goes back to Justice Brandeis' famous remark about "other people's money." We should have a sense of responsibility to act as fiduciaries as we authorize this vast sum for war preparation.

As I read the hearings and the press reports I came upon one statement of General Craig's which bothered me extremely. This statement appears on page 128 of the hearings under date of January 28, and also appeared in the Washington Star of February 18. I will read the statement, if you please. The statement is:

Ours is a pretty highly paid man, and he works only a certain number of days a week and a certain number of hours a day, so that the plane which formerly cost about \$50,000 has run up to over \$200,000.

What the general obviously was doing, or sought to do, by that statement, was to give to the Committee on Military Affairs, and through that committee to the Senate, the impression that the great increase of 400 percent in the cost of planes was because of the increased labor factor. Such an increase seemed to me fantastic and improbable; so I wrote the general a letter as follows, and I read my letter to him:

FEBRUARY 23, 1939.

Gen. MALIN CRAIG,

Chief of Staff, War Department, Washington, D. C.

MY DEAR SIR: I am writing with reference to a part of your testimony before the Senate Military Affairs Committee, relative to the cost of American planes, which was carried in the Associated Press dispatches of February 18, and which reads as follows:

"Ours is a pretty highly paid man and he works only a certain number of days a week and a certain number of hours a day, so that the plane which formerly cost about \$50,000 has run up to over \$200,000."

This statement appears to be grounded on an understanding that a 400-percent increase in the cost of planes is totally attributable to increased cost of labor in plane manufacturing. In fairness to labor I would call your attention to the above statement which I believe to be a misrepresentation of labor's part in the cost of planes.

I would appreciate it if you would make an explanation of your understanding of the increase in wages in plane production, the part this has played in the stated 400-percent increase in the price of planes, together with the role that profit to the manufacturer has played in the same.

Would you kindly give me an early reply to this letter?

Sincerely yours,

On February 28, 5 days later, I received his reply, which I read:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, D. C., February 28, 1939.

Hon. CHARLES W. TOBEY,
United States Senate.

DEAR SENATOR TOBEY: A reply to your letter of February 23 has been delayed in order to check my reported testimony with the official transcript just published. As you can readily see from a perusal of page 22 of that record, the reported remarks and the recorded ones differ widely.

The only statement made was as follows: "Among the items of that [the increased cost] is the increased cost of labor, shorter number of hours, and all that sort of thing." What I was attempting to indicate was that in the greatly increased complication of the modern plane and its precision instruments, the item of labor—and it is well-paid, highly skilled labor—has increased to such an extent that it is one of the main factors of the expense of manufacture.

A computation of the labor item in the total cost of a modern bombing plane would take a great deal of research, involving as it does the break-down of the thousands of processes which go into the plane and its accessories throughout the production of the raw materials, their refinement, and intricate manufacture. The labor factor in assembling the plane is only—

Mark the word "only"—

one phase of the problem.

I can assure you, however, that a simple comparison of the analogous items—and the new ones—which go into the make-up

of a modern plane when considered with its predecessor will substantiate the statement that the labor involved plays an important part in the increased cost.

Cordially yours,

MALIN CRAIG, Chief of Staff.

In that letter the general absolutely refutes his original statement, which appears in the record on page 128. He entirely ignores that statement and quotes an innocuous statement made 10 days prior thereto.

So much for General Craig's letter, and my asking him for an accounting thereof. I now present to you, if you please, what General Arnold said in the hearings on House bill 3791, on page 39, in contrast to what the general and Chief of Staff have said. I quote General Arnold:

Now, we have surveyed the industry, surveyed it very carefully, and we know about what airplanes should cost us. We send auditors to all the plants that do business with us, and we can tell you how much it costs to manufacture each airplane and engine; and so we know what the airplanes should cost in the future. We can look at these records and say that a 30,000-pound airplane ought to cost so much.

Further on, on page 49, General Arnold says:

In the manufacture of airplanes we were able to take the pounds of metal that go into the airplane, the number of man-hours that go into the airplane, plus the normal overhead, and we can come pretty close to telling you what an airplane should cost.

You will note that he sounds a very positive note as to the Department's knowledge of costs; and yet General Craig, in his letter to me, said that it is impossible to determine what these things cost. Here we have a conflict of the first water between two stars of the first magnitude in the Army—one the Chief of Staff and one the head of the Aviation Bureau.

I thereupon wrote to the Bureau of Labor Statistics and received back a report which shows that in the past 4 years the average hourly earnings of labor have increased only about 15 percent. I offer the report for the RECORD. It speaks for itself.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Average weekly earnings, average hours worked per week, and average hourly earnings in the aircraft industry by years, 1932-38, inclusive

	Average weekly earnings	Average hours worked per week	Average hourly earnings
1932.....	\$31.42	(1)	Cents (1)
1933.....	27.46	(1)	(1)
1934.....	24.65	39.4	63.6
1935.....	25.75	40.9	65.0
1936.....	26.07	42.1	63.1
1937.....	27.91	42.3	66.6
1938.....	29.33	40.2	73.6

¹ Data not available.

Source: U. S. Bureau of Labor Statistics.

Mr. TOBEY. On January 18, on page 22 of the hearings, General Craig makes another remarkable statement.

When asked by the Senator from Alabama [Mr. HILL]:

Do you find a substantial increase in cost in the last 2 or 3 years?

The general said:

Yes, sir. It has been only a short time since a \$50,000 plane was a real plane. Now they run up as high as \$300,000, \$400,000, \$500,000, \$600,000.

I wonder why he even stopped there.

The Senator from Minnesota [Mr. LUNDEEN] asked him this question:

Are they very much of an improvement over the other planes?

General Craig answered:

Yes; but that has nothing to do with the increased cost of the materials.

Further, by inference, putting the cost upon labor, if you please.

Frankly, I am troubled by these figures, and question the statement of the Chief of Staff when he attributes to labor the increase of 400 percent in the cost of planes. Such an

inference is unfair to labor, and is misleading to the Members of the Senate who have to consider this legislation. I am further troubled because we of the Congress, of necessity, have to look to the head of departments and the heads of the various branches of the governmental service for authoritative information on which to base our judgment as we vote on these bills; and I confess that when I run up against such discrepancies, I might almost say incongruities, I lose confidence, especially so when I call to your minds again the statement of General Craig wherein he definitely leaves the impression with us that labor is solely responsible for the increase of 400 percent in the cost of the planes.

Let me now tell you that only this morning General Arnold told me; and he is the authority to whom General Craig refers us on page 22 of the hearing, as follows:

General Arnold can give you anything you want to know as to the cost of planes.

And General Arnold told me this morning that the Army's factors in plane costs are as follows: He said it runs about 30 to 40 percent overhead, 30 to 45 percent for labor, and 30 to 35 percent for materials.

I think that is sufficient evidence to justify the charge that the inference made by General Craig in his statement is not according to the facts, and is a direct libel upon labor in this country.

Where does such testimony leave the impression which General Craig sought to impart to the committee and to the Senate?

This is the first part of the brief talk that I shall make to you, Mr. President, this morning. I now take up the second part. It is interrelated or closely related to what I have said before.

I have concluded the first part of my statement; and I now say that when this bill came out of the committee in another branch of Congress, a Member who had a large part in its shaping said to the press, "The bridle is off. Everything goes." This connotes a runaway condition in which we are doing this thing; and runaway conditions are dangerous, whether in a bill of this sort or on the public highways.

Only the other day a Member said to me in this Chamber, "There is plenty of gravy in this bill." Well, if there is, ours is the job to strain the gravy, and I propose to do it.

Many of us have grave apprehension that in such a spending program as is contemplated, there is danger of unconscionable, excessive profits. We talk much of taking profits out of war. It is of even greater importance to take excessive profits out of preparation for war, if you please. I offer to you the testimony on the floor of the Senate of the Senator from Oklahoma [Mr. LEE], who spoke my mind when he said:

I do not believe it is necessary for a nation to wait until war is declared before the Government has power enough to move in, and certainly it looks like unless we do something to prevent it, we are on the verge of a rise in costs that will continue to stair-step up, and there will be no protection, and 20 years later there will be a crop of Congressmen and Senators who will come along making speeches about war profits. I would like to do something about it now.

So would I, and so, I hope, would you.

Further, the Senator from Oklahoma said, on page 50 of the hearings:

One thing that I am tremendously interested in is some method of preventing unconscionable pre-war profits. I feel certain that history will repeat itself until we do something to prevent it. When we start this program it will be a signal for a big killing in profits, and I would be glad if your Department could help us in some way—your War College has made a study of such things, I believe—offering suggestions along the line that would suggest to us legislation to prevent the war profits leading up to the war. That might never happen, of course, but then when we start increasing our national defense, that is enough to begin an era of unreasonable profits.

In 1934 an investigation was made by the House Committee on Naval Affairs of profits in aviation. That was the last investigation made into those profits. It showed an unconscionable profit on the part of some of the larger aircraft concerns in this country, and I point out that the

aircraft industry in this country is largely centralized in three or four large concerns, two in particular. They are great holding companies. They have great ramifications, many individual concerns underneath them. The testimony as brought out by Mr. DELANEY, of the House Committee on Naval Affairs, in the 1934 hearings, revealed the fact that what has happened all through the years has been that these individual companies have made enormous profits year after year, but when they become a part of the holding company, the fountain head, the profits disappear and losses are charged up to them, because they have been packed from the top down, loaded up with supercharges, killing the real picture of the profit end of the business.

Mr. LEE. Mr. President—

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from New Hampshire yield to the Senator from Oklahoma?

Mr. TOBEY. I yield.

Mr. LEE. The Senator is very kind in his reference to a question which I asked in the committee. I merely wanted him to show in the RECORD at this point that some very able Members of this body conducted munitions hearings—the Senator from North Dakota [Mr. NYE], the Senator from Idaho [Mr. POPE], the Senator from Michigan [Mr. VANDENBERG], the Senator from Missouri [Mr. CLARK], and the Senator from Washington [Mr. BONE]. They reported a bill, as the result of the investigation, and I believe that if we should pass that bill we would recover most of the profits which result from war, at which I was driving in my question, and I am persuaded it would result in the recovery of some of the profits leading up to war. I merely wanted to say, in connection with the Senator's remarks, that I hoped we can consider such a measure at this session.

Mr. TOBEY. I thank the Senator, and I wish to say, in tribute to the committee, that there is no man in the Congress who holds the committee in higher esteem than I. I perused its report all through, every part of it, and I say that there is dynamite in that report. There is in it an indictment of the Congress of the United States, in the minds of thoughtful people, which has never come to light.

I now turn to the matter of profits. I call attention to the year 1934, the last one for which we have available figures, and I wish to put in the RECORD a statement of the profits, as produced in the hearings of the House Committee on Naval Affairs in 1934.

There are two large concerns which make all the large airplane engines, one the Wright, the other the United Aircraft Corporation, which embodied the Pratt & Whitney Corporation.

In 1927 their sales amounted to \$1,204,060, the cost of those planes was \$908,000, giving round figures, and the profit was \$295,000, or 40 percent.

In 1928 sales amounted to \$5,013,000, the cost was \$3,535,000, the profit was \$1,478,000, or 40 percent.

In 1929 and 1930 the sales amounted to \$9,851,000, the cost \$6,588,000, the profit \$3,262,000, or 50 percent.

In 1931 the sales amounted to \$729,000, the cost was \$557,000, the profit was \$172,000, or 31 percent.

In 1932 the sales amounted to \$2,273,000, the cost was \$1,894,000, the profit was \$378,000, or 20 percent.

In 1933 the sales amounted to \$2,227,000, the cost was \$2,078,000 the profit was \$149,000, or 7 percent.

I point out that that was the year in which it became evident to this aircraft concern that the House Committee on Naval Affairs was about to make an investigation. I think there is some connection between the drop to 7 percent and the imminence of the investigation.

I now turn to the Army planes. In 1927 the sales amounted to \$326,000, the cost was \$188,000, the profit was \$138,000, or 73 percent.

In 1928 the sales amounted to \$220,000, the cost was \$148,000, the profit was \$71,000, or 48 percent.

In 1930 the sales amounted to \$3,300,000, the cost was \$2,600,000, the profit was \$657,000, or 25 percent.

In 1931 the sales amounted to \$4,364,000, the cost was \$3,558,000, the profit was \$806,000, or 23 percent.

In 1932 the sales amounted to \$2,738,000, the cost was \$2,206,000, the profit was \$532,000, or 25 percent.

In 1933 the sales amounted to \$1,141,000, the cost was \$1,061,000, the profit was \$79,000, or 7 percent. Again it dropped to the low figure of 7 percent because—and there is no question about this at all—they knew the investigation was coming.

Now, I wish to read the testimony of C. W. Browning, chief accountant of the Bureau of Supplies and Accounts of the Navy Department, when he was interrogated by Mr. McFarlane, of the House Committee on Naval Affairs:

Mr. MCFARLANE. What is the percentage of profit?

Mr. BROWNING. The percentage of profit was 36 percent.

Mr. MCFARLANE. Let us get down to the Army purchases made and give us the same information for the same company by years.

Mr. BROWNING. The statement shows that in 1927-28—the report was consolidated—the sales were \$546,925, the cost was \$337,702, and the profit was \$209,223.

Mr. MCFARLANE. What percentage of profit is that, Mr. Browning?

Mr. BROWNING. I will have to figure the percentage out. The percentage on the Hornets is—

That is, the Hornet engine—

The percentage on the Hornets is 73 percent and on the Wasps 48 percent.

Mr. DELANEY. Seventy-three percent profit was made on contracts with the Army?

Mr. BROWNING. Yes, sir.

Let me now bring attention to a matter which I think has escaped the attention of most Members of Congress. It has to do with sales of aircraft to the Navy, a branch of the Government, by one aircraft concern whose stock is still listed on the New York Stock Exchange, a stock in which they make great profits. Under questioning by Mr. DELANEY, of the House Committee on Naval Affairs, Mr. Reuben H. Fleet, president of the Consolidated Aircraft Corporation, testified as follows:

In 1927 our total sales to the United States Navy were \$564,503.63.

Mr. DELANEY. What profit did you make on that?

Mr. FLEET. We made 49½ percent. * * * In 1928 we did with the United States Navy \$1,295,722.39 worth of business. * * * The profit made was 34.8 percent. In 1929 we did \$934,000 worth of business and we made 16.4 percent. * * * In 1931 we did \$40,000 worth of business and made 29 percent.

This was the concern which made such unconscionable profits on contracts with this Government that the Government intervened, through its Government attorneys, and was going to put someone in jail, but to forestall that dire consequence it sold to the Government 50 airplanes at a dollar bill apiece, \$50 for 50 airplanes identical in kind and value with those for which the Government had paid \$6,000 apiece. It diluted the profits in order to save prosecution by the Government.

I now give a picture of an instance of profit accruing, not to the concerns themselves, but to officials of the concerns, and I go back to the time of the United Aircraft and Transport Corporation, when C. W. Deeds, son of E. A. Deeds, chairman of the executive committee, was summoned to appear before the subcommittee. In 1926 this man purchased at 20 cents a share 200 shares of Pratt & Whitney stock, for which he paid the total sum of \$40. Later he exchanged these shares for 16,000 shares of the Pratt & Whitney Co. and 35,000 shares of the United Aircraft and Transport Corporation at the high-water mark of the stock on the stock exchange in these securities. In 1929 his \$40 investment had grown to \$5,626,640.

It is "gravy" like that which makes some of us troubled when we get a program of this sort.

Now we have the testimony of Mr. Guy Warner Vaughan, president of the Wright Aeronautics Corporation. He said:

The percentage of profit in 1927 was 29.5 percent. * * * This is strictly Navy. * * * In 1928 the percentage of profit was 44.1, and in 1929 the percentage of profit was 30.6 percent.

Mr. DELANEY. How do you secure your contracts?

Mr. VAUGHAN. By negotiation.

Mr. DELANEY. I mean, is it on open bidding?

Mr. VAUGHAN. No, sir.

I now call attention to the make-up of some of the concerns. I am concerned about this, and I want to state def-

initely that I am not opposed to the profit system. There is no man in this country who believes it is more sound or wants it perpetuated more than I do, but when we are dealing with other people's money, when we are dealing with the taxpayer's money—he is the forgotten man—every Member of this body is a fiduciary to look out for his interests when we vote on these bills, and that is why I am speaking this morning.

I now wish to give a picture of the make-up of these aircraft corporations.

Mr. KING. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. KING. Are the corporations to which the Senator has referred still dealing with the Government, and is the Government still buying airplanes from the same corporations?

Mr. TOBEY. Yes; very definitely. In fact, the major part of their work is Government work at the present time.

Mr. KING. Has not the Government adopted some policy punitive in character?

Mr. TOBEY. I shall come to that a little bit later.

Going back to the picture I wish to present of the capital structure of these corporations. I now quote from Poor's Manual of 1938:

UNITED AIRCRAFT CORPORATION

History and business: Incorporated July 21, 1934, in Delaware to acquire pursuant to plan of reorganization of United Aircraft & Transport Corporation and from said corporation all of the outstanding stock of Chance Vought Corporation, Hamilton Standard Propeller Co., the Hamilton Standard Propeller Corporation, Northrop Aircraft Corporation, the Pratt & Whitney Aircraft Co., United Aircraft Exports, Inc., and the United Airports of Connecticut, Inc., and all of the outstanding stock owned by United Aircraft & Transport Corporation of Sikorsky Aviation Corporation. In consideration for the stocks of such companies and other assets (about 51 percent) acquired from United Aircraft & Transport Corporation, together with United Air Lines Transport Corporation and Boeing Airplane Co. (the three new corporations formed under plan of reorganization of United Aircraft & Transport Corporation), jointly and severally assumed and/or guaranteed all of the liabilities, known or unknown, of United Aircraft & Transport Corporation (of Delaware) and the United Aircraft & Transport Corporation (of Connecticut).

I now go back to Poor's Manual of 1933 and read the portfolio, so to speak, of this aircraft corporation, which is now taken into the parent company.

Boeing Airplane Co. (Its planes are standard for the Army and Navy.)

Hamilton Standard Propeller Corporation.

Pratt & Whitney Aircraft Corporation. (Largest engine company in the world.)

Sikorsky Aviation Co., Bridgeport. (Navy planes.)

Stearman Aircraft Co. (Sport planes.)

Chance Vought Corporation. (Corsair planes for Navy.)

United Airlines.

Boeing School of Aeronautics.

United Aircraft Exports Co.

United Aircraft & Transportation.

United Airports of California.

United Airports of Connecticut.

Pacific Air Transport.

Varney Air Lines.

Curtiss-Wright Corporation holds majority (average 80-95 percent) of capital stock in—

Curtiss Airplane & Motor Co.

Wright Aeronautical Corporation.

Curtiss-Wright Export Corporation.

Curtiss-Wright Flying Service.

Curtiss-Wright Airports Corporation.

Keystone Aircraft Corporation.

Curtiss Wright Airplane Co.

Moth Aircraft Corporation.

Curtiss-Caproni Corporation.

Curtiss-Wright Air Terminals.

New York & Suburban Air Lines.

Devon Corporation.

Consolidated Aircraft Corporation controls—

Gallaudet Corporation.

Frontier Enterprises.

Niagara-from-the-Air Corporation.

Tonawanda Products Corporation.

Fleet Aircraft, Inc.

Thomas Morse Aircraft Corporation.

Fleet Aircraft of Canada, Ltd. (planes for Army and Navy.)

North American Aviation, Inc., owns stock of or controls—

Sperry Gyroscope Co.

New York and Atlantic Seaboard Air Express.

Ford Instrument Co.

Aviation Corporation of California.

Berliner Joyce (now B/J) Aircraft Corporation.
Ludington Air Lines.
Condor Corporation.
New York Airways.

Douglas Aircraft, 25 percent.
Transcontinental Air Transport, 47½ percent.
Western Air Express, 47½ percent.
General Aviation Manufacturing Co.

(NOTE.—Forty-three percent of North American Aviation is owned by General Aviation Corporation, 50 percent of which is owned by General Motors.)

Mr. DELANEY, in speaking of holding companies, said:

All of these facts that we have secured in the last 3 weeks before this committee indicate one thing, and that is that as soon as the holding companies or these financiers take these businesses they manipulate the books and immediately in some way or other—perhaps for the purpose of evading taxes—they show a loss. That has been demonstrated right through this hearing.

A company may be going along very nicely and being successful when these holding companies acquire the stock, and immediately the business has a loss, or at least they show no profit.

Mr. President, replying in a way to the interrogation of the Senator from Utah, I now propose to the Senate the nub of my address this morning. I propose to do something in connection with this thing, and I hope the Senate will do something about it. I propose to offer in the Senate at the proper time, after committee amendments are out of the way, an amendment, and the amendment I shall offer is merely this, that we shall limit the profits to not more than 10 percent.

To some of the Senators there may seem to be something novel about it. I give you the history of this amendment. In 1934, when the Vinson naval bill was under discussion on the floor of the House of Representatives, it was amended to limit all profit thereafter to 10 percent. The Vinson-Trammell Naval Act of 1934 was no more of a specific bill than this. It had no amount in it. The amendment was carried, over certain opposition, by a tremendous majority. It came to the Senate, and to the everlasting credit of the Senator from Florida, Mr. Trammell, the Senator from Kansas, Mr. McGill, and the Senator from Washington Mr. Bone, who is now with us, they got behind it and the Senate adopted the amendment in 1934. At that time it was opposed very vigorously, still it went through. But since 1934 it has been accepted by the Congress with satisfaction, for in 1936 it was made a part of the great naval appropriation bill, and in 1937 it was made a part of the appropriation bill, and again in 1938 it was in an integral part of the super naval bill that passed in May. And it was so well regarded that the Senate put the same legislation in the Merchant Marine Act of 1936. If that is good for naval and other procurements, it is good for the Army.

Let me tell the Senate what that amendment provides. It provides that no concern shall be awarded a contract of \$10,000 or over unless he agrees—

To pay into the Treasury "profit, as hereinafter provided shall be determined by the Treasury Department in excess of 10 percent of the total contract price, such amount to become the property of the United States: *Provided*, That if such amount is not voluntarily paid the Secretary of the Treasury may collect the same under the usual methods employed under the internal-revenue laws, to collect Federal income taxes."

I may say that law was amended in 1935 or 1936, so that scientific instruments, such as navigation devices and devices used in target practice, were exempted from its provisions.

At the time that amendment was adopted they inserted a new clause providing that losses made in one year may be offset against profits made in another year. That is a part of the law. That is, very briefly, the amendment I propose to offer at the appropriate time today.

I bring to the attention of the committee a discussion of General Arnold's testimony appearing in the CONGRESSIONAL RECORD of March 3, 1939, when the Senator from Oklahoma [Mr. LEE] was speaking. He said:

That point was pretty well discussed in the hearings. I shall not read what was said, but I call the Senator's attention to pages 54 and 55, where General Arnold definitely stated that the War Department knew to the fraction of a percent the profits made in each airplane factory to which they let contracts. He also suggested that it might be possible that legislation later would be helpful in limiting or putting a ceiling on those profits, and I am sure we should find no disagreement in this body to doing that.

On page 50 of the hearings of the Military Affairs Committee, Tuesday, January 24, 1939, we find this statement by General Arnold:

At this writing, Mr. Senator, we know the profits that every company makes that is connected in any way primarily with airplane contracts. For instance, last year the average profit made by all the airplane companies was 10.8 percent. The average profit on engines was 9.1 percent. The average profit on accessories was 24.2 percent. We have auditors in all those plants. With that background, we can come pretty close to telling when anybody bids on a contract how much the airplanes should cost.

Senators, note this statement:

That, coupled with a bill to limit profits to 10 percent, should do the trick.

That is expert testimony. It is up our alley. General Arnold asks for this 10-percent limitation amendment.

I shall quote from the report of the Committee on Military Affairs dealing with national defense, page 2:

The President then proposed that, of the \$450,000,000 to be allocated for new needs of the Army, the sum of \$300,000,000 be appropriated for the purchase of additional airplanes; that this appropriation of \$300,000,000 should provide a minimum increase of 3,000 planes, with the hope that orders placed on such a large scale would reduce materially the unit cost and provide actually many more planes.

I share that hope. It is commendable. So do we all. But I am doubtful of its working, and I will tell the Senate why. I now bring to the Senate's attention the testimony of Admiral Robinson given before the House Committee on Naval Affairs, in which he said:

The committee finds, under the heading "Prices increased with big Navy," that the need of the Navy for many ships in 1933 was the main cause for the increase in prices charged by the private shipbuilders, and that they frankly admitted this, and that the Navy recognized the fact.

That is a contradiction of the President's hope, and the question was put to Admiral Robinson:

They (the shipbuilders) were frank enough to say they were putting up prices because of the great amount of work at the time?

And Admiral Robinson said in answer to that question:

There is no question about that.

So that the President's hope is not well founded, and history proves, by this testimony I have just given you, that when large orders come in for a large number of things, whether ships, aircraft, or munitions, the prices go up accordingly, and the Government is charged accordingly, and that means the taxpayers have to pay increased amounts.

I go on to the possibility of collusion. The committee further finds that Navy officials have been transmitting to congressional committees figures on comparative costs of private and navy yards, showing the profits on a private-built ship, the cruiser *Chester*, as \$983,000, whereas the New York Shipbuilding Corporation informed the Munitions Committee that its profit on the cruiser was \$2,946,706.

Here we have a situation that makes me a little bit troubled with General Arnold's testimony, for whereas he says he knows what it is going to be, history does not confirm that fact, for a few years ago, when the discussion was going on with respect to the Vinson bill, it was reported by the Navy that the profits on the private-built ship the *Chester* were \$983,000, but the Senate committee uncovered a profit of \$2,946,000, or nearly \$2,000,000 more than the Navy officials showed.

Mr. HILL. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. HILL. The Senator is making a very admirable address, and bringing to the attention of the Senate what I think a very important matter. The last quotation that the Senator made referred to a question that has been in my mind, and that is whether or not the Senator's amendment—and I shall support the amendment—will really do what the Senator seeks to have done; whether or not a 10-percent limitation will be effective, having in mind, as we know, that costs can be juggled all kinds of ways. We recall that during the World War we did most of our building and construction under a cost-plus system, and we know the tremendous pad-

ding that went into cost items during that period. Now, we are starting out here with a great building program, and I am wondering whether or not we can really reach the things that ought to be reached, and that the Senator has so forcibly brought to our attention, simply by writing into the bill the 10-percent limitation provision.

Mr. TOBEY. I share the Senator's views, and I have tried to educate myself on that point. I will reply to the Senator as follows: I do not know whether the amendment will be sufficient to do away with the danger which the Senator and I both feel exists, but I will say that a similar amendment of the Naval Act has been in force since 1934. While some will say it has not done very much, up to a month ago approximately \$2,000,000 has been turned back to the Treasury of this country under the amendment to the Vinson-Trammell Naval Act.

The Senator has touched upon a very weak spot in this whole situation. The committee of the Senate, whose chairman was the Senator from North Dakota [Mr. Nye], brought out in the testimony what I uncovered by a little private research—that the abominable part of this whole thing is that these shipbuilding companies—and I am inclined to believe that it will be true of aircraft-manufacturing corporations also—do the unjust thing, the dishonest thing, in padding the costs.

In building a ship to obviate the necessity of staying within the limitation of 10-percent profit in manufacture, they will take a contract for putting in a crane that might cost \$73,000, and charge that up, not as a permanent improvement of the yard but to the cost of that particular job. That is not our responsibility in the immediate sense; it is in the last sense. That responsibility is on the Internal Revenue Bureau of the Treasury Department. Just as a wholly personal remark I say that I am going to see that the responsibility is lived up to if I have any part in the action taken in the Senate from this time forth.

We are doing the best we can. Line upon line, precept upon precept, here a little and there a little, we are building up a defense mechanism to guard the people of the country against the miserable chicanery that has been going on all too long.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. TOBEY. I yield.

Mr. HILL. I wish to say, as I indicated in the beginning, that I think the Senator's amendment ought to be adopted. It is surely a step in the right direction. However, as the Senator himself has indicated, there is very serious question as to just how effective the amendment would be and whether or not the amendment would do the job as it ought to be done.

In that connection I was very much interested in the statement made on Friday by the distinguished Senator from Nebraska [Mr. Norris] in a query addressed to the Senator from Missouri [Mr. Clark]. As we recall, the Senator from Missouri was a member of the Senate Munitions Committee, on which committee he served with the Senator from North Dakota [Mr. Nye]. The Senator from Missouri, of course, saw the whole sordid picture which the distinguished Senator from New Hampshire has depicted for us.

The Senator from Nebraska said:

The Senator speaks of a combination to increase prices. As a result of our past experience, his remarks appeal to me very much. Has the Senator given any thought to the idea of regulating the price and avoiding a combination which might unduly increase the price by including, either in this bill or some other bill, an appropriation which would provide for a Government manufacturing plant by which the Government itself could engage in the airplane business if it wanted to do so?

I should like to ask the Senator a question with regard to the query of the Senator from Nebraska [Mr. Norris]. In that connection I should like to add a word, if I may do so without taking too much of the time of the distinguished Senator from New Hampshire. I attended a meeting of the Senate Commerce Committee during the last session of Congress, when the United States Maritime Commission came before the Senate Commerce Committee with the suggestion, if not the request, that the Maritime Commission, representing the Government and the people of the United States, be

permitted to go to foreign countries to have American ships built. The Commission was forced to come before the Senate Commerce Committee with such a request or suggestion because American shipbuilders were not willing to build American ships for the American Government and the American people without all kinds of outrageous costs and prices being demanded for the work.

On the other hand, the Navy has not been forced to do that, and has not done so, because the Navy has its navy yards where the Government can and does build ships. Because the Government is able to, and does build some of its own ships in its own yards, the Navy Department has been able to obtain fair prices from the private shipbuilding companies in this country. So I wish to ask the Senator from New Hampshire how he feels about the suggestion of the Senator from Nebraska [Mr. Norris] that it may be wise for us to establish a Government plant to manufacture airplanes, so as to give us a yardstick by which we can measure the fair cost and a fair price for such airplanes.

Mr. TOBEY. I am very glad to answer that inquiry. I again refer to the Vinson-Trammell Act of 1934. When the bill was under consideration in the House of Representatives, and specifically touching upon the Senator's point, Chester Thompson, then a Member of the House from Rock Island, Ill., took the floor and offered the Thompson amendment to the Vinson-Trammell bill. I supported the Thompson amendment with great pleasure.

The Thompson amendment decrees that every other ship in naval construction must be built in Government yards. Specifically touching upon the question whether or not I think it is wise, I say that in a matter of such great importance, with a record so unsavory, as I have said, I believe it might be advisable for the Government to have sufficient plants of its own to build at least half the airplanes needed, as a check and balance on private industry to keep the profit within reason. As a measuring stick, personally I should approve such a plan.

The Senator has touched upon the padding of the construction accounts and the difficulty of eliminating such practices. The difficulty has been present throughout the consideration of all the different bills.

The Nye committee, in its great report, brings out instance after instance in which such practices have been followed. The most striking feature of the report along that line was the fact that at the time the Vinson-Trammell bill was held before us as an opportunity for business one Mr. Bardo, who has now passed to the Great Beyond and who was formerly president of the National Manufacturers' Association and later president of the New York Shipbuilding Co., came to Washington and conferred with the Navy Department. Two weeks before the bids were opened he wrote back to three shipbuilding concerns, including the one with which he was connected, telling them just what they would receive as a result of the bids for ships, the number of ships, and the amount, to the dollar. When the bids were opened the companies were awarded just what he had stated to the cent and to the ship. How in God's world could that come about except by collusion between men in the Navy Department and Mr. Bardo? In my judgment, Mr. Bardo was a man of unsavory reputation.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. TOBEY. I yield.

Mr. CLARK of Missouri. It was also brought out before the Munitions Committee, in a very similar incident to the one to which the Senator has just referred, and in the case of a company of which Mr. Bardo was president at that time along with two other companies, that the president of a company which desired to be a bidder for the construction of certain naval vessels felt that the circumstances were such that he did not think he could be a bidder because of collusion. Ten days before the bids were even received, in the office of Mr. John P. Fry, the head of the metal trades department of the American Federation of Labor this man put in an envelope a summary of what the bids would be and what the awards would be; which ships the New York

Shipbuilding Co. would be awarded, which ships the Bethlehem Shipbuilding Co. would be awarded, and which ships the Newport News Co. would be awarded, and pointing out the system of collusive bidding by which each company, a party to the agreement, would protect the other companies in the awards designed for them. Mr. Fry himself, and also his assistant, testified to seeing Mr. Wilder put the figures on a sheet of paper, that Mr. Fry sealed them up in an envelope and put them in his safe. After the awards were made Mr. Fry opened the envelope; and Mr. Wilder had called the turn, 2 weeks in advance, upon every award made by the Government of the United States.

Mr. TOBEY. I thank the Senator from Missouri for his contribution. He was a great part of that committee. I followed with interest all the testimony, particularly his questions. They went right to the point.

The cardinal sin in this country is not immorality in any of its forms. It is apathy and indifference. It is an amazing thing to me that the American people have not risen up and cried, "Unclean! Unclean!"

Let me go further in connection with the investigation under discussion and point out a few instances, without mentioning names. This is not the place to mention names. I point out three or four bits of testimony which show the depths of degradation to which some men went in that connection.

A Member of Congress at that time wrote a letter to one of the shipbuilding companies, in which he said:

As you perhaps know, a Congressman must derive some of his income from other sources than being a Member of the House, and in this case I would like to bring to your attention the fact that my secretary and myself have a company in Philadelphia, trading under the name of So-and-So.

This man was a member of the Committee on Naval Affairs of the House.

In this company we have the representation of the So-and-So Manufacturing Co. There are only four manufacturers in this particular line in the country and our company is one of them. I am writing you particularly at this time to ask if it would be possible for you to add our name to your inquiry list for materials in connection with the ships you are about to build. We can sell the material direct or can quote on an applied basis.

We have performed work for companies such as New York Ship with whom you are acquainted, Newport News, and for the Government direct on repair jobs.

I will appreciate your interest.

So much for that testimony. Let me go further than that. We now come to a case in which a gentleman wrote about his son. His son was in the insurance business, and the gentleman in question was in a high position in the Government. He demanded that part of the insurance of these concerns be credited to his son's account. In the correspondence on this subject between the representatives of one of the shipbuilding companies we find the following:

His son, So-and-So, is in the insurance business * * *. I have asked him to call on you and you will have to help him to a slice of our business somewhere or other. Be as nice to him as you can and talk to me about it after you have talked to him.

The reply stated:

I have your letter about So-and-So, and, of course, I will be nice to him and would like to send him away satisfied as well as pleased. The pleased part will be more easy though than the satisfied part.

Time went on. He did not get the insurance.

Then we find the following communication:

Mr. So-and-So came in yesterday and we had a very pleasant visit. I explained to him that you had told me that somewhere or somehow some business would have to be turned over to him because his father had been so helpful. I told him just about what insurance we were carrying and he saw that there was very little there that could be put through his office.

Three days later, in response to the last letter, we find the following:

Answering your letter of the 26th, you have got to do something for young So-and-So, so make the best of it.

So, young Mr. So-and-So was taken care of.

The damndest part—and I say "damndest" advisedly, Mr. President, for I am not a profane man; but such things

ought to be damned—is that the Washington representative of a great concern in this country which was selling things to the Navy Department wrote to the president of that concern, at the home office of that company, a letter to the effect that he had succeeded in getting two Members of the House on the Rules Committee of the House. He said that "the Rules Committee is the most important committee in Congress; absolutely controls legislation." He was trying to curry favor, evidently on the theory that gratitude is the expectation of favors yet to come. He could see an enlarged salary check and perhaps a bonus for the next year.

Shame on the American people! There is something the matter with us today. Are there any strings on us? Are we still free men? If so, we should cry out, "Unclean! Unclean!" and determine that so far as lies within our power we will put the bars up against a repetition or recurrence of such practices.

In conclusion, Mr. President, it is not only CHARLES TOBEY, of New Hampshire, who makes this plea. It is not only General Arnold, the head of the Air Service of the War Department, who asks for a 10-percent profit limitation. But I now quote the words of Admiral Peoples, who, I believe, officially is Chief of the Bureau of Procurement, when he was testifying before the House committee on the 1936 Navy appropriation bill. In speaking of this 10-percent limitation, Admiral Peoples said, in answer to a question, and I quote from the record:

I might add, too, Mr. Chairman, that I think that that is one of the best laws put on the statute books, and I think it ought to apply not only to the Navy but to other departments of the Government, the War Department particularly.

In conclusion, and finally, Mr. President, our job is to be eternally vigilant. Vigilance is still the price of taking care of the taxpayers' money, and vigilance, Senators, demands that we follow this thing through. I am not satisfied, and the other Members of the Senate should not be satisfied, to pass this bill without a 10-percent limitation for tomorrow, the day after tomorrow, next year, and the year after that. We should use the powers the Senate has and apply to the Army, and the Navy, so as to be advised of what is going on—to learn what is being done and whether the charges are true. Let us get the truth, and the truth shall make the American people free.

At the proper time, after the committee amendments shall have been disposed of, I shall offer my amendment to limit the profits under contracts made in pursuance of this bill to 10 percent.

Mr. LEE. Mr. President, will the Senator yield?

Mr. TOBEY. I am glad to yield to the Senator from Oklahoma.

Mr. LEE. I take it the Senator not only desires to have a 10-percent limit but to have it include all profits that might slip through after every safeguard we can think of has been applied. I take it the Senator then will support the bill that a number of us are shortly introducing to apply, by the tax method, a fine-tooth comb to the profits made out of preparations for war and activities during war.

Mr. TOBEY. Does the Senator refer to the bill the Senator from Washington is about to introduce?

Mr. LEE. That is correct.

Mr. TOBEY. I have authorized the Senator to attach my name to the bill. I did so with pleasure and also with alacrity.

Mr. LEE. Very good.

Mr. FRAZIER. Mr. President, I agree very heartily with what the Senator from New Hampshire [Mr. TOBEY] has said, and I am strongly in favor of the amendment he is about to propose to limit the profits on the airplanes to be purchased. Much has been said with regard to the hearings that have been held before the committee on the pending airplane bill. I desire to call attention to a few statements made in the hearings.

I was much interested in what the senior Senator from Missouri [Mr. CLARK] said on Friday in regard to the hear-

ings. On page 17 of the hearings General Craig made the statement:

If I may have the permission of the Chair, I ask for the same privilege extended to Secretary Woodring in order that I may present these facts logically.

He seems to have emphasized the fact that he desired, in the statement he was making, to present the facts "logically." He goes forward and sets forth amounts of appropriations for several items, such as the increase in the permanent Coast Artillery garrison in the Panama Canal Zone, for educational orders, for flying schools, for the National Guard, and so forth. Then on page 18 he suggests \$300,000,000 for airplanes.

Then he sets up a break-down showing how this money is to be expended. I find on page 22 General Craig also made a statement with regard to the cost of airplanes, a subject to which the Senator from New Hampshire referred very briefly. General Craig said:

It has been only a short time since a \$50,000 plane was a real plane. Now they run up as high as \$300,000, \$400,000, \$500,000, \$600,000.

In the general break-down on page 18 General Craig suggests certain figures. The objective of the bill, he says, of the 5,500-plane program, is 3,300 combat planes; miscellaneous planes, 127; training planes, 2,073. That makes the full number. He says that they have on hand 1,707 combat planes, 113 miscellaneous planes, 648 training planes. In order to bring the number up to 5,500, 3,032 more planes are required, which will be made up, according to the general, of 1,593 combat planes, 14 miscellaneous planes, and 1,425 training planes, making a total of 3,032, or a total with what they have on hand of 5,500.

He states that when this program is completed they will have in operation 1,965 combat planes and a reserve of 1,335 combat planes; in the miscellaneous division they will have 119 in operation and 8 in reserve; and of training planes, 1,253 in operation and 820 in reserve; making a total in operation of 3,337 and a total reserve of 2,163, making a grand total of 5,500.

In his break-down he says on page 18 of the hearings:

For aviation we propose to expend \$170,000,000 for 3,032 planes.

The Senator from Missouri made the very emphatic statement that there was no definite amount set forth in this bill to be appropriated for carrying out its purposes; that only the number of planes was to be determined and not the amount of the expenditure. However, General Craig says that "we propose to expend \$170,000,000 for 3,032 planes."

Under the break-down that is the total number of new planes that must be built to carry out this program.

One hundred and seventy million dollars for 3,032 planes would be an average of a little more than \$56,000 per plane, although on page 22 General Craig, referring to the increase in the price of the planes, says that \$50,000 used to build a real plane, but he says, "Now they run up as high as \$300,000, \$400,000, \$500,000, or \$600,000."

He seems to advocate purchases at such figures. According to the Senator from Missouri, that was not his purpose, but apparently the statement was made—or at least that is the way it seems to me—to mislead those who read the hearings.

He says:

We propose to expend \$170,000,000 for 3,032 planes.

I was very much interested in the statement of the Senator from Missouri on Friday that no limit was provided on the appropriation. It seems to me, Mr. President, that if this program is carried out, a great deal more than \$300,000,000 will be necessary—probably several times \$300,000,000.

Of course, there is a great deal said about the necessity for these planes, but there is a difference of opinion as to that. Many of the training planes, as they are called, are simply playthings or toys for those who use them, and, of course, a great many fatal accidents occur in these plaything airplanes.

I have a little clipping from the Washington Star of March 1 of this year entitled "Britain To Give 1,200,000 Babies 'Toy' Gas Masks." If we are to build these toys for the airplane service with which to practice, why not give the babies gas masks to play with, too? That is what is being done in Great Britain; 1,200,000 such masks are being given away there. The Associated Press dispatch to which I refer has a London date line of March 1, and reads:

Britain's air raid precautions organization today prepared for distribution of 1,200,000 free gas helmet "toys" to British infants as wartime precaution against gas attacks.

The organization's headquarters said distribution would start in 3 weeks and urged that parents teach their babies to treat the helmets as toys until they reach the age of 2.

I hope some of them will be provided for the babies in the region from which the distinguished Senator from Pennsylvania originally came, and that those babies will be permitted to play with them for a couple of years before they become big enough to use real gas masks or may have to use them.

Mr. DAVIS. Mr. President, did the Senator see the front-page picture of the publication Look about 2 weeks ago?

Mr. FRAZIER. I do not recall to what the Senator refers.

Mr. DAVIS. It was a very fine picture of the gas mask upon a child. I am sure the Senator would be interested in it.

Mr. SCHWARTZ. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield to the Senator from Wyoming.

Mr. SCHWARTZ. I should like to inquire of the Senator whether gas masks will be available for Senators. [Laughter.]

Mr. FRAZIER. I do not know. They might become necessary, but whether they would be used as toys or for real protection is another question.

This article goes on:

With mica fronts, the helmets are made to fit snugly over babies' heads during the time their parents would be rushing them to air-raid refuges in case of air attack.

A bellows attachment would supply air to the wearer. Experts were said to have tried them on 300 babies without injurious effects.

So they are tried out and perfected; and the babies, at least 1,200,000 of them, in Great Britain are to be furnished with these toy gas masks.

Mr. President, it seems an awful situation when any civilized country on the face of the earth, after over 1,900 years of Christian teachings, should feel forced to buy gas masks for babies under 2 years of age. I sometimes wonder what the world is coming to. If we think we are liable to be attacked by the air forces from some other country, it may be necessary that we provide gas masks for the babies of the country.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. DAVIS. Is the Senator familiar with what is going on today in Great Britain—that apartments are being built for people to live in under the ground, so that they may go there for shelter from airplane raids?

Mr. FRAZIER. Yes, Mr. President. A year ago, when we had before us an appropriation for War and Navy purposes, I read a little leaflet that a friend of mine had given me that he received from a cousin of his living in London describing how gas-proof chambers should be built and advocating that they be built in every home in London to protect their people. I read that leaflet into the Record, and it is available if anyone wants to look it up.

I have before me a copy of a petition that was sent to the President and the Congress of the United States. It is signed by some 260 or 270 persons, most of them from New Jersey and New York. I want to read two or three extracts from it.

The signers of the petition start in by talking about general preparation for war, what has been said about it, and the preparations that are advocated, and say:

Are there any foreign threats against our right to practice democracy?

They ask that question.

Are the dictatorship countries trying to impose by force of arms their dictatorship systems upon us?

Personally, Mr. President, I have not heard of any such thing; but some of those who have spoken in favor of great airplane preparation seem to indicate that we are in danger of losing our democracy, and of being attacked by foreign forces.

The petition goes on:

Is any foreign nation threatening us, or any other nation of the Western Hemisphere, with economic sanctions or military aggression? For 216 years we have, without war, enforced the Monroe Doctrine. As to sanctions, is not the boot on the other foot? Are not we the ones who are threatening others with economic sanctions or boycotts? There is an unofficial, but widespread boycott of German goods, and prominent Americans are openly promoting a boycott of Japanese goods.

Economic sanctions are a delusion and a snare. They are more likely to be provocative of war than to secure peace and advance civilization. As was demonstrated in the case of Ethiopia, economic sanctions can be enforced only by a universal league of nations, backed by an overwhelming international force. The United States has always been unwilling to join in any league to police the world. In this respect we have so far wisely abided by the warnings of Washington and Jefferson.

The fallacious idea that we cannot keep out of another European war has been fostered by nations which would naturally want us to take an active part on their side should another war come. There are nations who would like us as allies in a war, but none who would voluntarily add us to their enemies.

Mr. President, I think those paragraphs are very apt on the present occasion.

Much has been said about keeping treaties, and criticisms have been made of the action of other nations in breaking treaties. We have, of course, had some occasion to criticize other nations. I think the United States perhaps is also subject to criticism.

Mention was made a few days ago on the floor of the Senate of the Kellogg-Briand Peace Pact, which was adopted 10 years ago on the 15th day of last January. I want to read that pact, because some persons seem to think it does not amount to anything. A Senator on the floor of the Senate a few days ago said it was just a joke. It may be a joke, but it is a part of the law of the land. It was adopted by the Congress and adopted by other nations.

Article I of that treaty provides:

The high contracting parties solemnly declare in the name of their respective peoples that they condemn recourse to war for the solution of international controversies and renounce it as an instrument of national policy in their relations with one another.

ART. II. The high contracting parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be which may arise among them shall never be sought except by pacific means.

That is the end of the article.

Mr. President, when that peace treaty was ratified by the Senate some of us thought it meant what it said.

Under the Constitution of the United States treaties which we duly adopt become a part of the supreme law of the land.

This treaty was adopted almost unanimously. Only one vote was recorded against it in the Senate. The United States and 61 other nations solemnly went on record renouncing aggressive warfare.

Surely if all these nations, including our own, had lived up to this treaty, there would have been no war or threat of war at the present time; there would have been no necessity for increased appropriations for armaments, not even for so-called adequate defense, because if there were no more aggressive warfare, we most certainly would not have needed additional armaments, including immense battle-ships, even for defense. If this treaty were lived up to, no defense would be necessary. We would have world peace.

To many of us who hoped that the treaty meant what it said, and that it really was a move toward world peace, it was a decided disappointment when appropriations for the Army and Navy came before the Senate, shortly after the peace treaty was adopted, amounting to over \$678,000,000 for the ensuing year. This was an increase of approximately fifty-three and a half million dollars over the previous year, and since that time the appropriations for the Army and Navy have continued to increase, with the exception of the fiscal years 1933 and 1934, when they went down slightly.

In 1937 we went over the billion-dollar mark. The peace treaty was ignored. The argument was made that we were

the richest nation in the world and should have the biggest navy and the biggest air force and the largest standing army.

The 1938 appropriations were still higher, and now the estimated amount for the Army and the Navy for the coming fiscal year is almost one and a half billion dollars.

The appropriations for the War and Navy Departments during the past 5 years, including the estimated amount for the present Congress, are the largest by far of any peacetime appropriations for war. The 6-year appropriations total \$6,107,674,991, averaging over a billion dollars a year, and this for war purposes in peacetime.

Was the Kellogg Peace Treaty just a meaningless gesture, or was the treaty renouncing war just a worthless scrap of paper—just a joke, as one of the Senators characterized it the other day on the floor of the Senate? It would almost seem as if that is what it was; but let us remember, Mr. President, that the United States was the leader, with France, in securing the adoption of this peace treaty.

Mr. DAVIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from North Dakota yield to the Senator from Pennsylvania?

Mr. FRAZIER. I do.

Mr. DAVIS. As I understand, there has not been any declaration of war between the warring countries. Was there a declaration of war by Japan against China or by China against Japan?

Mr. FRAZIER. No; there has been no declaration of war, but they have war just the same. Just a few nights ago I heard an address by a young lady who had spent some time in the Orient, and she vividly pictured the horrors of the war going on in China at the present time. Whether they call it war under a declaration of war or not, they are having war, and there is no doubt about it.

Mr. DAVIS. It is war without a declaration.

Mr. FRAZIER. There is no question of it.

Mr. KING. Mr. President, I think a proper interpretation of the Kellogg-Briand Pact would require a resort to the terms of the Kellogg-Briand Pact whenever there is a controversy between nations. There would not need to be a declaration of war. If there were any controversy or dispute between or among nations, automatically the Kellogg-Briand Pact would be applicable to that situation, and those who had the controversy or the dispute would be required to resort to the Kellogg-Briand Pact and to its terms in order to settle the dispute.

Mr. FRAZIER. I thank the Senator. The Senator from Pennsylvania asked about wars where no declaration had been made. We do not need to go back very many years to find a time when we had a similar situation in our own country. In a small country in Central America—Nicaragua—there was a war, but not one declared by the United States, and not even one declared by the people there, but we went there with our forces, helping to protect American property, and there was war in Nicaragua without declaration.

Mr. President, after the Kellogg-Briand Peace Pact was adopted, from our increased appropriations for war purposes other nations could only conclude that the United States did not mean what it said in that peace pact. They could only conclude that the United States was not living up to the treaty and did not intend to. We talked peace and spent billions in preparation for war. The Kellogg Peace Treaty has thus far been just another silly, worthless, good-neighbor gesture.

The PRESIDING OFFICER (Mr. LEWIS in the chair). If the Senator will permit me, I should like to ask him the name of the document from which he read, something with reference to sanctions which the United States had not adopted. The Senator referred to an article, and I would like to have him state whence it came.

Mr. FRAZIER. In regard to sanctions?

The PRESIDING OFFICER. Yes.

Mr. FRAZIER. It was a printed petition sent to the President and the Congress of the United States, signed by some 260 or 270 people living in New Jersey and New York. I do not know what the organization is or anything about

it. I received a copy of this, and there were some very fine expressions in it.

The PRESIDING OFFICER. The Chair perhaps ignored the request of the Senator to have it embodied in the RECORD, if he made such a request, but perhaps the Senator read from it, and did not ask to have it inserted in the RECORD.

Mr. FRAZIER. I think the petition contains some very good thoughts.

Mr. President, these immense expenditures for war purposes are continuing. No one can answer the questions which have been raised from time to time on the floor of the Senate and in other places as to what foreign nations are expected to attack us. What is the need of this increase in airplanes to 6,000? It seems to me that no foreign country is prepared to come across the great distance of the Atlantic Ocean or the Pacific Ocean to attack this country with its airplanes. The experts of the War and Navy Departments have said it is practically impossible for any country successfully to attack us. Yet we are asked to authorize the building of these additional planes to bring our total number up to 6,000. That will cost a great deal of money, much more than is mentioned in the pending bill, undoubtedly, even if the 10-percent profit limitation which the Senator from New Hampshire has proposed shall be adopted, and I hope it will be adopted.

There has been a world-wide mad scramble for increased armaments, and that has been the result, in my opinion, of the attitude of the United States in not living up to the Kellogg-Briand Treaty; but, on the contrary, immediately after the treaty was adopted, increasing appropriations for Army and Navy purposes. We have continued to increase all these years. In other words, the United States of America, which has talked peace, which was instrumental in getting this peace pact adopted, has been the leading nation of the world in increasing armaments for war purposes, preparing for war while talking for peace.

We are at this time building the biggest battleships ever constructed, authorized by the last Congress. We have had the largest peacetime Army and the largest peacetime Navy and the largest air force this country has ever had. What does it mean? Are the \$6,000,000,000 expenditures for 6 years necessary for defense? Do we need the world's largest battleships for defense? Do we need new airplane carriers for defense, and cruisers good for a range of 10,000 miles for defense? It may be that we do, but they do not seem necessary to me.

Are we in such danger of attack that all these billions of preparation were necessary? In my opinion—and it has been agreed to by many of the outstanding military experts—there is little danger of attack from other countries. I do not believe there is any danger, at the present time, at least; and if the time should come in the future when we might be attacked, the airplanes we are building now, or authorizing to be built, would be obsolete and worthless, and new planes would have to be built.

No one can make me believe that all these war preparations are for defense. In my opinion they are preparations for war, and a foreign war at that. Does anyone know what nations are expected to attack us? Does anyone know who is going to invade our shores? Surely all the great nations of the world have their hands full at home at the present time, and there is no imminent danger of any attack upon the United States.

It is true that many strange moves and statements and explanations have been made in the Old World during the past several months, but who can interpret them, who knows what the real line-up is, who knows what secret treaties and agreements have been made, and by whom?

We do know that certain interested nations are doing their best to get Uncle Sam tied up with them before the conflagration that is predicted to take place next spring begins. We have recently heard about secret conferences and secret sessions here at home. The question naturally arises, Are we ourselves already involved in foreign entanglements and secret treaties? Who knows? If there is anyone who knows,

he will not tell, because we have been unable to find out what these secret agreements are, if any, and whether or not we have any.

Dr. Charles E. Beard and many others seem to be worried for fear the Congress will delegate to the President our constitutional authority to declare war and give him the power to underwrite Great Britain and France secretly, and to decide what shall be done in case of another war in Europe.

There is agitation for the passage of the so-called industrial mobilization bill. According to my information, the bill has not been introduced at this session of the Congress, but it was introduced at the last session, and a great deal was said about it. It was modified somewhat at the last session, and still there is much agitation about it. I have had a number of letters from my home people and from other States in regard to it.

Mr. KING. Mr. President, will the Senator yield?

Mr. FRAZIER. I yield.

Mr. KING. If a measure of that character were passed, would it not be a confession of our approval of the totalitarian methods and philosophy? Personally we are regimented too much now; and the Federal Government, with its more than 200 agencies and departments and auxiliary organizations, is regimenting and controlling to a degree that is wholly inconsistent with democratic policies and with our concept of government. If any measure of the character of the industrial mobilization bill should be introduced, I sincerely hope the American people will almost unanimously oppose it.

Mr. FRAZIER. I join with the Senator in that hope; but, as the Senator from New Hampshire remarked during the course of his discussion a few moments ago, he wonders why the people did not rise up and protest against some of the crooked deals which have been put across in the departments of the Government; and I wonder, too.

This industrial mobilization bill was introduced in the last Congress—it was an administration measure—so that in the event of war the President of the United States would be given the power to draft about 4,000,000 young men for war purposes. The bill would not take the profits out of war; it would only limit them to some extent. The most objectionable feature of the bill is that it would set up a military dictatorship in the United States in case of war by giving the President almost unlimited control.

The American people have an abhorrence of any form of dictatorship. It is contrary to our form of government. We freely criticize government by dictators, whether it be Fascist, Nazi, Communist, militarist, or what not. The Congress has been severely criticized, and justly so, for conferring upon the President certain powers and prerogatives which seem plainly to belong to the Congress itself. Surely we will not go further and so delegate our powers as to make any President a dictator either in peacetime or in wartime. It is my hope and prayer that war can be avoided and that the spread of dictatorships can be stopped both abroad and at home.

Those who are opposed to war are, of course, opposed to the building of this large number of airplanes. They do not believe it is necessary at the present time to build so many airplanes.

The United States is supposed to be the richest nation on earth, and we criticize other nations and make bold statements about being ready to fight for "democracy, religion, and good faith among nations," while at home we have more unemployed and probably more poverty in our land of boasted plenty than may be found in any other nation in the world. Should we not clean up our own backyard and take care of our own people, and honestly prepare for peace instead of war? With one-third of our people admittedly ill-fed, ill-clad, and ill-housed, charity should begin at home. Preparations for war and propaganda breed hatred and contempt. Let us live up to our treaties before we criticize other nations for breaking theirs. Let us pass legislation that will insure our farmers a profit for their work. Let us provide employment at a living wage for all those who want to work. Let us enact an adequate old-age pension system. Let us properly provide for our own minorities before we

criticize other countries in regard to the treatment of their minorities.

Mr. LUNDEEN. Mr. President—

The PRESIDING OFFICER (Mr. LEWIS in the chair). Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. FRAZIER. I yield.

Mr. LUNDEEN. If the Senator will permit me, there are those who claim that if we have war we will have prosperity, for then there will be no unemployment. However, these gentlemen should think of the situation which would arise after a war. Then there would be increased taxes, and war taxes, increased poverty and increased misery and destitution. This would bring on conditions which might do away with democracy as we understand it in our country, and substitute perhaps an absolute autocracy or totalitarianism about which we talk so much. We, as Senators, are sworn to uphold democracy in the United States, and it is up to us to see that we avoid conflicts which may bring about forms of government yet undreamed of.

Mr. FRAZIER. Mr. President, someone has said that there never was a good war or a bad peace. While war sometimes makes profit and prosperity for some individuals, just as the World War brought prosperity to profiteers, who made as high in some cases as two or three thousand percent of profit, yet it was not profitable to the country at large or to the people at large, even to this day, and we have not gotten away from the devastating effects of the World War.

If the United States would only set a shining example by living up to the Kellogg-Briand Pact, if we would mind our own business and see that our people are properly provided for, reduce the annual appropriation billion-dollar military bill, quit stirring up hatred and trouble, and prepare for peace and justice instead of for war, it would mean happiness and prosperity to our people, and I am sure would have a very wholesome influence on the rest of the world.

Mr. LUNDEEN. Mr. President, will the able Senator yield?

Mr. FRAZIER. I yield.

Mr. LUNDEEN. I understood the Senator to speak of a billion-dollar annual appropriation. That is an old figure now. Now we approach \$2,000,000,000 a year.

Mr. FRAZIER. About one and a half billion dollars is estimated for this year. Of course, it is not all estimated in the pending bill, according to the Senator from Missouri [Mr. CLARK]—and I think he is correct—because it would be impossible to build the up-to-date combat planes and the other planes desired by the Army with the amount of money authorized by the bill.

Mr. LUNDEEN. I am for a reasonable degree of preparedness, of course, and I will vote accordingly. I myself have spent a considerable time in the Army; but when we begin to approach \$2,000,000,000, and we may be approaching \$3,000,000,000 next year, at the rate we are now increasing, just where are we going to stop? Some people are seeing spooks and bogeymen in their attics and are speaking of invasion of this country. If the Senator will permit, what country is going to invade us? The Japanese are too smart to attack this great Nation, with an industrial establishment about equal to that of all the other nations of the world combined. No nation in the world can leave its antagonist across the river in Europe and come over and attack us. No nation or combination of nations will attack us in this generation. There are plenty of military authorities who will sustain us in that thought. Why all this alarm, unless we are going over there to enforce our will upon somebody else, police the earth, and regulate the earth, and invade the Chinese rivers and European waters with our gunboats and our Army and Navy? If that is what they want, I certainly hope there will be a few votes against any such policy.

Mr. FRAZIER. Mr. President, I agree with the Senator from Minnesota. There is no danger of attack by any foreign country of which I know, and there is no danger of attack unless it be by some such fanciful creatures as those who were represented to be invading our country from Mars

in a radio skit which was put on the air several months ago which scared some of the people of the United States out of their wits. But we do not believe there is any danger of invasion—any immediate danger, at least. Mr. Chamberlain, Prime Minister of Great Britain, made a statement recently—at least the statement is credited to him in the newspapers, and I presume it is correct—that this mad race for armaments would bankrupt every civilized nation on earth if it were continued, and I am sure it will. Some of them are broken now, or at least very badly bent. And our own people are now worrying, as they have been for the past several years, about how we shall balance our Budget.

Attention has been called in the Senate to the fact that when the present occupant of the White House was making his campaign for the Presidency in 1932 he made the statement that we were going to cut down the expenses of government and balance the Budget; but we have come far short of the mark, and gone deeper and deeper into debt, and are still going deeper into debt than we ever have been in the history of our Nation, and, in my opinion, more than there is any necessity for.

Mr. President, I am opposed to the bill authorizing the addition of 6,000 planes. I do not believe we need them. War is a crime against humanity, and in this day and age it seems to me we should be advocating peace instead of war, or, instead of criticizing other countries and their forms of government, which is none of our business. If any other nation on earth wants to adopt for itself a government different from ours, it is its privilege so to do. It is none of our business to interfere with its form of government. We do not think it is any other peoples' business that we have a democracy here in the United States. We propose to continue that democracy regardless of what other people may say. But by all odds our people, particularly those in high office, should refrain from making sarcastic criticisms of other countries and of the rulers of other countries, and criticizing their forms of government and their actions. Such conduct breeds contempt and hatred. I suppose it is meant for the purpose of propaganda, to bring about the enactment of a bill such as this, authorizing the building of the number of additional planes to bring our planes up to 5,500; or authorizing the construction of new planes to the number of 3,032, so as to bring the total to 5,500. It will cost, not the \$300,000,000 talked about in connection with the pending bill, but several times that amount, certainly if we are going to build that many airplanes and combat planes for war purposes under the present conditions.

Mr. LUNDEEN. Mr. President, will the Senator again yield?

Mr. FRAZIER. I yield.

Mr. LUNDEEN. I was wondering if the Senator approves—I am sure he does not—the idea of sanctions.

Mr. FRAZIER. Absolutely not.

Mr. LUNDEEN. And I wonder whether the Senator agrees that we should assume the position of the Almighty, and say who are the aggressors; that we should sit in judgment upon the earth and name the aggressors, pass judgment on them, and inflict punishment accordingly, as though we were a court to sit in judgment upon all nations.

Mr. FRAZIER. No, Mr. President, I do not think we should, and I think it is un-American for anyone to advocate that kind of thing.

Mr. LUNDEEN. I thank the distinguished Senator. That is a good statement. The senior Senator from North Dakota is a man of good judgment and courage. He is absolutely right.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bankhead	Borah	Byrnes
Andrews	Barbour	Brown	Capper
Ashurst	Barkley	Bulow	Caraway
Austin	Bilbo	Burke	Chavez
Bailey	Bone	Byrd	Clark, Idaho

Clark, Mo.	Herring	Mead	Shipstead
Connally	Hill	Miller	Smathers
Danaher	Holman	Minton	Smith
Davis	Hughes	Murray	Taft
Donahay	Johnson, Calif.	Neely	Thomas, Okla.
Ellender	Johnson, Colo.	Norris	Thomas, Utah
Frazier	King	Nye	Tobey
George	La Follette	O'Mahoney	Townsend
Gerry	Lee	Overton	Truman
Gibson	Lewis	Pepper	Tydings
Gillette	Lodge	Pittman	Vandenberg
Glass	Logan	Radcliffe	Van Nuys
Green	Lucas	Reed	Wagner
Guffey	Lundeen	Reynolds	Walsh
Gurney	McCarran	Russell	Wheeler
Harrison	McKellar	Schwartz	White
Hatch	McNary	Schwellenbach	Wiley
Hayden	Maloney	Sheppard	

The PRESIDING OFFICER (Mr. MINTON in the chair). Ninety-one Senators have answered to their names. A quorum is present.

Mr. SCHWARTZ. Mr. President, I think I should state first that several Senators desire to make some extended remarks on the bill, although they are not at this time ready to proceed; so I avail myself of this opportunity to say a few words about the bill, and then for a few moments I wish to discuss a subject which I think is directly related to the bill and to what we are doing in Congress at this time.

On the bill itself, Mr. President, we have listened to the debate for several days. So far as I am concerned, I have listened to it with a great deal of interest. We have listened not only to the arguments and debate from those who are in favor of the measure but also the arguments in opposition.

I wish to say first that I am in favor of the bill and shall support it. As much as any other Senator, I am in favor of peace and opposed to war. I favor the bill because I believe, Mr. President, that it will aid us in keeping out of war.

A moment ago the distinguished Senator from North Dakota [Mr. FRAZIER] pointed out the fact that for 116 years we have been able to enforce the Monroe Doctrine without resort to force. What he did not tell us, however, was that for the past 116 years matters of international concern have been largely determined by reason. Today we are in a situation in which reason no longer prevails. Whether we like it or not, we must admit that many of our international affairs are now determined by raw force. So I believe in the pending bill. I believe in it because I believe it is an approach to preparing us for defense and because it is a defensive bill. I believe in it because I believe that the action of nations which now resort to force in carrying out their international policies will be determined, with respect to us and those interests in which we are concerned, solely by the question of our ability to defend ourselves. If we are in a proper position to defend ourselves, I believe we shall have peace.

I do not believe that any foreign nation will make a frontal attack upon the shores of the United States. I do not believe that a declaration of war, or war itself, will start suddenly on that basis. However, I do believe that when trouble comes, if it does come, it will be because of gradual encroachment upon some of the republics in the Southern Hemisphere; and that situation will not come in a day. It will build up day by day until the time comes when we shall either have to discard the Monroe Doctrine or defend it. I think that day will be delayed in proportion to our ability to demonstrate to those who believe in force, and whose only method of procedure is force, that we are in a position to protect our own here in the United States, and to protect the interests which we deem vital.

OUR FIRST LINE OF DEFENSE

Mr. President, the thing about which I wish particularly to speak today relates to something which to my mind is connected with the general situation. I desire to call the attention of the Senate to the men who will from day to day care for the equipment and material we purpose to procure under the bills now pending for national defense. I refer, of course, to the members of the Regular Establishment. I refer to the men behind the guns. I refer to the men who will take care of our materials. I refer to the men who will take the first shock if trouble comes, and who will

be in the first line of defense. I refer to the men who will sight the bombs and take care of the airships.

In the Seventy-fifth Congress I introduced Senate bill 3503, a bill to grant a more adequate pension to our disabled enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and to the dependents of deceased Regulars. That bill was unanimously approved by the Committee on Military Affairs, of the Senate; and after a full statement of its provisions given by the Senator from Texas [Mr. SHEPPARD], chairman of that committee, this body passed the bill without a dissenting vote. The bill went to the House Pensions Committee, and was by that committee referred back to the Administrator of Veterans' Affairs for additional data. The House was not afforded opportunity to vote upon the bill, and so it died with the last session of Congress. We were advised that the Department contemplated presentation of a Regular service pension bill at this session and that the President would then approve a pension increase for disabled Regulars, provided the increased rates did not exceed 60 percent of pension rates now provided for World War veterans.

Mr. President, I believe that the President of the United States, when all of the relevant facts come to his attention, will find neither cause nor desire to make such discrimination between the Regular enlisted man and the war veteran. I have introduced a new bill, Senate bill 522, which is now pending before the Committee on Military Affairs.

INADEQUATE COMPENSATION FOR DISABILITIES

Sometime ago my attention was called to a dramatic instance of the discrimination under present law. In this case a war veteran is receiving \$105 for the loss of the use of an arm in a training camp thousands of miles from the enemy during the World War. A Regular, P. D. Ziegler, ship's cook on the ill-fated *Panay*, was surveyed from the United States Navy due to the fact that he lost the use of an arm from the bombing of the *Panay* by the Japanese last year, and for this disability he can draw only \$37 a month in pension.

Mr. President, in Wyoming we have one of the Nation's major Army posts—Fort Warren. Before coming to the Senate I had noted the discrimination against the regular enlisted man, his meager pay, his wholly inadequate pension when disabled in line of duty, the uncertainty of that pension when once granted, and the inadequate provision made for the deceased enlisted man's dependents.

During the past 2 years I have gone deeper into the subject, and I am amazed at the actual conditions brought to my knowledge.

I find these Regulars when discharged, if suffering from service-connected disabilities, receive pensions as low as 35 percent of war rate for like disabilities.

I find that dependent mothers of line-of-duty deceased Regulars receive but \$15 per month, while the mother of a line-of-duty deceased war veteran receives \$45 per month.

I find a Regular suffering from the ravages of tuberculosis, and thus totally disabled, receiving but \$45 per month, while the war veteran thus afflicted receives \$100 per month.

In case of the tubercular, if the Regular is fortunate enough to eventually become an arrested case, his pension ceases, regardless of age or infirmities, while the arrested-case war veteran receives \$50 per month for the rest of his life.

For loss of leg or arm the Regular receives but \$37 per month while the war veteran with like disability receives from \$90 to \$105 per month.

Mr. President, I do not believe the war veteran and his dependents receive too large pensions. I wish that to be thoroughly understood. But I do feel, and the Senate by its action last session has shown its belief that pensions to Regulars and their dependents are too small.

DISCRIMINATION AGAINST THE REGULARS

Why, may I ask, is the line-of-duty disabled enlisted man of our Regular Establishment subjected to so much discrimination in our laws? Why is he not even entitled to a flag for his casket—that flag to go to his nearest kin? Why is he denied C. C. C. enrollment? Why is he denied W. P. A. preference? Why is he denied recognition in the United States Employment Service as a veteran? Why, if in need, is he denied relief if he happens to draw a pitifully small

pension for the sacrifice he made for, and the injury he received in the service of, his country?

Than the Regulars in the service of the Army, Navy, Marine Corps, and Coast Guard there are no persons in this Nation more quietly, solidly, completely, and fully American. Not even the discriminations under which they now suffer shade their loyalty to the flag and their country—our country. They are fully conscious of the laws' discrimination against them. They expect the Congress to do them justice. Shall we, by long delays, cause them to believe the Congress considers them inferior Americans? Shall they continue to serve the colors with consciousness that disability or death resulting from line-of-duty service will place upon them and their dependents the stigma of our discriminating laws? Many of them already feel that we hold them inferior in the service of their country. Tested by our inaction, we do that very thing, and we will be very derelict in our duty to them until we enact a law which will give them a pension more in keeping with their unselfish and unpolitical service and sacrifice to and for us.

I have heard the argument advanced that disabled Regulars, having incurred their disability during a time other than war, did so as a result of following their service as a career, and therefore were entitled to but very meager pensions. The trouble with that argument is that the facts assumed do not exist. The report of the Administrator of Veterans' Affairs on H. R. 8949, Seventy-fifth Congress, which was a companion bill to my bill S. 3503, discloses that there were at date of that report 21,331 Regulars on the pension rolls disabled since 1898. This figure excludes World War and Spanish War veterans who, for some reason, are classified as Regulars. But of the 21,331 alleged career men, 10,878, over half of the pensioners, were disabled in the first 3 years of their service. Yet the War and Navy Departments hold in theory, reports, and some practice that 10 years' service is considered a prerequisite of career service.

When these lads of the Regular service first enlist, few of them realize what they are going into. At the enlisting places they see enticing lithographs of stream-lined girls, of foreign travel, of opportunities for advancement in education and knowledge. They know nothing, are told nothing, of the physically realistic and almost continuous war and naval games, the tactical and technical maneuvers, the hard labor, and the machine age of the Army. Neither does the recruiting officer mention that the recruit must implicitly obey every lawful order regardless of consequences, or he will be subjected to drastic disciplinary action. Neither is he informed that in case of actual war, conflict, or trouble the Regulars must meet the danger and hold the line until the National Guard and selective-draft forces can be trained and equipped for active duty at the front. Once enlisted, he learns these things, and it should be said to the credit of the Regulars that few of them shrink from duty, however exhausting or dangerous that duty may be.

EDUCATION AND EFFICIENCY OF THE REGULARS

Then, again, I have heard it said the enlisted Regulars lack somewhat the character, educational qualifications, and occupational efficiency of other men in similar grades of civil-life work. The Bureau of the Budget seems to have fallen for that falsehood.

The following quotation from a letter signed by L. D. Gasser, brigadier general, War Department General Staff, dated May 5, 1938, and described as a memorandum for Solicitor's Office, Veterans' Administration, is very interesting:

In connection with your conversation with Major Sawbridge, of my office, on Tuesday concerning the assertion of the Bureau of the Budget that the enlisted men of the Army did not represent as competent a wage-earning class as men being admitted to employment in civilian departments of the Government, I find that in the matter of education and occupational qualifications records of a representative group of enlisted men selected at random would seem to indicate that the Army group is fully representative of a cross-section of the employed men of the country.

A letter from the Navy Department on the same subject holds that the enlisted men of the Navy and Marine Corps are comparable in education and ability to other Government employees.

Mr. President, during the last session representatives of the Regular Veterans' Association, an organization composed exclusively of persons who have served in the Regular Establishment and in a time other than war, appeared before the Committee on Military Affairs of the Senate and presented a record of facts supporting the justice of this proposed legislation more fully than I do at this time. It is with gratification that I mention the unanimous support and sympathy given and shown by the Spanish-American and World War veterans who are members of our Committee on Military Affairs.

At this time, while our attention is being given to the necessity for adequate national defense, it is of first importance that we do full justice to the Regulars in the Army, Navy, Marine Corps, and Coast Guard, not alone in pensions for themselves and the dependents of those Regulars deceased in line of duty, but in the matter of pay. On Wednesday, February 22, the Senate in its action on the independent offices appropriation bill added a rider to the bill which again denies to the Regulars a part of their income which has for many years been considered a part of their pay—a part of the pay of a man reenlisting in the service which was first granted in 1855. I trust that pay will be restored and that S. 522 will be enacted at the present session.

In conclusion, Mr. President, I again wish to say what I said in the opening, in effect, that there is nothing more important than that we take care of the man behind the gun; that we take care of the man who will look through the sights of our airplanes or antiaircraft guns or other equipment, because they in turn are taking care and will continue to take care of all the equipment for which we are now about to appropriate.

The PRESIDING OFFICER. The question is on the first amendment reported by the committee.

Mr. AUSTIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Lee	Reynolds
Andrews	Donahay	Lewis	Russell
Ashurst	Ellender	Lodge	Schwartz
Austin	Frazier	Logan	Schwellenbach
Bailey	George	Lucas	Sheppard
Bankhead	Gerry	Lundeen	Shipstead
Barbour	Gibson	McCarran	Smathers
Barkley	Gillette	McKellar	Smith
Bilbo	Glass	McNary	Taft
Bone	Green	Maloney	Thomas, Okla.
Borah	Guffey	Mead	Thomas, Utah
Brown	Gurney	Miller	Tobey
Bulow	Harrison	Minton	Townsend
Burke	Hatch	Murray	Truman
Byrd	Hayden	Neely	Tydings
Byrnes	Herring	Norris	Vandenberg
Capper	Hill	Nye	Van Nuys
Caraway	Holman	O'Mahoney	Wagner
Chavez	Hughes	Overton	Walsh
Clark, Idaho	Johnson, Calif.	Pepper	Wheeler
Clark, Mo.	Johnson, Colo.	Pittman	White
Connally	King	Radcliffe	Wiley
Danaher	La Follette	Reed	

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

The question is on the first amendment reported by the committee, which will be stated.

The CHIEF CLERK. On page 1, line 8, it is proposed to strike out "five thousand and five hundred" and to insert in lieu thereof "six thousand."

Mr. CLARK of Missouri. Mr. President, unpopular as it is, and probably futile as it is, I am still one of those who believe that any waste of the taxpayers' money for any purpose is indefensible.

As I stated the other day in the remarks I made in the Senate, while I am willing to vote every cent of expenditure which is reasonably necessary for the adequate defense of the United States, I am not willing, particularly in this time of rising prices, due to the armament propaganda which has been spread about the country, to appropriate one cent more than is absolutely necessary for purposes of national defense.

I do not desire to detain the Senate by repeating the views I expressed the other day; but I again call attention to the

fact that the pending committee amendment provides for the expenditure of an unlimited sum of money—depending on what the cost may prove to be—above that mentioned in the testimony of the experts of the War Department as to the necessities of national defense in the matter of airplanes.

Because some of the Members who are present today may not have heard what I said the other day, when I called attention to the fact that there is in the bill no limitation of any sort as to dollar expenditure, I repeat that there is in the bill no limitation of any kind on the construction of airplanes, except the limitation of 6,000 planes as against the limitation of 5,500 planes which was contained in the bill when it passed the House.

Of course, it has been said that there has been a recommendation from the President for \$300,000,000 for airplane protection; but the only limitation of \$170,000,000 which has been referred to a number of times on this floor is in a letter from the War Department—which, as I understand, has not even been put into the RECORD—breaking down the sum of \$300,000,000 into \$170,000,000 for the purchase of new planes and \$130,000,000 for other purposes connected with aviation.

Mr. NORRIS. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Nebraska.

Mr. NORRIS. I do not know that the question I am about to ask the Senator is in line with the point he is making.

Mr. CLARK of Missouri. I am glad to have the Senator ask any question.

Mr. NORRIS. I should like, however, to secure some further information as to the increased cost of the manufacture of airplanes.

I should like to go, I think, as far as almost any other Senator would go in the development of bombing airplanes as a matter of self-defense. I believe that to a very great extent the next war will be fought in the air. But the disclosures made, for instance, by the Senator from New Hampshire [Mr. TOLSON], and one interruption of the Senator from New Hampshire by the Senator from Missouri himself, disclosed to me, it seemed, that the tremendous increase in cost is to a great extent artificial. We find from the investigations of the Munitions Committee that there are some indications that the increase represented by the higher bids comes from at least carelessness on the part of our own officials—in the Navy Department, for instance. Apparently they are not sufficiently careful, and are not exercising the care that their positions require them to exercise, in trying to combat the artificial increase which has taken place in the cost of manufacturing airplanes.

The other day, when the Senator was speaking, I asked him whether it would not be wise, either in this bill or in some other bill, to provide, as we have done in the case of the Navy, that the Government itself should manufacture at least a portion of the airplanes it requires, for that would exert a great leverage in keeping down the enormous prices which the Government at present is compelled to pay for airplanes. It occurred to me that it would be well if even in this bill some amendment of that kind could be adopted, or even if a Senate resolution could be passed reestablishing the Munitions Committee, of which the Senator from Missouri was an honored member, for the purpose of investigating the increase in the amount the Government has to pay for airplanes.

Since we are going into the matter on a larger scale—and I think we are justified in doing it; I do not want to interfere with the program—I think we ought to take the necessary steps, and take them now, to stop, if we can, the payment of fabulous prices by the Government for airplanes. I think a committee should be appointed to make an investigation of that subject, and I think such an investigation of itself would save many million dollars in the construction of airplanes.

Mr. CLARK of Missouri. Mr. President, let me say to the Senator from Nebraska that I agree thoroughly with every word he has said as to the wisdom of the closest scrutiny of any proposal to increase cost of airplanes. The testimony

which was referred to this morning by the Senator from New Hampshire and by me, and to which I and other members of the old munitions committee have referred many times on this floor, had to do with the purchase of naval craft, rather than the purchase of airplanes, because at that time the Government was not greatly increasing its purchase of airplanes. But I feel very certain that the same principle which has been applied to Government purchases of naval craft will in the future apply to the purchase of airplanes, particularly for the reason that under Mr. Woodring, as Secretary of War, in the purchase of airplanes in the last 2 years we have had the greatest assurance of fair competitive bidding that we have ever had, so far as my knowledge or investigation or recollection goes.

In the matter of the purchase of airplanes there has been the fairest bidding that we have ever had in the history of the United States with regard to the purchase of aircraft, because he required every airplane company which desired to sell airplanes to the War Department of the American Government to enter its planes in a fair competition and then made the purchases on the basis of demonstration.

Mr. President, a requirement has recently been waived in the case of the purchase of airplanes by the French Government. I refer to a requirement which was a concomitant of the one to which I have just referred, namely, that no military airplane could be sold to a foreign nation until 1 year after the second plane had been accepted by the United States Government, which was ordinarily nearly 2 years after the first plane was accepted; that is, until the requirements of the United States Government had absolutely been fulfilled, which had the effect of establishing a monopoly on the part of the Government in the purchase of such planes.

Under the new policy adopted by the Government for the sale of planes to foreign governments, that requirement has been waived. So it seems to me there is very great danger that there may ensue such a situation as the Munitions Committee discovered in the purchase of naval craft for the Government. We discovered that in the purchase in 1933 of naval cruisers there had been an increase of a very high percentage—I believe it was more than 35 percent; in fact, I know it was more than 35 percent, although I have forgotten the exact figures—as compared to the purchase of 1932 cruisers, without any increase whatever of labor costs and material costs; for, in fact, there was a decrease at that particular time in both. When we asked the Chief of Naval Construction and Repair why this condition was possible—and it happened to be in the same year in which some of the testimony was given to which the Senator from New Hampshire and I referred this morning—Admiral Land replied that he thought the bids the previous year had been too low. That was the year in which collusive bidding among the "Big Three" of the Shipbuilding Trust was absolutely established, at least to my satisfaction.

I feel that there is very great danger, in lifting the requirements which have been adopted heretofore with regard to the establishment of competition in the manufacture of airplanes, that we may again face that situation. Furthermore, I feel that, with the permission of the sale of airplanes to foreign governments before the necessities of the United States Army and Navy may have been fulfilled, we may have such a situation that the purchase of airplanes by foreign countries, instead of reducing our costs, will result in competition against the United States Government which will step up our costs.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. SHIPSTEAD. What year was it the Senator referred to in which he said there was collusion in the bids submitted to the Government?

Mr. CLARK of Missouri. That was in the 1933 purchase of cruisers; and the comparison was between the 1933 prices and the 1932 prices, immediately before.

Mr. SHIPSTEAD. The N. R. A. Act was in effect at the time, was it not?

Mr. CLARK of Missouri. The N. R. A. had not gone into effect at the time of the bidding referred to, and at that

time there was no increase in either labor costs or material costs. The N. R. A. act was passed later in the year 1933.

Mr. SHIPSTEAD. In the War Department purchases, to which the Senator referred, in connection with which there was competitive bidding, did that competitive bidding result in different prices being asked by the various companies for the same kind of planes, or did they all bid the same prices?

Mr. CLARK of Missouri. The system of competition, as I understand, was of a different sort. The companies were required to submit unit bids, but the award was made—and if I am incorrect in this statement, I should be very glad to have some member of the Military Affairs Committee correct me—on the basis of best performance. I cannot say to the Senator from Minnesota that even that system has resulted in any reduction in the price of airplanes to the United States Government. On the other hand, quite the contrary is the fact, not by reason of the system of competition adopted but by reason of the greatly increased demand by the United States Government for airplanes, based on the act passed 2 years ago, and on the action in contemplation this year. This is illustrated by the testimony of General Craig, the very able and distinguished Chief of Staff of the United States Army, for whom I may say I have the very highest respect and regard, both because of his great ability and because of his very high character and unswerving integrity. On page 22 of the hearings before the Committee on Military Affairs we find this testimony:

Senator HILL. Do you find a substantial increase in cost in the last 2 or 3 years?

General CRAIG. Yes, sir. It has been only a short time since a \$50,000 plane was a real plane. Now they run up as high as \$300,000, \$400,000, \$500,000, \$600,000.

Senator LUNDEEN. Are they very much of an improvement over the other planes?

General CRAIG. Yes; but that has nothing to do with the increased cost of the materials.

Senator LUNDEEN. The materials that should go into them would be about the same as in the other?

General CRAIG. Probably most of them are more modern, more research connected with them.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. Just a moment.

Senator JOHNSON of Colorado. The cost of production of automobiles has gone down.

General CRAIG. Yes. We have had our troubles about that. General Arnold is here, and he can give you the details of anything you want as to the cost of production of planes.

I wish to read, in connection with that, some testimony of the Secretary of War appearing on page 15 of the committee hearings:

Senator LEE. When you order planes have you had the experience that the manufacturer would come back with an increased price?

Secretary WOODRING. It is not so much the manufacturer. A good deal of that is the same in the Army and Navy as in private industry. When engineers start out to plan the best airplane or the best motor or the best of anything, they never reach the ultimate. When they plan an airplane we make an award for it, the company puts it on the line—say the Douglas Co.—and say it is the best air bomber on line, and the second or third best may have some very desirable military features. We make the award to the first one. After an award has been made we may find it very necessary to give a change order or to incorporate some secret device that we have learned from other planes in competition. That change order carries with it an increased price. There has been altogether too much of that. General Craig has been a great advocate of standardization, as far as possible. It is a very difficult problem, and we have tried in the past 3 years to eliminate as many change orders as we could, in trying to eliminate this item of increased cost.

Senator CLARK of Missouri. Whenever you have a tremendous impetus of manufacturing, do you not find there is an increase in the price of steel and manganese and various other raw materials, a jumping of prices of engines and everything else, and an increase in the cost of labor? We all remember when the men in the shipyards were getting \$12 or \$15 a day and wearing silk shirts, and when manufacturers were making unreasonable profits. Is that not inevitable in a situation of this kind?

Secretary WOODRING. I think so. Between 1914 and 1917, with the European War going on, everything was going up, and naturally the increase was much greater in cost than it was afterwards. However, today, in peacetime, if you order 100 bombers the unit cost is a certain price, and if you order 200 it is reduced materially per unit. Under the program we have followed in the last few years it will bring the unit cost down considerably.

Senator CLARK of Missouri. It may influence it, but we are now entering into this pre-war inflation that existed in 1914 to 1917. We are just now starting into that pre-war inflationary period.

Secretary WOODRING. I think that is a fair assumption.

Mr. AUSTIN. Mr. President—

Mr. CLARK of Missouri. I shall be very glad to yield to the Senator in just a moment. The point I am making, and the plea I am making to the Senate, is that if we do not adopt very drastic limitations, both as to number and price of the weapons and munitions and implements of war which are contemplated in this vast armament program of which we have just now learned of a second segment, and of which I predict we will learn of other segments which may startle the imagination—unless we adopt every possible limitation as to the number of the implements of war to be bought, and adopt every possible limitation as to the amount of money to be spent, we ourselves are likely to precipitate a degree of prewar inflation which will render the cost of the proposed rearmament program absolutely staggering to the imagination.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. SHIPSTEAD. As I understand the Senator, the manufacturing of airplanes has not become standardized. Therefore many changes have to be made. That has been set forth in the testimony, as I understand. When one plane is completed it is found by the manufacturer that changes have to be made. Is that true?

Mr. CLARK of Missouri. I understand that to be entirely correct.

Mr. SHIPSTEAD. If that be true, how can we have mass production unless we first have standardization? The foundation of mass production is standardization.

Mr. CLARK of Missouri. I am unable to answer the Senator from Minnesota, because I myself do not understand it.

Mr. SHIPSTEAD. Speaking of high prices and war prices, the Senator is aware that by many people it is thought unpatriotic to question the patriotism of those who make large war profits.

Mr. CLARK of Missouri. I have never belonged to that school, let me say.

Mr. SHIPSTEAD. I know the Senator has not. I merely wanted to call that to his attention.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. AUSTIN. I wish to ask the Senator from Missouri if he does not understand that when the Chief of Staff, Gen. Malin Craig, was speaking about these different costs, running as high as \$600,000 per unit, he was speaking about the initial planes constructed before the other planes were put onto the line, the preparation for which required research? Did he not refer to the cost of the initial planes, rather than the standard cost for a large number of planes in an order which afterward would be based upon that plane which, used in competition, cost a large sum of money?

Mr. CLARK of Missouri. Mr. President, of course that to some extent is true, but the testimony of the Chief of Staff, which I just read, shows that he was speaking in an entirely comparative sense about the cost of a few years ago and the cost today. The cost of research has not increased to any such extent as that. Furthermore, all the testimony before the Military Affairs Committee was to the effect that the Government of the United States itself, the United States Army, pays a great proportion of the cost of the research which goes into the construction of new planes.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. TOBEY. Along the line of the interrogation of the Senator from Vermont, and the reply of the Senator from Missouri, let me say that for experimental research purposes alone there have been expended by the Army and the Navy a total of \$43,500,000 during the last 3 years.

Mr. CLARK of Missouri. I am glad to have the suggestion of the Senator from New Hampshire.

Mr. SHIPSTEAD. Mr. President, the airplane manufacturers get the benefit of that research, I understand.

Mr. CLARK of Missouri. They not only get the benefit of the research of the United States Government but, on top of that, they have been able to make very large profits. With the lifting of the ban which has heretofore been placed on the sale of airplanes abroad to foreign countries, until the United States Government had fulfilled its own necessities, which has the effect of destroying the Government monopoly which has heretofore existed, no one knows how great an increase in price may be justified. It was testified before the committee by military experts that, while the War Department did not know and had no means of knowing the price for which the planes were sold to France, they would assume that the price of the planes sold to France was much higher than the price at which planes were sold to the United States Government. We have lifted the ban which has heretofore existed by reason of the regulation agreed upon by the aeronautics boards of the Army and Navy, but we have no knowledge whatever how much increase in price is justified by reason of foreign countries bidding against our own country for planes.

Therefore, Mr. President, I repeat that I am very much opposed to the increase contained in the committee amendment above the number of planes testified to by the experts of the War Department to be necessary in the first place; and in addition to that I intend, when the time comes for offering individual amendments, to offer an amendment providing for a limitation as to the expenditure in dollars, and limit it to what was estimated to be necessary in the letter from the War Department, which was \$170,000,000; for unless we adopt a limitation in dollars and unless we take some of the steps suggested by the Senator from Nebraska [Mr. NORRIS] for protecting ourselves against exorbitant prices, by the establishment of Government factories, and the most stringent investigation of the awards, we are likely to find ourselves in a situation not only of collusive bidding, such as existed between American manufacturers in the construction of naval vessels; but we shall have, in addition to that, a system of unrestrained competition between the United States Government and foreign governments; and if the bill passes in the shape in which it is brought into the Senate today, the War Department might spend a billion dollars instead of \$170,000,000 for the purchase of airplanes and then come back to Congress with a request for a deficiency appropriation, as we have seen happen so often.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. SHIPSTEAD. The most legitimate argument I have heard for this bill is that it will help business. I do not believe that there is any more chance of any foreign country invading the United States than there is of Santa Claus coming down here in the month of July. If the passage of the bill will help business, why should there be any objection so long as business wants to get the money, to have it all at once; and have their own prices and profits? The most legitimate argument I have heard for the bill is that it will help business. If that is the purpose of the bill, why limit the profits?

Mr. CLARK of Missouri. I will say to the Senator from Minnesota—and I am sure that he will agree with me—that it would be much preferable and more proper to give it to them in the way of outright grants rather than gouge the Government.

Mr. BONE. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield.

Mr. BONE. I recall that only a few years ago we were building a certain type of naval vessel at a cost of a little in excess of \$3,000,000. The same type of vessel now costs the United States Government in excess of \$8,000,000, but the differentials in labor costs and material costs could not possibly justify such a vast difference in the price. The plans are prepared by the Navy Department. It will be recalled by those who saw the figures that one private airplane company in this country reported very calmly net

profits in 7 or 8 years of 1,142,000 percent, which was 11,420 times its entire capital.

I say to my brethren of the Senate, unless we are very careful we will have another Roman holiday on our hands which will justify another very thorough and searching investigation into this business, and it will have very dark and gloomy nuances, and instead of being national defense it will be something else which is far less palatable. I cannot contemplate a raid of that kind on the Treasury.

Mr. CLARK of Missouri. Mr. President, the Senator from Washington will recall that in the year after the act setting up the new Maritime Authority was passed Mr. Joseph Kennedy, who at that time was the Chairman of the Maritime Commission, and is now Ambassador to Great Britain, appeared before the Committee on Commerce and testified that the lowest bid received for the construction of the ships to be built by the Government or financed by the Maritime Commission was some 80 percent in excess of the estimates made by the Maritime Commission experts as to general basis on which they should be made. That, Mr. President, was directly traceable—I think no one can deny it—to the fact that in the same year the Congress of the United States had passed a bill providing for a supernavy, as it was then considered, although we are now told that we have a pitifully inadequate Navy, and the passage in the same year of an act authorizing the construction of a great number of merchant vessels, to be paid for and financed by the United States Government. It was perfectly obvious to anyone who took the trouble to read the facts in connection with the transaction that the shipbuilders, considering the tremendous impetus in the building and purchase of ships to be financed by the United States Government, jacked up their bids, and that all others who had anything to do with the construction of ships, whether it was in connection with labor or materials or anything else, in consideration of that program proceeded to jack up their prices.

I asked the Chairman of the Maritime Commission, Mr. Kennedy, when he appeared before our committee, if he could form any estimate, on the basis of the increase in demands from the shipbuilding companies, of the increase which would be made in the cost of naval vessels, taking the program as a whole, and he said that if the present ratio continued he thought it would be absolutely incalculable. I can see no reason why the same rule may not apply in the purchase or construction of these airplanes.

Mr. BONE. Mr. President, the Senator will recall, I am sure, as other Members of the Senate will recall, that upon a number of occasions the Navy bill has come before us containing language to the effect "that no part of this appropriation shall be used to maintain or operate the Government airplane factory in Philadelphia." I do not know what motivates the Navy Department in its desire to kill the Government airplane factory in Philadelphia, but upon a number of occasions the Department itself has recommended language which would have destroyed the only possible yardstick the Government has in dealing with private airplane companies.

I think we are all in agreement that a net profit of over 1,000,000 percent to a private airplane company which does from 30 to 80 percent of its entire business with the Government is, to say the least, an astounding profit. We have absolutely no protection from that sort of gouging unless we take steps to protect ourselves. For one, I shall watch the program with much interest; and I hope I can join others in having an investigation of the whole airplane picture in case we find such an outrageous thing as that occurring again. The taxpayers have a right to have 100 cents of national defense for every dollar we sweat out of them in taxes. We have no moral right to tax Americans beyond their just deserts in order to enrich airplane manufacturers.

Mr. CLARK of Missouri. Let me say to my friend from Washington and my other colleagues in the Senate that I am in favor of any steps which may be desirable or necessary for the purpose of investigating transactions which may take place. However, I am much more concerned at the present moment in locking the stable door before the horse is stolen

by imposing limitations upon these expenditures which will prevent running up vast expenditures and a tremendous increase in the unit price.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. The Senator from Nebraska [Mr. NORRIS] is on his feet. I shall be glad to yield to the Senator from Kentucky in a moment.

Mr. NORRIS. Mr. President, if the Senator from Missouri will permit me, I do not wish to ask a question, but desire to make an observation. If nothing is said about it, I fear silence may be construed as tacit approval.

For one, Mr. President, my purpose in supporting the bill is not because I want to improve business. If the bill is passed, I shall be very glad if the result is an improvement to business. However, that is not my motive. I do not believe it is the motive of my colleagues.

It has been said that the principal object, or perhaps the only object, of the bill is to improve business. I do not agree with that statement. Such a motive does not apply to me. I have long felt that the Federal Government was not up to date in its preparation for war in the air. On account of events which have taken place since the World War, as a result of whatever information I could obtain, I have reached the conclusion, whether rightly or wrongly, that we are weak in the matter of airplanes and bombing machines in the air. I support the bill with the idea that we intend to improve that arm of our military service. I believe it is patriotic to do it. I believe it is good business to do it.

However, at the same time I do not want to permit private corporations and individuals to mulct the Government out of a great many hundreds of millions of dollars just because I think the Government is engaged in a very worthy enterprise. It seems to me, therefore, that we should take all possible precautions to see that in carrying out the objects of the bill we eliminate as much as possible the danger of a situation in which the Government can be mulcted, as it has been in the past, by combinations of great corporations engaged in supplying the Government with its military needs. I think we should be derelict in our duty if we did not take such precautions.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. The Senator from Kentucky [Mr. BARKLEY] was on his feet a moment ago. I shall be glad to yield to him.

Mr. BARKLEY. Mr. President, of course, the present bill is only an authorization. The bill does not carry an appropriation. The various committees of the two Houses will have to deal later with the matter of appropriations. It seems to me that we can control the amount of expenditure by the amount of money which we appropriate.

We cannot fight in the air with dollars. If we could, we should not need to build any airplanes. We could simply set aside \$170,000,000 or \$300,000,000 and let the dollars fight the enemy airplanes.

What we are seeking to do is to obtain the number of airplanes which will be regarded as adequate. I would rather vote for an amendment to limit the amount of profit that may be made by airplane companies than to jeopardize the program by limiting the appropriation. I do not know what profits airplane companies make. Many of them are not paying any dividends. I understand that some of them are; but the dividends are not exorbitant. The aviation industry is still a new industry. I am just as much opposed to airplane factories mulcting the Government as I am to shipyards doing the same thing.

Mr. CLARK of Missouri. So am I.

Mr. BARKLEY. I would rather vote to limit the profits of airplane companies than to limit the appropriation out of which we hope to build a certain number of planes, whether it be 5,500 or 6,000. Can we not more logically control the amount of profit than the amount of money? In the very logical sequence of events and development of costs a limitation of the amount might result in our obtaining a smaller number of airplanes than we really need.

Mr. CLARK of Missouri. My friend from Kentucky and the other advocates of the committee amendment meet themselves coming back when the Senator from Kentucky advances that argument. The testimony before the Military Affairs Committee was that 5,500 planes are adequate to the national defense of the United States.

Mr. BARKLEY. The Senator—

Mr. CLARK of Missouri. If the Senator will permit me to finish my statement, the testimony of General Arnold and the other military experts before the committee was that 5,500 planes are sufficient for the adequate defense of the United States. The other day I read the testimony of General Arnold in which he said, "I am for this program here, hook, line, and sinker," meaning the 5,500 planes. He also said, "I cannot see any need at this time for anything more."

The argument of the committee when it came on the floor with the proposal, as was stated by the Senator from Texas in making his opening statement, was that there was a limitation of \$170,000,000; that in no event would more than \$170,000,000 be spent, but that it was possible to obtain 6,000 planes for \$170,000,000 as easily as 5,500 planes. The other day I stated that that argument appeared to me to be an indictment of the intelligence of every airplane manufacturer in the country, and that it seemed to be a very poor rule that would not work both ways, because if it were true that we could obtain more planes than we need for \$170,000,000, then by the same rule we could obtain the number of planes we need for less \$170,000,000.

I then pointed out that there is no limitation of \$170,000,000 in the bill. The Senator from Kentucky comes back, in direct variance with the position taken by the chairman of the committee and the majority of the committee in voting for 6,000 planes, and says that if we put in a limitation we may not be able to obtain as many planes as we need. If those are not absolute contradictions in terms, then I am unable to understand the English language.

Mr. BARKLEY. I am undertaking to direct myself to the suggestion which seems to be in the mind of the Senator from Missouri in his argument that by the passage of the bill Congress loses control of the amount of money available. I do not think so. I think Congress takes full control of the matter by reason of the amount of money which will be appropriated to carry out the authorization, not in any one year, but over a 2-year period.

In connection with the testimony before the Military Affairs Committee, regardless of what General Arnold or any other officer said before the Committee on Military Affairs, when the recommendation was made to the House of Representatives, at the time the first bill was introduced on the 18th of January by the chairman of the Committee on Military Affairs, it provided for 6,000 planes. I have before me a copy of the bill, House bill 2780.

Mr. CLARK of Missouri. When the Senator from Kentucky says we do not lose control by not having a limitation in dollars, I call his attention to the language of the bill:

The Secretary of War is hereby authorized to equip and maintain the Air Corps with not to exceed 6,000 serviceable airplanes.

I know that from the long and distinguished career of the Senator from Kentucky in the House of Representatives and in this body, he knows that if we give to the Secretary of War a mandate to build 6,000 planes without any limitation on the amount of money to be expended, the Secretary of War is perfectly justified in going ahead and building the 6,000 planes, even if they cost \$1,000,000,000, and obligating the United States to a deficiency appropriation in the amount necessary to make up the deficiency.

Mr. BARKLEY. Under this authorization, 6,000 planes is the maximum, the limit. The whole process has to go through the Appropriations Committee.

Let us suppose that the Appropriations Committee, in dividing the expenditure over a period of 2 years, provides for \$170,000,000 the first year. Suppose the War Department comes in and says there has been a legitimate increase in the cost of airplanes—

Mr. CLARK of Missouri. That is precisely what I fear.

Mr. BARKLEY. Because of the increased cost of labor, material, or for any other reason. The War Department must make a showing before the Appropriations Committee before it can obtain a dollar above the \$170,000,000. Yet if it does make a showing of necessity justifying the increased appropriation, certainly the Senator from Missouri would not want to cut down the number of airplanes that could be built under the authorization.

Mr. CLARK of Missouri. Mr. President, no Senator knows better than does the Senator from Kentucky, unless it be the Senator from Colorado [Mr. ADAMS], who has the headache which ensues from deficiency estimates, that if Congress appropriated \$170,000,000 for the purchase of airplanes under this authorization and the War Department spent \$1,000,000,000 for the purchase of 6,000 airplanes, let us say, to take an exaggerated case, and then came to Congress with a request for a deficiency appropriation, no man would dare to stand on the floor of the Senate or the House of Representatives and say that when the Government of the United States, under a blanket authorization passed by the Congress of the United States, had exceeded the amount of money appropriated, we would not be in honor bound—and, as a matter of fact, legally bound, when a legal contract had been entered into—to appropriate the money necessary to make up the deficiency.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. CLARK of Missouri. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. Does the Senator mean to say that under this bill we are giving the War Department a blank check to spend any amount it may desire to spend for airplanes?

Mr. CLARK of Missouri. That is true so long as the War Department does not buy more than 6,000 planes. I do not think any Senator on this floor will controvert that statement. The only limitation whatever in dollars contained in this bill has nothing at all to do with the purchase of airplanes, but has to do with the increase in the defense facilities for the Panama Canal, in connection with which there is provided a limitation in the authorization of dollars; but that principle is not followed in the other provisions of the bill. Answering the question of the Senator from Minnesota directly, I do mean to say that, if this bill is passed in its present form, so long as not more than 6,000 planes are purchased, there is no protection whatever against the Government of the United States being obligated in an absolutely unlimited sum. I do not mean to say that I think the War Department would do that, but there is nothing in the provisions of the bill, there is no single line in the bill, which would prevent the United States Government being obligated to \$1,000,000,000, or \$2,000,000,000, or \$3,000,000,000, or any other sum the War Department, under this bill, might see fit to obligate it.

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Colorado?

Mr. CLARK of Missouri. I yield.

Mr. ADAMS. As I have listened to the debate, I have come to understand that in the testimony before the Military Affairs Committee there was an estimate as to the cost of the 6,000 planes.

Mr. CLARK of Missouri. I will say that I do not recall that in the testimony before the committee, and I do not think it will be found in the hearings of the committee, but there was a recommendation in the message of the President of the United States for the expenditure of \$300,000,000 for the aviation service. Later, in a letter to the chairman of the committee, the War Department broke down the figures into \$170,000,000 for the purchase of new planes and \$130,000,000 for the maintenance of planes, for ground establishments and other items entering into the increase of the aviation service; but I do not think anywhere in the testi-

mony of the committee—at least I do not recall it—there was presented in an official sense an estimate of \$170,000,000.

Mr. ADAMS. In view of my understanding as to the probable cost my inquiry is, Why not put a limit, approximately, of the amount of \$170,000,000 in the bill and provide that there is hereby authorized to be appropriated for this purpose that sum of money?

Mr. CLARK of Missouri. That is precisely the proposition which I have been arguing; that is precisely the effect of the amendment.

Mr. ADAMS. What is the objection to it?

Mr. CLARK of Missouri. The Senator will have to ask Senators on the other side of the question. I will say that I intend to offer such an amendment at the proper time as soon as individual amendments, instead of committee amendments are in order, because, if it is proposed to spend \$170,000,000 for the purchase of airplanes, I do not see why the Congress should not say so. I will say to the Senator that the only justification which so far has been urged, not as a matter of military necessity, for the increase from 5,500 planes to 6,000 planes was the suggestion that we could by bargaining buy 6,000 planes just as cheaply as 5,500 planes; in other words, that we could buy 6,000 planes within the limit of \$170,000,000 instead of merely 5,500 planes. As I have heretofore suggested on this floor, it seems to me it is a very poor rule that does not work both ways, and I cannot see why, if we can buy all the planes we need to buy and buy 500 planes more than we need to buy for \$170,000,000, we cannot buy all the planes we need for considerably less than \$170,000,000 and save that much money to our pressed taxpayers.

Mr. LOGAN. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Kentucky.

Mr. LOGAN. I do not wish to interrupt the Senator except to make a brief statement.

Mr. CLARK of Missouri. I am glad to have the Senator make any statement he desires to make.

Mr. LOGAN. Reference has been made to the purchase of 5,500 planes and the purchase of 6,000 planes. I believe the public is somewhat confused by reason of the way we have expressed ourselves. The fact is that there is no idea of purchasing either 5,500 planes or 6,000 planes, but it is really a question of 3,032 planes.

Mr. CLARK of Missouri. I accept the suggestion of the Senator. The authorization is for a total number of planes which, including the planes which we now have and which are in good repair, will bring the number up to 5,500.

Mr. HILL. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Alabama.

Mr. HILL. The Senator, if I understood him correctly, suggested a few moments ago that he does not recall any break-down being given in the hearings as to how the \$300,000,000 was to be expended.

Mr. CLARK of Missouri. I will say to the Senator that I saw that in a letter which was shown to me by the chairman of the committee. I do not recall it in the record.

Mr. SHEPPARD. Mr. President, if the Senator will yield, I merely wish to say that the break-down was not in a letter to me; it was in an estimate prepared for the Military Affairs Committees of the House and Senate.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. CLARK of Missouri. I yield to the Senator from Alabama.

Mr. HILL. On page 18 of the hearings before the Senate Committee on Military Affairs on the bill H. R. 3791, we find the testimony there of General Craig, in which he gives the break-down as follows:

For aviation we propose to expend \$170,000,000 for 3,032 planes, \$33,000,000 for personnel, \$62,000,000 for construction, \$14,000,000 for organizational equipment, \$8,000,000 for bombs, \$7,000,000 for instructional equipment and payments to civilian flying schools, \$3,000,000 for maintenance, \$3,000,000 for research.

Mr. CLARK of Missouri. I thank the Senator from Alabama for calling my attention to that testimony in the

record, which I had overlooked, although I was familiar with the same figures in a communication shown to me by a Senator in the committee.

Mr. FRAZIER. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from North Dakota.

Mr. FRAZIER. I should like to call the attention of the Senator from Missouri to the fact that the statement of General Craig in the record is that "For aviation purposes we propose to expend \$170,000,000 for 3,032 planes." That would be an average of \$56,062 per plane. If the Department were given a billion dollars for the same number of planes the average would be \$330,000 a plane, which would be about the average the general gives on page 32 of the cost of planes at the present time.

Mr. CLARK of Missouri. I thank the Senator from North Dakota.

Mr. SHIPSTEAD. Mr. President, will the Senator permit me just a moment?

Mr. CLARK of Missouri. I will be glad to hear the Senator.

Mr. SHIPSTEAD. I think the Senator from Nebraska [Mr. NORRIS] probably misunderstood in part my remarks of a little while ago. I said the most legitimate reason and argument I have heard for the pending bill are that it is to help business. As to that, others may differ in opinion, and, of course, I do not question their sincerity, but, so far as I am concerned, that is the most legitimate argument I have heard for the bill, because of existing conditions. Today I can see no immediate danger of attack upon the United States by any foreign country. The other nations of the world are too busy watching their back doors to keep their neighbors from coming in and taking away what they have.

The planes provided by the pending bill, as I understand, are for the defense of our common country. That is another matter; but if there is to be no attack, we do not have to defend. However, I can see that, as a matter of insurance for the future in case something should happen we cannot now foresee, it is perfectly legitimate to vote for this kind of bill.

I wanted to make that explanation in view of the apparent misunderstanding that the Senator from Nebraska had.

Mr. LUCAS. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Illinois.

Mr. LUCAS. Am I correct in my conclusion that there is a limitation on the number of planes but no limitation upon the money to be expended?

Mr. CLARK of Missouri. That is absolutely correct.

Mr. ADAMS. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Colorado.

Mr. ADAMS. I should like to ascertain from the Senator if he agrees with my interpretation that this is an authorization, not for the immediate construction of airplanes up to 6,000, but for the maintenance of an airplane force up to 6,000. It is not limited to expenditures this year, next year, or the year after that; that is, authority is given to the War Department to declare any planes obsolete at any time, and then the authority for an appropriation with which to construct up to 6,000 would continue indefinitely.

Mr. CLARK of Missouri. Let me say that I believe the statement of the Senator from Colorado is absolutely correct. There is absolutely no limitation whatever in this bill except the authority to construct or purchase or maintain 6,000 planes; there is absolutely no limitation whatever in this bill as to the personnel, the cost of personnel involved in the increase, or as to the number of planes, or as to the time when the money shall be spent. There is no limitation whatever of \$170,000,000 for the purchase and construction of planes. There is not a single dollar of limitation in the bill as to the cost of maintenance. There is nothing in the bill to prohibit the Secretary of War, so long as he does not pur-

chase more than 6,000 planes, spending a billion dollars for the purchase of planes and another billion for the maintenance of planes. There is no limitation whatever on the increase of the personnel authorized to maintain the increased number of airplanes.

Mr. McKELLAR. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Tennessee?

Mr. CLARK of Missouri. I yield to the Senator from Tennessee.

Mr. McKELLAR. I was very much interested in what the Senator had to say a while ago about the limitation of profits on the building of these airplanes. Of course, there is nothing in the bill on that subject.

Mr. CLARK of Missouri. There is not.

Mr. McKELLAR. But does the Senator propose to offer an amendment of that kind? With an enormous project of this kind, it seems to me there ought to be a limitation upon the profits to be made from the expenditure of so vast a sum of money. The Senator is on the committee, and I hope he will offer an amendment limiting the profits on airplanes.

Mr. CLARK of Missouri. I will say to the Senator from Tennessee that I am absolutely in accord with that position. I understood earlier in the day, from the very able address of the Senator from New Hampshire [Mr. TOBEY], that he intended to offer such an amendment.

Mr. McKELLAR. I am sorry that I did not hear the remarks of the Senator from New Hampshire.

Mr. CLARK of Missouri. I will say to the Senator from Tennessee that it is my purpose to support that amendment as vigorously as I can. Even without an amendment, however, I still think we ought to have a limitation in dollars on the appropriation we are making; and I am still opposed to making an authorization for a larger number of planes than is necessary. I am in favor of the House provision. I am opposed to the Senate amendment. At the proper time I propose to offer an amendment of my own to put a limitation of \$170,000,000 upon the purchase or acquisition of planes in accordance with the President's recommendation on that subject, and then I intend to support the amendment of the Senator from New Hampshire.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. CLARK of Missouri. I yield to the Senator from Kentucky.

Mr. BARKLEY. In that connection, I suppose nobody assumes that the object of the President or of Congress or of the War Department would be to construct 5,500 planes or 6,000 planes, or a sufficient number to bring our force up to 6,000 or 5,500 planes, and then quit—just build 6,000 planes and go off and leave them. We shall have to maintain them; and I suppose the object of this measure is to maintain our air force at the maximum of 5,500 or 6,000 planes.

I am going to vote for the number of 6,000 planes because when the War Department made their recommendation, according to the first bill which was introduced in the House by the chairman of the Committee on Military Affairs, I think they had 6,000 planes in mind. What happened to reduce the number, I do not know; and that is a matter which it is not necessary to discuss. If the Senator proposes to offer an amendment to place a limitation of \$170,000,000 on the program which is outlined for the next 2 years, we cannot build the desired number of planes, as I understand, for that amount. The President recommended a program of about \$500,000,000 over a period of 2 years; but, as I understand, more than \$170,000,000 of the \$500,000,000 was to go into the construction of airplanes.

Mr. CLARK of Missouri. That is not true according to the testimony just read by the Senator from Alabama [Mr. HILL].

Mr. BARKLEY. But, regardless of that, whatever it may cost to build these planes, we shall have to maintain them; we shall have to man them; and, of course, it is obvious that the annual appropriation necessary to maintain an air

force of 5,500 or 6,000 planes will be greater than the annual appropriation necessary to maintain what we have at this time. How can a limitation of \$170,000,000 on a 2-year program of \$500,000,000 for construction guarantee the maintenance of that force, or even authorize the Appropriations Committee thereafter to bring in appropriations to maintain that force?

Mr. CLARK of Missouri. My dear friend the Senator from Kentucky evidently was not paying any attention to what I said.

Mr. BARKLEY. I was, Mr. President. I listened attentively to the Senator.

Mr. CLARK of Missouri. What I said was that I was in favor of adopting an amendment to carry out literally the recommendation of the President of the United States, who said that \$170,000,000 was estimated for a program for the construction and purchase of airplanes for 2 years. That is precisely the amendment I intend to offer and favor adopting.

Mr. BARKLEY. If that be true, the President could only make an estimate. He could not project himself 2 years into the future and determine what the cost of airplanes might be 2 years from now. There might be legitimate increases in cost. Because there are legitimate increases, it does not follow that somebody is always mulcting the Government; and, of course, it is not true that the Department can spend a billion dollars a year for 2 years under the present authorization, because the Department cannot get \$2,000,000,000, or even half a billion dollars, unless it is appropriated by the Congress of the United States.

Mr. CLARK of Missouri. Mr. President, of course that is entirely correct; but neither the Senator from Kentucky nor any other Senator on this floor will say that if the War Department, in pursuance of this mandate for the construction of 6,000 planes, passed without any limitation whatever as to expenditure, were actually to spend a billion dollars for the purpose, the Government of the United States would not be both morally and legally bound to appropriate the amount.

Mr. SHEPPARD. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from Texas.

Mr. SHEPPARD. Where would the War Department get the billion dollars, except through the Appropriations Committee?

Mr. CLARK of Missouri. Mr. President, the Senator from Texas, from his long and distinguished service, certainly is familiar with the fact that departments of the Government, unless they are specifically limited by law as to their authority, and sometimes when they are so limited, very frequently spend more money than has actually been appropriated by Congress and come back here with deficiency estimates, and every year we pass two or three great deficiency bills to take care of expenditures in cases in which exactly such things have happened.

Mr. SHEPPARD. Yes; but not to any such extent as the Senator has suggested.

Mr. CLARK of Missouri. Perhaps that is so. I stated, when I mentioned those figures, that I was taking an exaggerated case.

Mr. BARKLEY. Mr. President, suppose we should fix a limitation of \$170,000,000 for this 2-year program, so that the War Department could not expend any more than that, and the Appropriations Committee could not appropriate any more than that; and then suppose it should turn out, in 1941, or before the expiration of the 2-year period, that the cost had gone up so that the Department actually, in good faith, could make a showing that in order to carry out the authorization for 5,500 or 6,000 planes they would need more money, we should have fixed a limitation in the authorization; and in order to save the appropriation from a point of order, if it were contained in a general appropriation bill, it would be necessary to increase the authorization by a special act before the Appropriations Committee could provide the amount.

Mr. CLARK of Missouri. Of course, that is true; and that has been the whole parliamentary theory of this Government since the foundation of the Republic down to the past 5 or 6

years, when we entered upon the deplorable habit of Congress signing blank checks in making appropriations.

Mr. President, I do not desire to detain the Senate on this subject. I did not intend to do anything except to call attention again very briefly to the issues. I think we are now faced with a situation in which we are entering upon a policy of almost unlimited expenditure for armament, unless the Congress of the United States, at this very first opportunity, expresses itself in favor of the most stringent limitations which can be placed by the Congress of the United States, under its constitutional authority, upon these expenditures.

I say again that I am in favor of voting every penny which is necessary for adequate defense of the United States. I am not in favor of voting one penny in excess of that figure, to be spent in the discretion of bureaucrats either of the Army or of the Navy or of any other department of the Government.

Mr. TOBEY. Mr. President—

Mr. CLARK of Missouri. I yield to the Senator from New Hampshire.

Mr. TOBEY. Let me say to the Senator from Missouri that there are some tremendous variations in the subject matter before us. The Senator has brought out some of them; but the need of 5,500 planes, taking General Craig's testimony which the Senator quoted and I quoted earlier today, in regard to the cost of \$200,000 a plane, when he said there was a great increase from the past to the present, would call for an expenditure of \$1,100,000,000 for the 5,500-plane provision. We ought to know what we are doing and where we are going when we vote for this proposal.

Mr. CLARK of Missouri. I agree with the Senator from New Hampshire.

Mr. BONE. Mr. President, may I inquire of the Senator from New Hampshire if he has reduced his proposed amendment to writing?

Mr. TOBEY. I have, and I am ready to offer it when the proper time comes.

Mr. BONE. Is it in form similar to the amendment to the Navy bill?

Mr. TOBEY. It is identical, only the Army takes the place of the Navy.

Mr. BONE. It is identical in language with the amendment attached to the Navy bill?

Mr. TOBEY. Yes, sir.

Mr. SHEPPARD. Mr. President, I am in favor of the most rigid control of expenditures and of any reasonable or even drastic limitation on expenditures, in order to prevent extravagance or corruption. I am willing to accept the amendment of the Senator from New Hampshire [Mr. TOBEY] limiting profits to 10 percent. A similar provision applies to the Navy, and I see no reason why the Army should not be subjected to the same restriction.

The PRESIDENT pro tempore. The amendment is not in order at the present time.

Mr. SHEPPARD. I understand that. I say I am willing to accept it so far as my own action goes. I am addressing the Senate now on the matters brought up by the Senator from Missouri [Mr. CLARK].

The Senator from Missouri says there is no limitation on expenditures in this bill. There is the limitation which is always on all authorized expenditures, and that is the action of the Appropriations Committee. The War Department could no more gather a billion dollars from the air, or some part of the country, than it could change ordinary metal into gold. It would have to have magic powers in order to raise a billion or two billion dollars from any other source than the source to which it must go for the usual appropriations.

The War Department originally asked for a limit of 6,000 planes. The War Department proposed that there should be a maximum authorization of 6,000 planes in order to carry out the project for an average number of about 5,500 planes. The President came before the Congress and specifically suggested, out of his proposal of an expansion of national defense involving \$550,000,000, the appropriation of the sum of \$300,000,000 for airplanes, personnel, and so forth. In the break-down which the War Department has prepared for

the Military Affairs Committees, \$170,000,000 is assigned for the purpose of procuring about 3,032 planes. The purchase of 3,032 planes would give us 5,500 planes, when added to the present program which contemplates about 2,500 when finished. The rest of the \$300,000,000 is to be expended, so much for organizational equipment, so much for bombs, so much for instructional equipment and flying-school tuition, so much for personnel—the Senator stated that no limitation whatever had been placed on the amount of money required for personnel, but here the break-down shows \$33,000,000 for personnel—so much for construction, so much for maintenance, and so much for research; the total being \$300,000,000 on the word of the President and the War Department. That is what is desired under the maximum authorization of 6,000 planes and their equipment, installation, maintenance, and so forth.

The War Department, in connection with the President's plan, estimated that there should be a maximum authorization of 6,000 planes in order to maintain an average number of 5,500 planes, including the front-line fighting planes, the observation planes, the pursuit planes, the photographic planes, the transport planes, and others. When we say that we shall have an average number of 5,500 planes, that does not mean that we shall have 5,500 planes at the front in fighting condition. It means that we shall have about 1,900 or 2,000 front-line fighting planes when this entire program shall have been carried out.

In order that the War Department may stay securely within the law, and yet at the same time procure planes at the most economical figure, having in mind the frequent changes in type, development, and cost figures, it is necessary that the legal authorization be for a greater number of planes than the number it is desired to maintain. The limit on expenditures is provided first in the limit on the maximum number of planes.

I had in mind attaching a cash limitation also, and took the matter up with the Comptroller General, who stated that the authorization of the activity was sufficient authorization, and that it would then rest with the Committee on Appropriations as to what amount of money could be expended to carry out the activity.

The Committee on Appropriations, under the pending bill, could limit the War Department to a thousand additional planes, or 500 additional planes. The committee thought that on account of the uncertainty connected with design and development, production not yet being standardized, it might cripple the plan to adopt a cash limitation under which the desired number of planes might not be procurable.

It seems to me that with the adoption of the amendment proposed by the Senator from New Hampshire, with the break-down already prepared for the committee by the War Department, there can be no danger of the possibilities to which the Senator from Missouri alludes.

Mr. HILL. Mr. President, will the Senator yield?

Mr. SHEPPARD. I yield.

Mr. HILL. The Senator has said that this is the usual procedure, and I think he is absolutely correct. There is nothing extraordinary, nothing unprecedented, about the procedure we are following with reference to the authorization in the bill. On the contrary, it is the procedure which we follow every day. For instance, the Army buys trucks, the Army buys automobiles, blankets, shoes, all kinds of articles. We do not have to pass an authorization bill to enable the Army to buy a certain number of shoes or trucks. We sometimes pass a basic bill authorizing the Army to have so many trucks or so many shoes, and as trucks and shoes wear out, or become obsolete, or have to be replaced for any other reason, under the authorization the Committee on Appropriations can bring in the appropriation to bring the supply up to the amount needed by the War Department as authorized. Is that correct?

Mr. SHEPPARD. That is my understanding.

Mr. HILL. So now we are passing an authorization bill, laying down, as it were, a program under which we expect to have 5,500 planes, or thereabouts, for the Army. If we were to provide an amount of money in the bill just to build

up the number of planes to the 5,500, that would mean that every time there was to be a replacement or any new planes had to be procured to take the place of those obsolete and worn out, there would have to be a new authorization. We do not do that in the case of shoes; we do not do it in the case of blankets, or automobiles, or trucks, or the thousand and one other things needed not only by the War Department, but by every other department of the Government. So why should we have any other procedure?

Mr. SHEPPARD. That is exactly my understanding.

Mr. McKELLAR. Mr. President, I happen to be a member of the Committee on Appropriations, and ordinarily when authorizations are granted by the Congress a limit is fixed. I find on page 18 of the hearings that General Craig stated specifically how much money he wanted, and what he was going to spend it for:

For aviation we propose to expend \$170,000,000 for 3,032 planes—

Mr. SHEPPARD. That is for the planes alone.

Mr. McKELLAR. General Craig continued—

\$33,000,000 for personnel, \$62,000,000 for construction, \$14,000,000 for organizational equipment, \$8,000,000 for bombs, \$7,000,000 for instructional equipment and payments to civilian flying schools, \$3,000,000 for maintenance, \$3,000,000 for research.

I have added up the figures, and, according to my arithmetic, they amount to \$300,000,000.

Mr. SHEPPARD. That is what I stated.

Mr. McKELLAR. Why does not the Senator follow the usual course in such matters and authorize the expenditure of \$300,000,000 for that purpose? That would be good legislation. Some have said that we have departed from that practice in the case of other bills. If we have, we ought to return to a uniform plan, one which has been followed ever since I have been connected with the Government, namely, that when we give authority to the Committee on Appropriations to appropriate money, we fix a limitation. I have looked at section 8, as amended, on page 1 of the bill, and I have looked at succeeding sections, and there is no limitation at all on the amount of money to be expended. I think it would fully meet the situation the Senator has in mind, and what is asked for by the chief of staff himself, if we authorized the Committee on Appropriations to appropriate as much as \$300,000,000 for this purpose.

If new authority should be needed in other years, it could be provided; but when we are dealing with a specific sum for a specific purpose, for the purpose of adding to the air force—and I am thoroughly in favor of it and expect to vote for the bill—we should follow the older plan. I am thoroughly in favor of the bill, but it does seem to me there ought to be a limitation in the interest of orderly government.

As the Senator knows, I have served for a number of years on the Committee on Appropriations. Authorizations are usually followed to the limit, and I feel that in the interest of good legislation—careful, economical legislation—there ought to be a limitation of \$300,000,000. Before the consideration of the bill shall be concluded I will propose an amendment authorizing the expenditure of \$300,000,000, and I hope the chairman of the committee will accept the amendment.

Mr. SHEPPARD. Mr. President, the difficulty is in the fact that the \$170,000,000 is largely an estimate. No one can tell today exactly what the cost of these planes will be.

Mr. McKELLAR. If the Army cannot tell, it is remarkable. They ought to know, and I believe they do know, how to make the estimate. I think they are just as accurate as we are. The plan I suggest is an orderly method of procedure. We have followed it throughout the history of our Government, so far as I know. We authorize expenditures in a bill such as this. If authorizations were not needed, this bill would not have to be passed at all. All that would be necessary would be to go before the Committee on Appropriations and ask for what was wanted.

Mr. SHEPPARD. The Committee on Appropriations would not necessarily give it.

Mr. McKELLAR. I do not know whether they would or not. Let us put it on the basis we have been adopting for many, many years.

Mr. SHEPPARD. Does the Senator say that that has been the uniform practice?

Mr. McKELLAR. I cannot say the practice has been uniform. I think there have been exceptions, but ordinarily that is the practice.

Mr. CLARK of Missouri. Mr. President, on Saturday we held a celebration in this Capitol in commemoration of the one hundred and fiftieth anniversary of the meeting of the Congress and of that practice.

Mr. HILL. Mr. President, the distinguished Senator from Tennessee is the chairman of the Committee on Post Offices and Post Roads.

Mr. McKELLAR. Yes.

Mr. HILL. He is also a very valuable member of the Committee on Appropriations. I wish to ask the Senator from Tennessee a question. Is it not true that every year the Post Office Department buys trucks?

Mr. McKELLAR. Yes; but it is authorized by law to buy trucks.

Mr. HILL. That is correct, and an authorization to purchase is exactly what is proposed here. In the authorization under which the Post Office Department buys trucks there is not any sum of money mentioned, and the reason it is not mentioned is to make certain that the practice will be followed of coming to Congress each year and getting the appropriation to buy whatever new trucks may be necessary to supplant those which are worn out and no longer serviceable.

Mr. McKELLAR. Mr. President, the Senator speaks of trucks and their purchase being authorized. There are some things the purchase of which is authorized and for which appropriations are made annually. But if the Senator will look at the rules—and I myself would have to examine them to find the particular rule—he will find that the rule is perfectly clear that when an appropriation bill is brought before the Senate, if there is not authority for the appropriation, on the motion of any Senator the bill can be sent back to the Committee on Appropriations. The reason for that is that the committee must have authority to provide for expenditures. Here we are proposing an expenditure, not of a small sum, but of \$300,000,000, and we regard it as so important that the chairman of the committee, I am happy to say, has already stated that he is willing to accept an amendment providing a limitation upon the profits which may come from building this large, unusual, almost, I might say, unexpected, number of airplanes that have to be built. Under those circumstances, it seems to me that it is very essential that we should observe every precaution to see that we do not authorize more money than should be expended.

Mr. BARKLEY. Mr. President, the amendment now pending is a committee amendment increasing the number of planes from 5,500 to 6,000, but the debate has gone far beyond that, and Senators have been discussing a proposed amendment which someone will offer later to limit the amount of money which may be expended in the construction and maintenance of the 6,000 planes.

As I stated a while ago, I intend to vote for the provision for 6,000 planes. It may be ridiculous to contend that we can get 6,000 planes for practically the same price for which we can get 5,500 planes. I do not know whether or not that is absolutely correct. However, it can be based upon the theory of mass production, by reason of which wholesalers all over the United States sell larger quantities in carload lots and in trainload lots to consumers or retailers than any retailer himself could buy a small proportion.

In business we always recognize the theory of mass production, and the larger the quantity of any product bought by a customer or a purchaser the smaller is the cost per unit. That is a well-recognized business practice in this country. And if the airplane factories knew that in the consummation of this program the Government would buy 6,000 instead of 5,500 planes it is entirely possible that the Government could get 6,000 for approximately the same price it would have to pay for 5,500.

Mr. LEE. Mr. President, will the Senator yield so that I may ask the chairman of the committee a question on that point?

Mr. BARKLEY. I yield.

Mr. LEE. Where did the figure 5,500 come from?

Mr. SHEPPARD. It came from a calculation made by the War Department as to the average number of planes they could maintain under a 6,000 authorization.

Mr. LEE. Where did our committee get the 6,000 figure? Did some member of our committee invent it?

Mr. SHEPPARD. Not at all. As I have said, the War Department's plan was for a maximum authorization of 6,000 planes, in order that they might be able to maintain an average number of planes of all kinds of approximately 5,500. The bills which the War Department first sent down, both to the House and to the Senate, contained the maximum of 6,000.

Mr. LEE. Then the War Department itself asked us for a bill that contained the figure 6,000? Is that correct?

Mr. SHEPPARD. It is correct.

Mr. LEE. Did both bills, the bill that came to the House and the bill that came to the Senate committee have the 6,000 figure?

Mr. SHEPPARD. They both had the 6,000 maximum.

Mr. BARKLEY. I have here a copy of the House bill, introduced on the 18th of January, nearly a month before the bill we are now considering passed the House.

Mr. LEE. I am quite familiar with it. I was asking the question to bring out the fact, so that every one could understand, that the figure 5,500 was not the figure given us originally by the War Department. They gave us the 6,000 figure.

Mr. SHEPPARD. As a maximum.

Mr. LEE. But they did say that in order that they might have at least 5,500, we would have to fix the ceiling or maximum of 6,000.

Mr. SHEPPARD. That is correct.

Mr. LEE. If we fix the ceiling at 5,500 it is very possible that the number will fall somewhat below that.

Mr. SHEPPARD. That would be the result.

Mr. BARKLEY. Mr. President, the bill provides for a maximum of serviceable planes. As was said a while ago, the bill as originally introduced, which was recommended by the War Department, provided for 6,000 planes. The theory of that 6,000 ceiling was that at all times after the ships have been constructed and are in service there would be an average of 5,500 serviceable planes always in the service.

Mr. LEE. Mr. President, will the Senator yield further?

Mr. BARKLEY. I yield.

Mr. LEE. The chairman of the committee is authority for saying that the vote in the committee was almost unanimous. The Senators were not polled, but the feeling was that the vote was almost unanimous. We did not originate the figure. We simply restored the 6,000 figure after the House had cut it down by 500.

Mr. SHEPPARD. That is correct.

Mr. LEE. So it was not a fictitious figure, as was suggested on the floor.

Mr. BARKLEY. No. I am not on the Military Affairs Committee, and I cannot speak for what happened there; but it is my understanding, received from members of the committee, that what actually happened there was that the committee restored the original number of planes asked for by the War Department and carried in the original bill introduced as the result of the Department's recommendation. How unanimous the vote was in the committee I do not know, and it may or may not be material, but the number originally asked was put in the bill by the committee, and no one on the committee filed a minority report objecting. The Senator from Missouri [Mr. CLARK] has made a speech on the subject, and a very able one, as he always does, but there was no minority report made by any member of the committee.

Mr. LEE. I believe that at no time during the offering of all the testimony before the committee was the figure of

5,500 mentioned as being adequate. Each time it was referred to as "this program." It is easily understandable that the experts from the War Department had in mind the program recommended originally by the War Department, which provided for a 6,000 maximum.

Mr. BARKLEY. I think it is fair so to assume. There is nothing in the record that I have been able to find—and I have read the Senate hearings and part of the House hearings—which shows that the War Department or any officers of the War Department specifically yielded or retraced their steps down hill from the 6,000 figure they originally recommended in order to provide an average of 5,500 serviceable planes in service all the time.

It is not before the Senate at the moment, but, inasmuch as it has been discussed, I think I may with propriety refer to the naval construction bill that was passed last year providing for a vast increase in the naval armament of the United States. That bill provided for certain ships of various types and categories. It was signed by the President on the 17th day of May 1938.

That bill provided for a certain maximum of ships to be added to a program that was adopted in 1934. There is not a word in the bill passed less than a year ago which provided for an increase of the Navy, about a limitation of cost on the ships, or the number of ships which might be constructed under the naval program. So that it is not accurate to say that it has been the universal practice to put a limitation on the cost of equipment of this sort, that is to be spread over a period of years. If we knew that we could get these things built within a month or 60 days, or even 6 months, we might feel safer in undertaking to fix the cost limit, but the program is going to take 2 years, and it may take longer, depending on the amount of money made available by Congress and the facilities and the speed with which these airplanes may be manufactured. I think, therefore, that we are not required by any precedent to say, "We want 6,000 ships, but in order to get them we are going to limit the Department to \$170,000,000 both for construction and maintenance and equipment and personnel and all that." It might very easily develop that we could neither construct nor maintain those ships with such an amount of money, and if we get them, and they are needed, Congress, I think, will be able to take care from year to year of the amount necessary to maintain them and put them into service.

Mr. HILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HILL. Is it not true, as I have sought previously to make clear, that when we are buying equipment that has to be replaced constantly and from time to time, we do not follow the procedure of putting any definite amount of money in the authorization?

Mr. BARKLEY. That is true.

Mr. HILL. I called that to the attention of the distinguished Senator from Tennessee [Mr. McKellar].

Mr. BARKLEY. The Senator is correct. I think we have to rely on the Appropriations Committee and the War Department as to what is needed to carry out the program from year to year. I think the War Department has not deviated from the appropriation in the past. Therefore, there should be no fear that they will go outside the appropriations and spend a half a billion dollars or a billion dollars in any one year and then come to Congress and ask for a deficiency appropriation.

Mr. HILL. No Senator in the debate has cited a concrete example of the Navy or the War Department doing such a thing.

Mr. BARKLEY. If there are two departments in the Government which have been meticulous about staying within the limits of their appropriations they are the War Department and the Navy Department.

Mr. SHEPPARD. Mr. President, a parliamentary inquiry. I believe the question now is on the first committee amendment.

The PRESIDENT pro tempore. Yes; that is correct. The clerk will state the pending committee amendment.

The LEGISLATIVE CLERK. On page 1, line 8, the committee proposes to strike out "five thousand and five hundred" and to insert the words "six thousand."

Mr. McNARY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Donahey	Lewis	Reed
Ashurst	Ellender	Lodge	Reynolds
Austin	Frazier	Logan	Russell
Bailey	George	Lucas	Schwartz
Bankhead	Gerry	Lundeen	Schwellenbach
Barbour	Gibson	McCarran	Sheppard
Barkley	Green	McKellar	Shipstead
Bilbo	Guffey	McNary	Smathers
Bone	Gurney	Maloney	Taft
Brown	Harrison	Mead	Thomas, Okla.
Bulow	Hatch	Miller	Thomas, Utah
Burke	Hayden	Minton	Tobey
Byrd	Herring	Murray	Townsend
Byrnes	Hill	Neely	Truman
Caraway	Holman	Norris	Vandenberg
Chavez	Hughes	Nye	Van Nuys
Clark, Idaho	Johnson, Calif.	O'Mahoney	Wagner
Clark, Mo.	Johnson, Colo.	Overton	Wheeler
Connally	King	Pepper	White
Danaher	La Follette	Pittman	Wiley
Davis	Lee	Radcliffe	

The PRESIDENT pro tempore. Eighty-three Senators have answered to their names. A quorum is present.

The question is on agreeing to the first committee amendment.

Mr. BARKLEY. Mr. President, may the amendment be restated?

The PRESIDENT pro tempore. The amendment will again be stated.

The LEGISLATIVE CLERK. On page 1, line 8, it is proposed to strike out "five thousand and five hundred" and insert "six thousand."

The PRESIDENT pro tempore. On that amendment the yeas and nays have been demanded and ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. Glass]. I am not informed how he would vote, so I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. McKellar (when Mr. Stewart's name was called). The junior Senator from Tennessee [Mr. Stewart] is absent. If he were present, he would vote "yea."

The roll call was concluded.

Mr. AUSTIN. I announce the following pairs:

The Senator from Maine [Mr. Hale] with the Senator from Iowa [Mr. Gillette]. If present, the Senator from Maine would vote "yea," and the Senator from Iowa would vote "nay."

The Senator from Idaho [Mr. Borah] with the Senator from Tennessee [Mr. Stewart]. If present, the Senator from Idaho would vote "nay," and the Senator from Tennessee would vote "yea."

The Senator from Kansas [Mr. Capper] with the Senator from California [Mr. Downey]. If present, the Senator from Kansas would vote "nay," and the Senator from California would vote "yea."

Mr. LEWIS. I announce that the Senator from California [Mr. Downey], the Senator from Iowa [Mr. Gillette], the Senator from West Virginia [Mr. Holt], and the Senator from South Carolina [Mr. Smith] are detained from the Senate because of illness.

The Senator from Tennessee [Mr. Stewart] is absent on important public business.

The Senator from Florida [Mr. Andrews] and the Senator from Maryland [Mr. Tydings] are engaged in conference in Government departments and are unable to be present for the vote.

The Senator from Virginia [Mr. Glass] is unavoidably detained.

I am advised that if present and voting the Senator from West Virginia [Mr. Holt] would vote "nay."

The Senator from Massachusetts [Mr. WALSH] is in a conference at the Department of Justice with the Attorney General. If present and voting, he would vote "yea."

The result was announced—yeas 54, nays 28, as follows:

YEAS—54

Ashurst	Gerry	Lodge	Reynolds
Austin	Gibson	Logan	Russell
Bailey	Green	Lucas	Schwartz
Bankhead	Guffey	Lundeen	Schwellenbach
Barbour	Gurney	McKellar	Sheppard
Barkley	Hatch	Maloney	Smathers
Bilbo	Hayden	Mead	Taft
Bone	Herring	Minton	Thomas, Okla.
Byrnes	Hill	Neely	Thomas, Utah
Caraway	Holman	O'Mahoney	Truman
Chavez	Hughes	Overton	Wagner
Connally	Johnson, Colo.	Pepper	White
Ellender	Lee	Pittman	
George	Lewis	Radcliffe	

NAYS—28

Adams	Danaher	La Follette	Reed
Brown	Davis	McCarran	Tobey
Bulow	Donahey	McNary	Townsend
Burke	Frazier	Miller	Vandenberg
Byrd	Harrison	Murray	Van Nuys
Clark, Idaho	Johnson, Calif.	Norris	Wheeler
Clark, Mo.	King	Nye	Wiley

NOT VOTING—14

Andrews	Downey	Holt	Tydings
Borah	Gillette	Shipstead	Walsh
Bridges	Glass	Smith	
Capper	Hale	Stewart	

So the amendment was agreed to.

The PRESIDENT pro tempore. The next amendment reported by the committee will be stated.

The next amendment was, on page 5, line 1, before the word "officers", to strike out "Reserve" and insert "reserve"; in line 3, after the word "thousand", to strike out "Reserve officers of" and insert "reserve officers in"; in line 5, after the word "thousand", to strike out "Reserve officers of" and insert "reserve officers in"; in line 7, after the word "hundred", to strike out "Reserve officers of" and insert "reserve officers in"; in line 10, after the word "such", to strike out "Reserve" and insert "reserve"; in line 12, after the word "of" where it occurs the second time, to strike out "Air Corps Reserve officers" and insert "reserve officers of the Air Corps"; in line 22, after the word "any", to strike out "Reserve" and insert "reserve"; in line 24, after the word "any", to strike out "Reserve Corps" and insert "reserve," so as to read:

SEC. 5. Section 1 of the act entitled "An act to amend the National Defense Act," approved August 30, 1935 (49 Stat. 1028), is hereby amended to read as follows:

"That the President is hereby authorized to call annually, with their consent, upon application to and selection by the War Department, for a period of not more than 1 year for any one officer, for active duty with the Regular Army, such numbers of reserve officers in the grade of second lieutenant, as are necessary to maintain on active duty at all times not more than 1,000 reserve officers in the promotion-list branches other than the Air Corps, not more than 3,000 reserve officers in the Air Corps, and not more than 300 reserve officers in the non-promotion-list branches: *Provided*, That in the non-promotion-list branches and the Judge Advocate General's Department, such reserve officers may be in any grade not above captain: *Provided further*, That until July 1, 1949, the tour of active duty of reserve officers of the Air Corps may, in the discretion of the Secretary of War, be extended not to exceed a total of 7 years' active service in all, and thereafter not to exceed a total of 5 years' active service in all: *Provided further*, That in the non-promotion-list branches and the Judge Advocate General's Department, the tour of active duty may, in the discretion of the Secretary of War, be extended not to exceed a total of 2 years' active service in all: *And provided further*, That nothing herein contained shall require the termination of active duty of any reserve officer because of promotion to a higher grade after his tour of active duty begins. The tour of any reserve officer on active duty may be terminated at any time, in the discretion of the Secretary of War."

The amendment was agreed to.

The next amendment was, on page 6, line 2, after the word "all", to strike out "officers (including warrant officers) and all" and insert "officers, warrant officers, and."

Mr. BARKLEY. Mr. President, I desire to make some inquiries of the Senator from Texas concerning the amendment at the top of page 6, and also another one in lines 12 and 16

which have not as yet been read. As amended by the committee, the proviso at top of page 6 reads:

Provided further, That all officers, warrant officers, and enlisted men of the Army of the United States.

The Senate committee has stricken out language in the House bill which reads as follows:

officers (including warrant officers) and all National Guard, Reserve Corps, or any other armed forces of the United States, however designated.

What is the reason for the change of the language in this provision?

Mr. SHEPPARD. The language recommended by the Senate committee merely expresses the same idea in another way.

Mr. BARKLEY. The amendment now under consideration is an amendment changing the language of the House bill, which provides—

That all officers (including warrant officers) and all enlisted men of the National Guard, Reserve Corps, or any other armed forces of the United States, however designated, other than the officers and enlisted men of the Regular Army, if called into the active military service by the Federal Government for extended military service in excess of 30 days, and suffer disability or death in line of duty from disease or injury while so employed, shall be deemed to have been in the active military service during such period and shall be in all respects—

That is all really one provision.

Mr. SHEPPARD. It is all one provision.

Mr. BARKLEY. At that point the committee has stricken out the words:

upon the same footing as to pensions, compensation, retirement pay, and hospital benefits as—

And inserted the words:

entitled to receive the same pensions, compensation, retirement pay, and hospital benefits as are now or may hereafter be provided by law or regulation for—

Followed by the words of the House bill:

officers and enlisted men of corresponding grades and length of service of the Regular Army.

Mr. SHEPPARD. The Senate committee has not changed the meaning of the text as it came from the House. It is merely a more appropriate way of expressing the intent of the text.

Mr. BARKLEY. Assuming that the changes made in the language by the Senate committee are merely technical and simply, in another way, describe the men referred to in the House bill—

Mr. SHEPPARD. That is a correct interpretation.

Mr. BARKLEY. What change does that make in existing law with respect to the men covered by this paragraph?

Mr. SHEPPARD. Does the Senator mean what change does the House text make in the existing law?

Mr. BARKLEY. Both the House and the Senate text.

Mr. SHEPPARD. The Senate committee did not change the virtual meaning of the House text. The effect of the House text was to permit National Guard and Reserve officers and enlisted men in both of these components, when called into active military service, to have the same pension benefits—retirement benefits, pay benefits when wounded or disabled or killed—as are possessed by their brothers in the Regular Army fighting by their side.

Mr. McKELLAR. Ought not that to be done?

Mr. SHEPPARD. The Senate committee thought that it should be done.

Mr. McKELLAR. The language of the House text is:

National Guard, Reserve Corps, or any other armed forces of the United States, however designated.

Is not that more inclusive? A great many members of the National Guard believe that the provision as proposed by the Senate committee will eliminate them if they are called into the Army. That may not be so; but if it was not intended by the committee to exclude the National Guard, the Reserve Corps, or any other armed forces, why not say so in the bill, so that there may be no doubt about it? It seems to me the language of the House bill is all-inclusive

and cannot be misunderstood. It ought not to be misunderstood, because if the men of the National Guard take part in a war in the Army of the United States they ought to be treated exactly the same way that officers and men of the Regular Army are treated. That has been the case heretofore. So I believe that the amendment should be voted down and the House language retained in the bill.

Mr. SHEPPARD. The representative of the National Guard who came before the committee suggested the amendment, and this was concurred in by the other witnesses.

Mr. BARKLEY. Let me ask the Senator another question. I am seeking information, because I am told by representatives of the War Department that this provision will apply to Reserve officers who have not been in active service, but who have been called by the Federal Government into service, for instance, in the Civilian Conservation Corps camps. I am informed there are about 5,000 Reserve officers now serving in the Civilian Conservation Corps camps as superintendents, directors, and what not, and that all of them were drawn from civil life. While they were Reserve officers they were not serving in the Army; they had no direct connection with the Army except that they were Reserve officers subject to call. They were engaged in their ordinary civilian activities. They may have been merchants, lawyers, railroad men, or engaged in any other occupation. They were probably not only not serving in the Army at the time but it may be that some of them were unemployed, but as Reserve officers, to the number of about 5,000, they have been called into active service to take charge of Civilian Conservation Corps camps somewhere in the United States.

I have also been told that the inclusion of this provision would result in the discharge of men who are Reserve officers and who are now serving in the Civilian Conservation Corps camps, an employment which they desired, an employment which they sought, an employment which carries with it no particular hazard; and that if this provision should be included in the law, they would be entitled while serving in these camps to the same compensation, the same longevity pay, the same retirement privileges accorded to officers of the Regular Army if they should become injured in any way while rendering service in these camps or if they became incapacitated by reason of illness; and that the cost of reemploying outside of the Reserve officers other men qualified to be in charge of these camps would be somewhat increased over what is now the outlay. Can the Senator inform us about that; because these questions that I am asking have been raised by representatives of the War Department? They are, frankly, very much disturbed about this provision. The estimate cost has gone as high as \$50,000,000, and they say they have no idea how much it may be. Can the Senator enlighten the Senate about that?

Mr. SHEPPARD. Whatever a Regular Army officer would get in the service of a C. C. C. camp the National Guard officers and Reserve officers would get under this measure. However, those who sponsored this amendment, the Disabled Veterans' Association, the American Legion, and the National Guard Association, all dispute the contention of the Department. The Department is not in favor of this measure.

Mr. BARKLEY. I am trying to get information.

Mr. SHEPPARD. I understand. Let me add that these officers are detailed for duty with the C. C. C. under an arrangement by which the C. C. C. bears all the expenses of such officers, such as pay, travel, and so forth.

Mr. BARKLEY. Of course, that is true, but suppose they are called into active service, the C. C. C. has no authority over them. The War Department calls them into service as Reserve officers, and they are assigned to these camps. If it turns out that while in one of these camps they are injured by an automobile accident, by the falling of a tree or in any other way, in line of their duty, they would be entitled, under this provision, to the same benefits as if they were serving in the Army, in an Army camp, or even on the field of battle. Is that true?

Mr. SHEPPARD. They would have the same benefits that a Regular Army officer would have if he were employed in the C. C. C.

Mr. BARKLEY. No; not if he were employed in the C. C. C.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LOGAN. I should like to call the attention of my colleague to the fact that the language of the bill itself—and I may say this provision received most careful consideration at the hands of the committee; it was considered almost line by line—merely provides—

Provided further, That all officers, warrant officers, and enlisted men of the Army of the United States, other than the officers and enlisted men of the Regular Army, if called or ordered into the active military service by the Federal Government for extended military service in excess of 30 days—

And so forth. Service in the C. C. C. is not military service—

Mr. BARKLEY. It may not be.

Mr. LOGAN. And they are not called into the military service when they are sent to C. C. C. camps.

Mr. BARKLEY. If a member of the National Guard or Reserve officer who has become a Reserve officer either by graduation at West Point, or by serving a period in the Army, or by going through an aviation school in Texas or elsewhere, is called into the actual military service in time of war or insurrection or other dangerous situation, where he will be subject to the same sort of service and liable to the same sort of injury to which an officer or enlisted man of the Regular Army might be subject, I do not think the fact that he was called into the service, and not a part of the Regular Army, ought to deprive him of receiving the same amount of compensation that the Regular Army officer or enlisted man would receive for injuries received in battle, or in any other military activity. I am wondering, however, whether the use of the words "military service" might not include the service to which I have made reference, because the man would not be called to that service except for the fact that he is a Reserve officer of the Army.

Mr. LOGAN. But a Reserve officer may be called into something that is not active military service, and certainly assigning him to a C. C. C. camp would not be assigning him to active military service. If, however, he should be called from a C. C. C. camp, not because he was connected with it but because he was a Reserve officer, and then he had active military service for more than 30 days, if his service extended that long, he would be entitled to exactly the same benefits to which any Regular Army officer would be entitled if he received an injury or death resulting directly from the service; and that is what that provision means.

Mr. BARKLEY. Mr. President, let me ask a question. Originally a man had to be in service 90 days before he became entitled to a pension or compensation?

Mr. LOGAN. Yes.

Mr. BARKLEY. That period was reduced to 75 days, and I think that is now the law. If the period has been reduced below that number of days, I do not know it. Does this language mean that these men would be entitled to these privileges after 30 days' service in the Army?

Mr. LOGAN. Oh, no!

Mr. BARKLEY. Does it change the 75-day period?

Mr. LOGAN. What the provision was largely intended for, as I understood, was this: The National Guard is called into active military service once a year, usually for only 15 days; but when its officers are called into active military service at the camps, and serve there for as much as 30 days, and receive injuries, they are entitled to just the same privileges to which Regular Army officers are entitled.

That is about the only thing the provision does. Under the present law National Guard officers are not so entitled, and they do have injuries and deaths, for which they or their dependents receive nothing. This provision was intended largely to take care of Reserve officers who are called into active military service and serve for 30 days in one period, or

officers of the National Guard when called into the active military service. There is no provision now by which officers who are called for temporary service may receive anything in case of injury.

Mr. BARKLEY. In the case of a war in which the Army is engaged in military activities on the battlefield or in training, is it the law that members of the National Guard of the various States drawn into the United States Army and becoming a part of it are not now entitled or would not be entitled to compensation in case of injury in battle, or their dependents to compensation in case of death in active military service in a war? That is not now the law, as I understand.

Mr. LOGAN. I am not so sure about that. I cannot answer that question.

Mr. BARKLEY. Of course, as we know, all the National Guard contingents in the country were drawn into the United States Army during the World War.

Mr. LOGAN. They became a part of it.

Mr. BARKLEY. They became a part of it. After that occurs, if there is a war and they are injured in battle, or if they are injured by reason of exposure or any other reason that would disable a soldier, are they not now entitled to compensation, pensions, hospitalization, and other things such as anybody in the Regular Army would be entitled to?

Mr. LOGAN. When they become a part of the Army by being called into the service, I think that is true.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Kentucky [Mr. LOGAN], who is a member of the Military Affairs Committee, if this matter was discussed before the committee, and is the Senator of the opinion, and was the committee of the opinion, that the language as changed by the committee is just as inclusive of the National Guard and Reserve Corps, or any of the other armed forces of the United States, as is the House language?

Mr. LOGAN. I will say to the Senator from Tennessee that that is true. The language was very carefully considered, and the Senate committee reached the conclusion that the language it had incorporated in the bill expressed the purpose more clearly than the House language.

Mr. McKELLAR. And the Senator from Kentucky himself is fully convinced that that is true?

Mr. LOGAN. Absolutely. I have no doubt about it.

Mr. McKELLAR. I will take the Senator's word for it.

Mr. BARKLEY. In other words, the Senator construes this language not as going any further than the House language, but as being better and more appropriate language?

Mr. LOGAN. Absolutely. My colleague is right.

Mr. GEORGE. Mr. President, I wish merely to make a brief observation. When an officer of the Reserve Corps is sent to a C. C. C. camp now, he is called back to active service and is assigned to the C. C. C. camp. I apprehend that the primary purpose and the only point at issue in this amendment arises with respect to officers of the National Guard and Reserve officers when they are called into actual service, or any of the other units having officers called into actual service during an emergency, during a war period; the real point of controversy being the same old point that arose over the emergency officers' retirement privilege.

We had that conflict here in the Senate. We finally gave to the emergency officers of the World War, the same, or substantially the same, retirement benefits that were given to the officers of the Regular Army. Immediately after the war the same benefits were given to the emergency officers in the Navy and in the Marine Corps. They were denied to emergency officers of the Army for some years, until the bill came along known as the Tyson bill. I was at that time a member of the Military Affairs Committee. We then gave to the emergency officers of the World War retirement benefits.

As I understand, the National Guard is a part of the armed force of the country. It is a Federal force, but only in the sense that in actual wartime, when called into actual service, it is given all the privileges of the other part of the force. But I desire to say now that if one of the Reserve officers called back into actual service is assigned to a C. C. C. camp

and suffers a disability he may be compensated. The National Guard officers have some kind of compensation, but it is not the same compensation that is given to the officers of the Regular Army; nor would the National Guard officers or the Reserve officers called into actual service in wartime have the benefit of retiring as Regular Army officers unless this amendment should be adopted.

The whole point of this controversy is the same point that arose when the Senate some years ago established once and for all, I hope, the public policy of regarding our emergency officers as regular officers of the Army if in actual duty, and in line of duty, they suffered a disability which entitled them to retirement benefits. That, Mr. President, as I understand, is the purport of this amendment and is substantially the whole effect of the amendment.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GEORGE. Yes; I yield.

Mr. BARKLEY. That being true, then an officer of any National Guard organization called into what is called training service once a year, for 2 weeks or 3 weeks, would not be entitled to any compensation or any of the privileges provided in this section. He would not be entitled to compensation for injury unless he was in the service or in that training camp for at least 30 days. In other words, if a National Guard officer at Fort Knox, Ky., for instance, is injured in the course of the annual maneuvers for 21 or 27 days, he does not have any of these privileges at all; but if he is there for 31 days, he does. Is that the effect of this amendment?

Mr. GEORGE. I do not understand that to be the effect of this particular amendment so far as the National Guard officers are concerned. It may be. There are present members of the Military Affairs Committee who are better qualified than I am to speak on that subject.

Mr. BARKLEY. It is provided that these privileges shall accrue whenever officers are drawn into the service for a period of more than 30 days, which would seem to carry the implication that unless they are drawn into the service for at least that much time they will not obtain any of these privileges if they are injured in the line of their duty in these camps.

Senators are familiar with the fact that every year the National Guard assemble at various forts, and go through maneuvers, and go through rather intensive training.

Mr. GEORGE. Yes; for about 2 weeks.

Mr. BARKLEY. For about 2 weeks. Of course, if the officers are there for only 2 weeks, they cannot come in under this provision; but if they are there for more than 30 days, they can.

Mr. GEORGE. Probably that is true, if that is regarded as part of the active duty, if they are in active service during that period.

Mr. BARKLEY. If such men are entitled to longevity, for instance, because of being in the service for more than 30 days, or if they are entitled to compensation for the loss of a limb in some military activity in these training camps or maneuvers after 30 days, would there really be any equity in denying compensation to a man similarly injured who had been there only 2 weeks and was injured under the same circumstances?

Mr. McKELLAR. Mr. President, I think it is the practice of the Army not to permit these maneuvers or training to be conducted for as long a period as 30 days.

Mr. GEORGE. I am not prepared to speak with respect to the National Guard officers; but I think I can safely say that if Reserve officers were called back into active service, they then would be entitled to all the retirement benefits accorded to the officers of the Regular Army.

Mr. BARKLEY. Would the Senator interpret this language to mean that if a Reserve officer, who has been a Reserve officer, we will say, for years, is called back into active service and assigned to a Civilian Conservation camp, he is in active military service as if there were an emergency?

Mr. GEORGE. I think he is in active service, and if he suffers disability arising in line of duty, he is entitled to compensation.

Mr. BARKLEY. Although his work there is connected with a civilian activity and is not essentially military?

Mr. GEORGE. I think so, unless by contract with the Civilian Conservation Corps he is taken out of that class.

Mr. REED. Mr. President, I rise only in connection with what was said by the Senator from Tennessee. Since this matter has been pending, I have received a number of letters from National Guard and Reserve officers in camps. All of them, if I correctly interpret their attitude, prefer the language of the bill as reported by the Senate committee. They have referred to their preference for the separate handling of the National Guard and the Reserve officers' situation with relation to the Regular Army matter as reported by the committee in the bill, and therefore I am for the amendment of the committee in this respect.

Mr. HILL. Mr. President, will the Senator yield?

Mr. REED. I yield.

Mr. HILL. The record shows that the language as it went into the bill in the House was inserted after being rather hastily drafted. It was not maturely considered, or not written with a great deal of care. The House committee had no hearings on the provision at all.

The language having been inserted in the bill under those circumstances, when the bill came to the Senate Committee on Military Affairs that committee proceeded to hold hearings in order to make sure that the language would do what was sought to be done. As a result the Senate Committee on Military Affairs had before it Maj. Gen. Milton A. Reckford, the spokesman of the National Guard Association of the United States; Col. John Thomas Taylor, of the American Legion; Col. Millard W. Rice, of the Veterans of Foreign Wars; and Mr. L. S. Ray, representing the Disabled Emergency Officers organization. It was after hearing these gentlemen, and after considering the House language with considerable care, that the Senate committee decided to amend the language of the House bill. For that reason the Senate committee brings this amendment to the floor of the Senate today, because the language of the Senate committee amendment has been carefully considered, and has been carefully worked out, whereas, as I have stated, the House language was not carefully drafted.

Mr. CLARK of Missouri. Mr. President, will the Senator from Kansas yield?

Mr. REED. I yield the floor.

Mr. CLARK of Missouri. Let me ask the Senator from Alabama if it is not a fact that there is no substantial dispute between the House and the Senate as to this provision? The only dispute is between the House and the Senate, on the one hand, and the War Department, on the other, which is opposed to the whole proposition? The War Department is opposed to it exactly in the same way that it was opposed to putting emergency officers who were permanently disabled during the World War on the same footing with Regular Army officers. It is the same old controversy; the War Department always opposes any proposal to put on the same footing with enlisted men and officers of the Regular Army men who are not in the Regular Establishment, but who may make the same sacrifices, suffer the same disabilities, and be under the same economic disadvantages.

While I am on my feet, I express the opinion that if there were written into the bill a provision making the appropriation payable through the Veterans' Administration instead of being carried in the War Department appropriation bill, the War Department would withdraw its objection.

Mr. HILL. Mr. President, the War Department suggested that if the provision were to be carried in the bill the Department would much prefer to have the administration in the hands of the Veterans' Administration, rather than the War Department. But the Senator from Missouri is absolutely correct in saying that the House of Representatives and the Senate Committee on Military Affairs are in full and complete accord and agreement as to the purposes and the ends sought by this provision in the bill.

The Senate Committee on Military Affairs believes that, having given the language greater consideration, and having had hearings, the provision has been more carefully

worked out, and I think that the author of the House language, Representative EDMISTON, of West Virginia, in his appearance before the Senate Committee on Military Affairs, made it very clear that he was not sure that the House language was drawn just as it should have been, and that what he was seeking was to get the provision in the bill in the best possible language.

Mr. LOGAN. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. LOGAN. I desire to call attention to the fact that a while ago I was asked whether members of the National Guard receive the same benefits, when they are called into the armed forces of the United States in time of war, as do members of the Regular Army. I think I stated that they did. But the statement made by the Senator from Georgia [Mr. GEORGE] a few minutes ago is correct; they do not receive the same benefits.

Mr. HILL. The difference between a Reserve officer and an officer of the National Guard is simply that a Reserve officer holds a reserve commission in the Army of the United States. The Army of the United States, of course, is the Federal Army. An officer of the National Guard holds a commission in the National Guard of the State of which he happens to be a citizen, and the National Guard is simply the State militia.

Under the present law the National Guard does not become a part of the Army of the United States, does not come into the Federal service, until and unless it is called in by the President of the United States when the Congress of the United States has declared a state of war or a state of emergency to exist. We have to bear that in mind. A Reserve officer is an officer of the United States. A National Guard officer is an officer of a State. That is why there is some difference between what a Reserve officer of the Federal Army receives and what an officer of the State National Guard receives.

Mr. McKELLAR. When he is called into the service of the United States he is entitled to the same pay.

Mr. HILL. When he enters the Federal Army, of course, he gets exactly the same treatment every other officer in the Army receives.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. BARKLEY. In view of the statement made by the Senator from Missouri that the real bone of contention here is over who shall administer this provision—

Mr. CLARK of Missouri. Let me correct the Senator. I did not say that. I stated it was the same old dispute, that there was no dispute between the Senate and the House, but that the War Department is objecting to putting emergency officers, or temporary officers, or Reserve officers, or National Guard officers, whatever they may be called, on the same footing with officers of the Regular Establishment when they suffer similar injuries. I would venture the statement on my own responsibility that if the whole charge on the Government by this amendment were transferred from the War Department appropriations to the Veterans' Bureau, the War Department would not be in nearly such great opposition. What I said was that it was a dispute, not between the Senate and the House, but between both the Senate and the House and the War Department.

Mr. BARKLEY. I understand that, but I thought the Senator said that if the administration of the amendment were changed from the War Department to the Veterans' Bureau, the War Department would withdraw its opposition.

Mr. CLARK of Missouri. That was merely an observation.

Mr. BARKLEY. I do not know whether or not the Senator was speaking by the card, but if that be true, and Congress desires to adopt this as a policy for the future, what objection would there be to transferring the administration of the provision to the Veterans' Administration? The Veterans' Administration administers all other pension laws. I am not advocating it, but if that is an objection which would be composed by the transfer, what would be the objection to the transfer?

Mr. CLARK of Missouri. One objection may be illustrated by what a man in Missouri said, that a bird in the hand is the noblest work of God. I know that unless we included the men in the Reserve Corps and the men in the National Guard by a provision in a bill that was not going to be vetoed by the President of the United States, the War Department would go over and get him to veto a separate measure containing such a provision.

Mr. BARKLEY. I never make any prediction about vetoes, but I do not see that there would be any material difference in the manner in which this would be administered if it were in one department rather than in another.

Mr. CLARK of Missouri. It is the difference between getting it and not getting it.

Mr. HILL. I think I can give the Senator a better answer, perhaps, with all apologies to the Senator from Missouri. The reason why this should be in the War Department rather than in the Veterans' Administration is that these men will be examined by Army doctors when they leave the Army. Whether they leave because their time is up, or whether they leave because of some injury or disability, they will be examined by Army doctors, who will be the ones to pass on whether or not they have disabilities, and, if so, the nature of the disabilities. That being the case, I believe it is better to have the War Department administer the provision than for these men to leave the Army and then perhaps come back weeks or months afterward to be examined by some doctor of the Veterans' Administration.

One other brief point, and I will take my seat. The distinguished Senator from Kentucky, I believe, suggested that the present law contains a provision whereby an officer or enlisted man had to be in the service 75 days, originally 90 days, before he could draw compensation.

As the distinguished Senator from Kentucky knows, we have two different types of compensation for what we may call disability payments. One is what we generally call disability compensation, which a man draws because of a direct service-connected disability. In that case there is no requirement as to any length of service, 75 days or 90 days. If the man went into the service and on the first day suffered an injury in line of duty, because of his being in the service, he would get disability compensation.

We also have, on the other hand, the non-service-connected compensation, or as we call it, allowance. That is paid when a man who served in the Army incurs some disability, we will say, today, but is unable to prove that his disability is directly caused by his service. In that case he has to show that he was in the Army some 75 days. What is provided in the bill is only for injury and disability that is service connected. So the 75- or 90-day requirement would not apply or be a precedent in that case.

Mr. BARKLEY. I am familiar with that difference between service-connected and non-service-connected requirements. Is it the Senator's contention and belief that the language of the amendment does not in any way affect the existing difference between non-service-connected and service-connected disabilities?

Mr. HILL. I do not think the language affects it. As I read and construe the language it applies only to what we term a service-connected disability.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. LUCAS. I should like to ask the Senator from Alabama whether or not he agrees with the Senator from Georgia with respect to the question that was asked concerning a Reserve officer who is called into active service for duty in a C. C. C. camp, who, after staying in the camp for a period of 30 days or more is injured. In such a case would he receive the same benefits in the way of pensions or compensation as are provided by the law for Regular officers?

Mr. HILL. I heard the answer made by the Senator from Georgia and thought I agreed with him until I read the language of the bill, which says "into the active military service by the Federal Government." I cannot honestly answer the Senator's question. I do not know whether or not a Reserve officer who is called to a C. C. C. camp would be held to be in

the active military service. I want to be perfectly candid and say that, of course, the language in the bill had in contemplation service other than C. C. C. service, because the bill does not in any way affect or touch the C. C. C.

Mr. LUCAS. I ask the Senator if he can tell me under whose authority or jurisdiction a Reserve officer is who is called back into the service for work in a C. C. C. camp?

Mr. HILL. I would say that that Reserve officer is under the jurisdiction of the commanding general of the particular corps area in which he happens to be serving.

Mr. LUCAS. Through what fund does he get his pay?

Mr. HILL. I am not sure whether he gets his pay from a War Department fund or from a C. C. C. fund; and not being sure, I will not hazard a guess. I am quite sure that he is under the command and direction of the commanding general of his corps area, but from which fund his pay comes I cannot say. Perhaps some other member of the committee can give the Senator that information.

Mr. LUCAS. In view of what seems to be a disagreement between members of the committee as well as other Members of the Senate as to that very important question, I should think the committee would want that matter cleared up.

Mr. HILL. On the question of difference between Members, I wish to say that the Senator must bear in mind that the bill in no way whatever deals with the C. C. C. It does not make any provision for the C. C. C. It does not have anything at all to do with the C. C. C.

Mr. LUCAS. I appreciate that.

Mr. HILL. For that reason perhaps the committee did not go into the question of the C. C. C., as it would have done had the bill anything to do with the C. C. C., which it does not.

Mr. LUCAS. But one very distinguished Senator—he is not only a very distinguished Senator but a very able lawyer—says he believes that under the amendment an individual who is called from the Reserve Corps into a C. C. C. camp and serves there over a period of 30 days, and then becomes injured is subject to the provisions of the measure. A moment ago the Senator from Kentucky [Mr. BARKLEY] referred to statements by officers of the Army that probably \$50,000,000 might be involved in connection with this very provision. The Senator from Alabama now says that he does not believe the provision will apply to a Reserve officer in a situation of that kind, because assignment to a C. C. C. camp cannot be considered as active military service. I am inclined to agree with the Senator from Alabama, but his view is in direct conflict with the opinion of the Senator from Georgia.

Mr. HILL. I am delighted to know that the very able and distinguished Senator who has just spoken agrees with me. I do not think C. C. C. service would be construed to be active military service, and, unless it is so construed, officers on duty with the C. C. C. would not come in under the provision.

Mr. BARKLEY. Have the President or the War Department authority to call back Reserve officers for anything but military service?

Mr. HILL. The Senator uses the word "call", and that might be subject to several constructions. As the Senator knows, there are many more applicants than there are places. The distinguished Senator has heard the old saying, "Many are called, but few are chosen." There are many applicants, but not all are chosen.

Mr. BARKLEY. But whenever a Reserve officer finds himself in charge of a C. C. C. camp he is both called and chosen. The question I asked is whether the Federal Government—the President or Secretary of War—have any authority to call him for any service except a military service, and if they cannot call him for any other service, and they do call him for service in a C. C. C. camp, may it not be military service?

Mr. HILL. It may be.

Mr. KING. Mr. President, I confess that this discussion, which usually clarifies questions, has not, so far as I am concerned, made very clear the obligation resting upon the Federal Government with respect to officers who may be

called to serve in C. C. C. camps. It seems to me that before the bill leaves the Senate that matter ought to be distinctly and definitely determined.

I agree with the Senator from Alabama that the bill is one which does not directly, at any rate, deal with C. C. C. camps. Nevertheless, it is conceded that Reserve officers are called into the respective C. C. C. camps. Some may be lieutenants. Perhaps they are excluded. Certainly captains and perhaps officers of higher rank are called for service in C. C. C. camps. We ought to know what is the obligation of the Federal Government; whether such officers are to be paid out of the C. C. C. fund or whether they are to be paid by the War Department, or whether they come under the jurisdiction of the organization that deals with pensions and disabilities. It seems to me there should be an amendment which would make that matter clear before we finally act on the bill.

I do not know now what is the obligation of the Federal Government. I do not know whether the C. C. C. camp officers are called out under the authority of the President of the United States, or by the President of the United States, or by some corps commander, nor do I know the duties and obligations resting upon them; whether they are independent of the Army discipline, or dependent solely upon the contract which they may enter into with the C. C. C. authority.

I wish those in charge of the bill would make that matter clear, at least to my understanding, so that there would be no misconception as to interpretation of the obligation which ultimately must rest upon the Treasury of the United States. Until that matter is cleared, I should feel obliged to vote against the measure.

Mr. BARKLEY. I do not desire to prolong the discussion, but I wish to call the attention of the members of the Military Affairs Committee to one matter. Of course, if the amendment is left in the bill it will go to conference; but the conferees cannot go beyond the limits of the language contained in the bill in order to clear it up. The reason I have been somewhat anxious about the matter is that many Reserve officers who are in charge of civilian conservation camps have not been called to any kind of service for years, and many more are applicants for these jobs than have been provided with them. It is a job to many of them who have been unemployed, and by reason of their status as Reserve officers they have been given preference in the distribution of these positions.

I do not consider superintendency over a C. C. C. camp to be as desirable and as worthy or as being in the same category with military service in the field of battle or in a camp. The language ought to be clarified. If the present language remains in the bill it may mean the discharge of the 5,000—if that is the number—Reserve officers who have sought these places and been appointed to them because they meant jobs to them.

They may not be on the same basis with the National Guard, who are called to a training camp once a year; but, in order to avoid an interpretation which would include them in the privileges accruing to the military service, and involve the expense that would follow the interpretation that they are in military service, the Department might have to discharge all of them and employ civilians in their places. That would be an unfortunate thing for the camps and also for these men.

If the amendment is agreed to, I hope the Senator from Texas, when the bill gets into conference, may find someone to clarify that language, so there will be no misunderstanding of what it means.

Mr. KING. I may add to what I said a while ago that I shall be disposed to vote against the bill for several reasons, among others the matter under discussion, unless it is clearly determined what are the obligations of the Federal Government. I should be unwilling to vote for an amendment which would place 5,000 Reserve officers who have sought and obtained positions in the various camps, in the same category as military officers, and which would give them the same disability benefits and pension benefits that are enjoyed by men

who are giving their lives to the military service of the United States.

If A, a Reserve officer, who has served only a few months, and perhaps has never been overseas, is now assigned to one of these camps, and there sustains a disability, I feel that it would be unfair to place him in the same category and give him all the benefits enjoyed by men who are giving their lives to the Army, and who suffer disabilities in line of duty in the Army. I think this question ought to be clarified by a proper amendment before the bill leaves the floor of the Senate.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. KING. I yield the floor.

Mr. MINTON. I do not know whether or not my statement will add anything to the sum total of our knowledge on the subject. However, I asked the War Department about the relationship of the Reserve officers to the C. C. C. camps. The office of the Chief of Staff advises me that Reserve officers are called into service by the War Department, but they are paid from C. C. C. funds, which are handled by the War Department acting as the fiscal agent for the C. C. C. camps.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 6, line 2.

The amendment was agreed to.

The next amendment was, on page 6, line 3, after the word "the", to strike out "National Guard, Reserve Corps, or any other armed forces of the United States, however designated" and insert "Army of the United States"; in line 6, after the word "called", to insert "or ordered"; in line 8, after the word "and" to insert "who"; in line 10, before the word "shall", to strike out the comma and "they"; and in line 12, after the word "respects", to strike out "upon the same footing as to pensions, compensation, retirement pay, and hospital benefits as" and insert "entitled to receive the same pensions, compensation, retirement pay, and hospital benefits as are now or may hereafter be provided by law or regulation for", so as to make the section read:

Provided further, That all officers and enlisted men of the Army of the United States, other than the officers and enlisted men of the Regular Army, if called or ordered into the active military service by the Federal Government for extended military service in excess of 30 days, and who suffer disability or death in line of duty from disease or injury while so employed, shall be deemed to have been in the active military service during such period and shall be in all respects entitled to receive the same pensions, compensation, retirement pay, and hospital benefits as are now or may hereafter be provided by law or regulation for officers and enlisted men of corresponding grades and length of service of the Regular Army.

The amendment was agreed to.

The next amendment was, on page 7, line 17, after the word "active", to strike out "duty," and insert "duty"; in line 19, after the name "Air Corps Training Center", to insert "except that such officers now commissioned in or to be commissioned in the Air Corps, Regular Army, under the provisions of this act shall be commissioned as otherwise herein provided"; in line 23, before the word "from", to insert "from Reserve officers and"; on page 8, line 6, after the word "thirty", to strike out "years:" and insert "years; except as herein provided. Those officers who are commissioned in or to be commissioned in the Air Corps, United States Army, shall be given constructive service for all duties served by them as Reserve officers or cadets, serving as such, in the Air Corps after graduation from the Air Corps Training Center: *Provided*, That this constructive service will count to the credit of such Reserve officers when so commissioned for pay purposes, longevity, and position on the promotion list: *Provided further*, That no officer so commissioned in the Air Corps will exceed the legal age limit, as established by this act, by a period of time greater than the amount of constructive service so awarded: *Provided further*, That this provision shall only apply to officers in the grade of first and second lieutenants now commissioned in or who may be commissioned in the Air Corps:"; on page 9, line 5, before the word "officers", to strike out "Reserve" and insert "reserve"; in line 14, after the word "among", to strike out "Reserve" and insert "reserve"; and in line 20,

before the word "judge", to strike out "Reserve" and insert "reserve", so as to make the section read:

SEC. 7. Section 24e of the National Defense Act, as amended (41 Stat. 774), is hereby amended to read as follows:

"Except as otherwise herein provided, all appointments in the Regular Army shall be made in the grade of second lieutenant from the following groups: Group 1, from graduates of the United States Military Academy; group 2, from warrant officers and enlisted men of the Regular Army who have had at least 2 years' service; group 3, from honor graduates of the senior division of the Reserve Officers' Training Corps; group 4, from members of the Officers' Reserve Corps and flying cadets, who have completed not less than 1 year's active duty under the provisions of this act, which duty may include service as a flying cadet in the Air Corps Training Center; except that such officers now commissioned in or to be commissioned in the Air Corps, Regular Army, under the provisions of this act shall be commissioned as otherwise herein provided and group 5, from reserve officers and from officers, warrant officers, and enlisted men of the National Guard, members of the Enlisted Reserve Corps, and graduates of technical institutions approved by the Secretary of War: *Provided*, That, after all qualified members of group 1 have been appointed, appointments from the second, third, fourth, and fifth groups shall be made in accordance with such regulations as the Secretary of War may prescribe, from persons between the ages of 21 and 30 years; except as herein provided. Those officers who are commissioned in or to be commissioned in the Air Corps, United States Army, shall be given constructive service for all duties served by them as reserve officers or cadets, serving as such, in the Air Corps after graduation from the Air Corps Training Center: *Provided*, That this constructive service will count to the credit of such reserve officers when so commissioned for pay purposes, longevity, and position on the promotion list: *Provided further*, That no officer so commissioned in the Air Corps will exceed the legal age limit, as established by this act, by a period of time greater than the amount of constructive service so awarded: *Provided further*, That this provision shall only apply to officers in the grade of first and second lieutenants now commissioned in or who may be commissioned in the Air Corps: *Provided further*, That the number to be selected from each of the second, third, fourth, and fifth groups, and the number to be assigned to each branch of the service within the limits prescribed by law from all groups shall be determined by the Secretary of War in his discretion: *Provided further*, That until June 30, 1949, the total number of officers to be appointed annually from group 4, not including flying cadets, in the promotion list branches other than the Air Corps shall be not less than 10 percent of the total number of reserve officers of such branches other than the Air Corps authorized to be called annually under appropriation acts, and in no event less than 50, and that any officer added to the Army under existing authorizations shall be within the total authorized commissioned strength of 16,719: *And provided further*, That immediately upon the effective date of this act, the President is authorized to commission not to exceed 300 second lieutenants in the Air Corps of the Regular Army, from among reserve officers and flying cadets who have qualified for such appointment under existing laws. Any vacancy in the grade of captain in the Judge Advocate General's Department, not filled by transfer or detail from another branch, may, in the discretion of the President, be filled by appointment from reserve judge advocates between the ages of 30 and 36 years, and such appointee shall be placed upon the promotion list immediately below the junior captain on said list. Appointments in the Medical, Dental, and Veterinary Corps in the grade of first lieutenant shall be made from Reserve Medical, Dental, and Veterinary officers, respectively, between the ages of 23 and 32 years. Appointments in the Medical Administrative Corps shall be made in the grade of second lieutenant from pharmacists between the ages of 21 and 32 years who are graduates of recognized schools or colleges of pharmacy requiring 4 years of instruction for graduation, under such regulations and after such examination as the Secretary of War shall prescribe. To be eligible for appointment in the Dental Corps, a candidate must be a graduate of a recognized dental college, and have been engaged in the practice of his profession for at least 2 years subsequent to graduation. Appointments as chaplain shall be made from persons duly accredited by some religious denomination or organization, and of good standing therein, between the ages of 23 and 45 years."

The amendment was agreed to.

The next amendment was, on page 12, line 12, after the word "of", to strike out "Reserve" and insert "reserve"; in line 15, before the word "who", to strike out "Air Corps Reserve officers" and insert "reserve officers of the Air Corps"; in line 19, after the word "no", to strike out "Air Corps Reserve officers" and insert "reserve officers of the Air Corps"; and in line 23, after the word "of", to strike out "Reserve" and insert "reserve", so as to make the section read:

SEC. 10. Nothing contained in this act shall be construed to affect the operation of the act of August 30, 1935 (49 Stat. 1028), with respect to the selection and commissioning, in accordance with the provisions of section 2 of that act, of reserve officers now on active duty under the provisions of that act. Upon the effective date of

this act, reserve officers of the Air Corps who are then on active duty under the provisions of section 1 of the act of June 16, 1936 (49 Stat. 1524), shall be deemed to be on active duty under the provisions of this act: *Provided*, That on and after the effective date of this act no reserve officers of the Air Corps shall be called to active duty under the provision of section 1 of the said act of June 16, 1936. Except as otherwise herein provided, nothing contained in this act shall be construed to affect the number of reserve officers that may be called to active duty under existing laws, nor the conditions and the purposes for which they may be called.

The amendment was agreed to.

The next amendment was, on page 14, line 7, after the word "thereunder", to insert a colon and the following proviso:

Provided, That for the purposes of this act educational orders shall not be considered as contracts for public work or works or for the manufacture or furnishing of materials, supplies, articles, and equipment.

So as to make the section read:

SEC. 13. That section 4 of the act approved June 16, 1938, entitled "An act to provide for placing educational orders to familiarize private manufacturing establishments with the production of munitions of war of special or technical design, noncommercial in character", be amended to read as follows:

"SEC. 4. That funds appropriated to accomplish the purposes of this act shall be available for expenditures incidental to the accomplishment of the procurements made thereunder, including production studies, factory plans, and other production data and the storage and maintenance of gages, dies, jigs, tools, fixtures, and other special aids and appliances procured thereunder: *Provided*, That for the purposes of this act educational orders shall not be considered as contracts for public work or works or for the manufacture or furnishing of materials, supplies, articles, and equipment. To carry out the provisions of this act there is authorized to be appropriated the sum of \$34,500,000, which amount shall be available during the fiscal years 1939, 1940, and 1941, and there is further authorized to be appropriated the sum of \$2,000,000 during each of the 4 fiscal years succeeding the fiscal year 1941."

MR. BARKLEY. Mr. President, I understand that the Senator from Texas, on behalf of the committee, will propose to withdraw that amendment.

MR. SHEPPARD. After consulting with the Senator from Utah [Mr. THOMAS], the Senator from Colorado [Mr. JOHNSON], the Senator from Pennsylvania [Mr. DAVIS], and the Senator from New Jersey [Mr. BARBOUR], I have concluded to withdraw that amendment.

MR. BARKLEY. I will say to the Senator that I shall be glad to see the amendment withdrawn, because it would work an injustice.

THE PRESIDENT pro tempore. Without objection, the amendment is withdrawn.

MR. BARKLEY. Mr. President, there will probably be several amendments offered from the floor. It is obvious that we cannot finish the consideration of the bill this afternoon. Therefore, I suggest that we suspend at this point.

MR. MCKELLAR. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

THE PRESIDENT pro tempore. The amendment will be stated.

THE LEGISLATIVE CLERK. On page 2, line 3, after the word "thereof" and the period, it is proposed to insert the following:

And there is hereby authorized to be appropriated for such purpose an amount not exceeding \$300,000,000.

MR. MCKELLAR. I ask that my amendment may be printed and lie on the table until tomorrow.

THE PRESIDENT pro tempore. Without objection, it is so ordered.

MEMORIAL ADDRESSES ON LIFE AND CHARACTER OF THE LATE SENATOR ROBINSON, OF ARKANSAS

MR. HAYDEN. Mr. President, from the Committee on Printing I report back favorably, without amendment, Senate Resolution 93, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 93) submitted by Mrs. CARAWAY on March 3, 1939, was considered and agreed to, as follows:

Resolved, That there be printed, with an illustration, and bound for the use of the Joint Committee on Printing, 1,000 additional copies of the volume of memorial addresses delivered or presented

in the Senate and House of Representatives on the life and character of Hon. Joseph Taylor Robinson, late a Senator from Arkansas.

PRINTING OF ADDITIONAL HEARINGS FOR TEMPORARY NATIONAL ECONOMIC COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Printing I report back favorably, without amendment, Senate Concurrent Resolution 3, and ask unanimous consent for its present consideration.

Mr. McNARY. Mr. President, may we have an explanation of the resolution?

Mr. HAYDEN. The resolution merely authorizes the Temporary National Economic Committee to print additional copies of the testimony taken before the committee, as is customary with such committees.

Mr. McNARY. It is customary?

Mr. HAYDEN. Yes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the concurrent resolution (S. Con. Res. 3), submitted by Mr. O'MAHONEY on February 6, 1939, was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring). That in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Temporary National Economic Committee of the Congress be, and is hereby, empowered to procure the printing of 5,000 additional copies of part 1 and each subsequent part of the hearings held before the said committee, who are directed by Public Resolution No. 113, approved June 16, 1938, to make a full and complete study and investigation with respect to the concentration of economic power in, and financial control over, production and distribution of goods and services.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. O'MAHONEY, from the Committee on the Judiciary, reported favorably the nomination of Charles E. Clark, of Connecticut, to be judge of the Circuit Court of Appeals for the Second Circuit, to fill an existing vacancy.

Mr. WALSH, from the Committee on Naval Affairs, reported favorably the nominations of sundry officers for promotion in the Navy.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. ADAMS, from the Committee on Public Lands and Surveys, reported favorably the nomination of Richard H. Rutledge, of Utah, to be Director of Grazing, to which office he was appointed during the last recess of the Senate, vice Farrington R. Carpenter, resigned.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

If there be no further committee reports, the clerk will proceed to state the nominations on the calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations in the Army.

Mr. BARKLEY. I ask that the nominations in the Army be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, the Army nominations are confirmed en bloc.

That concludes the calendar.

RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 58 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 7, 1939, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 6, 1939

COLLECTOR OF INTERNAL REVENUE

Joseph T. McDonald, of Scranton, Pa., to be collector of internal revenue for the twelfth district of Pennsylvania, to fill an existing vacancy.

COLLECTORS OF CUSTOMS

A. Raymond Raff, of Philadelphia, Pa., to be collector of customs for customs collection district No. 11, with headquarters at Philadelphia, Pa. (Reappointment.)

Austin J. Mahoney, of Rochester, N. Y., to be collector of customs for customs collection district No. 8, with headquarters at Rochester, N. Y. (Reappointment.)

UNITED STATES PUBLIC HEALTH SERVICE

Asst. Surg. James G. Telfer to be passed assistant surgeon in the United States Public Health Service, to rank as such from February 5, 1939.

Surg. William L. Smith to be senior surgeon in the United States Public Health Service, to rank as such from April 15, 1939.

COAST GUARD OF THE UNITED STATES

The following-named officers in the Coast Guard of the United States, to rank as such from March 1, 1939:

Boatswain James R. Ingram to be a chief boatswain.

Gunner Victor A. Johnson to be a chief gunner.

Gunner James E. Murphy to be a chief gunner.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO COAST ARTILLERY CORPS

First Lt. Maurice Monroe Simons, Air Corps, with rank from June 12, 1938.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. David McCoach, Jr., Corps of Engineers, from March 1, 1939.

Lt. Col. Edgar Warren Taulbee, Cavalry, from March 1, 1939.

Lt. Col. Francis Henry Miles, Jr., Ordnance Department, from March 1, 1939.

Lt. Col. Fred Clute Wallace, Field Artillery, from March 1, 1939.

TO BE LIEUTENANT COLONELS

Maj. Orville Monroe Moore, Field Artillery, from March 1, 1939.

Maj. Walter Rayburn McClure, Infantry, from March 1, 1939.

Maj. Charles Edward Speer, Infantry, from March 1, 1939.

Maj. Leonard Russell Boyd, Infantry, from March 1, 1939.

TO BE MAJORS

Capt. Geoffrey Cooke Bunting, Coast Artillery Corps, from March 1, 1939.

Capt. Orion Lee Davidson, Infantry, from March 1, 1939.

Capt. Thomas Francis Hickey, Field Artillery, from March 1, 1939.

Capt. Leander Larson, Quartermaster Corps, from March 1, 1939.

Capt. Arthur Kay Chambers, Coast Artillery Corps, from March 1, 1939.

Capt. Emmett Michael Connor, Infantry, from March 1, 1939.

Capt. Thomas Newton Stark, Infantry, from March 1, 1939.
**APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS, IN THE
 REGULAR ARMY**

TO BE COLONEL

Lt. Col. Junius Wallace Jones, Air Corps, from March 1, 1939.

TO BE LIEUTENANT COLONEL

Maj. Paul Jones Mathis, Air Corps, vice Lt. Col. Junius W. Jones, Air Corps, nominated for appointment as temporary colonel, Air Corps.

TO BE MAJORS

Capt. Julian Buckner Haddon, Air Corps, from March 5, 1939.

Capt. Haynie McCormick, Air Corps, vice Maj. Paul J. Mathis, Air Corps, nominated for appointment as temporary lieutenant colonel, Air Corps.

**APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES
 GENERAL OFFICER**

Brig. Gen. Harry Knox, Jr., Adjutant General's Department, Texas National Guard, to be brigadier general, Adjutant General's Department, National Guard of the United States.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 6, 1939

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants

William Calaway	Robert Farris Loughmiller
James Edward Tate	William Leroy Vogt
Jack Segal	Robert H. Looney, Jr.
Harold Augustus Vinson	Richard Irving Crone
Orval Thomas Needels	George Frederick Ellinger
John Michael Collins	Raymond Taylor Jenkins
William Theodore Lane	Carl Bennett Stilson
Marion Fielding Green	George Raymond Farrell
Laurence Alexander Bilotta	Philip Weber Smith
Richard Ray Cameron	William Kirby Sullivan
Charles Culmer Scamahorn	Harold Thomas Little
Philip Jack Smith	Robert Nathan Lehman
Frank Paul Pipia	Louis Franklin Saylor
Granville Leon Richey	Raymond Bender Croissant
Doss Owen Lynn	Richard Stirling Bolten
Alonzo Bee Christie, Jr.	

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Capt. Richard Tonkin Mitchell to Quartermaster Corps.
 Capt. Benjamin Harrison Graban to Finance Department.
 First Lt. Paul Nelson Gillon to Ordnance Department.
 First Lt. Russell Roland Klanderman to Ordnance Department.

First Lt. John Eidell Slaughter to Field Artillery.
 Second Lt. John Fleming Polk to Cavalry.

PROMOTIONS IN THE REGULAR ARMY

Donald Hilary Connolly to be colonel, Corps of Engineers.
 Raymond Foster Fowler to be colonel, Corps of Engineers.
 Francis Artaud Byrne to be lieutenant colonel, Infantry.
 Farragut Ferry Hall to be lieutenant colonel, Quartermaster Corps.
 David Marshall Ney Ross to be major, Infantry.
 Robert Battey McClure to be major, Infantry.

**APPOINTMENT TO TEMPORARY RANK IN THE AIR CORPS, REGULAR
 ARMY**

Harold Aron Strauss to be colonel, Air Corps, from February 18, 1939.

**APPOINTMENT IN THE NATIONAL GUARD OF THE UNITED STATES
 GENERAL OFFICER**

Thomas Alexander Frazier to be brigadier general, Adjutant General's Department, National Guard of the United States.

POSTMASTERS

NEW YORK

Edgar L. Karns, Arkport.
 Gerald K. Woods, Castorland.
 Henry M. Bintz, Constableville.
 Austin A. Crary, East Rockaway.
 James E. Burns, Glen Cove.
 Thomas J. Hartnett, Hempstead.
 Royal B. Ingersoll, Houghton.
 Thomas V. O'Connell, Island Park.
 Fannie Schwartz, Long Beach.
 John C. Morgan, Naples.
 Benjamin F. Palmer, Scio.

OHIO

Paul E. Smith, Ansonia.

HOUSE OF REPRESENTATIVES

MONDAY, MARCH 6, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, a strange sense of calm comes over us as we wait at the altar of prayer. Here may we gather the fairest, the gladdest, and the holiest memories of the soul. Grant us love without stain, vision of the truth unveiled, and assurance of Thy shelter and care. We love life; while it is very brief, it is very sacred and very grand because it is the merciful gift of a good God. May we esteem time so highly that not a day shall pass without reflecting some of Heaven's goodness. May we dread to walk in green pastures with no sense of their richness, stand under the skies with no eye for their majesty, or hear the invisible voices with no ear for their sweetness. We pray that Thy manifold mercies may be the urge of our sacrifice. Oh, may our homes remind us of the homeless, our bread of the hungry, our friends of the solitary, and our paths of the footsore and weary. Thou who art in the briefest flower and in the smallest star, hear our humble prayer. In the holy name of our Saviour. Amen.

The Journals of the proceedings of Friday, March 3, 1939, and of Saturday, March 4, 1939, were read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate disagrees to the amendments of the House to the bill (S. 316) entitled "An act to authorize and direct the Commissioners of the District of Columbia to reappoint David R. Thompson and Ralph S. Warner as members of the Metropolitan Police Department of the District of Columbia, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KING, Mr. TYDINGS, and Mr. CAPPER to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a resolution adopted by the Senate of Alabama, memorializing the Congress to take all consistent steps to avoid entrance into any foreign war.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to extend in the RECORD a speech made by our colleague, Hon. THOMAS V. SMITH, regarding Sam Houston, made at the recent Texas Independence State dinner.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein

a statement recently made before the Ways and Means Committee in reference to national old-age pensions.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject The Farm Chemurgic Movement and the Permanent Solution of Our Farm Surplus.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENT OF THE SOIL CONSERVATION ACT

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I have asked for a little time this afternoon to call your attention to a bill I have introduced in the House to amend the present Soil Conservation Act. This amendment provides a more equitable adjustment in the payment of the money appropriated under our soil-conservation law. I also want to call your attention to the manner in which a large part of the funds allotted under the act have been distributed.

I think it is generally admitted by those who have had experience with this act that soil conservation payments, after all, are nothing more or less than subsidies to help the farmers. These payments do help the farmer conserve his soil; but, more especially, as this money is paid to the ordinary, average farmer it helps him to take care of his obligations temporarily until such time as he can have a price for his products which favorably compare with the price he has to pay for the things he buys. These payments also help him a little in the event of crop failures. I do not think the soil-conservation program, as such, has reduced the surplus of our crops materially. There are so many other factors that affect the situation.

Here are some comparative figures showing the manner in which these funds have been distributed. They are of more than ordinary interest, I believe, to the Members of Congress:

Under the 1937 program 3,657,496 farmers and landowners received benefits. The Department of Agriculture advises that the total amount of expenditures for the Soil Conservation Service in 1937 amounted to approximately \$359,000,000. The figures for 1938 will be about the same, or probably a little less. Of the \$359,000,000, \$315,500,000 was spent in payments to farmers and farm operators and \$43,600,000 for administration expenses.

If the \$315,500,000 were evenly distributed to those who complied with the soil-conservation plan, the average payment would be approximately \$100.

But here are some figures to which I want to direct your particular attention: Out of 3,657,000 farmers, 1,091,540, or almost one-third of them, received less than \$20 each. There were 773,000 who received between \$20 and \$40 each, 500,000 who received between \$40 and \$60 each, and 556,000 who got between \$60 and \$100.

If the one-third of all farmers who received less than \$20 annually averaged as much as \$15 each—and that is a liberal estimate—\$15,000,000 would pay their bill.

If the 774,000 farmers who received between \$20 and \$40 each received an average of \$30, \$22,000,000 would have paid their contracts.

Then as to the 500,000 farmers who got less than \$60—if they received an average of \$50 each—\$25,000,000 would pay them.

Then we have 556,000 farmers who received between \$60 and \$100. If their average payment was \$80—and this is liberal—they would receive \$44,480,000.

In other words, with \$107,000,000 we have paid approximately 3,000,000 farmers. Or, putting it another way, 80 percent of all the farmers received less than one-half of the funds allocated to the farmers and farm operators. Just

think of it, only a comparatively few of the 3,000,000 farmers got as much as \$100. As a matter of fact, they received an average of less than \$50 each.

Furthermore, it took approximately \$18,000,000 to pay the administration expenses in Washington and in the States, and it took \$26,000,000 for county expenses, making a total of \$44,000,000 for administering the fund.

This was more money than was actually paid to 1,800,000 farmers, being more than half of those who participated in the program, and who got less than \$40 each. These farmers received thirty-eight and one-half million dollars, and it took \$44,000,000 to administer the fund.

After deducting the \$107,000,000 which was paid to the 3,000,000 farmers, we have a balance, in round figures, of \$208,000,000, which we assume was divided among the remaining one-fifth of the farmers.

So it would appear that the remaining one-fifth of those who took part in this program in 1937 received approximately \$200,000,000, or two-thirds of the amount actually distributed in soil-conservation payments.

I have introduced in the House H. R. 4753. It is a twofold amendment to the present act. It provided, in the first place, for just a little larger payment to the farmer who operates a small, average farm, and who is getting a small share of the total amount appropriated by Congress.

The other part of the amendment limits the total payments to anyone within a State to \$1,500. Under this measure, the farmer who gets \$25 under the present law would receive approximately \$31. If he receives \$35 now, under the amendment he would get \$45. If he receives \$50 at this time, he would get \$63. If he gets as much as \$60 under the present law, it would be increased to \$76. If he receives \$100 now, he would then receive approximately \$115 under the amendment.

It gives the farmer who receives small payments a better break than he had before. It ought to be more. We hear a lot about the "forgotten man." I have come to the conclusion that the forgotten man is the farmer who tries to take care of his family on one of our ordinary, average farms. We take care of the big operator all right but we have certainly forgotten the small, independent farmers. We have to do more than we have done in the past to encourage the home owner and the man who operates the small-sized farm, because after all he has been and is the bulwark of this country. We must do something more constructive than we have done before to prevent the increase of farm tenancy in this country. Do you realize that we have some 2,800,000 farm tenants? Forty-two percent of our farmers are tenants. We need more farm owners and fewer tenants. One of our great statesmen once said, "No man ever shouldered a musket to defend a boarding house." And he was right.

The second portion of the amendment prevents the large operators from receiving large subsidies that they have not really earned, and who really do not need them. I think we have come to a place where we should give a little more attention and encouragement to the man who operates what may be known as the "family sized farm" and less assistance to the big operator, who regards the soil-conservation money as just that much "velvet."

Under this measure I am making an effort to provide a little more liberal payment to the fellow who actually needs it and really earns the money and reducing the amount that is made payable to the large operator or corporation, which not only does not need it but will also prevent the encouragement of large-scale, commercialized "bonanza" farming.

I should call your attention to something else: The large operator and small operator alike receive subsidies of 2 cents per pound for cotton, 11 cents per bushel for wheat, and 6 cents per bushel for corn. In view of this situation, the large operator should not have any complaint as to this measure.

I do not think the farmer really wants to be paid a subsidy for operating his own farm. He ought to have the first right to supply the American market just as far as he can do it on a reasonable basis.

I know the agricultural problem is a difficult one to solve, and I want to give due credit to those who have made an

honest endeavor to do something about it. But have not we sought to destroy the overabundance of food and restrict production—to the extent that even in 1937 we imported into the United States of America food for our people that our own farmers could have produced? We brought into this country agricultural products that would have required the planting and harvesting of between fifteen and twenty million acres of our own farm lands. It is a shame and a disgrace that we have millions of people in our country, one-third of them, we are told, that are hungry, ill-housed and ill-clothed, and we have the food supply of the world—yet millions of people are going hungry.

We need to have more confidence in each other. We should have more confidence in our Government—the greatest in all the world. We should produce more things instead of less. It is not only unfortunate but it is a criticism on our democracy that we are permitting millions of men to remain without employment who, if employed, would provide a purchasing power which to a great extent would solve the so-called surplus of our Commonwealth.

Help the farmer? Certainly. But let us help him to help himself. Let us get these men back to work so far as we can. Let us give the American farmer the first chance at the American market. And let me repeat that in my opinion it is not so much a question of overproduction that we have in this country, but, rather, a problem of maldistribution and underconsumption.

EXTENSION OF REMARKS

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short article on Denver's opportunity school.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend in the RECORD four memorials from the Legislature of the State of Minnesota.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend in the RECORD a short article from the Oregonian on gasoline taxes.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Also, Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a statement by the Brookings Institution on reorganization.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD at this point and to insert therein a clipping from the Minneapolis Journal and one from the Washington Post.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

A HEART-RENDING SIGHT—AMERICA'S FUTURE

Mr. ALEXANDER. Mr. Speaker, on Saturday last we gathered here with the Senate and the executive and judicial departments of this Nation to join in a dramatic tribute to the Nation's First Congress and to a century and a half of free government under a constitution, and we pledged, together with all Americans, a continuance of that historical ideal.

I sometimes wonder if we know the essential elements of its perpetuation and if we, either as Government officials in high places or as individual citizens, are willing to count the cost and play the game as it needs to be and as it was played by those hallowed, mighty, and saintly souls who so well laid the foundation and paid the cost in the early years of our history?

From that foundation we still reap the benefits, but what of the future, the future which is under our guidance and control? When I read today's history as contained in our daily

press, and from it consider tomorrow's trends, I am fearful for democracy.

Take, for instance, the following clipping from a daily paper just sent me by a Mrs. H. C. Olsen, of Lindstrom, Minn., and consider that its picture and counterpart is to be found today, tonight, in every city throughout the length and breadth of the land.

HEART-RENDING SIGHT

To the EDITOR:

Sunday night about midnight I with a number of other young people visited a club west of the city limits and while there we counted over 75 children, who, according to our best judgment, were between the ages of 12 and 18, and apparently all were in various stages of intoxication and indulging in actions usual in a drunken brawl.

It was the most heart-rending sight I ever witnessed in any club or public place and I understand similar conditions exist there every Sunday night.

It was so disgusting we only remained a short time, and as we left a young girl whom we judged not over 12 years of age fell inside the exit and was unable to regain her feet without help. * * *

ANN SMITH.

George Washington once said on the occasion of a speech that—

It has always been a source of serious regret to me to see youth contracting too frequently habits of dissipation and extravagance, principles unfriendly to republican government.

We are wont to refer with great gusto and approbation to the remarks of the Father of his Country on foreign policy, but we forget that he was also equally astute on matters of internal welfare, as indicated by the above quotation; and we forget, too, that if we are to justify our title of statesman it is our duty to give thought and service to this great problem of human welfare and of this Nation's future, built upon its children of today.

Senator SHEPPARD, on the Senate side, has been trying to stir up interest on the part of overworked lawmakers to the need for action, and I hope we will bestir ourselves on this side of the Capitol to this great need.

The totalitarian nations have their defects, but we must admit they seem to be taking the lead in cleaning up such problems. In Germany Adolf Hitler says:

The bad state lets its young people degenerate in the streets and brothels.

He says:

We must seek to beget images of the Lord, who created all good things, including human beings, and not monstrosities halfway between man and ape.

In order to prepare that nation for world leadership and dominance a national abstinence drive has been instituted, which includes tobacco as well as liquor. The Associated Press reports this great forward stride, as follows:

GERMAN YOUTH URGED TO SHUN DRINK, SMOKES—LEADERSHIP TELLS NATION TO FOLLOW HITLER'S EXAMPLE

BERLIN, March 3.—The Nazi leadership today called on German youth to assume a new national duty—abstinence from alcohol and tobacco in emulation of Reichsfuehrer Hitler.

Opening a campaign against intoxicants and smoking, Youth Leader Baldur von Schirach and other orators held up the Fuehrer, who neither drinks nor smokes, as the example for all good Nazis.

Under the auspices of the national health department of the Nazi Party a congress is to meet at Frankfurt-on-Main Sunday, Monday, and Tuesday to consider the topic of Public Health and Harmful Indulgences.

More than 14,000 health officials and others have been notified to attend to hear speeches by Dr. Gerhard Wagner, leader of the organized medical profession, and others.

TWELVE COMMANDMENTS LISTED

As the drive started, a ban on pushing the sale of cigars and cigarettes was imposed by the Nazi-organized restaurant and refreshment trades in their own establishments.

Twelve commandments were listed by the Nazis to back a slogan urging wholesome life as a national duty. These objectives were:

Abstinence of youth from alcohol and tobacco.

Abstinence of pregnant and nursing mothers; abstemiousness by those endangered by either alcohol or tobacco.

Alcoholic abstinence, whenever carrying special responsibilities, such as driving an auto, severe punishment to be imposed for alcoholic offenses.

Control of alcohol and tobacco advertising by a German business council in close cooperation with Nazi leaders.

Prohibition of advertising that promotes alcohol or tobacco as beneficial to health or useful in preventing disease.

CAMPAIGN PROPOSED

Establishment of public restaurants which do not serve alcoholic drinks.

Increase in manufacture of nonalcoholic drinks at low prices.

Promotion of scientific experiments on nonalcoholic drinks.

A publicity campaign on the nature of alcohol, the misuse of tobacco, and their dangers to the people and the race.

Education of youths in wholesome conduct as a national duty.

Physical exercise for the entire nation.

Is that program not a challenge to us? Will America be able to withstand the Fascist, Nazi, Communist competition which sound, healthy minds and bodies are bound to give us, if we continue our present indifference? What are we Congressmen going to do about it? Speaking of the members of the German Reichstag before 1933 Hitler said "Those parliament ganders produced more honking nonsense in one session than a whole dynasty of emperors." We are accused of having plenty of the same honking nonsense here, but we can write plenty of accomplishment, too, if we like, and the liquor and tobacco problem presents a great opportunity for constructive effort.

And in Russia—Russia was the first Christian country to adopt complete and nation-wide prohibition. As early as July 1914 the sale of intoxicating liquor was forbidden. Lenin said, when taking over the government in November 1917, "To permit the sale of vodka would mean a backward step. We have other industries to rebuild much more important than distilleries." True it was necessary to relax this attitude starting in 1921, the same as we had to give up the prohibition amendment in America, but the Russian Communist Government is no less against the use of liquor today than in 1917 and an extensive educational campaign against it was begun in 1929 and has been aggressively promoted ever since, although under the State monopoly there are still 7,000 liquor stores operated and at a very large revenue or profit to the Soviet Union. However, before the war in 1914, there were 25,733 liquor stores.

To the Communist, the elimination of liquor and its evils is a part of their governmental philosophy and therefore will always be made an integral part of the building of a better life for that nation according to their ideas.

In terms of this competition, what is America's future? Shall America drag behind or will her leaders take a stand for reform? It is long overdue and if we are to lead the world as has been our boast in generations past, or even hold our own, we will need to do some checking up, for our native white stock is going down hill fast, if we are to judge from our present-day athletic records. Consider who are our champions. Who is the champion heavyweight boxer, the champion light-heavy, the champion middleweight? Who are our best football and basketball players? The fastest track star?

This is not just accident. It is, however, a real indication of the recessionary stage of our native white citizenry. Another indication of our weak physical fiber is the fact that records show that not more than 20 percent of our people are maximally healthy. Insurance companies reject many applicants and the record is said to show that not over 40 percent can pass a satisfactory physical examination for life insurance.

What is the cause of all this, and to what shall we look for the reason? Perhaps Hitler and Stalin are not so dumb. Perhaps we should do a little introspective searching of ourselves. Do you suppose any of our decadence could be traced to the world-beating, if undesirable, records, which we are setting up every year for liquor consumption and cigarette smoking?

The French nation has been in a decadent state for years, undoubtedly from the same causes. They would have been defeated in 1917 had we not come to their aid, and similarly is the case of the English. I noticed when in France that you could hardly get a glass of water or of milk to drink. The common practice is to drink wine or other liquors and to smoke cigarettes, and one who drinks water or milk is almost an outcast.

Again today we find France surrounded by her more virile, more aggressive neighbors and she is well on the road

to partial if not complete abdication to them. Napoleon, Lafayette, and other French leaders of ages past would turn over in their graves, if they could see the depths to which France has let herself down by her physical, mental, and moral degradation.

What should we do about it as an American problem? Here in the District of Columbia a move is on foot to supplant retail liquor stores with Government dispensaries. That this would be a good start in general is indicated by a comparison between Pennsylvania and the District of Columbia. The State has one dispensary for every 35,000 residents and nets \$37,000,000 in annual revenue on \$100,000,000 gross business, while the District gets only \$1,900,000 in taxes from a \$50,000,000 gross business with one liquor store for every 1,400 residents. Quite some comparison, is it not?

We do a lot of talking about the public health—we introduce bills in Congress and we appropriate money to build better health for American citizens. Then we turn around and throw it all away in dissipation. How large a percentage of us are habitually poisoning ourselves—no one knows—but without a doubt it is very large. Yet so perfect is the human machine that even though we are too indifferent to its welfare to go more than 1 percent of the way, nature going the other 99 percent, because a gracious Creator has endowed our bodies with marvelous ability to repair injuries and correct parts burned out by the poison from liquor and tobacco, thus we can keep on for a time in a way. But how much we lose in efficiency, in health, in attainment, and in our reserve of power and strength needed to go the extra mile of service if we are to justify our existence and to develop the 1 or the 10 talents we all are given, is a question which each individual must in the final day of reckoning answer for himself and herself. In God's name, and in the name of the future of America and of democracy, let us as individuals do some serious thinking on this subject, and let us, if we are statesmen, here in Congress take an immediate, firm, and corrective stand for the solution of this great problem which I have outlined for your patriotic consideration.

EXTENSION OF REMARKS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein House Joint Resolutions 3, 4, 11, and 16 of the Legislature of the State of Montana.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of the protection of the foreign-born.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein extracts from an article appearing in the morning paper by Roger Babson, in which he advises us to stop worrying about Europe.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. HORTON. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of the regular order of business, I be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that at the conclusion of the remarks of the gentleman from

Wyoming [Mr. HORTON], on Wednesday, I be permitted to address the House for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. PACE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

BOARD OF VISITORS TO THE UNITED STATES MILITARY ACADEMY

The SPEAKER laid before the House the following communication, which was read:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
March 4, 1939.

The Honorable WILLIAM B. BANKHEAD,

Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: Pursuant to the act of May 17, 1928 (U. S. C., title 10, sec. 1052-a), I have appointed during the remainder of the first session of the Seventy-sixth Congress the following members of the Committee on Military Affairs of the House as members of the Board of Visitors of the United States Military Academy: Hon. A. J. MAY, Kentucky; Hon. R. EWING THOMASON, Texas; Hon. DOW W. HARTER, Ohio; Hon. CHARLES I. FADDIS, Pennsylvania; Hon. WALTER G. ANDREWS, New York; Hon. DEWEY SHORT, Missouri; Hon. L. C. ARENDSE, Illinois.

Very sincerely yours,

A. J. MAY, *Chairman.*

COMMUNICATION FROM CHAMBER OF DEPUTIES, FRANCE

The SPEAKER also laid before the House the following communication, which was read:

THE PRESIDENT OF THE CHAMBER OF DEPUTIES,
Paris, March 4, 1939.

To the Honorable WILLIAM B. BANKHEAD,

Speaker of the House of Representatives, Washington:

On the occasion of the one hundred and fiftieth anniversary of the first session of the Congress of the United States, I pray you to convey to the House of Representatives the homage of the Chamber of Deputies for that elder first legislative assembly of a great nation, whose birth in liberty was so close to that of France, and in whose War of Independence it will be our continual pride to have shared. The Deputies of France pray their American colleagues to accept the assurance of the profound sentiments of friendship which unite them in a common and fervent love of justice and of the liberty of the peoples.

CONSENT CALENDAR

The SPEAKER. Today is Consent Calendar Day. The Clerk will call the first bill on the calendar.

REPEAL OF CERTAIN LAWS (POCKET VETOED)

The Clerk called the bill (H. R. 3233) to repeal certain acts of Congress (pocket vetoed).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. I ask the chairman of the Committee on the Judiciary, or someone on the Committee on the Judiciary, if this legislation is really necessary? The Supreme Court in the case known as the Pocket Veto case, cited in Two Hundred and Seventy-ninth United States Reports, page 655, has held that under these conditions a bill does not become a law, and a study of the case cited in the report does not convince me that there is any danger that the laws referred to in this bill might become laws.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. CELLER. I think, in the interest of the chairman of the committee, the gentleman from Texas [Mr. SUMNERS], who at present is not in the Chamber, it might be well, and unless the gentleman has objection, to have the bill passed over without prejudice, and thus defer the answer to the question the gentleman has asked. Does the gentleman intend to object to the consideration of the bill?

Mr. WOLCOTT. No. I think the bill is harmless, but I would like to have some points cleared up. Mr. Speaker, I ask unanimous consent that the bill go over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

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AMENDING AGRICULTURAL ACT OF 1938

The Clerk called the bill (S. 660) to amend the Agricultural Adjustment Act of 1938, as amended, to provide for the reapportionment of cotton acreage allotments not planted by farmers entitled thereto.

The SPEAKER. Is there objection to the consideration of the bill?

Mr. CHURCH. Mr. Speaker, I reserve the right to object. I understand that some amendments are to be offered to the bill by the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Speaker, of course, I cannot offer the amendments until the bill is read.

Mr. CHURCH. The gentleman intends to offer such an amendment?

Mr. NICHOLS. Yes.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That subsection (h) of section 344 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the words "for the crop year 1938", and inserting in lieu thereof the words "for any crop year"; and by striking out the words "for 1938" where they appear in the first proviso of such subsection.

Mr. NICHOLS. Mr. Speaker, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. NICHOLS: Line 8, after the word "subsection", strike out the period, insert a semicolon and the following: "Provided, That hereafter such allotment of acreage in counties shall be to such farms as the county committee of such county may designate. In making such designation the county committee shall consider only the character and adaptability of the soil and other physical facilities affecting the production of cotton and the need of operator for an additional allotment to meet the requirement of the families engaging in the production of cotton on the farm in such year."

The SPEAKER. The question is on agreeing to the amendment.

Mr. WOLCOTT. Mr. Speaker, may I ask the gentleman if the term "committee" is defined, to remove any ambiguity concerning what committee is contemplated?

Mr. JONES of Texas. "County committee" is thoroughly defined, and the method of setting it up is provided for in the regular bill.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

The Clerk called the next bill, H. R. 3800, to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

JURISDICTION OVER COMMERCIAL PRINTS AND LABELS

The Clerk called the next bill, H. R. 153, to transfer jurisdiction over commercial prints and labels, for the purpose of copyright registration, to the Register of Copyrights.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That effective at the close of business June 30, 1939, section 3 of the act entitled "An act to amend the law relating to patents, trade-marks, and copyrights," approved June 18, 1874 (17 U. S. C. 63), is hereby repealed, but all original or renewal copyrights effected thereunder shall continue in full force and effect for the balance of the respective unexpired terms, subject to all the rights and remedies accorded by existing copyright law.

Sec. 2. That commencing July 1, 1939, the Register of Copyrights is charged with the registration of claims to copyright properly presented, in all prints and labels published in connection with the sale or advertisement of articles of manufacture, including all claims to copyright in prints and labels pending in the Patent Office and

uncleared at the close of business June 30, 1939. All such pending applications and all fees which have been submitted or paid to or into the Patent Office for such pending applications, and all trust funds deposited and at the close of business June 30, 1939, held in the Patent Office to be applied to copyright business in that Office, shall be returned by the Commissioner of Patents to the applicants.

SEC. 3. Subsisting copyrights originally registered in the Patent Office prior to July 1, 1939, under the provision of law repealed by section 1 hereof shall be subject to renewal in behalf of the proprietor upon application made to the Register of Copyrights within 1 year prior to the expiration of the original term of 28 years.

Mr. LANHAM. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendments offered by Mr. LANHAM: Renumber sections 2 and 3 respectively as sections 3 and 4 and insert the following as section 2:

"Sec. 2. Section 5 (k) of the act entitled 'An act to amend and consolidate the acts respecting copyright' approved March 4, 1909, is hereby amended to read: '(k) Prints and pictorial illustrations including prints or labels used for articles of merchandise.'"

And on page 2, line 10, of section 2 as it appears in the printed bill, strike out the word "trust."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGRARIAN CLAIMS COMMISSION, UNITED STATES AND MEXICO

The Clerk called the next business, House Joint Resolution 114, authorizing appropriation for expenses of a representative of the United States and of his assistants, and for one-half of the joint expenses of this Government and the Government of Mexico, in giving effect to the agreement of November 9-12, 1938, between the two Governments, providing for the settlement of American claims for damages resulting from expropriations of agrarian properties since August 30, 1927.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. MARTIN J. KENNEDY. Mr. Speaker, I object.

EXTENDING FACILITIES OF PUBLIC HEALTH SERVICE TO OFFICERS OF FOREIGN SERVICE OF THE UNITED STATES

The Clerk called the next bill, H. R. 3537, to extend the facilities of the United States Public Health Service to active officers of the Foreign Service of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, under such regulations as may be prescribed by the President, upon recommendation of the Secretary of the Treasury, any officer of the Foreign Service of the United States who has incurred illness or injury or who has become physically disabled, as a result of service on foreign assignment, and not by reason of vicious habits, intemperance, or misconduct on his part, the cause of such illness or injury to be determined by a duly qualified medical officer of the United States Public Health Service, which determination shall be final when approved by the Surgeon General, shall upon the request of the Secretary of State, be entitled to medical and surgical treatment and hospitalization by the United States Public Health Service at any of its regularly established relief stations and hospitals.

SEC. 2. In order to ascertain at any time the physical fitness of a Foreign Service officer for duty in a foreign station, the United States Public Health Service shall, upon the request of the Secretary of State, subject such Foreign Service officer to a physical examination at any of its established relief stations or hospitals.

SEC. 3. Any officer or American employee of the Foreign Service of the United States suffering from illness or disability not the result of foreign service and any dependent member of the family of any Foreign Service officer or American employee suffering from illness or disability when such illness or disability in any case is not the result of vicious habits, intemperance, or misconduct, the cause of such illness for the purpose hereof to be determined by the United States Public Health Service, may be furnished medical and dental treatment and hospitalization (in the case of dependent members of their families if suitable accommodations are available) by the United States Public Health Service at any of its regularly established relief stations and hospitals at a cost to the officer or employee concerned in accordance with rates established by regulations of the Surgeon General and applicable to pay patients from other branches of the Government service under similar circumstances. Collections by the United States Public Health Service on this account shall be credited to the applicable appropriation for the operation of marine hospitals and relief stations.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

CLASSIFICATION AND GRADING OF FOREIGN SERVICE PERSONNEL

The Clerk called the next bill, H. R. 3655, to amend the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor," approved February 23, 1931.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor", approved February 23, 1931, be, and the same is hereby, amended as follows:

Section 3 of said act is amended to read as follows:

"SEC. 3. That the Secretary of State is hereby authorized, at posts where in his judgment it is required by the public interests for the purpose of meeting the unusual or excessive costs of living ascertained by him to exist, to grant compensation to clerks assigned there in addition to the basic rates herein specified, and also to other employees in the Foreign Service of the United States who are American citizens in addition to the basic rates of their salaries as fixed by the Secretary of State, within such appropriations as Congress may make for such purpose: *Provided, however,* That all such additional compensation with the reasons therefor shall be reported to Congress with the annual Budget."

SEC. 2. Section 10 of said act is amended to read as follows:

"SEC. 10. (a) That the officers in the Foreign Service shall hereafter be graded and classified as follows, with the salaries of each class herein affixed thereto, except as increases in salaries are authorized in section 33 of this act, but not exceeding in number for each class a proportion of the total number of officers in the Service represented in the following percentage limitations:

"Ambassadors and Ministers as now or hereafter provided; Foreign Service officers as follows: Class 1, 6 percent, \$9,000 to \$10,000; class 2, 7 percent, \$8,000 to \$9,000; class 3, 8 percent, \$7,000 to \$8,000; class 4, 9 percent, \$6,000 to \$7,000; class 5, 10 percent, \$5,000 to \$6,000; class 6, 14 percent, \$4,500 to \$4,900; class 7, \$4,000 to \$4,400; class 8, \$3,500 to \$3,900; unclassified, \$2,500 to \$3,400: *Provided,* That as many Foreign Service officers above class 6 as may be required for the purpose of inspection may be detailed by the Secretary of State for that purpose.

"(b) That any person appointed an Ambassador or a Minister by the President, by and with the advice and consent of the Senate, who has taken his oath of office and entered upon his official duties as required by law, may be thereafter transferred in accordance with a subsequent appointment as Ambassador or Minister by the President, by and with the advice and consent of the Senate; and notwithstanding the provisions of section 1740 of the Revised Statutes, as amended (U. S. C., title 22, sec. 121), he shall be entitled to be paid salary at the rate prescribed by law for the Ambassador or Minister at the post from which he is transferred to the date he takes oath of office under his new appointment, and thereafter at the rate prescribed by law for the Ambassador or Minister at the new post, including in either case such period as he may be necessarily in transit, traveling under orders, receiving instruction, or on authorized leave of absence, as provided by law for officers and employees of the Foreign Service of the United States. The taking of his oath by an Ambassador or Minister appointed to a post shall not operate to deprive the retiring Ambassador or Minister at such post of salary up to the date of his departure therefrom, while traveling under orders, during transit to his home in the United States and while on authorized leave of absence as, provided by the law for officers and employees of the Foreign Service of the United States. Appropriations are hereby authorized to pay salaries in such cases."

SEC. 3. Section 26 of said act is amended to read as follows:

"SEC. 26. The President is authorized to prescribe rules and regulations for the establishment of a Foreign Service retirement and disability system to be administered under the direction of the Secretary of State and in accordance with the following principles, to wit:

"(a) The Secretary of State shall submit annually a comparative report showing all receipts and disbursements on account of refunds, allowances, and annuities, together with the total number of persons receiving annuities and the amounts paid them, and shall submit annually estimates of appropriations necessary to continue this section in full force and such appropriations are hereby authorized.

"(b) There is hereby created a special fund to be known as the Foreign Service retirement and disability fund.

"(c) Five percent of the basic salary of all Foreign Service officers eligible to retirement shall be contributed to the Foreign Service retirement and disability fund, and the Secretary of the Treasury is directed on the date on which this act takes effect to cause such deductions to be made and the sums transferred on the books of the Treasury Department to the credit of the Foreign Service retirement and disability fund for the payment of annuities, refunds, and allowances: *Provided,* That all basic salaries in excess of \$10,000 per annum shall be treated as \$10,000 and any Ambassador, Minister, or Foreign Service officer appointed to a position in the Department of State, as provided in paragraph (n) of this section, at a lower basic salary than he was receiving on the date of such appointment shall be considered for all purposes of this section as continuing to draw the higher salary and

salary deductions authorized under this paragraph shall be on that basis: *And provided further*, That any Foreign Service officer may at his option and under such regulations as may be prescribed by the President, deposit additional sums in multiples of 1 percent of his basic salary, but not to exceed 10 percent of such basic salary, which amounts together with interest thereon at 3 percent per annum compounded on June 30 of each year, shall, at the date of his retirement, be returned to him in a lump sum; or the officer may elect to use the accumulated amount of his additional deposits and interest to purchase an additional annuity which shall, if he so desires, carry with it a proviso that upon his death a cash benefit shall be paid in such amount as he may elect under regulations to be prescribed by the President, to a beneficiary designated in writing and filed in accordance with instructions of the Secretary of State. The amount of such cash benefit shall not exceed the accumulated amount of the officer's additional deposits with interest to the date of retirement: *Provided, however*, That in lieu of such cash benefit, the officer may direct that beginning at the time of his death his beneficiary shall be paid a life annuity of such amount as may be purchasable with the amount of the cash benefit and such annuity shall provide for the guaranteed return of at least the amount of the cash benefit. The calculation of the amount of the additional annuity purchasable by the retired officer under the provisions of this option shall be based upon such tables of annuity values as may from time to time be prescribed for this purpose by the Secretary of the Treasury. In case an officer shall become separated from the service for any reason except retirement on an annuity, the amount of any additional deposits with interest at 3 percent per annum compounded annually, made by him under the provisions of this paragraph shall be refunded in the manner provided elsewhere in this section for the return of contributions and interest in the case of death or withdrawal from active service. Any benefits payable to an officer, or to his beneficiary, in respect to the additional deposits provided under this paragraph, shall be in addition to the benefits otherwise provided under this section.

"(d) When any Foreign Service officer has reached the age of 65 years and rendered at least 15 years of service he shall be retired on an annuity computed as prescribed in paragraph (e) of this section: *Provided*, That any Foreign Service officer who has reached the age of 60 years and rendered at least 30 years of service may be retired at his own request on the annuity computed as prescribed under paragraph (e) of this section: *Provided further*, That any officer below the age of 60 years who has rendered at least 30 years of actual service, exclusive of extra service credits as provided in paragraph (k) of this section, may be retired at his own request and elect to receive either (1) a deferred annuity beginning at age 60 computed as prescribed under paragraph (e) of this section, or (2) an immediate annuity computed as prescribed under paragraph (e) of this section, reduced by one-fourth of 1 percent of such annuity for each month or major fraction thereof, between the date of his retirement and the sixtieth anniversary of his date of birth: *And provided further*, That the President may in his discretion retain any such officer on active duty for such period prior to his reaching 70 years of age as he may deem for the interests of the United States.

"(e) The annuity of a retired Foreign Service officer shall be equal to 2 percent of his average annual basic salary for the 10 years next preceding the date of retirement, multiplied by the number of years of service not exceeding 30 years: *Provided*, That at the time of his retirement a Foreign Service officer, if the husband of a wife to whom he has been married for at least 5 years, may elect to receive a reduced annuity and designate his wife as his beneficiary, to whom will be paid any portion up to two-thirds of his reduced annuity, at the option of the officer, as long as she may live after his death: *Provided, however*, That the annuity payable to the widow shall in no case exceed 25 percent of the officer's average annual basic salary for the 10 years next preceding the date of retirement. If the age of the officer is less than the age of the wife or exceeds her age by not more than 8 years, the annuity of the officer will be reduced by an amount equal to one-half the annuity which he elects to have paid to his widow. If the age of the officer exceeds the age of the wife by more than 8 years, the annuity of the officer will be reduced by an amount equal to one-half the annuity which he elects to have paid to his widow plus an additional reduction equal to 2 percent of such widow's annuity for each year, or fraction thereof, that the difference in age exceeds 8: *Provided further*, That a retired officer who is receiving an annuity on the effective date of this act, if the husband of a wife to whom he was married at the time of his retirement and for a total period of at least 5 years, shall be entitled under the same terms and conditions set forth above, to elect to receive a reduced annuity, a portion of which will be continued on his death throughout the life of his surviving widow, but all such elections by retired officers shall be made within 6 months following the effective date of this act, and they shall all be effective on the same date, to be prescribed by the President: *And provided further*, That no increases in annuities under this act shall operate retroactively and nothing in this act shall be interpreted as reducing the rate of the annuity received by any retired officer on the effective date of this act, unless the officer voluntarily elects to receive a reduced annuity as provided herein.

"(f) In case a Foreign Service officer shall die without having established a valid claim for annuity, the total amount of his deductions with interest thereon at 4 percent per annum compounded on June 30 of each year, except as provided in para-

graph (c) of this section, shall be paid upon the establishment of a valid claim therefor in the order of precedence given under paragraph (i) of this section: *Provided, however*, That if the deceased officer rendered at least 15 years of service and is survived by a widow to whom he was married for at least 5 years, such widow shall be paid an annuity equal to the annuity which she would have been entitled to receive if her husband had been retired on the date of his death, under the provisions of paragraph (j) of this section, and had elected to receive the reduced joint and survivorship annuity, under paragraph (e) hereof, providing the maximum annuity for his widow, unless prior to the date of his death he shall have elected, in lieu of such widow's annuity, and with the approval of the Secretary of State, the return of his deductions with interest as provided in the first part of this paragraph covering officers dying without having established a valid claim for annuity.

"(g) The Secretary of the Treasury is directed to invest from time to time in interest-bearing securities of the United States such portions of the Foreign Service retirement and disability fund as in his judgment may not be immediately required for the payment of annuities, refunds, and allowances, and the income derived from such investments shall constitute a part of said fund.

"(h) None of the moneys mentioned in this section shall be assignable either in law or equity, or be subject to execution, levy, or attachment, garnishment, or other legal process.

"(i) In case the total contributions of the retired officer, exclusive of additional voluntary contributions made under paragraph (c) of this section, together with interest at 4 percent per annum compounded annually up to the date at which annuity payments cease under the terms of the annuity, exceed the annuity payments exclusive of any additional annuity purchased with voluntary contributions made under paragraph (c) hereof, accumulated at the same rate of interest up to such date, the excess of said accumulated contributions over said accumulated annuity payments shall be paid in the following order of precedence, upon the establishment of a valid claim therefor:

"First, to the beneficiary or beneficiaries designated in writing by such annuitant or Foreign Service officer and recorded in compliance with instructions of the Secretary of State, which are hereby authorized;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant or Foreign Service officer;

"Third, if there be no such beneficiary, or executor or administrator, payment may be made after the expiration of 30 days from the date of the death of the annuitant or Foreign Service officer, to such person or persons as may appear in the judgment of the Secretary of State to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"(j) Any Foreign Service officer who, after serving for a total period of not less than 15 years, becomes totally disabled for useful and efficient service by reason of diseases or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the President, be retired on an annuity under paragraph (e) of this section: *Provided, however*, That in each case such disability shall be determined by the report of a duly qualified physician or surgeon designated by the Secretary of State to conduct the examination: *Provided further*, That unless the disability be permanent, a like examination shall be made annually until the annuitant has reached the retirement age as defined in paragraph (d) of this section, and the payment of annuity shall cease from the date of the medical examination showing recovery.

"Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Foreign Service retirement and disability fund.

"When the annuity is discontinued under this provision before the annuitant has received a sum equal to the total amount of his contributions, with accrued interest, the difference shall be paid to him or to his legal representatives.

"(k) The President is authorized from time to time to establish, by Executive order, a list of places which by reason of climatic or other extreme conditions are to be classed as unhealthy posts, and each year of duty subsequent to January 1, 1900, at such posts, inclusive of regular leaves of absence, of officers already retired or hereafter retired, shall be counted as 1 year and a half, and so on in like proportion in reckoning the length of service for the purpose of retirement, fractional months being considered as full months in computing such service: *Provided, however*, That the President may at any time cancel the designation of any place as unhealthy without affecting any credit which has accrued for service at such posts prior to the date of the cancellation.

"(l) Whenever a Foreign Service officer becomes separated from the service before becoming eligible for an annuity, except under section 33 of this act, the total amount of contributions from his salary with interest thereon at 4 percent per annum compounded annually up to the date of such separation, except as provided in paragraph (c) of this section, shall be returned to him.

"(m) The Treasury Department shall prepare the estimates of the annual appropriations required to be made to the Foreign Service retirement and disability fund and to all other similar retirement funds providing annuity benefits to Government employees or to employees of the government of the District of Columbia, and shall make actuarial valuations of such funds at intervals of 5 years, or oftener if deemed necessary by the Secretary of the Treasury:

Provided, however, That in the case of the civil-service retirement and disability fund, the Canal Zone retirement and disability fund, and the Alaska Railroad retirement and disability fund, the required estimates and valuations shall be made by the Treasury Department in accordance with plans and procedures approved by the Board of Actuaries provided for under the provisions of the Civil Service Retirement Act. The Secretary of State is authorized to expend from money to the credit of the Foreign Service retirement and disability fund an amount not exceeding \$5,000 per annum for the expenses necessary in carrying out the provisions of this section, including actuarial advice.

"(n) Any diplomatic secretary or consular officer who has been, or any Foreign Service officer who may hereafter be, promoted from the classified service to the grade of Ambassador or Minister, or appointed to a position in the Department of State, shall be entitled to all the benefits of this section in the same manner and under the same conditions as Foreign Service officers: *Provided,* That any officer now included under the act of May 24, 1924, and the amendment thereto of July 3, 1926, shall be entitled to the benefits of this section.

"(o) For the purposes of this act the period of service shall be computed from the date of original oath of office as diplomatic secretary, consul general, consul, vice consul, deputy consul, consular assistant, consular agent, commercial agent, interpreter, or student interpreter, and shall include periods of service at different times as either a diplomatic or consular officer, or while on assignment to the Department of State, or on special duty or service in another department or establishment of the Government, but all periods of separation from the service and so much of any period of leave of absence without pay as may exceed 6 months shall be excluded: *Provided,* That service in the Department of State or as clerk in a mission or consulate prior to appointment as a Foreign Service officer may be included in the period of service, in which case the officer shall pay into the Foreign Service retirement and disability fund a special contribution equal to 5 percent of his annual salary for each year of such employment subsequent to July 1, 1924, with interest thereon to date of payment compounded annually at 4 percent."

SEC. 4. Section 33 of said act is amended to read as follows:

"Sec. 33. Notwithstanding the provisions of section 10 of this act all Foreign Service officers having a rating of satisfactory or better who shall have been in classes 5, 6, 7, or 8 for a continuous period of 9 months or more, shall, on the first day of each fiscal year receive an increase of salary of \$100, except that no officer shall receive a salary above the maximum of his class and all such officers in classes 1, 2, 3, or 4 shall in the same circumstances receive an increase of \$200: *Provided,* That the Secretary of State is authorized to fix the salary of Foreign Service officers in the unclassified grade within the salary range specified in section 10 of this act; and, within the limits of appropriation therefor, to grant to Foreign Service officers in any class additional promotion in salary within the salary range established for the classes in which they are serving, based upon especially meritorious service. Increases in salary under the terms of this section shall be paid to Foreign Service officers only as the right to such increases accrues after the effective date of this act. The President is hereby authorized to establish by Executive order, regulations providing for the separation of Foreign Service officers from the Foreign Service, in accordance with the conditions hereinafter prescribed. Any Foreign Service officer so separated from the Foreign Service shall be retired from the Service, after a hearing by the Secretary of State, upon an annuity equal to 25 percent of his salary at the time of retirement, in the case of an officer over 45 years of age, or in the case of an officer under 45 years of age with a bonus of 1 year's salary at the time of his retirement, either annuity or 1 year's salary to be payable out of the Foreign Service retirement and disability fund and except as herein provided, subject to the same provisions and limitations as other annuities payable out of such fund; but no return of contributions shall be made under paragraph (1) of section 26 of this act in the case of any Foreign Service officer retired under the provisions of this section: *Provided, however,* That any officer entitled to the bonus of 1 year's salary will receive in lieu of such bonus the amount of his contributions and interest under paragraph (1) of section 26 of this act if such amount exceeds 1 year's salary. Whenever it is determined that the efficiency rating of an officer is unsatisfactory, thereby meaning below the standard required for the Service, and such determination has been confirmed by the Secretary of State, the officer shall be notified thereof, and if, after a reasonable period, to be determined by the circumstances in each particular case, the rating of such officer continues to be found unsatisfactory and such finding is confirmed by the Secretary of State after a hearing accorded the officer, such officer shall be separated from the Service with the annuity or bonus provided in this section, but no officer so separated from the Service shall receive the said annuity or bonus unless at the time of separation he shall have served at least 15 years. He shall, however, if he has not served at least 15 years, have returned to him the full sum of his contributions to the annuity fund, with interest thereon at 4 percent compounded annually, except as provided in paragraph (c) of section 4 of this act. The benefits of this section, except, at the option of the Secretary of State, the return of an officer's contributions to the annuity fund, shall not be given to Foreign Service officers separated from the Foreign Service on account of malfeasance in office."

With the following committee amendments:

On page 14, beginning in line 3 after the word "fund", strike out the remainder of the line and all of lines 4, 5, and 6 down to and including the word "Columbia."

On page 14, line 7, strike out the word "funds" and insert the word "fund."

Page 14, line 8, after the word "Treasury", strike out the remainder of line 8 and all down to and including the word "act" in line 15.

Page 18, after line 13, insert:

"Sec. 5. This act shall take effect on the first day of the calendar month following the expiration of 60 days from the date of its approval by the President."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

NEW YORK WORLD'S FAIR

The Clerk called the next business, House Joint Resolution 141, to authorize the appropriation of an additional sum of \$1,046,000 for Federal participation in the New York World's Fair, 1939.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. KRAMER and Mr. GORE objected.

PRIVATE CHARTER OPERATION

The Clerk called the next bill, H. R. 2382, to amend section 704 of the Merchant Marine Act of 1936, as amended, and to amend section 706 (a) of the Merchant Marine Act of 1936.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BLAND. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PROHIBITING UNAUTHORIZED USE OF NAME OR INSIGNIA OF 4-H CLUBS

The Clerk called the next bill, H. R. 913, to prohibit the unauthorized use of the name or insignia of the 4-H clubs, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That it shall be unlawful for any person falsely and with intent to defraud to hold himself out as or represent or pretend himself to be a member of, associated with, or an agent or representative for the 4-H clubs, an organization established by the Extension Service of the United States Department of Agriculture and the land-grant colleges, for any purpose whatsoever; or for any person with intent to defraud to wear or display the sign or emblem of said 4-H clubs or any insignia in colorable imitation thereof for the purpose of inducing the belief that he is a member of, associated with, or an agent or representative for said 4-H clubs. It shall be unlawful for any person other than said 4-H clubs and those duly authorized by them, the representatives of the United States Department of Agriculture, the land-grant colleges, and persons authorized by the Secretary of Agriculture, to use within the territory of the United States of America and its exterior possessions, for the purpose of trade or as an advertisement to induce the sale of any article whatsoever or for any business or charitable purpose, the recognized emblem of said 4-H clubs, consisting of a green four-leaf clover with stem and the letter H in white or gold on each leaflet, or any sign, insignia, or symbol in colorable imitation thereof, or the words "4-H Club" or "4-H Clubs" or any combination of these or other words or characters in colorable imitation thereof. If any person violates any provision of this act, he shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$300 or imprisoned not more than 6 months, or both, for each and every offense.

Sec. 2. The term "person" includes individuals, partnerships, corporations, and associations.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMEMORATIVE COINS

The Clerk called the next bill, H. R. 2750, to prohibit the issuance and coinage of certain commemorative coins, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I am in hearty accord with the purposes of the bill.

This question has been before us for a great many years, and I know the temper of the committee in reporting out this legislation. I wonder, however, if by this bill we do what we want to do. This bill provides that subsequent to the enactment of this act, no commemorative coin shall be issued pursuant to any act of Congress authorizing the coinage and issuance of commemorative coins, enacted prior to March 1, 1939. Do we seek under this act to bind future Congresses to this policy which, of course, we cannot do? Under the decisions of the Supreme Court, if we were to pass an act authorizing the coinage of a commemorative 50-cent piece, such an act would become an exception to this general act and would be considered by the courts an exception to this act; and the action of the mint in striking off the coin would be validated regardless of any prohibition in this general act. Will the gentleman from Missouri clarify this situation to the point of admitting that under this bill we do not seek to abrogate the rule against binding future Congresses? That the passage of this act is a declaration of intention only on the part of this particular Congress with respect to coinage of commemorative coins?

Mr. COCHRAN. Mr. Speaker, I have great respect for the opinion of the gentleman from Michigan, but it seems to me the wording of this bill absolutely provides that it affects only the authorization of commemorative coins by laws enacted prior to March 1, 1939. Any law dealing with this subject that might be passed subsequently would certainly not be affected in any manner, shape, or form, by the passage of this bill.

Mr. WOLCOTT. If that be the situation, then we are attempting by implication to repeal all acts which have previously been passed with respect to commemorative coins.

Mr. COCHRAN. That is the purpose of this bill.

Mr. WOLCOTT. I think we should have a clear understanding of that. I think during the last session we authorized the striking off of three commemorative coins.

If we want to repeal those acts, why do we not repeal them directly? Is the gentleman of the opinion that this bill will repeal all pending authorizations for the striking off of commemorative coins?

Mr. COCHRAN. That is the purpose of this bill. I may say to the gentleman from Michigan, however, that the commemorative coins authorized by the acts passed in the last Congress have already been issued, in keeping with the provisions of those acts; the celebrations have been held.

Mr. WOLCOTT. Is it the gentleman's thought that this bill might preclude this or any subsequent Congress from amending any of the acts which were passed by increasing the number of coins which might be outstanding?

Mr. COCHRAN. I have always been of the opinion that a subsequent Congress could do what it desired. For instance, even if this Congress wanted to repeal this legislation, a week after it became a law, it certainly could do so. I do not think this bill is binding upon future actions of this Congress or of subsequent Congresses.

Mr. WOLCOTT. Then we can decide that this is just a declaration of intention as to what we will do with bills, whether introduced at this session or future sessions of Congress; and also the pending bill repeals any existing laws which have not become effective by reason of the coins not having been struck off.

Mr. COCHRAN. Bills pending in the present Congress are not affected by this measure.

Mr. WOLCOTT. Then it becomes merely a declaration of intention with respect to those bills.

Mr. COCHRAN. This bill is to reach only those that were enacted in previous years where the coins have already been issued.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. COSTELLO. Does not the gentleman think that to reach the situation that is bothering the committee, future bills providing for the striking off of memorial coins should also contain a provision withholding a certain number of the

coins from issuance, letting the mint put the additional supply of coins on the market subsequently?

Mr. COCHRAN. I may say to the gentleman from California that the chairman of the committee has already appointed a subcommittee of which the gentleman from California [Mr. SHEPPARD] is chairman, to go into that very question. This subcommittee had a conference with the Secretary of the Treasury last week, and I think the subcommittee will report to the full committee in the very near future.

Mr. COSTELLO. I think in order that we may obviate the difficulty we are confronted with, a comprehensive bill should be presented to the Congress.

Mr. COCHRAN. That is exactly what the subcommittee is working on at the moment.

Mr. COSTELLO. I hope the full committee will accept the subcommittee's report.

Mr. REES of Kansas. Mr. Speaker, reserving the right to object, is it not a fact that we have several of these commemorative coin bills pending at the present time? Does the pending bill affect these?

Mr. COCHRAN. We have dozens of bills pending but this bill does not, not in any manner, shape, or form affect those bills.

Mr. REES of Kansas. What does it do, affect only bills introduced previous to this session?

Mr. COCHRAN. Here is what it does: Heretofore acts have been passed providing for the minting of commemorative coins. In some cases authority to mint those coins are now in the hands of distributors. Year by year coins under those acts are minted and sold to the coin collectors. It has developed into a racket. In some instances the coin collectors will charge \$10 for a set of three half-dollars. The events for which those commemorative coins were issued have long since been held, but coins have been issued in some instances 15 different times. The President of the United States and the Secretary of the Treasury desire that this practice be stopped, and that is the purpose of this bill. I repeat it does not have anything to do with any bill pending or with any event that is to occur in the future. Pending bills will be taken up by the Committee on Coinage, Weights, and Measures in the future.

Mr. REES of Kansas. Then it applies only to the earlier acts?

Mr. COCHRAN. Only to acts passed before March 1, 1939.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsequent to the enactment of this act no commemorative coins shall be coined or issued pursuant to any act of Congress, authorizing the coinage and issuance of commemorative coins, enacted prior to the date of the enactment of this act.

With the following committee amendment:

Page 1, line 6, after the word "to", strike out "the date of the enactment of this act" and insert "March 1, 1939."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TEMPORARY DETAIL OF AMERICAN EMPLOYEES TO AMERICAN REPUBLICS AND THE PHILIPPINES

The Clerk called the next bill, H. R. 3134, a bill to amend the act entitled "An act authorizing the temporary detail of United States employees, possessing special qualifications, to governments of American republics and the Philippines, and for other purposes," approved May 25, 1938.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, may I ask the chairman of the Committee on Military Affairs what the purpose of the amendment is wherein it is

sought to strike out the language, "whose services can be spared"?

The existing law provides that the President is authorized, when he finds that public interest renders such course advisable, to detail certain scientific, technical, and professional advisers to the Philippine Islands and to the Government of Liberia. The existing law also provides that the President must find that the services of these individuals can be spared.

I found that hidden away in an otherwise desirable law. I wondered why we were relieving the President of the obligation to find that these professional services could be spared by our Government.

Mr. Speaker, I have in mind that this bill directly affects persons with a status similar to that of General McArthur in the Philippines. I see no particular reason why the bill should not be passed, with the exception of the language referred to. As I view this bill now, the President, with or without an agreement to compensate the Federal Government, might detail any number of officers or enlisted men from our Army or Navy or from any other department to the Philippine Islands on the pretense they were there to assist or counsel with the Philippine government.

Mr. MAY. The gentleman asked the question, as I understand it, why these words "can be spared" have been eliminated from the previous bill. This simply means that if some Government bureau here in Washington, say the Department of Agriculture, has an employee that the President desires to detail to some other government for special service, or from the Department of the Interior or any other department, that particular employee can be spared by the Department. That is all it means.

Mr. WOLCOTT. As I understand, the way this law is amended the President does not have to find that he can be spared. He can take any employee out of any department—executive, War, or Navy Department—and send that employee over to the Philippines without any finding whatsoever that that employee can be spared by the Department.

Mr. MAY. No. This simply means he finds that they can be spared.

Mr. WOLCOTT. I will have to differ with the gentleman, much as I dislike to do so. The committee recommends that the existing law be amended, and if the gentleman will refer to page 3 of the report wherein under the Ramseyer rule there is set forth changes in existing law, he will see there are some very distinct brackets put around the words "whose services can be spared."

Mr. MAY. That is right.

Mr. WOLCOTT. Indicating that the law is to be amended by striking out those words.

Mr. MAY. That is right. The gentleman is correct. Those words are stricken from the act which we passed last year.

Mr. WOLCOTT. Does the gentleman think it advisable to remove this restriction from the President's authority to assign these men and officers to Liberia and the Philippines?

Mr. MAY. It is a matter of discretion that the department head usually exercises, and it is a matter that is handled by the department head and approved by the President.

Mr. WOLCOTT. If the President concluded it was desirable to send some Navy or Army officers or enlisted men to the Philippine Island, he would not under this existing law have to seek the advice of his department head. He would not have to find that their services could be spared. Exaggerating for the purpose of emphasis I may say he could transfer, under this act, all of the employees of any executive department to the Philippine Islands for any purpose, so long as somebody in the Philippines requested that they be sent over there. If there was danger to the Philippines by reason of a contemplated invasion of any of their political rights or geographic units, I do not want to put the President in a position of having to refuse, on his own responsibility, a request by the Philippine government to send our men and equipment to the Philippines to take care of a pending situation. Unless the committee can give me a much better

reason than they have up to the present time for eliminating those words, "whose services can be spared," I am constrained to object.

Mr. SABATH. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. SABATH. The bill does not authorize the President to do this for the Philippine Islands alone. It provides this for any of the American republics. It does not provide only for military aid. I believe such a thing would be helpful and beneficial, not from a military point of view, but from a commercial point of view. It does not mean that we shall send expert military gentlemen over there, but people from the Department of Commerce or the State Department, who will aid the commerce of the United States. I think the more men we can send over there to acquaint the republics with conditions and our desire to do business with them the more beneficial it will be and the Congress of the United States should do that.

Mr. WOLCOTT. Let me read into the Record this very brief law which it is sought to amend.

That the President of the United States be, and hereby is, authorized, whenever he finds that the public interest renders such a course advisable, upon agreement with the government of any other American republic or the government of the Commonwealth of the Philippine Islands, or the government of Liberia, if such government is desirous of obtaining the services of a person having special scientific or other technical or professional qualifications, other than those persons covered by the act of May 19, 1926 (44 Stat. 565), as amended by the act of May 14, 1935 (49 Stat. 218), to detail for temporary service of not exceeding 1 year, under such government any such person in the employ of the Government of the United States whose services can be spared.

There is no restriction in that act with respect to the number of persons whom the President might send to the American republics, to Liberia, or to the Philippines, except the limitation contained in the words "whose services can be spared." For some reason or other and without too much explanation the committee has recommended that the words "whose services can be spared" be eliminated from the act. Why are they to be eliminated? This is a restriction upon the President's authority to send as many employees of our executive establishment to the Philippines, to Liberia, or to the American republics, as he sees fit. He must first make a finding that they can be spared. This contemplates that the heads of the departments be consulted on the question of whether or not these employees are dispensable. If these words are eliminated, the President may on his own volition without conferring with anyone enter into an agreement, which is easy to obtain, of course, with any of these countries to send as many of the employees of the executive departments, including the Army and the Navy, as he may see fit to any of the countries mentioned in the act. I do not believe the President wants that power, I do not think the President should be given that power, and I do not think I will consent that he be given that power.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

POSTAL EMPLOYEES

The Clerk called the next bill, H. R. 3812, granting postal employees credit for Saturday in annual and sick leave law, thereby conforming to the 40-hour workweek or 5-day-week law.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph 1 of section 11 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925, as amended by the act of May 17, 1928 (45 Stat. 595), is amended to read as follows:

"Employees in the Postal Service shall be granted 15 days' leave of absence with pay, exclusive of Saturdays, Sundays, and holidays, each fiscal year, and sick leave with pay at the rate of 10 days a year, exclusive of Saturdays, Sundays, and holidays, to be cumulative, but

no sick leave with pay in excess of six months shall be granted during any one fiscal year. Sick leave shall be granted only upon satisfactory evidence of illness in accordance with the regulations to be prescribed by the Postmaster General."

With the following committee amendments:

Page 1, line 8, strike out "by the act of May 17, 1928 (45 Stat. 595)."

Page 2, after line 8, insert "Sec. 2. This act shall become effective as of February 1, 1939."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

THIRD INTERNATIONAL CONGRESS FOR MICROBIOLOGY

The Clerk called the joint resolution (H. J. Res. 150) to amend the joint resolution entitled "Joint resolution to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology to be held in the United States during the calendar year 1939."

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the joint resolution entitled "Joint resolution to provide that the United States extend to foreign governments invitations to participate in the Third International Congress for Microbiology to be held in the United States during the calendar year 1939," approved June 25, 1938, is hereby amended by inserting after the word "microbiologists" the following section:

"Sec. 2. That the sum of \$10,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the expenses of organizing and holding the Third International Congress for Microbiology, including personal services in the District of Columbia and elsewhere, without regard to the Classification Act of 1923, as amended; communication services; stenographic reporting, translating, and other services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); travel expenses; local transportation; hire of motor-propelled passenger-carrying vehicles; transportation of things; rent in the District of Columbia and elsewhere; printing and binding; entertainment; official cards; purchase of newspapers, periodicals, books, and documents; stationery, membership badges, and such other expenses as may be actually and necessarily incurred by the Government of the United States by reason of observance of appropriate courtesies in connection therewith, and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified."

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNITED STATES COAST GUARD ACADEMY

The Clerk called the next bill, H. R. 136, to authorize contingent expenditures, United States Coast Guard Academy.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, not to exceed \$2,500 for any fiscal year, for contingencies for the Superintendent, United States Coast Guard Academy, to be expended in his discretion and by his direction.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COAST AND GEODETIC SURVEY

The Clerk called the next bill, H. R. 138, to authorize the construction of certain vessels for the Coast and Geodetic Survey, Department of Commerce, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT. Reserving the right to object, Mr. Speaker, I do not doubt that this bill is meritorious, and I know that it does not add to the number of vessels in the fleet because it replaces an existing outmoded steamer, the *Lydonia*. However, I believe it is only fair to the Members of the House and the chairmen of the committees of the House that I announce what has been decided upon as a general policy which it is hoped will be observed with respect to the Consent Calendar.

The conclusion has been reached that no bill authorizing the expenditure of a large amount of money—and although

we do not see fit to state an arbitrary amount, it is thought that anything over, we will say \$750,000, might be considered in that category—should be passed by unanimous consent. The business of the House for the next month or so is not going to be so pressing that we cannot give consideration to these bills. I have always been of the opinion that we should not pass by unanimous-consent bills authorizing the appropriation of large sums of money without some discussion. Every Consent Calendar day is likewise the day on which suspension of the rules may be had. I am sure that if a bill were meritorious the Chair would recognize the chairman of any of the standing committees to suspend the rules and pass the bill. This would at least give us 20 minutes of debate, so that adequate time either under suspension or by a rule may be provided for the discussion of these bills.

In keeping with this policy, Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman has stated this policy has been formulated. Will the gentleman advise the House who formulated the policy?

Mr. WOLCOTT. Yes; I shall do so.

Mr. McCORMACK. The gentleman also said a conclusion had been reached. Is this the Republican policy or the gentleman's policy?

Mr. WOLCOTT. I do not speak for the Republican Party.

Mr. McCORMACK. Who has reached this conclusion?

Mr. WOLCOTT. Three of us; the gentleman from New Jersey [Mr. KEAN], the gentleman from Illinois [Mr. CHURCH], and I have been designated by the Republican leadership to supervise this calendar. On our own responsibility, we have come to the conclusion that a million-dollar bill is too big to be passed by unanimous consent.

Mr. McCORMACK. I am not taking issue with the policy, or anything of that kind. I simply want the information. The statement of the gentleman in the RECORD would leave the impression that this is the policy of the House, and I wanted to find out for my own benefit just whose policy it is. The gentleman has given me that information.

Mr. WOLCOTT. I may say at this time that the policy of the three official objectors on the Republican side binds no one else, but I hope by our example it may become the policy of the House.

Mr. BLAND. Reserving the right to object, Mr. Speaker, I am not going to interpose an objection at this time; but if legislative committees want to get their bills through, we will have to ask that the Calendar Wednesday call of committees be regularly made so we can get our bills duly considered according to the rules of the House.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. WOLCOTT]?

There was no objection.

COAST GUARD STATION, KEWEENAW PENINSULA, MICH.

The Clerk called the next bill, H. R. 899, to provide for the establishment of a Coast Guard station on Grand Traverse Bay, Mich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to establish a Coast Guard station on the east coast of the Keweenaw Peninsula at or near the vicinity of Grand Traverse Bay, Houghton County, Mich., at such a point as the Commandant of the Coast Guard may recommend, and appropriations for the establishment and construction thereof are hereby authorized, out of any money in the Treasury not otherwise appropriated.

With the following committee amendment:

Strike out all after the enacting clause and insert:

"That the Secretary of the Treasury be, and he is hereby, authorized to establish a Coast Guard station on the east coast of the Keweenaw Peninsula, Mich., at such point as the Commandant of the Coast Guard may recommend."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended.

MEDICAL OFFICERS, COAST AND GEODETIC SURVEY

The Clerk called the next bill, H. R. 1776, to provide for the assignment of medical officers of the Public Health Service for duty on vessels of the Coast and Geodetic Survey, and for other purposes.

Mr. SABATH. Reserving the right to object, Mr. Speaker, may I ask the chairman of the committee how many officers will be required to be assigned to these vessels?

Mr. BLAND. I think only a few, and this does not require any additional number. It is simply a means whereby the Public Health Service may be paid for the officers of the Public Health Service detailed to vessels that are doing Coast and Geodetic work up in the waters of Alaska, for instance. These men are assigned to this duty and really have not access to shore, and there are a comparatively small number involved, as I recall.

Mr. SABATH. Approximately, what will be the number of men assigned? They are to be medical men, I understand.

Mr. BLAND. I do not think there are over three or four, but I would not want to make a definite statement.

Mr. SABATH. I think the House ought to know how many of these favorite sons the Department has that they wish to assign in this way, and for that reason I shall be constrained to object until I get more definite information.

Mr. BLAND. Will the gentleman permit me a further statement?

Mr. SABATH. Yes.

Mr. BLAND. These men are not favorite sons. They are men who are taken out of the Public Health Service, given these positions; and all this bill does is to enable the Public Health Service to be reimbursed out of the funds of the Coast and Geodetic Survey, and therefore there will be no additional charge.

Mr. COSTELLO. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield.

Mr. COSTELLO. At the present time they are only employing four doctors in the Coast and Geodetic Survey.

Mr. SABATH. Is that all?

Mr. BLAND. That is all; yes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That upon the request of the Secretary of Commerce, the Secretary of the Treasury may detail medical officers of the United States Public Health Service for duty on vessels of the United States Coast and Geodetic Survey and when so detailed the pay and traveling expenses of these officers shall be reimbursed to applicable Public Health Service appropriations.

Sec. 2. Under such regulations as may be prescribed by the President, upon the recommendation of the Surgeon General with the approval of the Secretary of the Treasury and the Secretary of Commerce, all commissioned officers, ships' officers, and members of the crews of the vessels of the United States Coast and Geodetic Survey, including those on shore duty and those on detached duty, whether on active duty or retired, and all dependent members of families of such personnel shall be entitled to medical, surgical, and dental treatment and hospitalization by the United States Public Health Service in the same manner and to the same extent as are now or may hereafter be provided by law and regulations for officers and enlisted men of the United States Coast Guard and their dependents. Collections of the Public Health Service for the hospitalization of such dependent members of families shall be credited to the applicable appropriation for the operation of marine hospitals and relief stations.

With the following committee amendment:

Page 1, line 7, after the word "pay", insert a comma and the word "allowances."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

METHOD OF COMPUTING ANNUITIES UNDER CANAL ZONE CODE

The Clerk called the next bill, H. R. 139, to amend paragraph (1) of section 96 of title 2 of the Canal Zone Code relating to method of computing annuities.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (1) of section 96 of title 2 of the Canal Zone Code is amended to read as follows:

"(1) A sum equal to \$37.50 multiplied by the number of years of service, not to exceed 30 years, rendered (a) on the Isthmus of Panama, or (b) in the service of the United States in the Tropics; and."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISABILITY RETIREMENT CLAIMS, CANAL ZONE

The Clerk called the next bill, H. R. 3577, to amend the Canal Zone Code.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first paragraph of subsection (b) of section 94 of title 2, Canal Zone Code, as amended by section 2 of the act of June 24, 1936 (49 Stat. 1904), is amended to read as follows:

"(b) Any employee to whom this article applies who shall have served for a total period of not less than 5 years, and who, before becoming eligible for retirement under the conditions defined in section 92 of this title, shall have become totally disabled for useful and efficient service in the grade or class of position occupied by the employee, by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on the part of the employee, shall upon his own application or upon request or order of the Governor of the Panama Canal, be retired on an annuity computed in accordance with the provisions of section 96 of this title: *Provided*, That proof of freedom from vicious habits, intemperance, or willful misconduct for a period of more than 5 years next prior to becoming so disabled for useful and efficient service, shall not be required in any case; and the claim of any employee which was or would have been disallowed under this section by reason of the requirement of such proof with respect to a longer period than 5 years, shall upon request of the applicant be reinstated, and shall thereupon be redetermined under the provisions of the section as herein amended: *Provided further*, That such claim is now on file with the Civil Service Commission or is executed within 6 months from the enactment of this act."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

REORGANIZATION BILL OF 1939

Mr. COCHRAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4425) to provide for reorganizing agencies of the Government, and for other purposes. Pending that, I ask the attention of the gentleman from New York [Mr. TABER]. I am wondering whether it will be agreeable to the gentleman from New York, when the bill is taken up under the 5-minute rule, to have it read by title rather than by sections.

Mr. TABER. Mr. Speaker, I think we should read the bill by sections. The only difference it makes is this: It would be possible, if the bill were read by title, to close debate on a title after 5 minutes' debate, and there are amendments to sections 1, 2, 3, and 4 of part 1, and to section 5 of part 1, and they are very important. It might cause serious confusion and might prevent the House having an opportunity to thoroughly debate the items as they are brought up. With that situation I should hate to see the bill read by titles.

Mr. WARREN. Mr. Speaker, the request just made by the gentleman from Missouri [Mr. COCHRAN] has always come from the gentleman from New York [Mr. TABER]. He has correctly stated the situation. This is being suggested for the benefit of the opposition, if there is any to the bill. It would give the opposition the right to strike out the entire title. It is immaterial to us. We make the suggestion because gentlemen say they are opposed to the bill, and it will give them an opportunity to strike out a title if they desire.

Mr. TABER. The thing that would embarrass me about it would be if the bill were to be read by title and there was to be no opportunity to debate amendments that might be offered. I would like to have an understanding that at least two or three amendments might be offered to sections 2, 3, 4, and 5, and at least one to each of the others, without having the debate close until after 5 minutes had been allotted each side on those amendments all the way through.

Mr. WARREN. Of course, that is a matter entirely up to the Chair. The gentleman has a right to offer amendments. Mr. TABER. We can offer any amendment, but we could not debate the amendments for 5 minutes on a side unless the Committee saw fit not to move to close debate. If the majority is going to move to close debate, I would rather not have the bill read by title.

Mr. WARREN. It does not make a bit of difference to us.

Mr. TABER. I would not be agreeable to that.

Mr. COCHRAN. Mr. Speaker, I renew my motion.

The SPEAKER. The question is on the motion of the gentleman from Missouri that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4425.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 4425, with Mr. McCORMACK in the chair.

The Clerk read the title of the bill.

By unanimous consent, at the request of Mr. COCHRAN, the first reading of the bill was dispensed with.

Mr. COCHRAN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, in opening the debate on this bill I want to inform the House and the country that while the bill bears my name, the main credit for its preparation belongs to the gentleman from North Carolina [Mr. WARREN].

Immediately after the election last fall I returned to Washington to render what assistance I might be able in the preparation of another reorganization bill. I found that Mr. WARREN had already been working on the measure for 2 months. In the end we had the assistance of two outstanding members of the Legislative Reference Service and of the Parliamentarian of the House.

Further I want to say that up to the hour that the bill was introduced no official nor employee of the executive branch of the Government had ever been consulted nor will you find in the bill one paragraph that was submitted or suggested by an official or employee of the executive branch of the Government.

During the general debate on the bill Mr. WARREN will explain its provisions in detail, and while I feel that I can answer any questions that any Member desires to ask me, nevertheless, time will be conserved if those interested will await the remarks of the gentleman from North Carolina.

If one attempted to trace the history of the subject of reorganizing the executive branch of the Government, he would find that Alexander Hamilton, the first Secretary of the Treasury, stated it was necessary to provide a more efficient manner for the operation of the Treasury Department.

Nearly 50 years ago Senator Francis M. Cockrell and Representative Alexander M. Dockery, both of whom happened to be residents of my own State, headed special committees appointed for the purpose of reorganizing the executive branch. Prior to the passage of the Budget and Accounting Act and the law which created the Comptroller General, older Members of the Congress will recall there was an auditor for every one of the Government departments. The law creating the auditors was the result of the efforts of the so-called Dockery reorganization committee.

For the past 50 years President after President has called attention of the Congress to the necessity of reorganizing the executive branch. Special committee after special committee has been appointed. In recent years I would say that the joint committee headed by former Senator Smoot, of Utah, made the most exhaustive study that any committee of Congress ever made in connection with this subject. It so happens that two Members of this House, the gentleman from Michigan [Mr. MAPES] and the gentleman from New York [Mr. WADSWORTH] were members of the Smoot committee. No Member of Congress today realizes more than they do the necessity for this reorganization.

For over a quarter of a century I have been in contact with the departments and independent establishments. I do not feel I can be charged with being egotistical when I say I know something about them and their operation. It was for

that reason that I voted to give Mr. Hoover the power to reorganize and that I voted for the bill extending power to President Roosevelt in 1933 and again in 1937. I say now that it matters not to me of what political party the President might be, as long as I am in Congress I will support legislation of this character.

I say this because it has long since been determined that the Congress itself will not pass the necessary specific legislation to bring about general reorganization.

On August 13, 1937, when we voted on the general reorganization bill, the gentleman from Michigan [Mr. MAPES] supported that measure. The gentleman from New York [Mr. WADSWORTH] was not recorded.

It is unnecessary for me to go into the history of what happened in the Seventy-fifth Congress, but it is sufficient for me to say that only 76 Members of the House were recorded as opposing the original House reorganization bill, while 283 Democrats, Republicans, and Progressives, supported the bill. I am confident if the Senate had considered that bill there would be no necessity today for this measure.

A moment ago I referred to the gentleman from Michigan [Mr. MAPES] and the gentleman from New York [Mr. WADSWORTH]. I want to quote now the opening statement of a brief speech made by Mr. MAPES on August 13, 1937:

Mr. Chairman, when I came into the Chamber this afternoon I had no definite intention of discussing this bill, but I would not be true to my own feelings if I did not say a word to compliment the committee on its work in reporting the bill that is before us.

I quote from another part of his speech:

Earlier in the session after the report of the Brownlow committee, I made a talk opposing the recommendation of that committee to put the independent establishments, including the Interstate Commerce Commission, into some department presided over by a Member of the Cabinet.

I expressed the hope then that the Reorganization Committees of the House and Senate would not follow that recommendation of the Brownlow committee and that I would be able to support the legislation this Reorganization Committee finally reported. The hope expressed at that time has come true and is realized in this bill. The bill reported by the committee is so much better than I feared it would be that I am pleased to take the floor and support it. I congratulate the committee on the bill as a whole and especially upon that part of it which expressly provides that the 12 independent commissions enumerated in the bill shall be left as they are except on the budgetary matter.

I am not going to take the time to enumerate the outstanding Republicans who voted for the reorganization bill that even gave Mr. Hoover power to abolish Government departments, nor will I mention the names of those who voted for the bill on August 13, 1937.

My good friend, the gentleman from New York [Mr. TABER], a member of the Reorganization Committee, characterizes this legislation as destructive. I pray his prediction will ultimately come true, because the objective is to destroy that great monster, bureaucracy, that is spread throughout the executive branch of the Government. Year by year it grows unchecked and ultimately it will destroy our form of Government if it is not itself destroyed or curtailed.

Failure of the Congress to pass this legislation or for the President to fail to abide by the mandate that it carries if it does pass simply means the continuation of the inefficiency that has prevailed not only during this administration but previous administrations and which continues to enlarge by reason of our failure to provide the proper remedy for improvement.

I cannot help but recall reading a short article written by one of our colleagues on the Republican side of the House, who some of you hope will some day be the Chief Executive of our Nation. I refer to Mr. BARTON, of New York. Mr. BARTON is a businessman, but his business, unlike many others, brings him in direct contact with the businessmen of the country and not the general public that business serves. In this article Mr. BARTON says. I quote:

There are something like 70 departments, bureaus, and commissions whose officials have the right and duty to report to the White House. No chief executive of any business tried to deal directly with more than a dozen subordinates.

Mr. BARTON should have said that there are approximately 135 rather than 70 departments, bureaus, and commissions who report to the White House.

Now let me quote another sentence.

Our country can never reach its full productive capacity if the brains and energies of its citizens are subordinated to the shifting dictates of ever-increasing bureaucracy. The bureaus and commissions should be curtailed, coordinated, and simplified as Mr. Roosevelt in 1932 promised they would be.

I do not know the attitude of Mr. BARTON toward this bill, but I do say, that as a businessman with such views as he expresses, he should certainly be urging Congress to pass this legislation, because what we seek to do in this bill is to provide that our Government will be as efficiently operated as private business is conducted.

Now I want to refer briefly to the minority report. Mr. Hoover recommended the establishment of a Division of Public Works in the Department of the Interior. What did he put in this Division of Public Works under an Assistant Secretary of the Interior? I am not going to numerate all, but outstanding was the work of the Chief of Engineers of the Army of a nonmilitary character, which includes improvements of rivers and harbors. He also transferred all of the commissions associated with the Chief of Engineers. In other words, he placed all our river and harbor work in the hands of civilian engineers. He likewise transferred to this Division of Public Works the Supervising Architect's office, which controlled the construction of public buildings.

I quote from the minority report on this bill signed by the gentleman from New York [Mr. TABER], the gentleman from Massachusetts [Mr. GIFFORD], and the gentleman from Illinois [Mr. DIRKSEN]:

There is a threat in the offing created by the powers delegated in this bill that the President will be able to create two large propaganda departments in charge of Public Works and Welfare by moving units of the Government around into two departments which the Congress itself would not stand for for 1 minute if they were put forward on their own merits.

On January 19, 1933, the House voted on a resolution which prevented this as well as the other recommendations of Mr. Hoover from taking effect. Mr. DIRKSEN was not a Member of this body at that time but Mr. TABER and Mr. GIFFORD were, and we find them voting for a motion to recommit the resolution which vote undoubtedly meant they wanted the order of President Hoover to become effective. The vote could have no other meaning.

By no stretch of imagination do I want to infer the President would do the same thing if this authority is granted, as I do not know what he might recommend, but I am pointing out that in 1933 Mr. TABER and Mr. GIFFORD were willing to create the very "large propaganda departments" they fear might result if this bill becomes a law.

In the recommendations of Mr. Hoover we find created a Division of Education, Health, and Recreation, a Division of Land Utilization in the Department of Agriculture. Mr. Hoover had the power to abolish even a department but he abolished one agency—the United States Employment Compensation Commission, by transferring part of its activities to the Civil Service Commission and that part of its duties which relate to the Longshoremen's and Harbor Workers' Act to the Department of Labor.

One more of the many recommendations I will mention. It provided for transferring to the Bureau of the Budget some of the most important activities of the General Accounting Office.

When Mr. TABER and Mr. GIFFORD voted to recommit that resolution they likewise approved these recommendations.

Now why is this bill necessary? Today we have approximately 135 departments and independent agencies and within those departments and independent agencies there are approximately 500 bureaus. The objective sought by this legislation is to group, coordinate, and consolidate executive agencies, to eliminate overlapping and duplication of effort, to increase the efficiency of the operations of the Government, and to reduce expenditures to the fullest extent consistent with the efficient operation of the Government.

For years the businessmen of this country, individually and collectively, have demanded reorganization. They have demanded a simplification of Government procedure. That is just exactly what we seek to do through the medium of this legislation.

This bill, unlike the bill voted on in August 1937, is a bill which has as its objective solely the reduction of agencies in the executive branch and creates absolutely no new agencies. Title III of the 1937 bill created the Department of Welfare. That has been left out of the present bill. Provisions were also made in the 1937 bill that would have enabled the President to have changed the name of a Government department but that, too, is eliminated from the present bill.

A new feature of the bill is part II of the reorganization title. The charge was made that under the old bill it might be possible, if the President submitted an Executive order to the Congress, for the committee to which it was referred to refuse to take action and thus deprive the membership of the House and Senate of the power to express itself as to whether or not the proposed reorganization should go into effect. This part of the bill provides specifically that after an Executive order has been referred to a committee for 10 calendar days and the committee has taken no action, a Member can move to discharge the committee from further consideration of any resolution with respect to such reorganization plan which has been referred to the committee. Others will discuss this more fully.

Title II of the bill, providing for budgetary control, is essential, because a number of independent regulatory commissions and boards have taken the position that they do not come within the provisions of budgetary control set out in the Budget and Accounting Act of 1921. It was clearly the intent of Congress to include them within the budgetary provisions, and this title is to remove any doubt on the subject. There is absolutely no reason why all Government departments and agencies of every character should not be subject to the budgetary provisions of the Budget and Accounting Act of 1921.

Title III authorizes the appointment of six administrative assistants to the President, a separate bill creating the six assistants in 1937 passed without a roll call.

Concluding, Mr. Chairman, let me say after 6 years in the White House and a number of years previous experience in a Government department, the President expresses a willingness to make the executive branch for which he is responsible more efficient. We should accept his challenge by passing this bill and providing the way for him to do so. [Applause.]

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Yes.

Mr. BULWINKLE. Does the gentleman take into consideration that the railroad-retirement bill should not be included in any other agency of the Government?

Mr. COCHRAN. In my opinion—and this is my personal opinion—the committee has exempted too many agencies now. Of course the Railroad Retirement Act is different from other retirement acts, but the committee gave consideration to that matter and it was not exempted.

Mr. BULWINKLE. Since the last session of Congress the Congress has created the Civil Aeronautics Authority. Does the gentleman think that that agency should be included in the exemption of the other agencies of the Government in the bill?

Mr. COCHRAN. The bill shows the judgment of the committee on that subject also.

Mr. BULWINKLE. So the committee thinks it should not be included?

Mr. COCHRAN. Whatever is not exempted in the bill the committee thought should not be included within the exemptions.

Mr. BULWINKLE. And whatever is not included should be left out?

Mr. COCHRAN. That was the viewpoint of the committee.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. COCHRAN. I yield myself 1 minute more.

Mr. BULWINKLE. Mr. Chairman, I ask the gentleman another question which rather worries me. Last week when the appropriation for the Wage and Hour Division came up the gentleman instead of reorganizing the Government disorganized a department.

Mr. COCHRAN. I do not agree with the gentleman that I did. I explained my position very fully as the gentleman would know if he had listened to me at the time. I made the statement on three different occasions. I stated very clearly that in no manner, shape, or form was I casting any reflections upon the Secretary of Labor.

Mr. BULWINKLE. I am not talking about reflections on anyone. I am talking about taking from the Department of Labor and creating another agency.

Mr. COCHRAN. I thought the Administrator of the Wage and Hour Division would be in a better position to properly administer his funds if in charge of the funds.

Mr. BULWINKLE. Then you were creating another agency after all?

Mr. COCHRAN. Oh, no; not by any means.

Mr. BULWINKLE. That is what it amounts to.

Mr. COCHRAN. It was already created.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. TABER. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, when we come to consider this bill, I am hoping that the membership of the House will go very carefully into the situation that is presented, with the idea of thoroughly understanding what is before them. Anyone who would say that the Government of the United States did not need to be trimmed up and put in shape, its superfluous activities cut out, would be indeed unappreciative of the situation with which we are confronted.

I was unable to grasp from the statement made by the chairman of the committee [Mr. COCHRAN] whether or not he was delivering a eulogy upon Mr. Hoover and basing his argument for support of the bill upon the fact that Mr. Hoover did himself propose some schemes for reorganization. I was unable to tell whether or not the gentleman wanted the Congress to know whether or not this bill was the same kind of a bill that was put up to the House and passed by it when Mr. Hoover was President of the United States. Really I think the membership should know. Let me say to you in the first instance, and square-toed, that it is not. That bill contained a provision requiring only negative action of one House of Congress to defeat a proposed reorganization. This bill becomes effective unless there is a concurrent resolution passed by both Houses of Congress disapproving it, and if a measure submitted has an item that one House positively and affirmatively and by a decided majority of its Members disapproved of, but the other House refused to act upon, that proposed reorganization takes effect.

Section 407 of the old bill of 1932 provided as follows:

Provided further, That if either branch of the Congress within such 60 days shall pass a resolution disapproving of such Executive order or any part thereof, such Executive order shall become null and void to the extent of such disapproval.

Now, there is another difference between that bill and this one. Here only a total disapproval is permitted. There a disapproval in part was permitted. In other words, if either House of Congress should disapprove of any part of the proposal on the part of the President, that went out and the other part went into effect. I think that as we consider this resolution we should have some of those things in mind.

What is the legislative picture at the present time with reference to proposed reorganization? I hold in my hand a copy of the Budget and Accounting Act of 1921. Section 209 of that act reads:

The Bureau, when directed by the President, shall make a detailed study of the departments and establishments for the purpose of enabling the President to determine what changes, with a view of securing greater economy and efficiency in the conduct of the public service, should be made in (1) the existing

organization, activities and methods of business of such departments or establishments; (2) the appropriations therefor; (3) the assignments of particular activities to particular services; or (4) the regrouping of services.

The results of such study shall be embodied in a report or reports to the President, who may transmit to Congress such report or reports or any part thereof, with his recommendations on the matters covered thereby.

Now, let me give you the picture of another side of reorganization, along the lines referred to in that very section 209. Last summer just before we adjourned, Mr. Bell, Director of the Budget, came before the Appropriations Committee, and he was granted an increase in his staff for the deliberate purpose of investigating the activities of the Government—the bureaus and establishments of the Government. He was given a set-up something three times in number and amount of the establishment that he had already for the direct purpose of carrying into effect section 209. Mr. Bell told the Subcommittee on the Treasury when he was before the committee this winter asking for his appropriation that in his opinion, if his proposed set-up was allowed, there would be no occasion for any reorganization bill, because by trimming down and by such regrouping of activities as was within the scope and range of the Executive, we would be able to accomplish those things that promoted efficiency in the departments and in the bureaus and establishments of the Government without any reorganization act at all.

Now, that is the current situation.

The Brookings Institution came out with a book on the reorganization of the National Government today. It was written by Lewis Meriam and Lawrence F. Schmeckebier. The book states that reorganization is the proper function of the Congress.

What has been the history of the last 6 years? Has any proposal of reorganization been submitted to us under section 209 of the Budget and Accounting Act? There has not. Were any accomplishments made by the President when he had this absolute power in 1933 which promoted the saving of funds to the Treasury of the United States? There were not.

Did the Committee of Reorganization, the commission that was appointed by the President, composed of Louis Brownlow, Charles Merriam, and Luther Gulick, propose to the Reorganization Committee at the hearing that they held any definite proposal of reorganization? They did not. They were asked specifically by my colleague upon the committee, Mr. GIFFORD, if they could not give us a sample of what ought to be done, and they gave us nothing.

I have given you a little bit of the picture. I want now to give you a picture along some other lines. It has become customary lately for the Government to be run on the basis of delegation of authority. For 6 years now we have appropriated enormous sums of money, close to \$20,000,000,000, for alleged relief. Most of this money has been turned over to the President to allocate around as he had a mind to. What has been the result? Has it promoted efficiency and economy, or has it promoted extravagance and disaster? It has resulted in the allocation of enormous funds for regular departmental activities of the Government that were not needed. It has resulted in riotous waste and extravagance. It has resulted in a denial to the Congress of the appropriating power that is absolutely necessary if the Congress is to be able to maintain for the American people their liberties. On top of that we have delegated enormous powers under the N. R. A., under the A. A. A., every one of which has been disastrous, every one of which has resulted in contributing more than anything else to the sorry state in which America finds herself today. [Applause.] Now, this is something of the picture of the delegation of authority. Let me say to you that I for one do not believe that this Congress should delegate any further authority to the President of the United States. [Applause.]

Let me say to you that I believe the entire authority that is set up in section 4 of this bill already exists in section 209 of the Budget and Accounting Act with the exception of just a few words that are not intelligible, and those I will call specific attention to a little later.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROBERTSON. Does this bill confer upon the President the power to abolish any function created by a legislative act?

Mr. TABER. It does. In my opinion if the President had any constructive ideas with reference to Government organization he would have submitted them to the Congress for its legislative approval. The very fact that he has no constructive ideas, no ideas with reference to the reorganization of the Government which would result in efficiency and economy is proved by his failure to submit them to the Congress with the request for legislation.

I am not ready yet to say to the people of the United States that we here in Congress are afraid, are unable to function; that we are unable to pass legislation which would cure any ills from which this Government is suffering; but I can see in the offing—and we referred to it in the report—the creation of two great big departments designed not for efficiency but for waste. The gentleman from Missouri suggested that Mr. Hoover proposed the department of public works, but let me say to you, Mr. Chairman, that Mr. Hoover's proposal for a department of public works was made at a time when the public activities along that line were not over 10 percent of the activity that is now going on; it was not such a serious thing at that time because the activities were small. Activities have now been extended until they are on a scale which is a menace to the solvency of the American Government.

Let me say to you that we are facing a deficit in this current fiscal year of \$4,000,000,000. Let me say to you that unless something is done to trim off the appropriations that are being brought in here, unless something is done to trim off these extra governmental activities which are swamping the American people and preventing their employment, and preventing recovery—let me say to you that this country is going to be in the throes of a Democratic depression just so long as this kind of operation lasts. [Applause.]

The object of the creation of these departments of public works, and public welfare is so that those bureaucrats can by a concentration of propaganda maintain their activities at top speed right straight through. They realize that they are right on the line and that unless something is given to them to put the pressure and the power on, unless their power of propaganda is concentrated, that they are gone and that these bureaucrats are going to be curbed by the Congress. Should we place in the hands of the Executive at the time that that effort is being made by these bureaucrats to hang on—place power in their hands to twist us around and make us subject to their will? I ask you: Are you ready to surrender the birthright of the American people to these bureaucrats who would destroy us unless curbed and unless we put the brakes on spending by this Government?

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, I desire at this moment to call attention to a few specific provisions of the bill.

On page 3 of the bill, section 3, line 8, appear the words "except the function of preparing estimates of appropriations."

Frankly, I cannot understand that that has any meaning in that particular place in the bill.

Mr. WARREN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WARREN. Let me call the gentleman's attention to the fact that that is the only line the gentleman wrote in the bill—he himself.

Mr. TABER. The gentleman is mistaken, I have not written a line.

Mr. WARREN. No; that is a fact.

Mr. TABER. The gentleman is mistaken.

Mr. WARREN. We will be delighted to take it out, because we cannot understand it ourselves, and the gentleman is the one who wrote it.

Mr. TABER. I did not. Well, that will settle one question.

Then over on page 5, section 4, with the exception of some minor amendments which I shall suggest, is not so bad, but section 5 is an absolute delegation of power to the President to handle this reorganization set-up. If the President were to submit a proposal along the line of section 209 of the Budget and Accounting Act, or along the lines of section 4, with some amendments that might be offered, and affirmative action were required of the Congress before a reorganization proposal became effective, it would not be such a bad situation. Section 5, however, requires that we take a positive negative action to stop it. It should be amended so that affirmative action is required of Congress making a reorganization.

I think I might call attention to the majority report, if you have it before you.

I quote from page 2:

The provisions of the bill clearly define what the President can and cannot do, and definitely set out the power of the Congress to prevent action that he might take from going into effect.

There is not anything anywhere in the report indicating that it requires the concurrent action of both Houses of Congress. It is said that the action of one House alone, the reservation to one House by concurrent resolution, to stop a thing is not constitutional; but a provision requiring a concurrent affirmative resolution of both Houses is constitutional; therefore, that is what we should have. There should be no legislation going through here by indirection that could not go through directly. That is the crux of the whole situation.

We must so amend section 5 that the resolution required in order to have a reorganization plan take effect shall be a positive and affirmative action rather than a negative action. This means no bill can then go through unless it is approved by both Houses of Congress.

Mr. ROBERTSON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. ROBERTSON. Can more than one motion within the 60-day period be made to discharge the committee?

Mr. TABER. I understand not.

Mr. DONDERO. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. DONDERO. Do I understand this bill takes an entirely different course from ordinary legislation, in that the House might disapprove and if the Senate approved it would still become law?

Mr. TABER. That is just the situation in which this bill results.

Mr. Chairman, I would like to call attention for a moment to title II. In my opinion that is a good section, except I do not believe the Budget should have the power to control the apportionment of the funds of any regulatory commission so that they would have the right to reserve 10 or 15 percent out of the appropriation of one of these commissions. There is an exception in section 3 exempting certain regulatory commissions, such as the Interstate Commerce Commission. The Congress makes an appropriation of \$10,000,000 a year to the Interstate Commerce Commission. That Commission must apportion this money so that it lasts through the year. That is so provided by the law. The Budget Director must approve of that under the antideficiency law which was passed away back in 1906.

That is perfectly proper, but the Budget Director has been accustomed to reserving 10 percent or 15 percent in some cases out of the appropriations of all departments. I do not think the regulatory commissions should be subjected to the power on behalf of the Budget to reserve a portion of their appropriation.

Mr. Chairman, I feel I should call attention to these things as I go along. I shall call attention to more as the bill is read for amendment and I shall ask for the support of the House of the amendments I will offer in order to try to make this a bill that the House of Representatives should pass.

Mr. MAY. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kentucky.

Mr. MAY. I have been reading section 3 of this bill. I understand that the purpose of the section is to exempt from the provisions of reorganization the agencies named therein, among which is the Board of Engineers of the War Department, the Interstate Commerce Commission, and others. Does the gentleman understand that to be the purpose of the bill and that it actually does exempt those agencies from its provisions?

Mr. TABER. That is my understanding; yes.

Mr. MOTT. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Oregon.

Mr. MOTT. In regard to the language under subsection 3, which the gentleman said was not clear to him, and which the gentleman from North Carolina [Mr. WARREN] accused him of writing, does the gentleman mean he does not understand what that language does except in reference to the function of preparing estimates of appropriations?

Mr. TABER. I do not understand what it does.

Mr. MOTT. I do not have any difficulty in understanding that. These agencies under subsection 3 are exempted from the provisions of this act, except as to their function in preparing estimates of appropriation. If the words mean what they literally imply, it means that a reorganization plan may take away from any of the agencies named the function of preparing estimates of appropriation?

Mr. TABER. It might be the gentleman is correct.

Mr. MOTT. May I ask another question? If I am correct in that statement, what would be the effect of such a provision?

Mr. TABER. Well, if the President said they should not prepare their estimates in accordance with the Budget Act, there would not be any prepared by them. They would come to the Congress, that is all.

Mr. MOTT. What would be the result of that?

Mr. TABER. It would be up to the Congress to start in de novo to build up an estimate, I suppose, in the Appropriations Committee.

Mr. MOTT. That would take a large part of the jurisdiction and functions away from the Committee on Appropriations, would it not?

Mr. TABER. No; it would not take any jurisdiction away from that committee.

Mr. ROBERTSON. Will the gentleman yield?

Mr. TABER. I yield to the gentleman from Virginia.

Mr. ROBERTSON. I find the answer to my second question on page 10.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 1 additional minute.

Mr. ROBERTSON. There is language to the effect that if a motion is agreed to or disagreed to, such motion may not be renewed. Would not the practical effect be that a reorganization plan would come to the Congress? It would be referred to a committee. After 10 days someone may move to discharge the committee. We would have a vote after 10 minutes' debate. If the said motion to discharge is defeated, that would end the matter for the session.

Mr. TABER. It would end the matter for that proposed scheme of reorganization if the Congress were in session for 60 days from the date the proposal was submitted.

Mr. ROBERTSON. Does not the gentleman believe that in connection with a comprehensive reorganization we ought to have more than 20 minutes to debate it?

Mr. TABER. I think we should.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield myself 4 additional minutes.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I wish to direct my question to line 15, page 2 of the bill, with reference to the declaration of the Congress that the purposes specified in subsection (a) may be accomplished in great measure.

Mr. TABER. I do not believe that Congress should make that declaration, and I expect to move to strike out that provision when that point in the bill is reached.

Mr. CRAWFORD. May I also say that on referring to the December 31 statement of the Civil Service Commission with regard to the number of employees I find that 98 percent of the total number of employees, or 792,886, are under 20 agencies while there are only 31,299 employees under the 38 remaining agencies. The total force account, as the Commission terms it, is 93,118.

Analyzing these 20 agencies which have 98 percent of the total number of employees and applying that against this bill, I see no power on earth whereby the President can effectuate the provisions of subsection 1 of subsection (a) of section 1 of the bill.

Going one step further and taking the 1940 Budget of \$8,995,000,000, and bringing that down and applying it against the bill, I do not see any possible way the President under this bill can effect any economies of any consequence unless he eliminates entire departments of government.

Mr. TABER. The bill is not designed to effect economies.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Indiana.

Mr. HALLECK. I am wondering what the effect might be if a minority of the Members of the other body should resort to a filibuster which continued past the period of 60 days the debate on one of these proposals.

Mr. TABER. As we reach part 2 of title I, I shall call attention to the fact that I do not believe that constitutes any security to the House. As to procedure, I do not believe they can depend up the rules of the houses when they are set up in that way, because the Constitution has reserved to each house absolute control over its method of procedure.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Kansas.

Mr. REES of Kansas. Under this measure, you are giving the President authority and power to submit a plan of reorganization, or, rather, put one into effect, except as Congress might object to it?

Mr. TABER. Yes.

Mr. REES of Kansas. Did this committee give consideration to the idea of letting a committee of Congress provide a plan of reorganization and submit it to the Congress? Is it not a fact that, after all, the President himself will have to look to certain advisers for the purpose of submitting of a plan? What I am asking is whether or not the committee gave consideration to submitting a plan of its own.

Mr. TABER. The committee had no hearings whatever on the subject of reorganization except the formal preliminary statement of Messrs. Brownlow, Gulick, and Merriam. The hearings on the subject did not amount to anything. This bill is brought out absolutely without hearings and without any consideration such as a measure of its importance should have.

Mr. REES of Kansas. This bill was just submitted to a committee for consideration as is, is that it?

Mr. TABER. As is, and not even considered at all. We were there for a little while.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from New York.

Mr. COLE of New York. Under the bill is it contemplated that the reorganization proposed by the President must be embodied in one plan, or will it be possible for the President to submit recommendations in piecemeal?

Mr. TABER. The language is somewhat vague in section 4, but my construction of the language would be that the President might submit one plan or he might submit a half a dozen separate plans. I think this should be cleared up somewhat. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Chairman, I would prefer before yielding for interruptions to get down to an explanation of the bill itself, and at the conclusion of the explanation I shall be pleased to yield to any Member of the House.

Mr. Chairman, we would like to have considered this matter on a nonpartisan basis. The offer for such consideration was made and was rejected by the gentleman from New York [Mr. TABER] and the gentleman from Massachusetts [Mr. GIFFORD]. It remains now to be seen what is going to develop here along that line. The supreme, crucial test will come on one amendment which the gentleman from New York has stated he intends to offer.

I quote the Republican platform of 1932:

Efficiency and economy demand reorganization of Government bureaus. The problem is nonpartisan and must be treated so if it is to be solved. As a result of years of study and personal contact with eliminating activities and wasteful duplication of effort, the President is particularly fitted to direct measures to correct the situation. We favor legislation by the Congress which will give him the required power.

In discussing this subject it is necessary to give you as briefly as possible the historical background. Every President beginning with Theodore Roosevelt, and I wish I had time to read you what he said on the subject, has advocated reorganization of the Government. The question has been approached from many angles, all without results. Under Mr. Coolidge a joint committee of the two Houses was set up, lasting through three successive Congresses. On that committee, as I pointed out about a month ago, was the distinguished gentleman from Michigan, Mr. MAPES, and also on that committee, although serving at that time in the Senate, was the distinguished and able Senator from New York who now graces this body, Mr. WADSWORTH. The able Senator HARRISON, of Mississippi, was likewise a member of that committee.

That was a working committee. They submitted their report. They did not stop there, they submitted bills to carry out that report. The House of Representatives at that time was overwhelmingly Republican, the Senate of the United States at that time was overwhelmingly Republican, but because of bureaucracy and its power, and because of the fact that that committee did not have any privileged status, they were not even able to bring to the floor of either House the splendid recommendations they had made and which at that time would have given efficiency in the administration of this Government.

We now know from long and bitter experience that Congress does not want to do it. We know that Congress is not going to do it, and, furthermore, we know that Congress cannot do it.

Then came Mr. Hoover's administration. He recommended legislation for reorganization. He said to give him the power and he would do the job. At that time the House of Representatives had a Democratic majority of four and the Senate of the United States had a small Republican majority. What did we do? Was there any response made to the appeal of President Hoover? Yes, a Democratic House, with the present Vice President of the United States as its Speaker, and with the Democrats in charge of the committees of the House, brought out that bill and gave Mr. Hoover powers such as no President in peacetime had ever before been given by any Congress so far as I can find. Why, we gave him the power to destroy absolutely and wipe off the books with a stroke of the pen such commissions as the Interstate Commerce Commission and the Federal Trade Commission and things of that character. We gave him the power to destroy absolutely, in fact, not only bureaus and boards and commissions, but the very executive departments themselves by stripping them of all of their functions.

Well, there was a provision in that act that such reorganization as might be sent down here by Mr. Hoover could be stopped by a resolution of either House of Congress. He sent down his plans, as the gentleman from Massachusetts will tell you. He sent them down after the people of the United States had spoken by almost unanimous vote and

had driven him from office. He sent down those plans and they came before a committee of the House and were considered, and it is true a resolution went through with Republican support, if you please, stopping those reorganizations, but not before the Director of the Budget, Colonel Roop, appointed by Mr. Hoover himself, had appeared before the committee and said, "Those plans will not work and if you take my advice you will reject them." On top of that, we find the Republican Attorney General under Mr. Hoover telling him that the act we passed was invalid because a resolution of either House was not sufficient.

Now, when I speak of this authority given to former President Hoover, I call your attention to the fact that we not only gave it to him, but we wrote all of this vast delegation of power contained in that bill as permanent law of the land. It was not limited to 2 years or 4 years. We placed it on the books to last all the time, not only for him but for all other Presidents.

Well, what happened then? Just before he went out of office, and according to the recommendation of his Attorney General and in conformity with the decision of his Attorney General, the Congress of the United States, and the House, by unanimous vote, amended the Hoover act and struck out the provision that one House only could stop one of these orders, because we knew and believed it to be unconstitutional after reading that opinion, and we did one more thing. We said, "No, we do not want this to remain on the books as permanent legislation. Although Mr. Roosevelt is going in for 4 years with an expectancy of 8 years, we do not want this legislation to be made permanent," and we amended it to extend the power to President Roosevelt for 2 years only.

Let us now see how nearly correct is my friend from New York. You heard him a few minutes ago say that Mr. Roosevelt had this power from 1933 to 1935 and that he never exercised it or did anything under it. This just shows you how little my friend knows about this subject or has investigated it. Under the power given to the present President he acted 27 times. He sent down here 27 Executive orders, several of the orders dealing with various subjects of governmental activities.

Mr. TABER. Mr. Chairman, will the gentleman yield there?

Mr. WARREN. I will yield now.

Mr. TABER. What I said was that the President had never exercised it to effect any efficiency or economy.

Mr. WARREN. Well, let us see if he has. The most noteworthy thing that he did under that power was to set up the Farm Credit Administration. Was there any kick about that? Did anybody at that time desire any veto upon setting up that agency?

What else did he do? He went among these departments, and he reached here and he found a purchasing agent and he reached here and found another and here another, and he came over here and found some agency letting contracts, and over here another agency letting contracts, and he merged them and abolished and consolidated, and he abolished functions and set up the Procurement Division of the Treasury Department. Let it be said now throughout the length and breadth of this land that no bidder who goes before the Procurement Division has ever come away and said he did not have a square deal. That was not true before that agency was set up.

What else did he do? We had one agency handling immigration and another handling naturalization, and he combined those two. Then he set up an order involving the national parks and abolished functions, because without that abolition there is no chance whatever for any economy.

Mr. Chairman, when this thing is all over we will look back in amazement at how we quibbled and created ghosts and made much ado about nothing when we were trying to bring about some economy and efficiency in government. There is nothing fundamental about this proposition.

Mr. Roosevelt's power expired. If he did not go any further than those 27 orders that he issued during that period, no legitimate criticism could be raised against him. We know what was happening then. We know at times and just prior to them that the very foundations of some things were tottering. We know how both the Congress and the President were engrossed in other matters. That authority expired, and the next attempt was a bill passed by the House on August 13, 1937. That bill did not provide for any possible review by Congress. The order became effective, absolute, at the end of 60 days. That bill also contained a provision for a new Department of Public Welfare. It passed this House by a vote of 283 to 75—a nonpartisan vote, if you please, and the entire argument on it was from a nonpartisan attitude. That bill went to the Senate. The Senate rejected that and brought in a bill loaded down to the very gills, which finally passed that body by 5 votes. It then came to this House. Although we had passed two of the four parts of the program, we were confronted with the fact that we had to strike out the Senate bill and offer again to the House the four programs of the House, two of which we had already passed. I am not going into that fight. We know the mass propaganda, we know the misrepresentation, we know everything that happened here over a period of about 15 days, and the bill was finally defeated here by 8 votes.

Why is reorganization necessary? Someone else can tell you why more eloquently than I can. I quote from Senator BYRD, of Virginia:

The fact is that we are paying for a gigantic, gangling Government of some 150 major agencies and an uncounted number of subdivisions. We are paying for a Government that has not had a thorough overhauling since it was established. It has been growing continually, but since the turn of the century the record shows marked increases in costs and complexity. Piled upon a previous accumulation of disjointed agencies we now have half again as many agencies as we had before the depressions, when, to meet emergencies, we created by statute and Executive orders agency after agency, virtually without regard to coordination in the Federal Government pattern.

Some of these agencies fill very definite needs. Others overlap. Some have outlived their usefulness or have been superseded. There are glaring cases of duplicated effort. Where the Government was complex before, it frequently is found to be confusing now. To point out 50 Federal agency legal divisions in Washington alone is enough to describe the Federal jungle.

There have been at least 29 agencies concerned with lending Government funds according to reports taken from Government records.

There have been at least three agencies concerned with insuring deposits and loans.

There have been at least 34 agencies concerned with the acquisition of land.

There have been at least 16 agencies concerned with wildlife preservation.

There have been at least 10 agencies concerned with Government construction.

There have been at least nine agencies concerned with credit and finance.

There have been at least a dozen agencies concerned with home and community planning.

There have been at least 10 agencies concerned with materials of construction.

There are more than twoscore personnel officers for the Government listed in Washington offices alone.

There are more than 100 information and publications offices in Federal agencies at Washington.

There are more than 100 Federal agency libraries in Washington besides the Library of Congress.

The Federal Government operates an average of one motor vehicle for every 1,200 people in the United States, and they travel enough miles every year to traverse nearly every highway in the world.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield at that point?

Mr. WARREN. I prefer not to right there. I shall later. Add to those mentioned by Senator BYRD, and we have 28 agencies of this Government handling welfare matters; we have 14 agencies handling forestry matters; we have 4 agencies dealing with the examination of banks.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. WARREN. And we have over 65 agencies gathering statistics. I yield.

Mr. TABER. How many of those have been created by delegation of authority to the present President of the United States?

Mr. WARREN. Admitted that we have created them, a great many of them, and it is admitted that the gentleman's party did when it was in power.

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Yes.

Mr. MARTIN of Massachusetts. Is Senator BYRD in favor of this reorganization plan?

Mr. WARREN. I have had no conversation with Senator BYRD, and that is beside the mark. There you have just a few examples, Mr. Chairman, of the veritable hodge-podge that now exists.

We have produced and brought into being a vast bureaucracy, at times of our own accord and at others under the urge of various executives, that has now become a Frankenstein which has become greater than Congress itself, its creator, and which arrogantly and contemptuously flaunts itself and snaps its fingers into our very faces. [Applause.]

There are today over 190 principal bureaus and divisions in the 10 executive departments of the Government. There are 58 independent establishments, boards, authorities, commissions, and so forth, exclusive of at least a dozen interdepartmental committees and various Government corporations, at least 10 in number, making approximately a grand total of 270.

Believing that the American people desire to see something done about this question, this bill now under consideration is a sincere effort along that line. As the gentleman from Missouri [Mr. COCHRAN] has told you, it was drawn here. It was drawn as a common meeting ground, with a frank recognition that the omnibus bill defeated last year contained some provisions that met with sincere and legitimate objections from many able members who otherwise would liked to have been for it. This is now the bill of August 13, 1937, with two major exceptions; that is, the bill that passed with a vote of 283 to 75. The Department of Welfare, although advocated by President Harding, President Coolidge, and President Roosevelt, is out. The other exception is where in the other bill the order plan went into absolute effect at the end of 60 days, we now provide for direct action to stop a plan by concurrent resolution, if it does not meet with the approval of Congress.

Had a former leadership on the minority side given us minority representation on the select committee of men who had not already voted and who had not steered their very hearts and souls and minds against any legislation on this subject, then we would have had no difficulty about any of this.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield right there?

Mr. WARREN. In just a moment. I have not come to my friend yet. [Laughter.]

If we had had on this committee the distinguished gentleman from Michigan, Mr. MAPES, who perhaps knows more about this subject than any man in Congress today, if we had had the brilliant and able gentleman from New York, Mr. COLE, or the gentleman from New York, Mr. ANDREWS, or the handsome Republican whip, Mr. ENGLEBRIGHT, of California, or the distinguished gentleman from Kansas, Mr. HOPE, or the gentleman from Michigan, Mr. CRAWFORD, an able student of government, or dozens of others, where we could have received cooperation, I still say there never would have been any trouble about this whole thing.

Mr. GIFFORD. Will the gentleman yield right there?

Mr. WARREN. Yes; I yield.

Mr. GIFFORD. There were only two of us against nine of you. Whether we were so harmful or so useless, what difference does it make? [Laughter.]

Mr. WARREN. We have never yet heard a constructive suggestion come from either one of you. [Laughter and applause.]

Now, Mr. Chairman, I propose to appeal from Philip drunk to Philip sober—from the gentleman from New York [Mr. TABER], drunk with bias and prejudice, to the gentleman from New York [Mr. TABER] in his more rational moments.

[Laughter.] On August 13, 1937, in discussing time for the consideration of that bill—I quote him as follows:

I think an hour and a half will be sufficient on this side. I do not want to ask any more time than we need. I think that that would be a fair amount.

During that same debate he said:

Title I—

That is what this bill is—

with those two major exceptions, is very largely the same as the bill that was passed in 1932 when Mr. Hoover was President. It is very largely the same as that that was reenacted on March 20, 1933.

Again in that debate the gentleman from New York [Mr. TABER] said this:

The result of the passage of this bill would be to give to the President the power to do these things. Whether or not you ought to give it to him I shall discuss in a moment. Frankly, with the exception of these few agencies, and perhaps with one or two exceptions that have not been made but perhaps should be made, I believe it would be better to permit the President to abolish agencies, to move them around insofar as he wants to, because it would not be giving him any more control over those agencies than he has now.

Again in that same debate the gentleman from New York [Mr. TABER] said this:

I have no idea whether the President will abolish any of them. I think at least half of them should be abolished. I do not think there is any question but what the efficiency of the Government would be greater if we had fewer agencies.

And now listen to this. He wanted the Department of Welfare stricken from the bill, and that is the only reason he did not vote for the bill. This is what he said:

Mr. Chairman, I am in favor of title I of this bill. I believe that is the only way that you can get rid of some of these agencies. I hope something will be done, but I do not know.

Take a Department of Welfare out of the bill, and I will support it, said Mr. TABER. Well, we have taken it out of this bill, and he has gone back on everything he ever said on August 13, 1937.

Some day after his allotted span, after he becomes weary of earthly existence, my friend the gentleman from New York is going to become a candidate for heaven. I am in favor of it and I vote for him now; but here is what is going to happen: As soon as he enters the pearly gates he is going to protest the plan of salvation itself and will offer an amendment to change it, and they are going to throw him out. [Laughter and applause.]

Mr. TABER. Mr. Chairman, would the gentleman care at this point to yield?

Mr. WARREN. I yield.

Mr. TABER. Some of us in the space of 2 years have come to realize thoroughly the objects of the administration and to feel that we must have a congressional check upon things that we give him or they are going to be abused. [Applause.]

Mr. WARREN. Now, you take our friend from Massachusetts [Mr. GIFFORD]. Off the floor he is one of the most delightful gentlemen I have ever met. I really love him. Living at the same hotel, I delight to talk with him nights, and I profit by his wisdom and his Cape Cod philosophy; but when it comes to this legislation he is like a disappointed old woman, he becomes a carping and garrulous critic. He would vote against a bill containing the Ten Commandments if it were offered from the Democratic side of the House. [Laughter and applause.]

Oh, what a wonderful chance these gentlemen could have on this occasion to walk down the aisle arm in arm and come up and accept the right hand of fellowship, to make public profession of faith, to confess their sins, and vote for something that will inure to the benefit of the American people and to the Congress itself. [Applause.] No; they will not come. Not one constructive suggestion have they made throughout all of this legislation. The one and only thing that the gentleman from New York has offered was a provision about estimates in the preparation of appropriations. Believe me in spite of his denial, he wrote every word of that sentence. He put it in the former bills; we continued it in this one. And I said this morning about 9 o'clock when going over this bill that

it is the only language in the bill that I do not understand, and now we find he has run out on that. [Laughter.] We are going to take it out.

Mr. Chairman, let us analyze the bill. In the first place this bill has been endorsed by that great Republican bible in the State of Pennsylvania, the Philadelphia Inquirer. It opposed the bill before. It has been endorsed by Gen. Hugh Johnson. He opposed the bill before.

Mr. TABER. Mr. Chairman, will the gentleman yield at that point?

Mr. WARREN. In just a minute.

I have here splendid editorial comment from the Minneapolis Journal, the Philadelphia Inquirer, the Baltimore Sun, the Minneapolis Star, the Kansas City Times, the Springfield Republican, and the Christian Science Monitor. Now let us see what the bill is.

The standards of this bill are set up on page 2. They are the same standards we gave Mr. Hoover. They are the same standards passed by this House 283 to 75. The only thing we have done is to improve merely the wording of them.

On page 2, (b) is new; yes. That is a declaration of policy; and we intend by amendment which will be offered by the gentleman from Georgia [Mr. Cox] further to strengthen it.

Section 3 deals with exemptions. It also provides that the President shall not have the power either to set up a new department, change the name of an existing department, or to create a bureau or other agency and call its head the secretary. Now, those agencies are exempted, but we have made an improvement over the former bill. The President cannot touch any of those exemptions in any way, shape, or form, but he can add to them. If he is going to abolish or transfer some bureau or some of the functions of some bureau I think everybody will agree that he ought to have the right to add to them.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. WARREN. In 1 minute.

As I just stated, we are going to strike out Mr. TABER's language dealing with the function of preparing estimates for appropriations.

I yield to the gentleman from West Virginia.

Mr. RANDOLPH. My question is not directed from the standpoint of one who will oppose the legislation, because I will support it, as I did in the last session of the Seventy-fifth Congress, and I feel I lost hundreds, perhaps thousands of votes in the election due to my action, but I believe such reorganization to be needed badly. I am wondering, however, when the gentleman speaks about exemptions, what the reason is in his mind why the United States Forest Service is not included.

Mr. WARREN. Oh, indeed, there is. Personally, I think there are too many exemptions in this bill. In view of section 5, which would give Congress the veto power it could be very strongly argued that there ought not to be any exemptions.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. CASE of South Dakota. I think that might be true if in a resolution of disapproval the Congress had the right to specify certain actions. It seems to me, however, with the resolution of disapproval being a blanket resolution, that is the weakest point in the whole set-up.

Mr. WARREN. I will get to that a little later.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield for a further question?

Mr. WARREN. I was about to answer the gentleman's question. Most of the agencies exempted here are the so-called quasi-legislative agencies. I do not approve of all those exemptions, and we have added three more to them since last year, but they have been added because we were trying to get a common meeting ground to put this necessary legislation over.

Mr. MARTIN of Colorado. Mr. Chairman, may I ask the gentleman a very short question.

Mr. WARREN. Certainly.

Mr. MARTIN of Colorado. Where did the force come from to secure the exemption of such a minor agency as the United States Employees' Compensation Commission?

Mr. WARREN. I will tell the gentleman. I doubt very much if that should be in the list of exemptions. This committee is not going to bother civil service, and we have written an exemption covering the civil service. Because the Employees' Compensation Commission is more or less correlated with the civil service, we decided to put that Commission in.

Mr. MANSFIELD. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Texas.

Mr. MANSFIELD. I notice on page 3 there is no reference to what is known as the National Resources Committee. Can the gentleman tell us whether or not he or his committee gave any thought to that subject?

Mr. WARREN. I will gladly tell the gentleman my own personal views on that subject. That matter has been before three committees of the House, as I recall—the Committee on Rivers and Harbors, headed by the distinguished gentleman from Texas [Mr. MANSFIELD]; the Committee on the Public Lands, and the Committee on Reorganization. I do not absolutely close my mind and say that I would never support any given proposition, but I have never yet seen a draft of a bill, I may say to the gentleman from Texas, setting up a proposed national resources board that I would support, and I would take the floor and oppose it with all the energy at my command because when you begin talking about setting up a supergovernment that would do it.

Mr. MAY. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Kentucky.

Mr. MAY. At the last session of the Congress I opposed the reorganization bill, with a great deal of reluctance, on two grounds—the setting up of the welfare department, which I regarded as dangerous, and the fact that there was no assurance there would be economy result from reorganization. I am happy to say today that section 1 of the bill, the very first one, emphasizes that very thing:

To reduce expenditures to the fullest extent consistent with the efficient operation of the Government.

I am happy to say to the gentleman from North Carolina I think I am able to enthusiastically support this bill at the present time.

Mr. WARREN. I am very delighted to hear that, and I assure the gentleman that economy is one of the things we are trying to get at by this bill.

Mr. MAY. Will the gentleman yield for another observation?

Mr. WARREN. Yes.

Mr. MAY. The principal reason upon which I opposed the bill last year was on the ground I felt that the bureaucracy itself was the most dangerous enemy of democracy that there is in existence; that the creation of a welfare department with an expenditure of probably four or five billion dollars might make it very dangerous in this country.

Mr. WARREN. This bill is a fight on bureaucracy.

Mr. MAY. I am glad to join it.

Mr. WARREN. Section 5 is the heart of the bill, taken in connection with part 2 containing the rule.

The gentleman from New York [Mr. TABER] has already served notice that he intends to offer an amendment requiring affirmative action by both Houses of Congress before this plan can go into effect. Let us not have any misunderstanding about this. You cannot be for the bill and at the same time be in favor of that amendment. If you are for that amendment you are certainly against the bill. All of that will be argued when the bill is read for amendment.

In the first place, the amendment to be offered by the gentleman from New York would, if adopted, make the bill itself unconstitutional, because the President already has the right under the Constitution to transmit to the Congress anything he pleases for our consideration. Putting this right in the bill would be attempting to put an unwarranted curb on the powers already guaranteed the Presi-

dent by the Constitution of the United States. That will be the motion to recommit.

We will then see whether it is the Republican leadership that stuck its head in the sand in 1932 and let the whirlwind pass over the American people that is going to be followed or whether the new, revitalized Republican leadership that has come in here this time is going to assert itself.

Mr. KUNKEL. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. I would like to know how the gentleman figures that particular change would curb the power of the President? Why would it not leave it exactly the same as it is?

Mr. WARREN. In effect it would. Of course, if the amendment is adopted, then you would have no bill, because the President has a right to do that now.

Mr. ROBERTSON. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Virginia.

Mr. ROBERTSON. On page 4 of the bill, subsection (c) reads as follows:

The abolition of the whole or any part of any executive agency or the functions thereof.

Does the gentleman from North Carolina agree with his committee colleague, the gentleman from New York, that that confers upon the President the right to abolish a function created by an act of Congress?

Mr. WARREN. If unnecessary, yes. That is the only way you are going to get economy, and that is what the gentleman from Virginia has been advocating. There are bureaus in this Government today that ought to be abolished. There are bureaus for which there is no earthly excuse for their existence.

Mr. ROBERTSON. I agree with the gentleman. On page 10 we find the usual House rule on a motion to discharge.

Mr. WARREN. I am going to get to that, if the gentleman will wait.

Mr. COLE of New York. Will the gentleman yield?

Mr. WARREN. I yield to the gentleman from New York.

Mr. COLE of New York. In line with what the gentleman has said in regard to section 4, paragraph (c), if it is true that the President would have the power to dismiss the function of any department, what, then, is the meaning of section 3, paragraph (a)?

Mr. WARREN. Because we are excepting those. We say he cannot touch the functions of any of those agencies.

Mr. COLE of New York. Section 3, paragraph (a), states:

No reorganization plan under section 4 shall provide (a) for the abolition or transfer of any executive department or all the functions thereof.

Mr. WARREN. That means he cannot take any 1 of the 10 executive Departments and abolish them.

Mr. COLE of New York. In section 4 it is said that—

Whenever the President, after investigation, finds that (c) the abolition of the whole or any part of any executive agency or the functions thereof is necessary to accomplish one or more of the purposes—

He makes the recommendation.

Mr. WARREN. The gentleman fails to distinguish between "department" and "agency."

Mr. COLE of New York. All right; section 2 defines an executive agency as any executive department. I wondered if there is any explanation of the distinction between the two.

Mr. WARREN. No; I assure the gentleman the President cannot abolish an executive department, nor can he change the name of it, nor can he merge it with any other. I will look into that if there is any question whatever about it.

Mr. COLE of New York. Being the author of the bill and entirely familiar with the effective purposes of it, can the gentleman answer this question: Is it intended by this bill that the President's reorganization recommendations shall be embodied in one plan or may the reorganization be done piecemeal?

Mr. WARREN. No; the President could send 1 or a dozen or 50 plans. Of course, no one has any idea how many he would send. He used the power 27 times in the 2 years he had it. I have no reason to say this, but personally I believe it would be in about 5 or 6 plans.

Mr. BEAM. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Illinois.

Mr. BEAM. Apropos of what the gentleman says, is not section 3 (a) relative to an explanation of section 4 (a)?

Mr. WARREN. I think so. I thank the gentleman.

Mr. BEAM. While the gentleman is on that matter, I would like him to explain the language on page 4, line 18, subsection (3), where it states:

Make provision for the transfer of such unexpended balances of appropriations available for use in connection with the function or agency transferred or consolidated.

Will the gentleman explain to the House just what is the significance of that paragraph relative to appropriations?

Mr. WARREN. Yes. That does not mean, of course, that the President could appropriate \$1 of money. The bill states "unexpended balances." Suppose he should abolish this agency or consolidate this agency with that. Then he would have the right to take the money already appropriated by Congress from the agency abolished, if he saw fit to, and put it over into the agency that had been retained.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. If the President should make separate recommendations, the 60-day provision would apply to each separate recommendation?

Mr. WARREN. To each separate one of them.

Mr. McCORMACK. One of the distinguished Members on the other side asked of the gentleman from New York [Mr. TABER] what would happen if the House passed a resolution and the Senate failed to pass it. This situation applies to any legislation.

Mr. WARREN. Why, of course.

Mr. RISK. Mr. Chairman, will the gentleman yield?

Mr. WARREN. Not right now. I wish to progress with my statement.

Now we come to the rule, part 2. Within a few minutes after this bill was introduced on February 23 the gentleman from New York [Mr. TABER] rushed to the press and it was heralded in the papers that afternoon and the next day and he was quoted as saying it was unconstitutional, it was terrible, that whoever wrote it was crazy.

Well, I did not write it. I would not have trusted myself with any such careful drafting as that. The "crazy" man, the man the gentleman termed "crazy," who wrote every word of it, was none other than the able, brilliant, and beloved Lew Deschler, the great Parliamentarian of the House of Representatives. [Applause.]

We have had Asher Hinds, of Maine, who came here under Speaker Reed and who later was a distinguished Member of this body. We have had the late beloved Charles R. Crisp, of Georgia, with whom many of us served. We have had the distinguished Senator from Missouri, BENNETT CLARK, as Parliamentarian for his father. We have had the very able CLARENCE CANNON of Missouri, author of a monumental work, Cannon's Precedents and Cannon's Procedure of the House of Representatives; and we have had Lehr Fess, from Ohio. I say that Lew Deschler is the peer of any of them and is not surpassed by a single one of them as one of the greatest of all parliamentarians. [Applause.]

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield to the gentleman from Texas.

Mr. MANSFIELD. The gentleman might also state that Mr. Lewis Deschler was first placed here by a Republican Speaker, one of the ablest men we have ever had.

Mr. WARREN. I was going to say he was brought here by the late Speaker Longworth, and to the eternal credit

of Speakers Garner, Rainey, Byrns, and Bankhead they have refused to make a political issue out of that great office and have kept him here; and I hope he will always be here. [Applause.]

Why do we have the rule? This was drawn solely for the opponents of any particular plan of organization. I went to Mr. Deschler and told him that I wished that rule to be like fences we used to build down there in North Carolina, that I wanted it horse-high, bull-strong, and pig-tight. I invite and challenge criticism of it. It will do the work, and it will make a filibuster in either body absolutely impossible. As it is drawn, 10 days after the arrival of one of these plans of organization that he might not like, any Member of either House opposing the plan can rise and say, "Mr. Speaker, I offer a privileged resolution to prevent that plan from going into effect." If a majority votes to discharge the committee, then there are 10 hours of debate, and if a majority of the House then desires to stop the reorganization there is nothing in the rules of the House that can prevent it. It then goes on to the Senate, and the same procedure is followed.

The rules outlined in part 2 of title I of the bill provide a method whereby Congress can express its opinion of the reorganization plans formulated by the President. These rules will prevent a militant and determined minority from obstructing an expression of opinion by a majority. They apply to both Houses of the Congress. Through the operation of these rules a successful filibuster in either House against a concurrent resolution disapproving of a reorganization plan would be impossible. The purpose of parliamentary law—and the rules set up in the bill are merely a statement of that—is to permit in an orderly manner an expression of opinion by a majority while at the same time protecting the rights of a minority. A representative form of government must, in order to continue to function, be implemented by the forms of parliamentary law. Rules of procedure, which we ordinarily call parliamentary law, while permitting adequate debate on any proposition, should provide a certain and sure method of ascertaining the will of the majority on any question. The rules provided in the bill will permit a majority of either House, after adequate debate, to have its will manifested in a vote on the reorganization plans submitted by the President. These rules, while providing a special order of procedure for the consideration of a concurrent resolution disapproving a reorganization plan, in no other way interfere with the ordinary procedure of the House or Senate. It might be pointed out that, with the exception of the limitation put on debate, the remaining language in part 2 of title I of the bill merely gives a privileged status to the consideration of a concurrent resolution disapproving a reorganization plan.

Without repeating the technical language incorporated in part 2 of title I of the bill the provisions contained therein permits any Member who disapproves of any reorganization plan formulated by the President to introduce a concurrent resolution disapproving of such plan. The Speaker or Vice President, as the case may be, must refer it to a committee of the House or Senate. If such committee fails within 10 calendar days to report such resolution, then a motion to discharge such committee from the further consideration of the resolution becomes a privileged motion and any Member who is in favor of such resolution may call it up for consideration. If a majority of the committee to which the resolution has been referred favor its adoption by the House they may report it to the House and a motion to consider such resolution is given a privileged status. When taken up for consideration in the House debate on any such concurrent resolution is specifically limited to not to exceed 10 hours, although it would be in order for any Member to move to limit debate to a lesser time. The rules specifically preclude the offering of any dilatory motion. There is also a provision in the rules which permits the substitution of a concurrent resolution of the other House if such House has acted more expeditiously than the other. It is anticipated that a majority of both Houses,

despite the most vigorous opposition of a minority, could adopt a resolution disapproving a reorganization plan within 40 days, thus permitting a leeway of 20 days to take care of any unexpected emergency that might arise after the reorganization plan has been submitted by the President.

Ah, the gentleman from New York [Mr. TABER] says it is unconstitutional. Well, let us see about that. Just because he says it, does not make it so.

Article I, section 5, of the Constitution stated that each House may determine the rules of its proceedings.

A law passed by an existing Congress, with the concurrence of the House, has been recognized by that House as of binding force in matters of procedure. In exercising its constitutional power to change its rules, the House may confine itself within certain limitations.

The gentleman says you cannot do this by a concurrent resolution. Check up this, if you will. Every 4 years we pass a concurrent resolution—and the gentleman from New York always votes for it—providing for the counting of the electoral vote, which takes place here in the House of Representatives, but we go further than that. We provide in that resolution for procedure for the House and Senate in the event the electoral vote of any State might be challenged. The gentleman from New York says, of course, that is unconstitutional.

With respect to title II of the bill, under the decision in the Humphrey case, we had something new to appear down here in respect of some of these agencies. They shrugged their shoulders and said, "We are not under any budgetary control," quoting that case. The Court, speaking of agencies such as the Federal Trade Commission, said that they were legislative agents, but did not say they were part of the legislative branch. Now, all that title II does is to bring every single, solitary one of them under Budget control, and I believe everybody in this House favors that.

Title III provides help for the President, not this President but all Presidents. It is not up to us to question or quibble about what the Executive needs in the way of help.

Mr. ROBERTSON. Mr. Chairman, will the gentleman yield?

Mr. WARREN. I yield.

Mr. ROBERTSON. I recognize that the 20-minute limitation is the usual limitation, but we are dealing here with an unusual situation, and if a motion to discharge be voted down that is all the debate there will be on a reorganization plan, although it touches every function of the executive branch of the Government. Would the gentleman mind having 2 hours of debate evenly divided and not just 10 minutes on the side?

Mr. WARREN. Of course, I would object. The gentleman from Virginia wants two bites at the cherry. Of course, if you cannot muster a majority, then it goes into effect, but if you can muster a majority, just as when you vote on any other discharge motion that comes up here, you may have 10 hours of debate.

Mr. ROBERTSON. The gentleman misunderstands me. I said instead of having 10 minutes' debate on the side, what would be the objection to giving at least 1 hour on the side as it would be the last opportunity we would have?

Mr. WARREN. We have followed verbatim the existing rules of the House dealing with motions to discharge.

I want to say just one more thing. Somebody is going to get up here and charge that when this bill goes to the other body they are going to attempt to load it down and will load it down with things that have already been defeated in the past by the House of Representatives. There is not a word of truth in this. I am authorized to stand here today and say, in behalf of Senator BYRNES, of South Carolina, that if the House passes this bill, it will be considered solely on its merits in the Senate and there will be no disposition to add any extraneous matter to it. If there is any extraneous matter added to it, I am authorized to say by our committee that it will not become a law with such matter added to it. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman—

There is amongst mankind
So much that is pretense,
That you cannot judge the state of mind,
By outward evidence.

I think the gentleman who preceded me, the gentleman from North Carolina [Mr. WARREN] has a real liking for me. He has so declared although criticizing some of my activities in this Chamber. The "carping criticism," as he terms it, does not disturb me because I presume it may be carping criticism. I mean it to be. But that I would be antidemocrat on every bill, even if the Ten Commandments were included, is certainly not so. However, if it were a Roosevelt bill, with the Ten Commandments included therein, I might be inclined to start with a certain prejudice. I am sometimes democratic; I have voted with you many, many times in the past, but I have lived a fearful existence during these latter years under your present leadership. So have you. Shocking, nothing but shocking is it when a bill of this kind can be railroaded through here like this, with no hearings, no chance for you new Members, who were not here last year, to be permitted to know what it is all about. Shocking that this committee had so little confidence in the President, that they decided he must not know its contents, and that they must get the bill in here and get it out of the way before he should be informed about it. And get it tied up with all kinds of promises, even from Members of another body, so that his wishes will not be considered even if he desires any material changes. And no amount of pretense can cover up the present situation.

Shall I also take time to eulogize the Parliamentarian of the House? I think I might likewise grow oratorical in my praise of him, if this were the time for it. If by addressing that praise only to make a comparison in order to discredit one of the hardest-worked Members of this House, the gentleman from New York [Mr. TABER], the gentleman from North Carolina fails in his purpose. I do not think the Parliamentarian would want that extraordinary praise at another's expense.

I have always tried not to be too personal in my references, except as to party measures, or the real leader of the party in control of such measures. I respect my colleagues in this chamber. I desire their respect more than anything else in the world, even though I am a "carping" speaker.

Mr. KITCHENS. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. In a moment. Recall that committee, sitting in secret for a year or more with the Brownlow report containing such startling proposals that we were pledged to silence. Only 4 of us out of 18, we in the minority, had to carry the fight against that large majority. It is always left for the minority to present suggestions and point out dangers in proposed legislation. That is their duty. Such action is the highest form of statesmanship. If you care to call it carping criticism, well and good. I could entertain you for a long time regarding the proceedings in that committee. Personally I am a little surprised that the gentleman who preceded me should even think to characterize the two members of the minority as so useless and so lacking in understanding.

Mr. KITCHENS. I think probably the word "carping" was used to charge the gentleman with being critical. In other words, as I understood the gentleman from North Carolina [Mr. WARREN] who preceded the gentleman from Massachusetts, he simply wanted to impress on us that before he offered the gentleman a hard-boiled egg and the gentleman said he wanted a soft-boiled egg, and now when he is cooperating he offers the gentleman a soft-boiled egg, and the gentleman now wants a hard-boiled one or none at all, and he probably misunderstood the gentleman.

Mr. GIFFORD. Oh, no. This smells a little sweeter than the last bill. But we must have a new leader in the White

House before we grant any additional powers. We are astonished at the statement that the President had acted so many times under the authority granted him in 1933. That 26 orders were promulgated which brought about great economy in Government is indeed amazing to us at this time. We knew he had greatly changed. If he could reorganize in that manner why force him to do so much at one time, by bringing in a full and complete reorganization of the Government? Why do we not continue that orderly procedure that would be approved by both parties?

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. PATRICK. Is the gentleman a Republican in his politics?

Mr. GIFFORD. Yes. But I hold Democratic views sometimes, Brother PATRICK, and rather think I agree with you a good deal of the time, if you would but admit it.

Mr. PATRICK. How does the gentleman feel this afternoon?

Mr. GIFFORD. I probably feel a great deal as the gentleman does, if he but spoke his mind.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes.

Mr. WALTER. If the method employed under this resolution is so shocking, why was it the gentleman did not object when a similar resolution was passed on the Consent Calendar giving to the Supreme Court authority to revise all rules of practice and procedure in the courts of the United States?

Mr. GIFFORD. Oh, that past history is so far back that I do not recall it.

Mr. WALTER. At the last session of Congress.

Mr. GIFFORD. Please do not bring up all the mistakes and errors that I have made, if they were errors. That, however, was undoubtedly a good bill.

Mr. WALTER. I distinctly remember the gentleman was pilot at that time, and he had an opportunity to object, and his objection would have prevented the adoption of that resolution.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I want to make it plain that sometimes I may have made errors. He asked her, "Haven't I seen you before?" "Yes. Sometimes I go to questionable places." [Laughter.]

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. MASON. Perhaps the explanation was this, that a great majority of the Congress had perfect faith in the one branch of the Government that was given that power to reorganize the courts, and there might be lingering some doubt in the minds of some of us as to whether it is advisable to give another one of the three great coordinate branches this same power.

Mr. GIFFORD. Exactly.

Mr. PATRICK. What I really rose to ask the gentleman was this—I know it was my error in jumping about, but will the gentleman yield?

Mr. GIFFORD. With pleasure.

Mr. PATRICK. Would the gentleman oppose any reorganization bill that could be brought in as long as the present President is in the White House, under the statement the gentleman made a moment ago?

Mr. GIFFORD. I should, if it were only a gesture to express my disapproval of his spendthrift policies.

Mr. PATRICK. If it were only a gesture?

Mr. GIFFORD. That would be sufficient justification for me. I think that is a confession I ought to make. I do not trust this President to be granted any more powers such as those included in a reorganization bill that would allow him to wreak even more havoc in the financial condition of our Government.

Democrats eulogized Hoover today. The word "Hoover" does not lie in your mouths to use for your own purposes. The powers granted him remind me:

Oh, mother, may I go out to swim?

Yes, my darling daughter,

Hang your clothes on a hickory limb,
But don't go near the water.

That is the power you granted to Mr. Hoover. When he attempted to swim, you kicked him out of water, unceremoniously. Do not bring that argument up again. It is not to be employed as a parallel, even for debate. We can only congratulate you Democrats for the trust you apparently had in Mr. Hoover at the time you originally granted those powers. You recognized him as a safe and sane administrator.

Mr. PATRICK. Will the gentleman yield further?

Mr. GIFFORD. Yes; I yield.

Mr. PATRICK. Then, if the gentleman trusted the Chief Executive now, would he favor this bill as now drawn?

Mr. GIFFORD. The suggestion comes too late. "The great spendthrift" will be his title. Because of that, how can I trust him to act under a reorganization bill, freezing into it all his pet corporate devices and making them permanent, as we know he would do.

Mr. PATRICK. That does not quite answer the question.

Mr. GIFFORD. I do not know that I should answer it. A question relating to trusting the President is so difficult. He is the only President I now have. May I be allowed to use another illustration? I could not go any further afield than the last speaker, could I? I did not hear him talk much about the bill. But, you know, actions speak so much louder than words. We might say that the President's intentions are debatable. I will share this conversation with you. I think it is worth repeating. It was supposed that the President had taken a great hold upon the common people. Those expenditures were presumed to have been made for the relief of a distressed people. I heard this on one occasion in the last election contest. It was being debated as to how much the President loved the ordinary people. Behind the stove in a grocery store one old gentleman spoke up and said, "Them Roosevelts certainly love the common people." Another old gentleman spoke up and said, "Nuttice they didn't marry none of 'em." [Laughter.]

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. RANDOLPH. I assure the gentleman from Massachusetts I do not want to speak out of turn. I simply rose to make the observation that I disagree personally with the gentleman upon the proposed legislation. However, I feel this House fails in its obligation when one member of a group charges another member of a group with insincerity, regardless of which side of the aisle it comes from or whatever question is being considered. [Applause.]

Mr. GIFFORD. I was really placed in an embarrassing position. But I read the other day that husbands should be willing to tell their wives everything and the wives should be generous enough to believe it. [Laughter.] So if I really told you my inner feelings when I said I did not trust the President, I hope you will be generous in your view of it. I am sure you will not greatly misinterpret it.

Now, the oratory indulged in by the gentleman who preceded me forced me into the position I have just taken in these few remarks. Will you indulge me now for a few minutes that I may read into the Record a statement that may have some semblance of real argument.

Mr. ANDERSON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes; I yield.

Mr. ANDERSON of Missouri. The gentleman is making a very fine talk and has made two or three fine confessions today. Will the gentleman confess that Mr. Hoover is a Republican baby that you fellows do not want on that side of the aisle?

Mr. GIFFORD. No; I have always had a deep appreciation of Mr. Hoover. I do not know that I understand the gentleman's attempt to embarrass me. I wish he could be more explicit. Many of these questions seem rather vague.

He asked, "Will you marry me?" She said, "I am cogitating on the advisability of allying myself with somebody of doubtful pecuniary circumstances." He said, "I don't get you." She said, "Well, that's what I'm trying to tell you." [Laughter.]

I trust these pleasantries will not do any harm and will not detract from the dignity, I hope, of the following statement I will read:

It will appeal to many that this is not an opportune time to bring forward any sort of reorganization bill. It may afford further opportunity for possible dramatic gestures of further control and change in the present structure of our Government. It is not to be expected that the fear that seized the minds of the general public because of extraordinary demands relating to the forcible seizure of the Supreme Court, and the supreme control of even the independent agencies set up by the Congress, has greatly lessened. Unwillingness to recommend the abolishment or discontinuance of any of the multifarious so-called emergency devices and the constant recurring demands for continuance of reckless spending make it exceedingly doubtful that any power of reorganization would be used with the slightest viewpoint of a greater economy in expenditures.

At this critical period recovery is uppermost in our minds. With the lip service, at least, of those high in administrative circles, we have felt encouraged. However, appointments are being made to key positions affecting business that have shocked the people. Great numbers of the hitherto patient and willing supporters of the President in the Halls of the Congress itself are amazed. Many observers are commenting on the petulance exhibited at the White House. It seems that this condition is clearly recognized by the majority of this committee in their evident haste to present this apparently inoffensive measure. It seems not to have been presented to the Executive or to some Corcoran adviser for approval or suggestion. It is, indeed, interesting in that it seems an expression of opinion on their part that if the people were informed that it was a measure asked for by the Executive, it would have, perhaps, small chance of passing the legislative branches. We rejoice that the rubber-stamp era seems to have passed. Patronage being practically exhausted and the President himself on the way out, we may expect more courageous action. A GLASS, BYRD, or HARRISON may now receive some real assistance from those who have heretofore been somewhat hesitant to follow their real convictions. The evident truth of the present situation is that this measure is hastily presented merely to forestall a more rabid demand that might be made in view of the Presidential decree that "reorganization" is a part of the "must" program of this session of Congress. We think we sense the viewpoint of the majority of this committee and to that extent it is highly pleasing.

However, it is the duty of the minority party which is not bound by the ties of party loyalty to the great spender to restrain and, if possible, prevent any further startling innovation or any attempt to freeze emergency devices under the regular departments. We are entirely fed up on the creation of devices set up to avoid supervisory control by the Congress and allowed to operate at pleasure under Government guaranty of their debts. We were once promised that admission of failure would be readily made. The road back should have been taken long ago. We recall the President's boastful remarks when prosperity seemed to be somewhat returning and the particular never-to-be-forgotten joyful outburst "We planned it that way." Not even in that auspicious moment was there shown any suggestion for any great retrenchment in Government expenditure or the doing away with any of the crazy-proven experiments.

The example of the determination to continue our silver policy in the face of proven asinine or donkey results is now before us. The naked absurdity of this has been held up to our gaze in the many addresses in both branches of the Congress. Yet this administration seems determined not to yield in the slightest, even toward a modification of it.

We read courageous words from Democratic Members of great prominence, even to the assurance that they will refuse to extend the debt limit to the \$50,000,000,000 requested. The Budget message has informed us that the debt must necessarily reach the forty-four billion mark next year. It is wholly inconceivable that the cost of the present structure of government could be reduced from \$10,000,000,000 yearly, to a point comparable to income. This declaration of outright refusal is so amazing that it is unbelievable that these true patriots can hold to that position. However, the Executive would probably find ways of taking care of the debt other than using social security funds for the purpose. Billions of gold now lie in the hills of Kentucky. The magic wand granted in his emergency powers would enable him, undoubtedly, to carry on and dissipate whatever valuable assets might remain.

Much will be made of the argument that powers similar to those contained in this bill were granted to Mr. Hoover. This claim is easily disposed of. A simple resolution by either branch was sufficient to refuse his recommendations. This was done in summary fashion. Mr. Hoover had not frightened the Nation with demands for extraordinary powers. His recommendations to the Congress in 1932 were most carefully considered and contained no startling suggestions.

You gave him the power with a safe string to it, and it was a string which you pulled summarily. He presented to

you in 1932 a carefully detailed, well-thought-out recommendation, and yet you gave it no consideration.

Refer not again to Hoover, you Democrats. You use him for your own ends, merely. It is simply pretense.

Contrast those carefully considered detailed proposals with the amazing general demands of the President's Brownlow committee. These demands were so astounding that for months meetings of the committee were held in the greatest of secrecy. When a bill was finally presented to the House, violent criticism was expressed over the entire country. The actual provisions of the bill were lost sight of in view of that high-handed grasp for power over matters entrusted by the people to the legislative branch of the Government.

The debate in the House exposed its great political significance. The majority leader and the Speaker hurled themselves into the debate and were accorded the last opportunity afforded for argument. It was highly spectacular. They told their followers that if the bill was defeated, it would destroy the President. The burden of their arguments to their majority of more than 5 to 1 was "The Republicans will get you, if you don't watch out." No speaker in opposition was allowed one moment to reply to those speeches.

It was a question with them of destroying their President. They urged the Members to destroy themselves. Your leaders had little regard for your own safety. They were so loyal to the Executive that it mattered not what happened to you. I wish I could draw that picture for you as it should be drawn. Was Mr. Farley on the telephone that day? Was Mr. West spending almost the entire afternoon in the dining room downstairs? During those last few days were allocations for all sorts of things going into congressional districts?

It was reported here on the floor, without any refutation, that all the schemes and pressure possible were being brought to bear on these Democrats on this side who were wavering. The leader of the discussion on that day against the bill, the gentleman from New York, Mr. O'Connor, seems to have been destroyed. Verily, he got his reward for assuming a truly patriotic position.

I have here but I will not take time to read them some of the remarks of your leader [Mr. RAYBURN] and of the Speaker himself while pleading "not to destroy your President." The bill did not pass. Was your President destroyed? They said he would be. I await an answer. Was he destroyed?

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Yes; I shall be glad to have an answer.

Mr. HOOK. The Gallup poll shows that he was not, and that the people have faith in him yet.

Mr. GIFFORD. Good! There is one faithful new dealer left.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. Gladly.

Mr. BRADLEY of Pennsylvania. Apropos the gentleman's thought that the time for debate does not give opportunity for adequate information, I think the gentleman agrees that that would make very little difference to his colleagues on the Republican side of the House. Permit me to make an observation and call attention to a statement that was released to the press by one of my Republican colleagues from Pennsylvania last week to the effect that he voted wrong on a certain bill because he got mixed up as to what the orders were from the minority leader.

Mr. GIFFORD. Strange. I cannot speak for all on this side of the House. I have not the slightest information how the minority will vote. I should think that the gentleman from Michigan [Mr. MAPES], after the bouquets that have been thrown at him and those very laudatory expressions, would have to vote with you. One or two other Republicans were mentioned in flattering terms by Mr. WARREN. It may be very persuasive.

There is nothing like flattery of that sort. I replied once to one who told me that he wished to flatter me: "Flattery, soft soap. Soft soap 90 percent lye." [Laughter and applause.]

The other day when we were debating Guam you took particular pains to mention the names of two Republicans, Hurley and one other, giving their favorable views relating

thereto, as if that should alter our views. It failed in its purpose, coming from you. Regarding this bill, I have to take the position I do because I do not wish to embark on such a voyage with the captain now in command. The scars of the battle of last year still remain, and we have learned what to expect.

Senator BYRNES was quoted a few moments ago as having said that if this bill goes to the Senate it would have very careful consideration. That was not a very definite assurance. We recall what happened a year ago to the measures sent by us to that body. We may well fear a repetition.

The bill passed the House and was sent to the Senate. As the previous speaker stated, it came back loaded to the gills. However, the gentleman from Missouri [Mr. COCHRAN], the gentleman from Georgia [Mr. VINSON], the gentleman from New York [Mr. MEAD] and other leaders fought hard to carry out the ideas in the Senate bill as to doing away with the Comptroller General's office and changing the character of the Civil Service Commission.

The previous speaker stated that those controversial items have been taken from this present bill in an effort to get harmonious action, but he also said that more exemptions had been made than he thought should have been included. If the Senate puts these items back, what attitude can he then take, in view of that statement?

Mr. Chairman, this committee extended to the gentleman from New York, Mr. TABER, Mr. Dickson, and to me the courtesy of inviting us into the meeting the other day when the bill was considered. We happened to be named to that committee as minority members. We spent 2½ hours and several suggestions were made as to amendments. Suddenly one of the members of the committee moved that the bill be immediately reported. The gentleman from North Carolina [Mr. WARREN] moves fast, determinedly, and quickly, whenever called upon, as we have often witnessed. We have seen him perform in the chair and on the floor, and what a marvel of abruptness and efficiency he always is.

The committee promptly voted to report this bill. There was quite a bit of hesitation about granting proper time to file a minority report. That explains fully the brevity and lack of sufficient analysis in the report before you. The public must not know anything about this lest they send you telegrams and letters. Because of the battle last year they recognize the dangers inherent in any such proposal.

What will the people think of such a proceeding? But it is "must" legislation and a bill of some sort must be presented. It is merely a less dangerous proposition and hence should be challenged.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield myself 2 additional minutes.

Mr. Chairman, I have in mind how meanly Democrats often spoke of my great President, Calvin Coolidge. They used to call him "Cal" over on that side of the floor. The previous speaker said we had a Frankenstein in Government. May I say in good nature that instead of its being a Frankenstein it is a "Franklinstein." I may say also that this is not original with me, but I adopt the expression.

I have a memorandum of several things which I desired to bring to your attention but my time has expired. In the remarks made in last year's debate on this bill you will find that someone claimed that the depression was caused by the fear engendered by that reorganization bill. The public had been greatly frightened as a result of the extraordinary demands for power made by your President. During the last 3 or 4 weeks the business index has been going down and down. Is this bill adding to public confidence?

Economy in Government. Under this President? Do not carry that joke too far with me. [Laughter and applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, I do not want to appear presumptuous, but I do want to offer a few suggestions as coming from a new Member of this body.

The bill now under consideration came to my attention as a Member of the House on February 23, 1939, notice of its introduction having been given to the House by the gentleman from Missouri [Mr. COCHRAN] at that time. The notation on the bill indicates that on March 3 it was committed to the Committee of the Whole House on the state of the Union and ordered printed. As a Member of this House I saw the bill this morning for the first time as I came on the floor of the House. This is the first opportunity I have had to know what is in the bill.

Mr. WARREN. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from North Carolina.

Mr. WARREN. Of course, it was reported then, but the bill was introduced and was available on February 24.

Mr. KEEFE. It may have been available and it may have been printed, but I saw it for the first time this morning. Mr. WARREN. That does not make any difference.

Mr. KEEFE. And I think most every other Member of the House is in the same situation.

Mr. LORD. Will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from New York.

Mr. LORD. On Saturday I tried to get a copy of this bill from the document room, and I was informed it was not available.

Mr. KEEFE. May I say further that in the campaign last November one of the very important issues before the people of the country, rightly or wrongly, was the fight on the reorganization bill in the last Congress. The fight was so bitter that it prompted the President of the United States to go into a number of States and attempt to purge Senators and Congressmen who dared vote against the reorganization plan offered during the last Congress.

Repercussions of that fight were heard in the State of Wisconsin, and it was one of the major issues in the campaign. Those who had favored reorganization were overwhelmingly defeated by the people who thought at least they knew and understood the plan that had been offered during the last Congress.

Now a new bill is offered. As a Member of Congress, I have tried to intelligently read this bill. I am frank to state that from a reading of the bill it would seem that the Special Committee on Reorganization has tried to remove many of the objectionable features found in a previous measure. I want to call the attention of the newly elected Members on the Republican side, however, to the fact that the people back home who sent you and me to Congress—and one of the main issues in the last campaign was the reorganization bill—have not as yet had an opportunity to know and understand the difference between the proposed reorganization bill now under consideration and the term "reorganization" as used in the last Congress.

Mr. Chairman, it seems to me that the people of the United States, who, after all, are the ones interested in this matter, should have an opportunity to know and understand the provisions of this bill before we, as their Representatives, are called upon to vote on the measure. It seems to me that this bill was not referred to a committee. If it was referred to a committee, it was a select committee, and reported out after about 2½ hours of discussion. There were no hearings of any consequence held. There has been no publicity in the newspapers in the section I come from that you could call publicity, which would advise the people of this Nation what the difference is between this bill and the bill so bitterly fought during the last Congress.

I believe they are entitled to know, and if there is a difference, they are entitled to know what that difference is. We cannot get that publicity to them in a couple of days of debate on the floor of the House.

Now let me speak of just one or two other things in reference to this bill. I have asked some of the older Members of

this House—and I confess my ignorance and incompetence and my lack of experience—why is it necessary to have a reorganization bill at all? Why must we have a reorganization bill? The distinguished gentleman from North Carolina [Mr. WARREN], who spoke this afternoon, stated here in the Well of this House:

We have boards, we have commissions, we have bureaus that ought to be abolished.

I asked the gentleman:

Then why does not this Congress abolish them?

[Applause.]

If this Government needs reorganization, why do not the Members of this Congress, which by delegation of its authority through these boards and commissions gave this great power to the bureaucracy in America, stand on their feet and perform their function and their duty and reorganize this Government and abolish these bureaus and commissions? [Applause.]

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. Just one moment.

Mr. COCHRAN. I will answer the gentleman's question.

Mr. KEEFE. I decline to yield, Mr. Chairman.

I will tell you the answer I got from distinguished Members of this House. They said, Oh, Congressman, you are new. You do not understand the situation. These bureaus and these commissions are so powerful that if we attempt on the floor of the House to reorganize this Government and abolish any of the useless bureaus and commissions they will be down here with their minions and their employees and their experts and they will buttonhole the Members of Congress and they will threaten them and browbeat them to the extent that the Congress will not dare to act. I want to say as one Member of Congress, at least, that I am ashamed of that confession of incompetence on the part of this great Congress of the United States. [Applause.]

It seems to me that if the Congress of the United States is willing to concede and admit that it is incapable of protecting the interests of the people as against the whims of the bureaus and bureaucrats in this Government, we had better fold our tents and go home and let them run the whole Government. That is all I have to say about it.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Missouri.

Mr. COCHRAN. The gentleman may say he is incompetent and does not have information, but no Member of this body from the dean down could have explained better than has the gentleman why this bill is necessary.

Mr. KEEFE. May I just make this further observation to the gentleman from Missouri? This bill states it has certain purposes. I do not have time to read them, but the fundamental purposes of this bill are to prevent duplications in Government service, to wipe out extravagance, to promote efficiency in operation, and to promote economy. In the 2 years the power to reorganize the Government was rested and vested in the hands of the present President he issued 27 Executive orders, it has been stated. Where is the economy? Where has there been any reduction in the number of boards or commissions? It is said that we now have 117,000 Government employees here in the city of Washington and hundreds of thousands of them scattered throughout the country. All you are asking in this bill, as I see it, is that we turn over to the President the power to make a reorganization as he sees fit within the limitations prescribed in this bill, and then when he has indicated his plan of organization he tosses it into the lap of Congress. Then, unless the Congress by a negative vote negatives the action of the President within 60 days, it becomes law and becomes operative.

I want to say to the Congress and to the people of this Nation that I think it is high time the Congress began to take back unto itself its powers and duties and responsibilities. We should have a Congress of men able to stand on their own feet and defy bureaucracy in this country and abolish these bureaus, boards, and commissions ourselves. If the

President of the United States has in mind a program, let him bring that program here. If it will tend to accomplish the purposes of this bill, I, as one Republican, will vote for it; but I will not vote for this bill, which seeks to put in his hands the power to make this reorganization without first bringing the proposition to the Congress of the United States. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Chairman, I think it is rather unfortunate for me that I follow the very able and vigorous gentleman from Wisconsin, but, on the other hand, I believe it was fortunate for me that I heard him. He is the only speaker I have heard today, being in a Subcommittee on Appropriations writing up a bill. I was not able to hear the preceding speeches.

I am opposed to any reorganization bill in this Seventy-sixth Congress for six reasons:

First. This is not a recovery measure. We are still in the throes of trying to recover, and everything should be concentrated toward the end of saving this country. There is no saving in this reorganization bill in any large degree or particular.

My second reason is that economy is not emphasized. Economy ought to be equal with efficiency in every reorganization bill, yet economy was not mentioned in the bill a year ago except in the preamble, and it is not emphasized in this bill. Remember what experts of the Brookings Institution stated this morning—they are a sort of efficiency committee these days and we frequently refer to them—that nothing material can be gained by regrouping—that something has to be cut off. There will not be anything in particular cut off under the present reorganization bill.

My third point is that this bill, in spite of what may have been said to the contrary, is tarred with the same stick as was the bill of a year ago. We know what the bill of a year ago tried to do to the General Accounting Office. We know what it tried to do with the Civil Service Commission, and the civil service has had enough done to it already. We know what that bill proposed in its first paragraph. It was going to create a new department of government, particularly for the man who has recently been advanced to head another department. This was the essence of the entire bill of a year ago. It started out by creating a new department. This measure is the same old bill, revamped and sugar-coated a little bit so we will swallow it, and it is the same old bill tarred with the stick of a year ago.

Fourth, this is primarily the President's bill, and it is his urgency and impetus that is bringing it before the House at this time in an endeavor to rush it through to passage. The President is a wonderful man in a lot of ways, but he is very bullheaded, and he never gives up trying to get through anything he starts, even if he has a fight on it. [Applause.]

The fifth point: This is the only unsuccessful "must" legislation that has not been passed in some form. Now, you may say the Court measure was not passed. The Court bill was not passed, but the President now has his fourth opportunity to fill vacancies on that Court, and he is sort of getting even on his bill to revamp the Court and take over the Judiciary by reason of the vacancies that have already occurred, and he has 2 more years to go. He got his second N. R. A. in the wage and hour bill, although the original N. R. A. bill had been thrown out by the Supreme Court by a 9-to-0 decision. He got his A. A. A. bill again in the farm regimentation bill of a year ago. He has had every important "must" measure but this one.

This is the only one that is left, and he has just got to have it, although there is no recovery and there is no economy in it. It is the same old bill, and I do not know that there is a single man over on this side of the House out of the 159 or 160 who did not promise that he was not going to vote any more powers to the President; and there were a lot of you over on the other side who silently and secretly at

least told the leaders and others on your side that you would not vote to give any more powers to the President if you were sent back. Is not that so, Mr. Cox? Well, you do not have to answer. [Laughter.]

Mr. COX. If the gentleman wishes to catechize me I shall be glad to accommodate him, but I dare say the gentleman would rather use his time for some other purpose. [Laughter.]

Mr. LAMBERTSON. Now I come to the last one. If there were any one point of the six that I would like to emphasize it is this last one, and I may say that I have had no quarrel with the President of the United States. He has not treated me unkindly in any way. I voted for a lot of the New Deal measures in the Seventy-third Congress. They were emergency measures when we were trying to save the country, and I voted for them before we turned to making them permanent. I think he is a wonderful human being, a delightful human being and has done good in some ways; but of all the places where I would not want to put him it would be, after having created a 50-percent addition to the bureaucracy of the country, putting the same man to the work of reorganizing this bureaucracy; because, naturally, he would favor those things which he has created in these new set-ups, and they showed in the old bill their animosity to some of the old set-ups, like the General Accounting Office, the Civil Service Commission, and some other establishments of that sort.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. LAMBERTSON. I yield.

Mr. GEYER of California. I know the gentleman has said he would not vote for the bill regardless of what the bill may be, but the gentleman has made so many statements here that he has led me to believe he has not read the bill. Has the gentleman read the bill?

Mr. LAMBERTSON. Yes; I have.

Mr. GEYER of California. Then I suggest the gentleman read it again.

Mr. LAMBERTSON. Oh, well, that is old stuff. The gentleman has not told me anything new. I have been hearing about this reorganization matter for several years and I know what was in the bill a year ago and I knew that they sugar-coated that a little bit and gave Congress a little power to veto, but they have still given the President a lot of power, and the one reason why we should not pass any reorganization bill in this session is because the man in the White House is not the man to reorganize the Government. It is springtime, baseball is here, and what this country needs, if we are going to have any reorganization, is a pitcher and not a quarterback; and we must have somebody that will be for economy as well as for efficiency and we should have a man who has not himself created this great bureaucracy. Even if you could pass this reorganization bill it would not amount to anything. There would not be any saving and you would only be thwarting any effort in the succeeding Congress with a President who would make such a reorganization real. Let us postpone this entire matter until that time. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. McCORMACK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 4425) to provide for reorganizing the agencies of the Government, and for other purposes, and had come to no resolution thereon.

HOOR OF MEETING TOMORROW

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection?

Mr. MAPES. Mr. Speaker, I reserve the right to object, to ask the gentleman when he contemplates the vote will be taken on the final passage of the reorganization bill?

Mr. COCHRAN. Of course that is a matter that is up to the House. We have used not quite half the time for general debate and have about 5½ hours left.

Mr. MAPES. Is it fair to assume that the vote will not be reached tomorrow?

Mr. COCHRAN. I could not say what the temper of the House will be tomorrow. Personally my opinion is that the House will not be able to reach a vote tomorrow.

Mr. COX. Mr. Speaker, I think most of us agree with that opinion.

The SPEAKER. Is there objection to the request of the gentleman from Missouri that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow?

There was no objection.

EXTENSION OF REMARKS

Mr. THORKELSON. Mr. Speaker, I have a discussion here upon the subject of a reorganization plan, and I ask unanimous consent to have it extended in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

THE REORGANIZATION BILL

Mr. THORKELSON. Mr. Speaker, today and for the greater part of this week a most important piece of legislation will be considered by the Members of the Seventy-sixth Congress, and it is the reorganization bill. Very few, except committee members, have had an opportunity to familiarize themselves with this measure, yet we are expected to pass our opinion upon its constitutionality and soundness in a limited number of hours.

It is my conviction that extraordinary appropriations and all legislation should first be scrutinized as to its constitutional aspects. The chairman or members of the committee should be prepared to inform the House about the real purpose of this legislation. I, therefore, ask the chairman:

- (a) Who proposed the reorganization bill?
- (b) Name those who drafted the bill.
- (c) Will it reduce Federal employment?
- (d) Will it reduce Federal expenditure?
- (e) Do you believe it is necessary and if you do, why?
- (f) Did any member of the committee or of the Seventy-sixth Congress aid in the drafting of the reorganization bill?
- (g) Do you believe the Constitution of the United States delegates powers to Congress to enact and pass the reorganization bill?
- (h) If the chairman believes the reorganization bill is constitutional, please state where in the Constitution delegation of such power may be found.
- (i) Will the chairman of the committee please state where in the Constitution powers are delegated to Congress responsible for the enactment of the legislation which has provided and set up private corporations under Federal control?
- (j) Will the chairman also state clearly and precisely what powers of control Congress has over such private corporations which are now operated and owned by the Federal Government?

I herewith hand you these questions and ask that you reply to them on the floor of this House. My purpose in asking for information is to determine if Congress has had anything to do with this bill. It is my opinion that Congress is acting in a rubber-stamp capacity in passing legislation with which it may not be in sympathy, for the simple reason that someone desires to have it enacted. The people are entitled to know who is behind such legislation and the committee should enlighten the Members of the House in this respect.

I shall now ask the majority leader and the chairmen of the following committees, the Judiciary, Appropriations, Rules, and Ways and Means, to reply to these questions:

Shall Congress confine its legislation strictly within the Constitution of the United States? Shall we honor our oath

of obligation, "To preserve, protect, and defend the Constitution" as it is and as it was given to us, or shall we dishonor our oath of affirmation by supporting unconstitutional legislation and so betray our people and destroy a republican form of government? My colleagues will answer that question when they vote on the reorganization bill. The life of the Republic hangs in the balance.

It is my opinion, therefore, that a bill which involves fundamental changes in the Government—such as this one—should first be considered from its constitutional angle by each and every Member of the House, and we should have sufficient time to study it thoroughly. If the bill is found to be unconstitutional or even questionable, it should be voted down without fear or favor.

I challenge the soundness of procedure and rules which govern the formulation and presentation of legislation. Appropriation bills, as well as legislation, are considered in a committee. Such proposed legislation is then brought on the floor of the House and recommended for passage, but the time set aside for consideration and debate is often only a few hours. Many Members are in complete ignorance of the measure to be considered and must for that reason accept the committee's opinion as to the soundness of it. At this stage reason no longer prevails; it becomes instead a party duty to follow the leader; and at this point Congress has ceased to function as a deliberating body.

President Washington warned us of this when he said:

The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. But this leads at length to a more formal and permanent despotism. The disorders and miseries which result gradually incline the minds of men to seek security and repose in the absolute power of an individual, and sooner or later the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Without looking forward to an extremity of this kind (which, nevertheless, ought not to be entirely out of sight), the common and continual mischief of the spirit of party are sufficient to make it the interest and duty of a wise people to discourage and restrain it.

The legal phraseology of legislation and its paragraphical references are not only confusing but are in reality introduced for the purpose of obscuring the real intent of the legislation proposed. It is worded so that it is an appeal for public approval, but the real intent in the many instances is to destroy public liberties. Much legislation has little or no intelligent meaning to many Members of the House, for it is not based upon common sense and sound reasoning. It is, instead, a legal concoction not understood by the Members of Congress or by the committee itself.

I realize that some of you may question this statement, but if such thought enters your mind I cannot refrain from reminding you that all unsound and unconstitutional legislation now in force was sponsored by the majority of the committee in charge of it. That should be sufficient evidence even to the committee itself that it did not understand the legislation it proposed. If the committee did understand such measures as, for instance, the Gold Reserve Act and the stabilization fund, it put its O. K. on unconstitutional legislation. In either case, it is a beggar's choice.

Being a new man in Congress, it may appear to my colleagues that I am presumptuous in addressing the House as I am doing today. Yet I want you to know that I am concerned with only one thing, and that is the general welfare of the United States and our people. We are now confronted with the reorganization bill, and it is clearly an unconstitutional piece of legislation.

Congress should understand that new legislation is not required to reorganize the Government. On the contrary, if the Government is now found to be disorganized or in a chaotic state, it is because Congress has failed in its duty. Congress has been remiss in its responsibility by allowing legislation to be enacted which is now threatening national security. Inasmuch as Congress is responsible for the muddle we are in, it should be courageous enough to get us out of it.

The Constitution delegates the power and makes it obligatory upon Congress to always maintain sound, constitutional government and at the same time guarantee a "republican form of government to the States." It follows, therefore, that Congress alone has the power to reorganize the Government, and it is obligatory for it to do so. If reorganization is necessary—and it is—Congress should appoint a committee to carry out such reorganization under the direct supervision of Congress. In other words, it is a serious matter and one in which each and all of the Members are interested and for which Congress alone will be held responsible.

If there are Members of Congress who do not feel capable of conducting such reorganization, they should not stay here and vote for unsound legislation but should instead resign and go home. Members of Congress should understand that the Constitution delegates no power to them for shifting their responsibility to others, so when Congress enacts legislation which deprives it of its own powers, popular government hangs in the balance. Those who support and vote for such measure as the reorganization bill betray public trust and should not be returned to Congress.

I think it is high time that the people of the United States should know what Congress is doing and has done to them. While here I shall make it my business to pass information to those most concerned, and they are the people who have created our prosperity and made our country great and strong.

Now please understand, gentlemen, that there is not a Member in this House who wants to reorganize the Federal Government more than myself. It is not only my viewpoint but it is my greatest desire for the Members of this body to take hold in a real businesslike fashion and reorganize this Government from the very top to the bottom. What a pleasure it would be to load our Socialists, Communists, and other political parasites on a craft and send them down the Potomac River and out by the capes.

If my colleagues will consider the 50 or more Government-owned corporations created by special acts of Congress and incorporated under the laws of the District of Columbia, Delaware, and other States, the necessity for reorganization is clearly evident.

If my colleagues will now bear in mind that we employ an army of high-salaried officials to operate these various corporations, and that their salaries are from six to twelve thousand dollars a year, the necessity for reorganization is urgent. If Congress can now realize that not one of these organizations or corporations is earning enough money to pay its expenses, but that Congress instead appropriates billions for their maintenance, an excuse may be found even by the majority of this Congress to cast this parasitic muddle adrift on the ocean of oblivion.

As you look upon the scores of new office buildings in the city of Washington, housing the various governmental activities, everyone will recognize that we will soon need a new Capital. What private concern in the United States is served with the same luxurious and magnificent offices as the Federal employees in Washington? I am sure that when the taxpayers realize that the Federal Government is employing over 120,000 people in this city alone, on high salaries, and in useless capacities, reorganization will be demanded by the taxpayers. I am, therefore, in favor of reorganizing the Government, replacing the present incompetent organization with a business-like administration no different from that employed in private industry. Government operating expenses should be reduced at least 75 percent, and leave us with 75 percent greater efficiency in the Government.

The idea of the Federal Government's employing publicity bureaus, to distribute Government propaganda, should be obnoxious to every American citizen. We expect advance agents to sell a circus, but I do not believe the public is ready to make Government ballyhoo a permanent department.

Reorganize or disband Federal bureaus and departments which employ a large number of specialists that work with graphs, plans, and statistics, and speak the words of Judah.

They are now insidiously undermining constitutional liberties by proposing old plans clothed in garments of deception. These plans are not only unsound but their failures may be found in history and viewed in the ruins of past governments. We are indeed far on the road to socialistic and despotic rule.

Disband the national publicity bureaus that portray strutting administration windjammers on the front pages of our newspapers, giving advice and promising relief to business, a most incongruous situation. These closehaired prophets if compelled to rely upon their own ingenuity, I venture to say, could not even run a peanut stand on a profitable basis. Yet they swagger through the land playing to and appealing for public sympathetic approval, so they may further club our business people into submission for the greater glory of the commune.

What is the purpose of the reorganization bill? Is it to reduce Government personnel? No. It will be increased instead. Is it to reduce the cost of the Federal Government? Absolutely not. It will instead increase the cost of the Federal Government. The real object of this bill is to deprive Congress of further power and centralize it in the Federal Government. This should be perfectly obvious to every Member in Congress. There is nothing now that hinders the President from reorganizing all the bureaus created for the past 6 years. This is clearly evident in the appointments which have been made since we came to Washington.

I ask my colleagues to name one of the new bureaus or departments over which Congress has the slightest control. I even find it difficult to make appointments with heads of the various departments. They are simply too important to interview Members of Congress. I, therefore, say the reorganization bill is for no other purpose than to bring about greater centralization and so provide for a socialistic or communistic government. Any Member of this House who supports the reorganization bill must bear in mind that he may find it difficult to explain such support to the people who sent him to Congress. My colleagues will find that our people are alive to the danger which is now threatening us, and it is quite possible that the same thing may happen in the United States that has happened in Germany.

A few days past, one of my colleagues on my right, after a criticism of the New Deal, said: "What can the Republican Party propose to improve upon the policy of the past 7 years?"

I believe such question is only just, particularly if one presumes to criticize. I shall now reply, as I did in one of my former speeches, by repeating the first four answers:

- (1) Give every State a republican form of government as the Constitution provides.
- (2) Have Congress resume its rightful position in relation to the people it represents.
- (3) Replace the money in circulation now with gold-secured currency and set aside a gold reserve as security for all money.
- (4) Congress should demand that the Federal Government cease from competing with private industries, because such competition destroys earning power and creates idleness.

I shall now add to this, for further consideration, the following:

- (a) Repeal the power of the President and the Secretary of the Treasury to play with the national currency.
- (b) Demand an accounting for the \$2,000,000,000 gold stabilization fund.
- (c) Repeal the power of the State Department to regulate international trade and to negotiate trade pacts and treaties.
- (d) Place a tariff on all competitive products so that our farmer and manufacturer may supply home markets.
- (e) Appraise and liquidate all Federal-owned private corporations which are now in competition with private industry. After appraisal, sell them to private industry where they rightfully belong, and in such manner restore the States' and people's rights.

(f) Apply the Sherman antitrust law to Federal monopolies, which are now greater monopolies than private industries themselves.

(g) Cease and desist from taking issue with or protecting special groups because of the voting power such groups may have.

(h) Appoint a composite board to revise the legal structure by weeding out useless unconstitutional laws.

I am opposed to the reorganization bill and shall vote "no."

As a Member of Congress I shall in the future adhere strictly to the Constitution, which, of course, I am doing as I vote against this measure. It is the duty of Congress to maintain and operate sound economical government and to see that State rights are respected by the Federal Government. That should be the first step in reorganization and will reduce the Federal Government's operative cost materially. The State governments would begin to function as they should for the general welfare of everybody concerned. After this is accomplished, Congress will find that the Federal Government in Washington can be run with 10,000 employees. This will leave many buildings empty and save the construction of new ones. It will lessen the traffic hazards in Washington and save lives. It will also restore a real republican democracy.

EXTENSION OF REMARKS

Mr. GARTNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address by John M. Flynn, of Pennsylvania.

The SPEAKER. Is there objection?

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a radio address delivered by myself.

The SPEAKER. Is there objection?

There was no objection.

SECRET ARMIES

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes at this time.

The SPEAKER. The Chair cannot submit that request unless it is agreeable to the gentleman from Kentucky [Mr. ROBSION] who has been granted time to address the House under special order. Does the gentleman from Kentucky yield to the request of the gentleman from California to address the House for 2 minutes?

Mr. ROBSION of Kentucky. Mr. Speaker, I yield for that purpose.

The SPEAKER. The Chair recognizes the gentleman from California for 2 minutes.

Mr. GEYER of California. Mr. Speaker, it will be recalled by the membership of this House that each of us received a copy of the book *Secret Armies*. This book was sent to us by Walter Winchell, that untiring foe of real un-Americanism, whether it be from the extreme right or from the other side. There are those who would have us dismiss the information given in this book as being merely Communist propaganda. But as I have stated before on this floor, when such an outstanding American, known for his blasts against communism as well as fascism in both his columns and over the air, requests in his letter to us that we "wake up," it seems to me high time that we give this very important subject some consideration.

In the hope that our Congressmen and our special committee will do something about this thing, I wish to quote from a recent radio address by Mr. Winchell:

Ladies and gentlemen, I want to thank the numerous Senators and Congressmen for their letters acknowledging a book I sent them this week entitled "Secret Armies." It alleges that certain groups in this country are plotting against our Government. It names names. Some Congressmen, however, suspect the author. They allege he is a Communist and his book red propaganda. Some other Congressmen said they thought the author's charges should be investigated anyhow. And that's exactly what I thought. And the only reason I sent it. But this is more important. The New York Times on March 1 reported that Mexico seized eight persons in a spy plot. These eight suspects—and I hope the Senators and Congressmen are listening now—are mentioned in *Secret Armies*. Named in detail on pages 50 to 53.

In the same broadcast, Winchell, answering a lady's query, said that Mrs. Dilling's book exposing Communists, "The Red Network" by title, had already been given national attention and that he thought the Congress had heard of that book. Mr. Winchell's sign-off was:

Your New York correspondent who is happy to know that Congress is wise to the traitors who wrap themselves in the American flag so they can rap the principles for which it stands.

My object in presenting this this morning is twofold: First, that the Record will be straight and there will be no misunderstanding concerning Winchell's Americanism and his purpose in sending to us copies of Secret Armies. Second, it is my desire that the Congress and the country at large be awakened to the fact that it is high time that something be done about un-American activities. We have a committee with \$100,000 at its disposal, and we have every reason to expect that committee to go into action. I do not believe that the country desires this thing to be delayed until the Congress has adjourned and public sentiment has subsided.

I believe that the writer of the book Secret Armies should be immediately subpoenaed and the documentary evidence which he claims he has been carefully sifted and legislation recommended at once to safeguard our democratic institutions. I am sure the Members of this House and the committee will agree with me when I say that attacks on our democracy will not be tolerated regardless of the direction from which they come, even though they may be camouflaged under the guise of patriotism.

I do not wish this to be construed as an attack upon the committee, but I feel that the subject is so vital that no time should be lost before taking action. [Applause.]

MONTANA DAY IN HOUSE RESTAURANT

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to make an announcement.

The SPEAKER. Without objection, the Chair will recognize the gentleman from Montana for 1 minute.

There was no objection.

Mr. O'CONNOR. Mr. Speaker and Members of the House, I dare say that every employee on Capitol Hill has, at one time or another, heard of the rapturous beauty of snow-capped mountains, of rippling trout streams and the scenic wonderland of Montana, the land of the shining mountains.

Today I have the envious honor of inviting our honorable and beloved Speaker, Members of the House, gentlemen and gentlewomen of the press, and officers and employees of the House to taste the wildlife of my home State of Montana. Of course, our wildlife in Montana is not the same as you have here in the East.

The choice elk has been fattened on that rare, nutritious buffalo grass that abounds and grows along the rivers, streams, and in the imposing shadows of mountain peaks, peaks rising in silent majesty and vying with each other for the first kiss of the rays of the morning sun. Peaks which penetrate the clouds and, as someone has said, tickle the feet of the angels. The elk was fattened on an area adjacent to the magic land of our Nation, the matchless of all parks, Yellowstone.

Through the courtesy of the Gardiner (Mont.) Commercial Club, which is the Gardiner entrance to Yellowstone National Park, the delicious elk meat, cooked to please the palate of the most critical epicurean, will be the piece de resistance in the House restaurant on Tuesday noon of this week.

Today has been designated as Montana day in the House restaurant. You will be guests of the land where "There's never a horse that couldn't be rode, nor never a cowboy that couldn't be thrown." My colleague from Montana, Dr. THORKE, and I consider it a privilege to carry out the desires of the Gardiner Commercial Club. And after the adjournment of Congress, we invite each one of you to view the natural habitat of the elk where nature is on parade the year around. [Applause.]

EXTENSION OF REMARKS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record upon the bill now under

consideration, and to include therein some data with reference to the Rural Electrification Administration.

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATRICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent that on Thursday next, after the reading of the Journal and the disposition of the legislative business of the day, I be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a recital of progress of the Public Works Administration in region No. 2.

The SPEAKER. Is there objection?

There was no objection.

Mr. ZIMMERMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an address delivered by Hon. Harry B. Hawes, former Member of the House and ex-United States Senator from Missouri before the Missouri Society on February 25.

The SPEAKER. Is there objection?

There was no objection.

Mr. TENEROWICZ. Mr. Speaker, I ask unanimous consent to extend my own remarks memorializing the seventh anniversary of the death of John Philip Sousa.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ELSTON. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein excerpts from a report of Hudson Biery, chairman of the stream purification committee of the Cincinnati Chamber of Commerce, on the subject of Pollution of the Ohio River, before the Rivers and Harbors Committee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks by printing in the Record a short dissertation by a very learned professor on taxation.

The SPEAKER. Is there objection?

There was no objection.

THE SIXTH ANNIVERSARY OF NEW DEAL

The SPEAKER. Under special order of the House heretofore made, the gentleman from Kentucky [Mr. ROBSION] is recognized for 40 minutes.

Mr. ROBSION of Kentucky. Mr. Speaker, ladies and gentlemen of the House, I wish to thank the Speaker and Members of the House for their gracious action in granting to me unanimous consent to speak at this time.

Last Friday was the end of the sixth year, and last Saturday, March 4, was the sixth anniversary of President Roosevelt's administration. During all of those 6 years he has had an overwhelming majority in the House and Senate. Is it not appropriate to review the record made during these 6 eventful and fateful years?

On the first, second, third, and fourth anniversaries of the New Deal our New Deal friends were unable to find words to express adequately their admiration for their policies and their chief exponent, President Roosevelt. To them March 4, 1933, was the dawn of the new day. It was the beginning of all progress, prosperity, and the era of peace on earth and good will to men. We were led to believe that the calendar would be changed and we would cease to reckon time from A. D. 1 and change it to F. D. R. 1.

But on the fifth anniversary of the New Deal—March 4, 1938—our New Deal enthusiasts were as silent as the tomb in the proverbial country churchyard. This has been true of the sixth anniversary—March 4, 1939, except a certain Senator, and he ought to do so. It has meant more to him than any man in the Nation. [Applause.]

Have our New Deal friends been silenced by the logic of the cold facts? They were confronted a year ago, and they are now, with conditions and not theories. They know now that these New Deal policies have failed miserably. Some of our New Deal friends may feel that I am unkind in calling the country's attention to the conditions now facing us. I shall confine my remarks to the record and the facts. If the record and the facts are unkind to the New Deal it is no fault of mine. The new dealers themselves had the power and they made the record and brought about the conditions. They should not be unwilling to face the record as it is. If the record will not bear the close public scrutiny, and if it cannot be commended, it is the duty of the new dealers to meet the situation fairly and honestly and to cooperate with the Republicans and others to change the course. The American people do not look with approval on any party or man who runs away from the record.

BEAUTIFUL PROMISES AND SOLEMN PLEDGES

Due to the World War and speculation, this Nation in October 1929 was overwhelmed by the world-wide depression. We were in this depression in 1932.

The Democratic convention which met in Chicago in 1932 and Governor Roosevelt condemned in unmeasured terms as the cause of our depression the exorbitant taxes, wasteful expenditures, useless bureaus, commissions, and office holders, deficits, increase of the national debt, governmental interference with business, and restriction of agricultural production. They adopted a forthright platform and pledged to the country rigid economy, reduction of taxes, elimination of deficits, keeping expenditures strictly within the income, abolition of useless bureaus, commissions, and offices, reduction of the expenses of the Government at least 25 percent, the maintenance of the national credit by a Federal Budget annually balanced, and less government in business. President Roosevelt, referring to that Democratic platform, immediately declared:

That admirable document which you have adopted is clear. I accept it 100 percent.

He further said:

A party platform is a covenant with the people, to be faithfully kept by a party when entrusted with power.

In a telegram dated July 8, 1933, to Hon. Leon McCord, member of the Democratic National Committee from Alabama, the President again asserted:

Finally, I have made it clear ever since my nomination a year ago that I subscribe to the Democratic platform 100 percent.

He stated in his acceptance speech of July 2, 1932:

For 3 long years I have been going up and down the land preaching that government costs too much.

And at Pittsburgh, Pa., on October 19, 1932, Mr. Roosevelt declared:

That (the Hoover spending), my friends, is the most reckless and extravagant pace I have ever been able to discover in the statistical record of any peacetime government anywhere, any time.

He further said in his Pittsburgh speech:

Taxes are paid in the sweat of every man who labors. If excessive, they are reflected in idle factories, in tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or (as now) in broad cessation of employment. * * * Our people and our business cannot carry its excessive burdens of taxation.

In a speech at Sioux City, Iowa, on September 29, 1932, Mr. Roosevelt said:

I shall use this position of high responsibility to discuss up and down the country at all seasons, at all times, the duty of reducing taxes. * * * This I pledge you, and nothing I have said in the campaign transcends in importance this covenant with the taxpayers of this country.

And he further announced in his Pittsburgh speech:

Before any man enters my Cabinet, he must give me a pledge—absolute loyalty to the Democratic platform and especially to its economy plank. * * *

In commenting on the alleged wasteful administration of President Hoover, he said in the same speech:

We find that the expenditure for the business of government in 1927 was \$2,187,000,000 and, in 1931, \$3,168,000,000.

He condemned this increase of less than \$1,000,000,000 in 1931, with a depression on, over expenditures in 1927, when the country was prosperous.

The President, further commenting in his speeches on governmental expenditures, said:

I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion it is the most direct and effective contribution that government can make to business.

Let us bear in mind that when these declarations were made by President Roosevelt and this platform was written, the country was then in a depression and had been for 3 years. The President and his party realized the conditions, and they were giving to the country the policies they proposed to follow to restore prosperity to industry and employment to the idle workers of this country.

With this forthright platform and its 100 percent acceptance by Mr. Roosevelt and his reiterations throughout the country to carry out to the letter this platform, the American people elected him—with an overwhelming majority in the House and Senate. Still having this high purpose in mind, the President, in his message to Congress on March 10, 1933, said:

For 3 long years the Federal Government has been on the road to bankruptcy. For the fiscal year 1931 the deficit was \$462,000,000. For the fiscal year 1932 it was \$2,472,000,000. For the fiscal year 1933, it will probably exceed \$1,200,000,000. * * * With utmost seriousness I point out to the Congress the profound effect of this fact upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order. Upon the unimpaired credit of the United States Government rests the safety of deposits, the security of insurance policies, the activity of industrial enterprises, the value of our agricultural products, and the availability of employment. The credit of the United States Government definitely affects these fundamental human values. It therefore becomes our first concern to make secure the foundation. National recovery depends upon it. Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policy. We must avoid this danger. It is too late for a leisurely approach to this problem. We must not wait to act several months hence—we must move with a direct and resolute purpose now.

These earnest pledges and statesmanlike policies and the simple and direct declarations of the President in his first message caused the American people to believe that Mr. Roosevelt would carry out to the letter the solemn covenant of the Democratic platform, and his own unequivocal pledges inspired the American people with high hopes that prosperity would be restored and that pay rolls would take the place of relief rolls.

The President proceeded to put this platform and message into action by pushing through the Congress promptly what is known as the Economy Act of March 20, 1933. The salaries of officials and employees of the Government were reduced, the pensions, compensations, and hospitalization benefits of hundreds of thousands of veterans and their widows and orphans were cut off. It appeared as though the President meant what he said. It might be added, in passing, that the salaries of the officers who are employed by the Government were restored in due course of time, while, although some of the pensions, compensations, and hospitalization benefits of veterans have been restored, hundreds of thousands have not been restored. The disabled veterans and their widows and orphans were the only groups that finally had to bear the brunt.

RIGHTABOUT-FACE

Alas and alack! in less than 2 short months a great and singular change came over the President. That "admirable document," the Democratic platform, was forgotten, and all

of those solemn pledges were repudiated. On May 12, 1933, a subservient Congress turned over to the President a blank check of \$1,500,000,000, followed on June 16, 1933, by another blank check for \$3,300,000,000, and in February 1934 by another blank check for \$750,000,000. In less than 9 months after his message to Congress he was given direct authority to spend more than \$6,000,000,000. This is nearly double the sum President Hoover spent for all purposes for the fiscal year 1931, which was denounced by Candidate Roosevelt.

Early in 1935 the President was given another blank check for \$4,880,000,000. He has been given additional blank checks at various times during the last 6 years amounting, in all, to approximately \$20,000,000,000. This is more than 10 times the amount of lump-sum appropriations given to the other 30 Presidents, in war and peace. There have been turned over to this administration, to be expended in the 6 years ending June 30, 1939, more than \$57,000,000,000. And in addition thereto more than \$5,000,000,000 of bonds and securities have been issued and sold by the various Federal agencies, the principal and interest of which have been guaranteed by the Federal Government. If the present session of Congress appropriates no more than President Roosevelt has called for in his Budget and other messages, an additional \$10,000,000,000 will be appropriated, so that for the 7 years of the Roosevelt administration there will have been appropriated and turned over to his administration more than \$67,000,000,000. This is an enormous sum of money. We cannot appreciate how much it is. It is a sum greater than was appropriated by all the Congresses under 26 other Presidents from March 4, 1789, under George Washington, down to the signing of the armistice on November 11, 1918—more than 129 years. With that vast sum of money the 26 Presidents paid off the debt of the Revolution, fought the War of 1812, the Mexican War, the Civil War, the Spanish-American War, the World War, and all of our Indian wars. We bought the Louisiana Territory, Florida, the Gadsden Purchase, Alaska, the Philippine Islands, and Puerto Rico. We dug the Panama Canal; spent billions of dollars improving our rivers, harbors, and highways; built a merchant marine fleet; and paid the veterans and their widows and orphans their pensions; and carried on all the activities of the Government.

The national debt when Mr. Roosevelt assumed control was less than \$21,000,000,000. This sixth anniversary of the New Deal finds Mr. Roosevelt with a national debt of \$39,850,000,000. It is generally agreed that the national debt, before June 30, 1939, will be at least \$41,500,000,000, and by June 30, 1940, it will exceed \$45,000,000,000, the debt limit as fixed by Congress during the World War. Mr. Roosevelt will then have added nearly \$24,000,000,000 to the Hoover deficits about which he complained. Last year we had the highest expenditures in peacetime in this country. That will be exceeded this year.

BUDGET BALANCING POLICY ABANDONED

The importance of balancing the Budget and preserving the credit of the Nation and encouraging industry, agriculture, and employment, and making secure our bank deposits, life-insurance policies, and so forth, was emphasized by the Democratic platform and the President's pledges. For 5 years of the President's administration he insisted from time to time that the Budget would be balanced; but in his recent message to Congress on January 4, 1939, he abandoned all pretense of a policy to balance the Budget.

The deficit this year will be approximately \$3,000,000,000 and next year will perhaps reach \$4,000,000,000. He is definitely committed to the unsound, impractical economic policy that we can tax, borrow, and spend ourselves into prosperity. This in the teeth of the platform of 1932 and the President's pledges.

Mr. Roosevelt and his party vigorously criticized the heavy revenues collected by the Hoover administration. The amount of Federal revenues collected for the last year under Hoover was \$1,871,000,000. The amount of Federal revenues collected for the last fiscal year was \$6,018,000,000. This is an increase of more than 230 percent.

The New Deal created more bureaus and commissions than any or all of the Presidents. Counting those engaged in the field in the Agricultural Department, it increased the number of officeholders from less than 550,000 under Hoover to more than 1,100,000.

Our New Deal friends claim these repudiations of their pledges were necessary to restore prosperity and give employment to the millions of idle workers.

REPUDIATION AND FAILURE

There has never been such a complete repudiation of the platform and pledges of any party or any candidate, and neither has there ever been such a tragic failure of the policies of any party or President of this country. We shall consider the results achieved under some of the major policies of the administration.

RELIEF ROLLS INCREASE

The House hearings on emergency relief in April 1938 show that in January 1933 there were 18,224,000 people requiring some form of public relief. March 1938 it stood at 20,112,000. It is generally admitted that relief reached the high peak the week of the November election 1938. Senator BYRD, of Virginia, in a syndicated article some time ago asserted that each month the Government mailed out more than 13,000,000 checks, and that the number of those receiving some form of relief from the Government and their dependents exceeded 40,000,000.

RAILROADS, MINES, AND WORKERS

The largest employers of workers in industry are the railroads of the country. The Interstate Commerce Commission's reports and records show that on January 1, 1932, there were 1,080,027 railroad workers at work. In 1937 this number had increased to 1,101,003, but by the middle of January 1939 the number of employed workers had dropped to 927,770. In other words the number of employed railroad workers decreased from January 1937 to January 1939, 173,253, and there are 150,000 less railroad workers employed now than in 1932 under the Hoover administration.

The records of the Interstate Commerce Commission show that we have approximately 240,000 miles of class A railroads.

On December 31, 1932, there were 22,545 miles of class A railroads in the hands of receiverships or trusteeships. December 31, 1933, the first year of the Roosevelt administration, there were 41,698 miles; on December 31, 1935, there were 68,345 miles; December 31, 1937, there were 70,884 miles. These records show that between January 1 and July 31, 1938, eight more class A railroads, operating 7,288 miles, went into bankruptcy, and we are advised that several thousand more miles went into receiverships or trusteeships since July 1938. So that today more than 30 percent of our class A railroads are in the hands of the courts under receiverships or trusteeships. The New York Central Railroad Co. reports as of March 1, 1939, a net deficit of \$20,154,357 for 1938, compared to a net income of \$6,352,612 for 1937.

In 1932, the low-water mark of the depression, there were 406,380 miners at work in the soft-coal industry. In March 1938 there were 374,000, a decrease of 32,000. In 1929 there were produced 539,989,000 tons of bituminous coal. In 1937 there were produced 442,455,000. In 1938 there were produced only 342,479,000 tons of bituminous coal. It will be observed that there were produced 100,048,000 less tons of soft coal in 1938 than in 1937, and 192,582,000 less tons in 1938 than in 1929.

The National Bituminous Coal Commission states that the soft-coal industry lost approximately \$37,000,000 in 1937, and it is estimated that it lost \$60,000,000 in 1938.

The administration put through the Guffey Coal Act about 2 years ago, set up a large and expensive bureau which has cost the Government and coal producers more than \$20,000,000 to carry on this activity, but up until this time no prices have been finally fixed and the coal industry has not been stabilized.

THE BLIGHTING EFFECT OF GOVERNMENT COMPETITION

The Government is now actively engaged in competition with its citizens in 250 different lines of business, and is increasing day by day.

President Roosevelt, in a Nation-wide hook-up radio speech March 2, 1930, in his famous States' rights speech, warned the people against the concentration of power in Washington in the hands of master minds, and denounced the Federal Government's interference in business. Let us see what general effect the New Deal's interference with business has had. There were 670 business failures in June 1937, and 1,018 such failures in June 1938. Comparing June 1938 with June 1937, there was a decline in industrial production, wholesale commodities, steel production, freight-car loadings, department-store sales, automobile production, ranging all the way from 32 percent in industrial production to 65 percent in automobile production.

In 1937 the net earnings of the steel industry was \$181,000,000; in 1938 it was a little over \$1,000,000—a drop in earnings of more than 99 percent.

From 1921 to 1929, with private capital and private initiative, there were constructed during that period 2,010,304 dwelling houses valued at \$16,752,000,000, an average of 223,367 houses annually. Now let us see what the New Deal did with the building industry. The number of dwelling houses constructed from 1933 to 1938 with Federal and private capital was 463,928, with a value of \$2,516,000,000—an annual average of 77,321. Under private enterprise there were three times as many dwellings built each year as there were under Federal and private capital, and that meant that private enterprise provided for the use of more capital and materials and created more jobs.

WE GO DEEPER WHILE GREAT BRITAIN AND OTHER COUNTRIES RECOVER

According to the monthly bulletins of statistics issued by the League of Nations, based on industrial production of 1929, using 100 as the ratio, in March 1936 Japan had recovered and advanced 51 points ahead of her condition in 1929, Great Britain 15 points, but the United States still lagged 22 points below 1929. In February 1938 Japan was still 50 points, Great Britain had increased to 19 points, and the United States had further declined from 22 to 34 points below 1929. In March 1936 we were thirteenth among the nations in recovery; in 1938 we were seventeenth.

Therefore, viewed from any and every angle, the New Deal policies of reform, according to the record, have failed.

ELEVEN TO THIRTEEN MILLION UNEMPLOYED WORKERS

President Roosevelt in his campaign of 1932 never claimed there were more than 11,000,000 unemployed workers. The American Federation of Labor reported in April 1938 there were 11,064,660 unemployed workers. The latest Government figures, released in the New York Times June 5, 1938, fixed the unemployed in 1938 somewhere between 12,000,000 and 12,500,000. John L. Lewis, of the C. I. O., declared in 1938 there were more than 13,000,000. I have heard a number of our New Deal friends on the floor of the House at various times in the last year assert there were somewhere between 12,000,000 and 16,000,000 unemployed wage earners. As I understand, these do not include the 1,000,000 or more tenant farmers; the work of themselves and families was taken from them under the New Deal cut-out farm policy. In my section of the country there are more people out of work now than there have been at any time since the depression began in 1929.

FARM POLICIES HAVE BEEN DISASTROUS TO AGRICULTURE

In 1932 the President denounced the suggestion made by some official in the Hoover administration that it might help the farmers to allow 20 percent of the wheat lands to lie idle, plow up every third row of cotton, and shoot every tenth dairy cow. The President characterized that proposal as "a cruel joke."

In wanton violation of his platform and his declaration, the President forced through many so-called agricultural relief acts. Some of them imposed a tax of 30 cents a bushel on corn and wheat, about 2 cents a pound on cotton, and from 2 to 6 cents a pound on tobacco; 6,200,000 pigs and 220,000 mother sows were slaughtered; millions of cattle and sheep were killed; from 30,000,000 to 40,000,000 acres of productive land were taken out of production.

This administration has paid out altogether to aid agriculture nearly \$6,000,000,000. Let us not forget that President Roosevelt condemned in unmeasured terms the extravagance of the Hoover Farm Board. The Hoover Farm Board was granted a revolving fund of \$500,000,000. That Board made loans to the farmers amounting to \$1,500,000,000, but on December 1, 1937, there still remained \$175,000,000 of the original fund. The Hoover Board cost the taxpayers \$325,000,000, but the Roosevelt program has cost the taxpayers approximately \$6,000,000,000.

The question arises, What has been the result of the Roosevelt farm policies? Has it in the long run hurt or helped agriculture? Because of the lack of time, I can direct the attention of the House and the country only to those farm commodities that have received the greatest benefits—cotton, corn, and wheat.

Cotton has been favored over all other farm commodities. Before the cotton-control acts and cut-outs we supplied 53 percent of the cotton of the world. Today we supply less than 40 percent. We exported 8,500,000 bales annually. In 1938 we exported approximately 4,000,000 bales, and our export in 1939 will be less. The Government this year will incur an outlay of \$225,000,000 for benefit payments on acreage curtailment and for adjustment payments on cotton. The taxpayers will have to shoulder a burden of \$1,200,000,000 on cotton alone. As we cut down our production of cotton Brazil, Egypt, and other countries were encouraged and increased their acreage. As the cotton growers in this country cut down their acreage, through the liberal use of fertilizer, much of it indirectly furnished by the Government, we increased our production so that for the crop year 1937, with the cotton-control act and the cut-out, it reached the peak of 18,476,000 bales, and for the crop year 1938 it was 18,164,000 bales, and while we were increasing our production in bales of cotton our export trade was cut down one-half more.

The Government has been paying the cotton producers 3 cents a pound as a bonus and lending 9 cents more on the pound, while the average market price of cotton was about 8 cents a pound. The Government made loans on millions and millions of bales of cotton. The owners of the cotton have the right to let the Government take the cotton in discharge of the debt. The net result is we have accumulated in the neighborhood of 12,000,000 bales of cotton. This cotton has cost the Government, counting the bounty, more than \$500 a bale, and with carrying charges annually of about \$3.50 a bale. The price is down to 8 cents, and the indications are that the price is going lower. Our export trade is being cut down day by day. The Government and the cotton growers are in a quandary. The Government cannot afford to hold the cotton, and it will further depress the market for the Government to sell the cotton.

One of the outstanding editors in the cotton State of Texas, in a recent issue, had this to say about the New Deal cotton program:

The plain truth about the crop control so far as cotton is concerned is that it is already a complete failure, judged solely in the light of the objectives of its supporters. It has not restored the income of the cotton farmers, it has not restored and maintained prices, and it has not permanently reduced the unconsumed surplus of American cotton. The difference between the prices and income prevailing today and those of the low point in 1932 are entirely due to the devaluation of the dollar and not to the control program.

The cotton industry is demoralized and the Government will sustain a tremendous loss.

Mr. KNUTSON. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. KNUTSON. It might be interesting if at this point the gentleman's remarks showed that while the prices at which the farmers sell have depreciated 50 percent in 2 years his cost of living has increased 100 percent.

Mr. ROBSION of Kentucky. I thank the gentleman.

Cotton is the fair-haired child of the administration. This policy, it must be now admitted, has ruined the cotton industry in this country.

What about wheat and corn? They are lending perhaps 20 cents more a bushel on wheat and corn than the corn can be bought for in the western country. Is not that true? I ask my friend from Minnesota.

Mr. AUGUST H. ANDRESEN. Considerably more.

Mr. ROBSION of Kentucky. The Government is loaning to corn growers 57 cents a bushel when as a matter of fact any quantity of corn can be bought for 35 cents a bushel at the place of production. The Government is likewise making loans on wheat at a price greatly in excess of what the wheat can be bought for; and the Government is accumulating a lot of corn and wheat and is going to have more.

Let us bear in mind that the Government contributed more to agriculture in 1937 and 1938 than at any other time. The President forced through the Reciprocal Trade Act which is vigorously opposed, as I understand, by all the great farm organizations. Under this measure the tariff protection to the farmers was broken down and there were shipped into this country from foreign lands \$2,000,000,000 worth of farm products in direct competition with the farmers of this country. We created an attractive market in this country and then opened it up to the farmers of foreign lands. It would have required every acre of the millions of productive acres that were taken out of production to produce the farm products that were shipped into this country.

What was the net result on corn and wheat? The price of No. 1 cash wheat delivered at Chicago on March 1, 1937, was \$1.52—on February 28, 1939, it was 70 cents. Top corn delivered at Chicago March 1, 1937, was \$1.25 a bushel—on March 1, 1939, it was 47¾ cents a bushel. You will observe there has been a decrease of more than 50 percent on wheat and corn since March 1937. I cannot take the time to give a comparison of prices on other farm commodities.

The farmers' cash income of this country for 1937, including Government payments, was approximately \$8,500,000,000, and the farmers' cash income in 1938, including Government payments which were larger in 1938 than in 1937, was approximately \$7,500,000,000. Under the New Deal farm policies, the more the Government puts out, the less the farmers' income is. The farmers' income was a billion dollars less in 1938 than in 1937, and Secretary Wallace and others predict that the farmers' income and farmers' prices will be less in 1939 than they were in 1938.

Is not that true, Mr. ANDRESEN, the farmers' friend from Minnesota?

Mr. AUGUST H. ANDRESEN. That is true.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. REED of New York. The farm income figures the gentleman gave included the farm benefits taken out of the taxpayers' pockets, did they not?

Mr. ROBSION of Kentucky. Oh, certainly. We have now got on our hands millions of bales of cotton, and it cost us over \$500,000,000. The Government cannot sell it or prices may go down to 4 cents, or even less. It costs the Government \$3.50 a year carrying charges, just to store the cotton—nearly \$40,000,000 a year.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. ROBSION of Kentucky. I yield.

Mr. REED of New York. And yet we are importing cotton at the present time.

Mr. ROBSION of Kentucky. Absolutely. Some of it came to Louisville in my home State.

Mr. AUGUST H. ANDRESEN. And cottonseed, and cotton-seed oil.

Mr. ROBSION of Kentucky. Absolutely.

In 1925 and 1926, under a Republican administration, with no cut-outs, no reciprocal-trade agreements, and no Government payments, the farmers' income was approximately \$12,000,000,000. Let us not overlook the fact that the farmers' income and prices in 1925, 1926, and 1932 were on the basis of the honest 100-cent gold dollar. These prices we have

quoted on corn, wheat, cotton, and the income are on the basis of the 59-cent dollar. The dollar was devalued for the purpose of raising prices. The cheaper dollar, the higher the prices. On the devalued dollar, the farmers' income of 1938 as compared to the 100-cent dollar was less than \$4,500,000,000, and the price of wheat less than 45 cents a bushel on February 28, 1939, and corn less than 30 cents a bushel, and cotton less than 5 cents a pound.

And those prices were honest 100-cent dollars. The low prices of today, the low income, are measured in the 59-cent dollars. There is a tremendous difference.

Mr. KNUTSON. And when the former prices were realized it was not under the stimulus of Government benefits.

Mr. ROBSION of Kentucky. The farmers of this country have not only lost their liberty, their markets, and their prices, but at the same time the New Deal administration has cast upon them a tremendous load in the way of increased taxes, deficits, and debts that must continue to be a burden to them, their children, and their children's children even unto the fourth generation.

ANOTHER RIGHTABOUT-FACE

The administration, faced with a drop in our income from \$69,000,000,000 in 1937 to \$62,000,000,000 in 1938, and the deplorable plight of agriculture and industry and the great army of unemployed and those on relief, and perhaps more especially by the warning of the last November elections, has made another rightabout-face. They claim their program of reform is over and they now propose to devote themselves to recovery. The Republicans, anti-New Deal Democrats, many farm groups, business interests, and workers have been urging all along that the New Deal had the cart before the horse. The new dealers were insisting on reform—changing our form of government and the fundamental principles upon which this Nation was based and on which it has become the greatest industrial, agricultural, and commercial nation in the world. The opposition insisted that the first important thing was to bring about recovery, change relief rolls into pay rolls, cut out punitive taxes, unnecessary handicaps and regulations, and instead of the hostile attitude and constant assault and abuse urged upon capital, industry, and business, these should be encouraged, because in the final analysis industry, agriculture, and commerce must provide the real jobs and real wages.

The President, Secretary Morgenthau, and Secretary Hopkins tell the country no new taxes and no further reform legislation are contemplated. I wonder if they are motivated by the fact that the Seventy-sixth Congress will not stand for any more half-baked, fantastic legislation and is unwilling to give to this administration more taxes to squander. Or have these new dealers seen the handwriting on the wall in 1940? Industry, agriculture, and commerce have been bound hand and foot. They must now overcome the blighting influences of the New Deal as well as the depression. The new dealers say that no new taxes are contemplated at this time, but they do say they propose to continue the policy of borrowing and squandering. In fact, the President insists that this is the road to recovery. There is no suggestion that any of these emergency powers granted to the President whereby industry and agriculture have been regimented and the activities of 130,000,000 people placed into the hands of the bureaucrats here in Washington shall be relinquished—no suggestion to cut out any useless bureaus, commissions, and the hundreds of thousands of useless officeholders, or to remove governmental competition and interference with business and agriculture—no suggestion about reduction of Federal expenditures or the maintenance of the national credit by the Federal Budget annually balanced. The Democratic platform and the President, in 1932, announced that these policies and these alone could restore business and bring back prosperity, start the idle factories, and provide employment.

Under the President's borrowing and spending policy, though there may be no new taxes this year they must come next year or the year after—either that or worse, inflation, and that means in the end repudiation.

How can the administration in good faith insist that its chief purpose is recovery without a rightabout-face of its unsound policies of the last 6 years?

The Republican Party has always stood ready and willing to help take care of the needy of the Nation that cannot take care of themselves and to cooperate wholeheartedly with the administration in a sane, honest policy to bring about recovery.

Mr. REED of New York. The deficit has run during this period to over nineteen and one-half billion dollars and soon will be over \$22,000,000,000.

Mr. ROBSION of Kentucky. Yes; that is true.

GOLD AND SILVER PURCHASE FOLLY

Under the Constitution the Congress is given the power to coin money and to regulate the value thereof. A New Deal Congress surrendered this power to the President.

The Government had approximately \$7,000,000,000 in gold. Under the power given him to fix the gold content of the dollar, the President fixed it at 59.6 cents and forced everybody that had gold or gold certificates to surrender to the Government their 100-cent dollars in gold and take in exchange a paper dollar worth only 59.6 cents. The administration then boasted of the fact that they had made over 40 cents on every dollar, and a total profit of \$2,800,000,000.

We have denounced the German Government for making an assessment of 20 cents on the dollar against the Jewish people. This policy of our Government merely penalized to the extent of 40 percent the holders of gold or gold certificates. Dictators centuries ago did their people the same way, but history has never approved their conduct.

The President was also authorized to buy gold and silver without limit and fix the price thereof. Gold was less than \$21 an ounce. He fixed the price at \$35 and has bought more than \$7,000,000,000 worth of gold at \$35 an ounce. This has caused new gold mines to open and others to increase their output throughout the world. We buy all gold offered. Perhaps 80 percent of the gold we have bought at this enormous price has come from foreign lands. In the last 5 years this Nation has bought 30 percent more gold than all the new gold produced in the world in the 5 years. Then we took the gold and buried it in the ground down in Kentucky.

The President has followed the same policy as to silver. He has bought nearly 2,000,000,000 ounces of silver, over 80 percent of it coming from silver mines of foreign countries, and has paid from 20 cents to 40 cents an ounce more than the market value of the silver. The New Deal, with its heavy bounties out of the money of the taxpayers of America, has enriched tremendously the foreign producers of silver and gold.

The Government is now in a quandary. It has fixed these enormous prices for gold and silver and has bought these large amounts of gold and silver. If it stops buying, the market will drop and our Government will lose billions of dollars. If it continues to buy, we are only postponing the day of a greater disaster.

It is claimed that these policies were adopted in order to increase prices, especially of farm products. The market quotations show how this policy has failed.

The administration cannot go on with this and it cannot stop. It is like the man who caught the bear by the tail. The administration will not stop unless forced to by Congress. When it does stop and the price of gold and silver drops, the American people will discover this to be the greatest folly of all the follies of the New Deal.

INCREASE TO \$50,000,000,000 NATIONAL DEBT LIMIT URGED

The President, Secretary of the Treasury Morgenthau, and others are now, in peacetime, urging this Congress to raise the debt limit of \$45,000,000,000 to not less than \$50,000,000,000. Why? Because the national debt on June 30, 1940, will go beyond the \$45,000,000,000 limit.

How are they going to get the money? Borrow it. They know they have soaked the rich and the poor with taxes to the limit. They propose now to fool the people. Their plan is merely to add further burdens to us, to our children, and to our children's children.

If the Nation could not recover and employment was prevented and industry and agriculture stagnated, and we were on our road to bankruptcy with the \$4,000,000,000 of deficits and less than \$21,000,000,000 of national debt under Hoover, on what road are we now traveling?

What is there in the administration's present course to encourage capital to reinvest and industry and agriculture to expand? What encouragement is there to business with Hopkins as Secretary of Commerce, Murphy as Attorney General, and Amlie on the Interstate Commerce Commission?

JEFFERSON, JACKSON, LINCOLN

The President's Jackson Day Belshazzar feast, January 8, 1939, when he and his New Deal friends ate off the golden plates at \$100 a plate, told in his speech he had called up the great hero, Andrew Jackson, the patron saint of the Democratic Party, and Andy had patted him on the back and told him "to go to it, Franklin, old boy," the President insisted that Jackson, Jefferson, and Lincoln, like himself, were real liberal Democrats. The policies of the New Dealers are as alien to the policies of Jefferson, Jackson, and Lincoln as could be. These three great Americans were always preaching against high Federal debt, high taxes, and regimentation. They insisted that a nation is best governed that is least governed. They fought bureaucracy and championed the rights of the people. They condemned Federal debt as dangerous and high taxes as oppressive to the people.

I have before me a statement showing what they did with the public debt. When Jefferson became President the national debt was \$83,038,050.80. When he retired he had cut the national debt to \$57,023,109.09. When Jackson assumed office the national debt was \$58,421,413.67. In a few years Jackson had reduced the national debt to \$37,513.05. The national debt on June 30, 1861, was \$90,582,417. On June 30, 1865, including the 4 years of the Civil War and having had nearly 3,000,000 men under arms for 4 years, the national debt was \$1,578,551,169.

This administration has increased the national debt more in 4 months in peacetime than Lincoln increased it in 4 years of civil war.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. ROBSION of Kentucky. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. The recovery of our material wealth is one thing, but the recovery of our spiritual morale is another.

Mr. ROBSION of Kentucky. I was coming to that. They have not only threatened the credit of this country but they have broken the self-reliance, the morale, and the spirit of millions of American people.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I ask unanimous consent that the gentleman may have 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. TAYLOR]?

Mr. DITTER. Mr. Speaker, reserving the right to object, a number of us are here listening to the gentleman and we are enjoying the address. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Tennessee [Mr. TAYLOR]?

There was no objection.

DANGER HERE, NOT OVER THERE

Mr. ROBSION of Kentucky. After almost 2 months the President and many of the leaders of the administration have been busy announcing foreign governments rattling their sabers and joining in the jingo chorus. He has asked huge sums for alleged emergency national defense and there has been much talk that war will bring about prosperity.

A poll recently taken of the Congress of Editors of the 48 States and the District of Columbia, in which 1,139 participated, on the question as to whether or not we were being eased into another foreign war, 719 voted in the affirmative.

A great friend of the President in the United States Senate recently declared that if the American people knew what recently transpired in a secret conference with the present

Military Affairs Committee with reference to our entanglements with foreign countries and our commitments to them they would be shocked and stunned, and this statement was affirmed by another Senator who was present at that secret conference.

We all desire adequate defense of our country, but the American people are opposed to our entering another foreign war. If we are neutral and adhere to our historic foreign policies based upon the declaration of Washington and the Monroe Doctrine, we will avoid foreign wars. We have not yet, and will not for many years, recover from our last experience in a foreign war.

Let us devote our minds and resources to a solution of our problems here. With this great army of unemployed and countless millions of needy people in the richest country of the world, the menace to our Nation is here, and not over there.

This Nation is fortunate in its situation, 3,000 miles from Europe and 7,000 miles from Asia. It is the greatest agricultural, industrial, financial, and commercial country of the world. It surpasses all other nations in its natural resources and in the development of its transportation, industrial, and commercial enterprises. It has a courageous, intelligent people.

Yet with all this we have more wage earners unemployed and more people needing public relief than there are in any other great nation now or at any other time in the 50 centuries of the world's history.

This Nation has experienced other depressions. We recovered in 4 years. This depression has now run along for 10 years, with no end in sight. There must be something radically wrong with the leadership and the policies that cannot translate these resources and wealth into prosperity.

The Republican Party is ready to forego partisanship and to cooperate fully with the administration in solving these great domestic problems. Let us hold fast to that which is good and not hesitate to correct whatever is standing in the way of recovery and prosperity to the American people. [Applause.]

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent that all Members who spoke on the reorganization bill today may have 5 legislative days in which to revise and extend their own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. COCHRAN]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, may I suggest that the gentleman permit every Member of the House to have 5 legislative days in which to revise and extend his remarks?

Mr. COCHRAN. I withdraw the request and ask unanimous consent that all Members of the House may have 5 legislative days in which to extend their own remarks in the RECORD on the reorganization bill under consideration today.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

COMMITTEE ON RIVERS AND HARBORS

Mr. COCHRAN. Mr. Speaker, I had a telephone message from the gentleman from Illinois [Mr. PARSONS] saying that he was unable to get over here in time to submit the request and asking me to ask unanimous consent that the Committee on Rivers and Harbors be permitted to sit during the session of the House tomorrow. I submit that request, Mr. Speaker.

Mr. CARTER. Reserving the right to object, Mr. Speaker, did the gentleman from Illinois say the minority members of the committee had been interviewed with reference to this request?

Mr. COCHRAN. I specifically asked if the gentleman had consulted the ranking minority member and he said he understood the gentleman from Texas [Mr. MANSFIELD] had done so.

Mr. CARTER. I wish to inform the gentleman that is a mistake. As the ranking minority member who is here in

the city at the present time, I know nothing about the request.

Mr. COCHRAN. I therefore withdraw the request, Mr. Speaker.

EXTENSION OF REMARKS

Mr. NORRELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of rice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article written by Dr. Watts.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. THOMAS of New Jersey asked and was given permission to extend his own remarks in the RECORD.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. OSMERS (at the request of Mr. POWERS) for 1 month, on account of illness.

ADJOURNMENT

Mr. COCHRAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 55 minutes p. m.), pursuant to the order heretofore made, the House adjourned until tomorrow, Tuesday, March 7, 1939, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON WAYS AND MEANS

Public hearings will continue Tuesday morning, March 7, 1939, at 10 a. m., on social-security legislation in the Ways and Means Committee room in the New House Office Building.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs, Tuesday, March 7, 1939, at 10:30 a. m., in the committee rooms, Capitol, for the consideration of the following: S. 1523, burial expenses in connection with last illness and death of native employees who die while serving in executive offices abroad. House Resolution 107, requesting the President to furnish the House of Representatives data in regard to seizure of certain American property in Mexico.

COMMITTEE ON MILITARY AFFAIRS

There will be a meeting of the Committee on Military Affairs, in room 1310, New House Office Building, at 10:30 a. m., Tuesday, March 7, 1939, for the consideration of H. R. 2969, to provide for the common defense by acquiring stocks of strategic and critical raw materials, concentrates, and alloys essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and to encourage, as far as possible, the further development of strategic and critical minerals in the United States, and for other purposes, and all allied bills as follows: H. R. 987, H. R. 1987, H. R. 2556, H. R. 3320, H. R. 2643, H. R. 4373, and H. R. 4505.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, March 7, 1939. Business to be considered: Railroad rate differentials.

There will be a meeting of the Wool Subcommittee of the Committee on Interstate and Foreign Commerce at 2 p. m. Tuesday, March 7, 1939. Business to be considered: Opposition to wool labeling bill, H. R. 944.

COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, March 7, 1939, at 10:30 a. m., to continue hearings on H. R.

3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

The Committee on Coinage, Weights, and Measures will meet on Tuesday, March 7, 1939, at 10 a. m., in room 115, House Office Building.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445 of the House Office Building at 10:30 a. m. Wednesday, March 8, 1939, for the public consideration of H. R. 4100 and H. R. 4646, and on private bills H. R. 4353, H. R. 4354, H. R. 4357, and H. R. 4358.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday, March 8, 1939, at 10:30 a. m., for the consideration of H. R. 4535, H. R. 3367, H. R. 4403, and H. R. 4679.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m., on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAE), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal construction force.

Thursday, March 23, 1939:

H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal bills.

Tuesday, March 28, 1939:

H. R. 197, relating to the clearance of vessels; H. R. 199, relating to the allotment of wages by seamen; H. R. 200, relating to foreign towboats towing between American ports; H. R. 1780, relating to penalties on certain undocumented vessels and cargoes engaging in the coastwise trade or the fisheries; H. R. 1782, relating to change of masters of vessels.

Wednesday, March 29, 1939:

H. R. 198, relating to the measurement of vessels; and H. R. 132, authorizing the use of condemned Government vessels for breakwater purposes.

Tuesday, April 4, 1939:

H. R. 3209, making it a misdemeanor to stow away on vessels; H. R. 3398, regarding the down payment of construction of new vessels; H. R. 3935, relating to the discharge of seamen.

Wednesday, April 5, 1939:

H. R. 3052, uniform insignia for Naval Reserve radio operators.

COMMITTEE ON THE PUBLIC LANDS

There will be a meeting of the Committee on the Public Lands on Wednesday, March 15, 1939, at 10 a. m., in room 328, House Office Building, to consider H. R. 3794, to es-

tablish John Muir-Kings Canyon National Park, Calif., to transfer thereto the lands now included in the General Grant National Park, and for other purposes.

There will be a meeting of the Committee on the Public Lands on Thursday, March 23, 1939, at 10 a. m., in room 328, House Office Building, to consider H. R. 3759, to authorize a National Mississippi River Parkway and matters relating thereto.

COMMITTEE ON THE JUDICIARY

Beginning at 10 a. m. on Wednesday, March 22, 1939, there will be a hearing held before the Subcommittee No. 4 of the Committee on the Judiciary on House Joint Resolution 176, declaring the conservation of petroleum deposits underlying submerged lands adjacent to and along the coast of California, below low-water mark and under the territorial waters of the United States of America, essential for national defense, maintenance of the Navy, and regulation and protection of interstate and foreign commerce; reserving the same as a naval petroleum reserve, subject to any superior vested right, title, or interest; and authorizing appropriate judicial proceedings to assert, ascertain, establish, and maintain the right and interest of the United States of America in such reserve and to eject trespassers.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

493. A communication from the President of the United States, transmitting the draft of a proposed provision pertaining to the existing appropriation for the National Mediation Board for the fiscal year 1939 (H. Doc. No. 199); to the Committee on Appropriations and ordered to be printed.

494. A letter from the Secretary of the Navy, transmitting the draft of a proposed bill to authorize the Secretary of the Navy to remove a floating dry dock from the United States Naval Station, New Orleans, La.; to the Committee on Naval Affairs.

495. A letter from the Acting Secretary of Agriculture, transmitting the draft of a proposed bill to authorize the Secretary of the Treasury to make and carry out agreements of indemnity to banks paying him moneys to cover checks or drafts issued by such banks payable to the United States or an agency or officer thereof which have been or may be lost or destroyed; to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KING: Committee on Immigration and Naturalization. H. R. 159. A bill to amend an act entitled "An act relating to the naturalization of certain women born in Hawaii," approved July 2, 1932; without amendment (Rept. No. 122). Referred to the Committee of the Whole House on the state of the Union.

Mr. KING: Committee on Immigration and Naturalization. H. R. 160. A bill to permit alien wives of American citizens who were married prior to the approval of the Immigration Act of 1924 to enter the United States; without amendment (Rept. No. 123). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLAND: Committee on Merchant Marine and Fisheries. House Joint Resolution 110. Joint resolution to authorize Commander Henry Coyle, United States Coast Guard, to accept the decoration and diploma of the Marine Medal of Class 1 (gold), conferred upon him by the Government of Greece; without amendment (Rept. No. 121). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BYRNS of Tennessee:

H. R. 4771. A bill limiting working hours of pneumatic-tube-system employees to 8 in 10 hours a day; to the Committee on the Post Office and Post Roads.

H. R. 4772. A bill to provide time credits for substitutes in the pneumatic-tube service; to the Committee on the Post Office and Post Roads.

By Mr. COLLINS:

H. R. 4773. A bill to authorize the appropriation to the government of the Virgin Islands of the United States of taxes collected under the internal-revenue laws of the United States on liquors and other articles imported into the United States from the Virgin Islands; the return to the producers in the Virgin Islands of the benefit payments on sugar exported from the Virgin Islands to the United States under an act of Congress known as the Sugar Act of 1937; and also, the repeal of the export duty tax on sugar in St. Croix, V. I.; to the Committee on Ways and Means.

By Mr. DARDEN:

H. R. 4774. A bill providing for the acquisition of additional lands for the United States marine hospital at Norfolk, Va.; to the Committee on Public Buildings and Grounds.

By Mr. DEMPSEY:

H. R. 4775. A bill to provide for granting to the State of New Mexico an easement with respect to certain lands in New Mexico; to the Committee on the Public Lands.

By Mr. DIMOND:

H. R. 4776. A bill to amend section 6 of the Organic Act of Alaska; to the Committee on the Territories.

By Mr. IZAC:

H. R. 4777. A bill to extend the provisions of section 3255 of the Revised Statutes to cantaloups; to the Committee on Ways and Means.

By Mr. OSMERS:

H. R. 4778. A bill to provide for the establishment of a national monument on the site of Camp Merritt, N. J.; to the Committee on the Public Lands.

By Mr. TENEROWICZ:

H. R. 4779. A bill to permit deductions for income-tax purposes of doctor's and dentist's fees, hospital, and funeral expenses; to the Committee on Ways and Means.

By Mr. THORKELSON:

H. R. 4780. A bill to provide for studies and plans for the development of irrigation and reclamation projects in the Bitter Root Valley in Montana; to the Committee on Irrigation and Reclamation.

By Mr. BLAND:

H. R. 4781 (by request). A bill to incorporate the Union Church of the Canal Zone; to the Committee on Merchant Marine and Fisheries.

By Mr. CELLER:

H. R. 4782. A bill to provide for the appointment of public defenders in the district courts of the United States; to the Committee on the Judiciary.

By Mr. FADDIS:

H. R. 4783. A bill to provide a right-of-way; to the Committee on Military Affairs.

H. R. 4784. A bill to provide a right-of-way; to the Committee on Military Affairs.

By Mr. GREGORY:

H. R. 4785 (by request). A bill to provide a differential in pay for night work by pneumatic-tube-system employees in the Postal Service; to the Committee on the Post Office and Post Roads.

H. R. 4786 (by request). A bill to extend the provisions of the 40-hour law to pneumatic tube system employees in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. HAVENNER:

H. R. 4787. A bill to amend section 302 of the Tariff Act of 1930 (46 Stat. 686; 26 U. S. C. 1481b), as amended, so as

to exempt Guam and American Samoa from internal-revenue taxes; to the Committee on Ways and Means.

By Mr. KEAN:

H. R. 4788. A bill to incorporate the Pocket Testament League; to the Committee on the District of Columbia.

By Mr. KING:

H. R. 4789. A bill to authorize a preliminary examination and survey of certain rivers and their tributaries on the island of Oahu, T. H., for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

H. R. 4790. A bill to authorize a preliminary examination and survey of the Wailoa stream and its tributaries on the island of Hawaii, T. H., for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. PFEIFER:

H. R. 4791. A bill to establish a Department of Health; to the Committee on Expenditures in the Executive Departments.

By Mr. RANDOLPH:

H. R. 4792. A bill to regulate the practice of professional engineering and creating a board for licensure of professional engineers in and for the District of Columbia; to the Committee on the District of Columbia.

By Mr. GRANT of Alabama:

H. R. 4793. A bill to provide for discontinuance of Government insurance payments upon judgment of a court of competent jurisdiction; to the Committee on World War Veterans' Legislation.

H. R. 4794. A bill to amend title III, World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

H. R. 4795. A bill to amend section 500, World War Veterans' Act, as amended; to the Committee on World War Veterans' Legislation.

By Mr. LEMKE:

H. R. 4796. A bill to relieve the destitute farmers in the drought area of the several States; for the resettlement and rehabilitation of the farmers in such area through the Farm Security Administration; and for other purposes; to the Committee on Agriculture.

By Mr. O'TOOLE:

H. R. 4797. A bill to fix the salaries of certain judges of the United States; to the Committee on the Judiciary.

H. R. 4798. A bill to prevent and make unlawful the practice of law before Government departments, bureaus, commissions, and their agencies by those other than duly licensed attorneys at law; to the Committee on the Judiciary.

By Mr. FISH:

H. R. 4799. A bill to regulate interstate and foreign commerce in agricultural products; to prevent unfair competition; to provide for the orderly marketing of such products; to promote the general welfare by assuring an abundant and permanent supply of such products by securing to the producers a minimum price of not less than cost of production; and for other purposes; to the Committee on Agriculture.

By Mr. SIROVICH:

H. J. Res. 194. Joint resolution providing for investigation of conditions pertaining to lascar seamen; to the Committee on Merchant Marine and Fisheries.

By Mr. SECREST:

H. J. Res. 196. Joint resolution to authorize the painting of The Signing of the Constitution for placement in the Capitol Building; to the Committee on the Library.

By Mr. CURLEY:

H. Res. 112. Resolution to pay to Charles Goodwin, husband of Catherine Goodwin, 6 months' compensation, and a sum not to exceed \$250 funeral expenses; to the Committee on Accounts.

By Mr. SMITH of Virginia:

H. Res. 113. Resolution authorizing an investigation of the milk industry in the District of Columbia; to the Committee on Rules.

By Mr. GEHRMANN:

H. Res. 114. Resolution to make H. R. 2371, a bill to regulate interstate and foreign commerce in agricultural products and to assure to the farmers of agricultural products a minimum price not less than the cost of production thereof, and for other purposes, a special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Indiana, memorializing the President and the Congress of the United States to consider their resolution with reference to House bill 2, known as the general welfare bill; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Idaho, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 4, with reference to the Lewis and Clark Highway; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of Indiana, memorializing the President and the Congress of the United States to consider their resolution with reference to General Pulaski's Memorial Day; to the Committee on the Judiciary.

Also, memorial of the Legislature of the State of Colorado, memorializing the President and the Congress of the United States to consider their Senate Joint Memorial No. 11, with reference to reciprocal taxation; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Vermont, memorializing the President and the Congress of the United States to consider their House Joint Resolution 26, with reference to investigation of monetary system of the United States; to the Committee on Rules.

Also, memorial of the Legislature of the State of New Mexico, memorializing the President and the Congress of the United States to consider their House Joint Memorial No. 3, with reference to erection of an additional building in Santa Fe to house United States Government departments and employees located in Santa Fe; to the Committee on Public Buildings and Grounds.

Also, memorial of the Legislature of the State of Minnesota, memorializing the President and the Congress of the United States to consider their Resolution No. 7, House File No. 130, with reference to low-interest rate on farm loans; to the Committee on Agriculture.

Also, memorial of the Legislature of the State of Indiana, memorializing the President and the Congress of the United States to consider their Senate resolution with reference to the military record of George G. Waldrop; to the Committee on Military Affairs.

Also, a memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States to consider their House Concurrent Resolution No. 11, with reference to so-called submarginal lands; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 4800. A bill for the relief of Thomas P. Hogan; to the Committee on Naval Affairs.

H. R. 4801. A bill for the relief of Principio Amen; to the Committee on Claims.

By Mr. CARTWRIGHT:

H. R. 4802. A bill for the relief of Floyd Odom; to the Committee on Claims.

By Mr. CELLER:

H. R. 4803. A bill for the relief of Anna Kusintzow, nee Anna Shephard; to the Committee on Immigration and Naturalization.

By Mr. COLLINS:

H. R. 4804. A bill for the relief of the McClellan-Walters Funeral Home; to the Committee on Claims.

By Mr. CONNERY:

H. R. 4805. A bill for the relief of Lt. (Jr. Gr.) Svend J. Skou, United States Navy, retired; to the Committee on Naval Affairs.

H. R. 4806. A bill for the relief of William Francis Salisbury; to the Committee on Naval Affairs.

By Mr. CROWE:

H. R. 4807. A bill granting a pension to Clara B. Wright Hooper; to the Committee on Invalid Pensions.

By Mr. JONES of Ohio:

H. R. 4808. A bill granting a pension to Mina M. Leach; to the Committee on Invalid Pensions.

H. R. 4809. A bill granting an increase of pension to Anna Schurr; to the Committee on Invalid Pensions.

H. R. 4810. A bill granting an increase of pension to Sarah H. Reindehl; to the Committee on Invalid Pensions.

By Mr. McLEOD:

H. R. 4811. A bill to record the lawful admission to the United States for permanent residence of Motiejus Buzas and Bernice Buzas, his wife; to the Committee on Immigration and Naturalization.

By Mr. MALONEY:

H. R. 4812. A bill for the relief of Thomas C. Smith and others; to the Committee on Claims.

By Mr. MANSFIELD:

H. R. 4813. A bill for the relief of John L. Morkovsky, and the estates of Marie R. Morkovsky and Alphons Morkovsky, both deceased; to the Committee on Claims.

By Mr. MARTIN of Massachusetts:

H. R. 4814. A bill granting an increase of pension to Mary A. Doughty; to the Committee on Invalid Pensions.

By Mr. MAAS:

H. R. 4815. A bill for the relief of Henry J. Wise; to the Committee on Claims.

By Mr. OSMERS:

H. R. 4816. A bill for the relief of Christopher D. Eger; to the Committee on Military Affairs.

By Mr. PATRICK:

H. R. 4817. A bill for the relief of Jack Page; to the Committee on Military Affairs.

By Mr. THOMAS of New Jersey:

H. R. 4818. A bill for the relief of Col. John A. Berry; to the Committee on Claims.

By Mr. WELCH:

H. R. 4819. A bill to repeal the provisions of Private Law No. 347, Seventy-first Congress, pertaining to Victoria Kessel; to the Committee on Pensions.

By Mr. CLARK:

H. J. Res. 195. Joint resolution for the relief of International Manufacturers' Sales Co. of America, Inc., A. S. Postnikoff, trustee; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1535. By Mr. CARTER: Resolution of District Council, No. 2, Maritime Federation of the Pacific, requesting the House Merchant Marine Committee to report favorably on the Wallgren amendment to Act 301 (a), title (3) of the Merchant Marine Act of 1936; to the Committee on Merchant Marine and Fisheries.

1536. By Mr. COLE of Maryland: Resolutions passed by the House and Senate of the Maryland Assembly in reference to bills introduced in the Seventy-sixth Congress, House of Representatives; to the Committee on Interstate and Foreign Commerce.

1537. By Mr. CROWE: Memorial of the House of Representatives of the General Assembly of the State of Indiana, urging the Congress of the United States to pass appropriate legislation proclaiming October 11 of each year as General Pulaski's Memorial Day; to the Committee on the Judiciary.

1538. By Mr. CULKIN: Petition of the Chamber of Commerce, Watertown, N. Y., opposing enactment of House bill 188 and Senate bill 158 amending the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1539. Also, petition of the Woman's Christian Temperance Union, of Burlington, Wash., Ethel Hunt Davis, corresponding secretary, urging passage of the Capper-Culkin bills (S. 575 and H. R. 924) prohibiting the advertising of alcoholic beverages; to the Committee on Interstate and Foreign Commerce.

1540. Also, petition of the Woman's Christian Temperance Union, of Canastota, N. Y., urging enactment of legislation prohibiting the advertising of alcoholic beverages over the radio and in the press; to the Committee on Interstate and Foreign Commerce.

1541. Also, petition of the Canastota (N. Y.) Chamber of Commerce, John L. Robertson, president, opposing enactment of House bill 188 and Senate bill 158, amending the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1542. Also, petition of the Farwell & Rhines Co., Watertown, N. Y., Frank J. Rhines, president, opposing enactment of House bill 188 and Senate bill 158, amending the Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

1543. Also, petition of Union 747, United Brotherhood of Carpenters and Joiners of America, Oswego, N. Y., Herbert H. A. Fox, secretary, urging enactment of House bill 2; to the Committee on Ways and Means.

1544. Also, petition of the New York Petroleum Industries Committee of the Thirty-second Congressional District, New York, H. C. Fuller, Parish, N. Y., chairman, asking elimination of special Federal motorist taxes; to the Committee on Ways and Means.

1545. Also, petition of 37 members of the First Presbyterian Church of Theresa, N. Y., opposing the placing of church employees under the provisions of the Social Security Act; to the Committee on Ways and Means.

1546. Also, petition of the Chamber of Commerce, Watertown, N. Y., E. C. Gould, secretary, favoring strict economy in governmental affairs and protesting against continued increase in public expense; to the Committee on Ways and Means.

1547. Also, petition of the First Baptist Church, Pulaski, N. Y., the Reverend W. R. Rogers, pastor, signed by 35 members of the church, opposing the placing of church employees under the provisions of the Social Security Act; to the Committee on Ways and Means.

1548. By Mr. CURLEY: Letter of the Bronx Chamber of Commerce, opposing the enactment of all measures that invade the rate-making prerogatives of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

1549. Also, letter of the New York State Board of Housing, urging amendments to the Housing Act of 1937, as amended, to authorize the Housing Authority to issue and sell its obligations in an amount not to exceed \$800,000,000 in addition to the amount of such obligations heretofore authorized, and to enter into contracts providing for annual contributions aggregating \$45,000,000 per year in addition to contracts already authorized; to the Committee on Banking and Currency.

1550. Also, petition of the New York County Lawyers' Association of New York City, expressing disapproval of House bills 942 and 268, which seek to amend the banking laws; to the Committee on Banking and Currency.

1551. By Mr. FULMER: Concurrent resolution submitted by James H. Fowles, clerk, senate, house of representatives, Columbia, S. C., requesting the Congress of the United States to make provision for the repayment to farmers of taxes paid by them for exemption certificates into Government-sponsored pools; to the Committee on Agriculture.

1552. By Mr. KEOGH: Petition of the Chamber of Commerce of the State of New York, concerning the Federal

Food, Drug, and Cosmetic Act; to the Committee on Interstate and Foreign Commerce.

1553. Also, petition of the Chamber of Commerce of the State of New York concerning amendment to the Wagner Labor Act; to the Committee on Labor.

1554. Also, petition of the Chamber of Commerce of the State of New York concerning neutrality policy; to the Committee on Foreign Affairs.

1555. Also, petition of the Brillo Manufacturing Co., Brooklyn, N. Y., concerning further processing tax on coconut and palm oils; to the Committee on Ways and Means.

1556. Also, petition of the Second District Education Association, Spottsville, Ky., concerning House bill 3517; to the Committee on Education.

1557. Also, petition of the Fidelity Council, No. 135, Civil Service Forum, Long Island City, N. Y., concerning the McCormick-Green bill prohibiting the Federal Government from collecting retroactive taxes on salaries of State and municipal employees; to the Committee on Ways and Means.

1558. Also, petition of the executive department, division of housing, of the State of New York concerning the amending of the United States Housing Act of 1937; to the Committee on Banking and Currency.

1559. Also, petition of the American Concrete Contractors Association, Chicago, Ill., concerning Works Progress Administration; to the Committee on Ways and Means.

1560. Also, petition of the National Association of Real Estate Boards, Chicago, Ill., concerning amendments to be offered to the Federal Housing Administration; to the Committee on Banking and Currency.

1561. By Mr. LEAVY: Petition of the Commercial Club of Odessa, Wash., signed by Sol Reiman, president, and J. J. Galle, secretary, pointing out the strategic advisability of providing protection for the several valuable military units and natural assets situated in the area, including Bonneville and Grand Coulee Dam, now vulnerable to attack, and urging location of one of proposed new Army air bases in the interior of the Pacific Northwest, in order to afford the necessary defense of said military units and supplies for the national welfare; to the Committee on Military Affairs.

1562. By Mr. LEWIS of Colorado: Senate Joint Memorial No. 11, of the Thirty-second General Assembly of the State of Colorado, urging enactment into law of measures providing for the reciprocal taxation of the incomes of State and Federal employees by the States and the Federal Government; to the Committee on Ways and Means.

1563. By Mr. MARSHALL: Petition of Mount Carmel Baptist Church of Cincinnati, Ohio, opposing the proposed extension of the Social Security Act to include churches and other religious bodies; to the Committee on Ways and Means.

1564. Also, petition of the United Rubber Workers of America, Firestone Local No. 7, relative to not amending the National Labor Relations Act; to the Committee on Labor.

1565. By Mr. MARTIN J. KENNEDY: Telegram from the delegate of the clerks of post-office station J, New York City, urging passage of House bill 3812; to the Committee on the Post Office and Post Roads.

1566. Also, letter from Unity Council, No. 6, Junior Order United American Mechanics of Rosedale, Long Island, N. Y., protesting against the passage of Senate Joint Resolution 64 concerning the admission to the United States of refugee children from Germany; to the Committee on Immigration and Naturalization.

1567. Also, letter from the Institute of Carpet Manufacturers of America, Inc., New York City, expressing opposition to House bill 944 entitled "Wool Products Labeling Act of 1939" as applies to the manufacture of carpets and rugs; to the Committee on Interstate and Foreign Commerce.

1568. Also, letter from Firth Carpet Co., of New York City, expressing opposition to House bill 944, wool products bill, apparently drawn to cover the clothing and garment industry, and entirely impractical to the carpet and rug industry; to the Committee on Interstate and Foreign Commerce.

1569. Also, telegram from the delegate of the carriers of post-office station J, New York City, urging passage of House

bill 3812; to the Committee on the Post Office and Post Roads.

1570. By Mr. MUNDT: Petition of the South Dakota Legislature, known as House Concurrent Resolution No. 11, asking the Congress of the United States to either secure departmental rulings or to enact legislation providing for reimbursement to counties and their several units for funds lost by the withdrawal of so-called submarginal lands from taxation; to the Committee on Ways and Means.

1571. Also, petition of the South Dakota Legislature, known as House Concurrent Resolution No. 13, asking the Congress of the United States to provide by law for the creation of a special claims committee to meet with the Sioux Indians of South Dakota to effectuate prompt settlement of individual or tribal Indian claims presented and filed under the laws and treaties of the United States; to the Committee on Indian Affairs.

1572. Also, petition of the South Dakota Legislature, known as Senate Concurrent Resolution No. 12, asking the Congress of the United States to pass legislation for the control and eradication of noxious weeds; to the Committee on Agriculture.

1573. By Mr. PFEIFER: Petition of the Brillo Manufacturing Co., Inc., Brooklyn, N. Y., protesting against increased tax as proposed in the Connally and Bailey amendment to House bill 3790; to the Committee on Ways and Means.

1574. Also, telegram of the National Federation of Post Office Clerks, Local No. 251, Brooklyn, N. Y., urging support and passage of House bill 3812; to the Committee on the Post Office and Post Roads.

1575. Also, petition of the Izaak Walton League of America, Inc., Chicago, Ill., urging the passage of House bill 4170 to prevent pollution of the navigable waters of the United States; to the Committee on Rivers and Harbors.

1576. Also, petition of the New York State Division of Housing, Albany, N. Y., urging support of bill to amend the United States Housing Act of 1937; to the Committee on Banking and Currency.

1577. By Mr. PLUMLEY: Resolution of the Vermont Legislature, recommending immediate and thorough study by Congress through a special committee of the monetary system of this country with a view to correcting evils and bringing about a better monetary system; to the Committee on Banking and Currency.

1578. By Mr. POLK: Petition of the Central Baptist Church, of Portsmouth, Ohio, signed by its pastor, Rev. W. M. Hart, and by the church clerk, Ruth Davis, unanimously opposing the recommendation of the advisory council to place employees of religious organizations under the Social Security Board and urging we stick to the time-tested American principle of complete separation of church and State; to the Committee on Ways and Means.

1579. By Mr. RISK: Joint resolution of the General Assembly of the State of Rhode Island, requesting the Senators and Representatives in the Congress of the United States to oppose the movement for a Federal tax on State bonds which in definite form is now pending before the Committee on Intergovernmental Taxation, at Washington, D. C.; to the Committee on Ways and Means.

1580. By Mr. SANDAGER: Joint resolution of the Rhode Island General Assembly, opposing the movement for a Federal tax on State bonds; to the Committee on Ways and Means.

1581. By Mr. THOMAS of New Jersey: Letter signed by the women of the Flemington (N. J.) Baptist Church, registering their protest against the establishment and continued maintenance of camps at Andover, N. J., and at Glen Gardner, N. J., by the German-American Bund; to the Special Committee on un-American Activities.

1582. By Mr. WELCH: Resolution adopted by Board of Supervisors of the City and County of San Francisco, memorializing Congress to use San Francisco Bay as the base and headquarters for one-half of the United States Fleet; to the Committee on Naval Affairs.

1583. By the SPEAKER: Petition of the Alumni Association of the University of Alabama, University, Ala., petitioning consideration of their resolution with reference to Federal Social Security Act; to the Committee on Ways and Means.

1584. Also, petition of the American Committee for Protection of Foreign Born, New York City, petitioning consideration of their resolution with reference to naturalization and on right of asylum; to the Committee on Immigration and Naturalization.

1585. Also, petition of the New Orleans Association of Commerce, New Orleans, La., petitioning consideration of their resolution with reference to the Dies congressional committee; to the Committee on Rules.

1586. Also, petition of the Alabama Education Association, Montgomery, Ala., petitioning consideration of their resolution with reference to education; to the Committee on Education.

1587. Also, petition of the Central Trades and Labor Assembly, Tampa, Fla., petitioning consideration of their resolution with reference to embargo; to the Committee on Foreign Affairs.

1588. Also, petition of the Nebraska State Water Conservation Congress, Hastings, Nebr., petitioning consideration of their resolution with reference to proposed public power and irrigation projects; to the Committee on Flood Control.

1589. Also, petition of the steel workers organizing committee of the Committee for Industrial Organization, Inland Lodge, No. 1010, East Chicago, Ind., petitioning consideration of their resolution with reference to minimum-wage order; to the Committee on Labor.